

November 18, 2024

Chris Volkers
City Administrator
City of Oakdale

Andrew Gitzlaff
Community Development Director
City of Oakdale

RE: Business Retention, Expansion and Attraction Program Report

Dear Ms. Volkers and Mr. Gitzlaff:

We are pleased to present our findings from the 2024 Business Retention and Expansion Program for the City of Oakdale. The program successfully conducted visits with 12 employers in the City in partnership with the Oakdale Area Chamber of Commerce and the City of Oakdale Economic Development Commission. In addition to gathering a set of data that will prove useful in future policy and planning conversations, we had the opportunity to start or strengthen relationships with these businesses and thank them for investing in the City of Oakdale.

We know that retaining and facilitating the expansion of existing businesses is an important part of any city's economic development plan. We commend the City of Oakdale for having the foresight to proactively work to retain your existing base of businesses. We believe we have been successful in achieving the 4 goals set out by the City of Oakdale in advance of this effort:

1. Express appreciation to local businesses and build positive and mutually beneficial relationships.
2. Support local businesses by connecting them with resources for their growth and success.
3. Understand real estate and investment plans of local employers and their needs. Identify where support or intervention is needed.
4. Understand how city policy and practices impact business success and how to create and maintain a business-friendly environment in Oakdale.

The City of Oakdale is home to a diverse collection of companies at all stages of growth. We had the opportunity to strengthen relationships and learn from many of these companies. Some key findings include:

Business Trends and Facilities

- Overall business is good - 90% of businesses have reported that they are poised for growth and have mostly recovered from COVID.
- The majority of businesses surveyed are planning for some sort of capital improvement ranging from expansion, facade improvements, or addressing deferred maintenance.
- For retail-facing businesses, signage and marketing are desired investments.
- Most businesses were not aware of local government programs to support them but were interested in learning more about these resources.

Workforce

- 100% of businesses surveyed either planned to hire or keep labor levels stable in the next year.
- Entry level positions were the most difficult to fill and retain.
- Only 50% of businesses reported difficulties hiring for specific roles.

Transportation and Transit

- Oakdale businesses feel well-served by the city and region's road network.
- Oakdale is very conveniently located – a competitive advantage for the city.
- The City is very car dependent and most businesses assume employees and customers will primarily continue to use personal vehicles to access their business.
- Transit investments and improved pedestrian amenities would be welcomed by businesses for attracting more employees and customers. However, the impact of transit service on their business varies by location.

Community Satisfaction and Connectedness

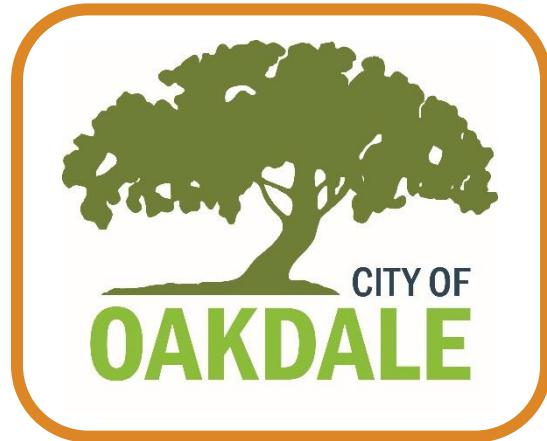
- Businesses surveyed felt that Oakdale is generally a business-friendly city. They appreciate positive working relationships and access to city leaders.
- While some employers mentioned public safety as a concern, all agreed that the city's police and fire services are very responsive.
- Areas that the city could improve upon are increased communication with employers, as well as investing in landscaping and encouraging upkeep of both public and private property.

In the following report you will find an overview of the Business Retention and Expansion Program, a complete set of data and information collected through the 12 business visits accomplished, and recommendations to consider.

It has been a great pleasure to work with participants of the BRE program and members of the city staff in executing this important work. If you have any questions about the information contained in this report please contact Tong Thao at 763-742-5095 or Tong@stpaulchamber.com.

Best Regards,

Tong Thao
Director of Business Development
St Paul Area Chamber of Commerce



Business Retention and Expansion Program Report

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BRE&A visit to Pace Analytical. From left to right, Bill Burns (OACC), Glen L, Marty Shelton (Vice President of Pace Analytical), Mayor Kevin Zabel, Chris Volkers (City of Oakdale).

BUSINESS RETENTION, EXPANSION AND ATTRACTION PROGRAM BACKGROUND

The St. Paul Area Chamber and Oakdale Area Chamber of Commerce appreciate the opportunity to partner with the City of Oakdale on Business Retention and Expansion. The scope of this work includes this report detailing the visit's findings and recommendations for next steps.

