

**Kevin P. Watson**  
City Administrator

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**The City of Vadnais Heights**  
800 East County Road E  
Vadnais Heights, MN 55127

## *Memorandum:*

TO: Mayor Gunderson and City Council Members

FROM: Kevin P. Watson, City Administrator

DATE: January 5, 2021

SUBJECT: VHEDC contract request

### **Recommendation**

Advise VHEDC and Staff on how to proceed.

### **Background**

Liz Moscatelli, VHEDC Executive Director, will be providing an overview presentation on the services VHEDC provides to the business community.

VHEDC has approached the City about reconfiguring our agreement with them. Unfortunately, neither the City or VHEDC are able to locate the previous contract. That said, this is probably a healthy exercise to reanalyze the service provided and proceed accordingly. Past payments to VHEDC are as follows: 2015, \$5050; 2016, \$7790; 2017, \$8726; 2018, \$9176; 2019, \$7600. Please consider that this includes payments related to ala carte services, various City participants in their paid programs, individual dinners at their various annual events, etc. Hence why the payments do not match from year to year. Our base payment has been \$7k the past few years.

VHEDC is a tremendous asset for the business community and the City organization. If we did not have VHEDC available in our community, the City would more than likely be providing many of these services they provide to our community. Having the ability to defer some of these responsibilities to VHEDC saves the City time and resources as it likely would require the City to have separate employee focus on these goals.

VHEDC is requesting to more or less double their current rate to \$15k. They provided an analysis of value provided to the community. Recognizing the return on investment, City staff believe their modest request is prudent.

### **Attachments**

- Letter of request from VHEDC President, Ed Jambor
- Analysis of benefits received



The VHEDC is a group of business leaders engaging with community stakeholders to enhance the economic vitality of our community.

December 8, 2020

City of Vadnais Heights  
800 East County Road E  
Vadnais Heights, MN 55127

Dear Mayor Gunderson and City Council Members:

We have appreciated the financial and collaborative support of VHEDC and its many initiatives that benefit the businesses of our community. Below are services provided by VHEDC:

- Providing business support and resources to businesses, and advocate for business interests. Assist the City in sharing communication.
- Refer business owners that want to move to VH or expand their business to City Development team.
- Produce weekly BizNews and multiple social media posts highlighting business information, local updates and opportunities to connect.
- Provide networking opportunities for our local business community by hosting mixers, golf events, annual dinners and committee involvement. Welcome new businesses to the area and invite them to participate in VHEDC activities.
- Conduct numerous training opportunities for Women in Leadership, North Metro Young Professionals (NMYP), business owners, nonprofits and educators. NMYP's engage 10-15 young professionals each year during a year-long program that grooms them to be leaders and volunteers in the community they live and work, and is facilitated by a professional development coach.
- Provide resources and communication to the businesses in regard to recent COVID PPP, temporary City permits, and general templates on COVID safety.
- Host recognition events such as Rising Star, Business Leader and Business Awards.
- Market the City through Northeast Metro Business Magazine which showcases the programs administered by VHEDC and our vibrant business economy.
- Support nonprofit organizations especially during this year by serving as a conduit for their networking and interaction during an extremely challenging year.
- Continue Business Retention and Expansion visits for 2021.
- Facilitate manufacturing grant from Department of Labor Youth Skills Training which engages students in real-life work experiences in the sector that helps our local manufacturers.
- Executive Director attends Ramsey County Economic Development Summits, county project meetings such as MNDOT updates, legislative roundtables, Rush Line Rapid Bus Transit meetings to share information with businesses.
- Engage Investors through *Human Resources Connections* group to support HR professionals at our businesses and serve as a way to educate and integrate HR practices at businesses that have a small HR department..
- Promote county and state initiatives like BizRecycling and Open To Business.
- Coordinated a variety of committees including the Garceau Task Force.

In consideration of these services, VHEDC would like you to consider increasing the City's 2021 annual contribution to VHEDC to \$15,000. Thank you to the City for your ongoing support.

Sincerely,

Ed Jambor, VHEDC Board President

#### 2020 Board of Directors

Ed Jambor, President  
Lake Area Bank

Scott Haupt, Vice President  
Short Elliott Hendrickson

Joy Vander Heiden, Secretary  
Ehlers

Brian Deuel, Treasurer  
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Eric Johannes, Past President,  
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Jill Funck  
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Xcel Energy

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Cummins

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Sara Stafki  
F&M Bank

Kyle Sommer  
Toshiba Business Solutions

Katie Swenson  
Century College

Rob Thomas  
Lakeshore Area Players

Thomas Voegelé  
8x8

Marty Welch  
Children's Discovery Academy

Kevin Whelan  
Peoples Bank Midwest

Mike Enright, Advisor  
Cities Credit Union

Gerry Urban, Advisor  
Urban's Farm & Greenhouses

Vadnais Heights Economic Development Valuation Analysis			\$ 46	Assumed Hourly Rate
Economic Development	Annual Hours	Annual Hours x Hourly Rate	Contract Work & Volunteers	TOTAL BENEFIT
Business Retention & Expansion Meetings with local businesses, nonprofits, education and health sectors. Including prep, meeting, follow-up and written review. Twenty VHEDC board members volunteer to attend the BR&E meetings.	72	\$ 3,312	\$ 2,000	\$ 5,312
Northeast Manufacturing Education grant to promote real-life manufacturing work experience to high school students.	150	\$ 6,900	\$ 8,000	\$ 14,900
Northeast Metro Magazine production. Writer \$3,500, graphic design, sales team, production, distribution.	325	\$ 14,950	\$ 3,500	\$ 18,450
Annual Keith Warner Memorial Golf Tournament engaging over 20 businesses and 144 golfers. Including over 20 volunteer Investors. Photographer \$500.	200	\$ 9,200	\$ 5,500	\$ 14,700
Weekly BizNews communication sharing information from businesses, nonprofits and local events benefitting the economic vitality of Vadnais Heights. Send out breaking news emails to relevant sectors of Investors and nonprofits. Create social media posts and develop ads in Canva.	416	\$ 19,136		\$ 19,136
Develop, promote, market and create recognition events to honor the business leaders, nonprofits and "Rising Stars". Engage eight volunteers to read nominations, plan event, host event and present awards. Hire videographer to record the winning videos \$3,000	120	\$ 5,520	\$ 3,000	\$ 8,520
Attend Ramsey County Economic Development Summits.	16	\$ 736		\$ 736
Create and update various pages on website such as COVID-19 Resources pages.	60	\$ 2,760		\$ 2,760
Workforce advocacy for Investors and nonprofits HR issues, challenges during COVID and general communication to train, educate and network with others. Six volunteers help with this advocacy and training during the year.	120	\$ 5,520	\$ 2,400	\$ 7,920

Annual Dinner event bringing together 250 local business owners, related staff and partners. Planning, promotion, Twenty volunteers work on this event. Technical support at event \$500.	300	\$ 13,800	\$ 5,500	\$ 19,300
Welcome new businesses to the area. Assist City in relocation and expansion plans.	100	\$ 4,600		\$ 4,600
North Metro Young Professionals cohort works with young professionals ages 18-35 with workforce training, personal development and growth in their chosen field. Several volunteers speak and invite the NMYP cohort to their office or business for tours and Q&A. Outside consultant, Hoglund Coaching \$3,000.	40	\$ 1,840	\$ 4,000	\$ 5,840
Investor Mixers during the year to bring VHEDC and local business leaders together.	30	\$ 1,380		\$ 1,380
		\$ -		\$ -
		\$ -		\$ -
	1,949	\$ 89,654	\$ 33,900	\$ 123,554