IMPORTANCE OF BUSINESS RETENTION, EXPANSION AND ATTRACTION (BRE&A)

Retaining and facilitating the expansion of existing businesses is a vital component of any city's strategic plan for economic development. Studies have shown that as much as 80 percent of new jobs created are by existing businesses rather than by new businesses attracted to a community. As the City of Oakdale is poised for population growth, it's essential to support relationships and develop policies that facilitate this economic growth in alignment with its goals and values.

With increasing pressures on businesses and rapidly changing market conditions, focusing on the growth of existing small to mid-sized businesses can be more efficient than enticing a new business to move into a community with public financing commitments or other public subsidies. However, larger redevelopment opportunities can be an opportunity to attract additional businesses to an area, especially if they are related to supply chain or somehow connected or complimentary to existing businesses.

PROGRAM OBJECTIVES

Business Retention, Expansion and Attraction programs set out to achieve a multitude of goals. Some of the goals identified by the City of Oakdale include:

- Express appreciation to local businesses and build positive and mutually beneficial relationships.
- Support local businesses by connecting them with resources for their growth and success.
- Understand real estate and investment plans of local employers and their needs. Identify where support or intervention is needed.
- Understand how city policies and practices impact business success and how to create and maintain a business-friendly environment in Oakdale.

PROGRAM ORGANIZATION AND LEADERSHIP

Executing a Business Retention, Expansion and Attraction program in a community takes a great deal of organization and leadership. Kim O'Brien and Tong Thao from the St Paul Area Chamber and the Oakdale Area Chamber of Commerce took the lead role in coordinating schedules between the businesses and with the Mayor, City Councilmembers, and Economic Development Commission (EDC) or Oakdale Area Chamber (OACC) members; and executing BRE&A visits. Andrew Gitzlaff, Community Development Director, was the city's lead staff on the Oakdale BRE&A program. All participants were excellent to work with.

The Oakdale BRE Program kicked off with a City Council Workshop in which goals of the program were agreed to and business selection and possible survey questions were discussed. Next, a recruitment and training process commenced for program participants. Meanwhile, the City of Oakdale took the opportunity to create additional "Thanks for Growing in Oakdale" statue gifts for businesses and refresh the City of Oakdale Business Resource Guide to leave behind. The city communication department worked closely with BRE program staff to highlight and post photos of the visits on the City's social media.

Follow-up with each business was a core goal of the program. The city wanted to ensure that the visits were beneficial to businesses and any questions or ideas that arose from surveys were addressed in a timely manner.

PROGRAM PARTICIPANTS

The Chamber would like to offer thanks to Mayor Zabel, the members of the City Council, members of the Economic Development Commission, members of the Oakdale Area Chamber of Commerce, City Staff, and other partners for their participation in the project. The project enjoyed wide support and participation from these bodies, which is critical for a project of this kind.

Oakdale City Council Members:

Mayor Zabel*
Councilmember Ingebritson*
Councilmember Moore
Councilmember Morcomb*
Councilmember Her*
Councilmember Willenbring

Economic Development

Commissioners:

Erin Voca
Jeff Bates
Frank Orsello
Stacie Penn*
Gary Severson
Robert Stiglich
Pang Vang
Tony Jenkins

Oakdale Area Chamber of

Commerce Board:
Eric Austin*
Sam Gilliland
Nathan Keech
Holly Koep
Paul Balfanz
Eric Morely
Marc Cove
Stacie Penn*
Tony Schwartz
Frank Orsello
Bill Burns*
John Larson
Larry Eberhard*
Angie Propp*
Terry Furlong*
Lori Pulkabrek

City Staff:

Chris Volkers*
Andrew Gitzlaff*
Maxwell Lohse
Lori Pulkabrek
SPAC Staff:
Kim O'Brien*
Tong Thao*

**Participated in visits in 2024*

BUSINESS SELECTION

Participants in the BRE program visited 12 businesses.

Recognizing that there is not the capacity to visit every business in the community, a strategy was developed to prioritize visits with the intent of gathering data and building relationships across a diverse cross section of Oakdale businesses. Using data from the Minnesota Secretary of State's office and Minnesota Department of Employment and Economic Development (DEED) we identified approximately 683 companies in the City of Oakdale (as of 2021). We narrowed down the list to identify prominent industry clusters within the city, as well as "key industries" as defined by Greater MSP (Health Care and Social Assistance; Manufacturing; Professional, Scientific, Technical Services; Hospitality; and Retail). Recognizing the important role that nonprofits play in our community, we have added nonprofits to our list of BREA visits.

In addition to key industries within the City, City and Chamber staff also decided to target businesses that fit within one or more of the below categories:

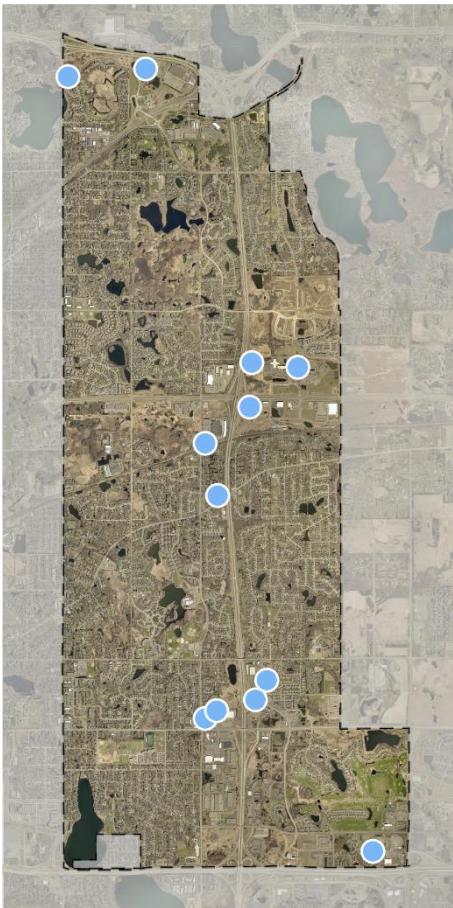
- Women-owned
- BIPOC-owned
- Legacy employers
- Geographic diversity

Many successful visits were made possible by existing relationships made through the Chamber. A few businesses in the manufacturing sector or new businesses in the city, were specifically targeted and offered an opportunity to introduce the Chamber to key employers.



BRE&A visit to Game Related. From left to right, See Cha (Owner), Mayor Kevin Zabel, and Bill Burns (OACC)

BUSINESSES VISITED



Retail, Restaurant or Service

- HOM Furniture
- Game Related
 - Women / BIPOC owned
- Central Bark
 - Women owned
- LA Fitness

Healthcare

- All Family Dental
- Canvas Health
- The Waters of Oakdale

Distribution

- Superior Third Party Logistics

Science & Technology

- Pace Analytical

Entertainment

- Marcus Oakdale Theatre

Nonprofit

- Open Cupboard

Real Estate

- 4Front Technology Campus

SURVEY ANALYSIS/ KEY FINDINGS

An identical survey was given to each business visited. Survey questions focused on these categories:

- Business Details
- Facilities Information and Investment Plans
- Workforce Issues
- Transportation and Transit Insights
- Community Satisfaction and Connectedness

BUSINESS DETAILS

- Industries Surveyed:
 - Retail, Restaurant or Service (4)
 - Health Care or Education (3)
 - Distribution (1)
 - Science & Technology (1)
 - Nonprofit (1)
 - Entertainment (1)
 - Real Estate (1)
- Age of Companies
 - Oldest business: Founded in 1935 (Marcus Theatre, opened in Oakdale in 2000)
 - Oldest business in current location: 1988 (All Family Dental)
 - Newest business: Opened in 2022 (Central Bark)
- Size of Workforce
 - Largest employers: Pace Analytical (220 FTE)
 - Honorable mentions:
 - Canvas Health (140 FTE / 327 FTE overall)
 - Smallest employer: Game Related (3 FTE)

FACILITIES AND INVESTMENT PLANS

- 7 owned / 5 leased
- Only 2 businesses did not plan on making any capital improvements.
- The 10 businesses planning on capital improvements:
 - 3 planned on expansions.
 - 3 planned on remodels.
 - 2 planned on facade improvements.
 - 1 planned to extend their lease.
 - 1 is building an additional location elsewhere.

WORKFORCE

- 90% planned to increase their workforce while only 10% planned for their workforce will be stable.
- 50% of employers find it difficult to fill open positions.
 - Notably: Bio-pharmacists, Director of Nursing, Mental Health Counselors, dental workers, and sales.
- Most employees come from 10-mile radius (Oakdale, Woodbury, St Paul, Hudson, and Stillwater).



*BRE&A visit to Marcus Oakdale Theater:
Dave Bresette (General Manager) and Council Member Noah Her*

TRANSPORTATION AND TRANSIT

- Oakdale is centrally located on interstate highways.
- 50% felt the current transportation system served their business well.
- 50% felt that a more connected system would serve their customers' and clients' needs well.
- Several businesses noted services like Metro Mobility and Uber as helpful options.
- The majority of workforce arrives to work by personal vehicle.
- 81% thought employees and customers would use transit if more accessible.
- Some are unsure if Gold Line investments would affect their employee and customer accessibility.

COMMUNITY SATISFACTION AND CONNECTEDNESS

- What do you appreciate about being located in Oakdale:
 - Centrally location in the East Metro with easy access to St. Paul and Woodbury. Convenient for employees, customers, and clients alike.
 - Close to major employers like 3M.
 - Community is large but still has the sense of a small community.
 - Community members are supportive of each other and businesses.
 - City of Oakdale has been responsive to the needs of the business community.
 - City staff are easy to work with. City inspector has helped catch improper construction from developers.
 - City has done a great job of cleaning public spaces, especially during winter.
 - Police and fire departments are responsive and active.
 - Local amenities like parks are well kept and welcoming.

- City has done a great job of keeping taxes low.
- What are some things you think the City could do to make Oakdale a better place to do business:
 - The most mentioned feedback was “Nothing.”
 - Don’t overregulate and keep developing thoughtfully.
 - Needs to build better city brand and reputation.
 - Needs better business support.
 - Partner with organizations that provide workforce resources.
 - Transit investments will help connect employees and customers to businesses.
 - Better traffic flow near new developments.



BRE&A visit to Canvas Health:

Khu Thao (CEO), Mayor Kevin Zabel, Julia Yach (Chief Development Officer), Councilmember Andy Morcomb, Tom Ruter (Chief Operating Officer)

2023 BREA RESULTS & IMPLEMENTATION

The 2023 BRE&A Report outlined recommendations for the City of Oakdale to help foster a better business environment. Recommendation one suggested that the City build connections with Tartan High School as well as community and technical colleges in an effort to help connect potential workers with Oakdale businesses. In response, the City has begun meeting with the school district more regularly to build relationships and collaborate on issues like population growth and its correlation to student enrollment. As the City continues to meet with the school district, staff will collaboratively explore how to bridge the gap between Oakdale employers and students at Tartan High School.

Recommendation two stated that the City should prioritize improving mobility and transit citywide in order to help employers access a broader pool of employees and clients. One major driver of progress for this recommendation is the METRO Gold Line. Now nearing the end of construction, the Gold Line is planned to open in March 2025, offering improved transit service to many businesses in Oakdale. In addition, City staff has been working with Metro Transit on new micro transit service for Oakdale and Woodbury. This will offer on-demand transit service to businesses and residents near bus rapid transit stations. Further, the City recently adopted the Oakdale Pedestrian and Bicycle Plan, which lays out future trail connections to help improve access to Oakdale businesses.

Recommendation three calls for the City to improve its communication with local businesses and begin marketing the City to businesses and visitors. In response, City staff created a business resources flyer and developed a program for delivering welcome packets for new businesses. Further, the City has continued utilizing the Oakdale Economic Development Commission as a way to connect with local business owners and support BRE&A visits. City staff has also worked directly with an Oakdale business, Pace Analytical, to apply for and receive the Minnesota Investment Fund and Job Creation Fund grants from the State. The City has not yet begun marketing itself as a destination, but has allocated funds for a new marketing effort in 2025.

Recommendation four suggested that the City should continue to maintain its close relationship with the Oakdale Chamber. In response, staff and elected officials have continued to attend Chamber meetings and events while supporting Chamber programming efforts. Additionally, the City plans to continue exploring how best to partner with the Chamber.

VISIT AND SURVEY GENERATED RECOMMENDATIONS

The visits and surveys yielded many actionable findings. It is recommended that the City concentrate on a select few items that proved to be the most prominent themes identified through the BRE&A Program.

RECOMMENDATION 1: WORKFORCE

Our visits indicate a stable operational environment, with some businesses planning moderate expansion in the coming year. Many are actively seeking employees across various roles, including sales, general staff, and skilled labor, with particular needs in healthcare, IT, and mental health services.

Opportunities for growth are available, with businesses looking to create pathways for career advancement in roles such as management and shift leads, allowing owners to step back from daily operations. There is also a focus on youth employment, with entry-level positions in customer service, delivery, and hospitality.

To support these needs, the city could work with the Chamber to establish partnerships with local educational institutions to develop targeted training programs, particularly for high-demand fields such as healthcare and IT. Additionally, the city could work with the Chamber to facilitate job fairs and youth outreach initiatives to connect local talent with entry-level opportunities, promoting on-the-job training and career development. By providing resources and coordinating hiring events, the city and chamber can help businesses meet their staffing needs while creating diverse employment opportunities for residents.

RECOMMENDATION 2: PUBLIC TRANSPORTATION

There are mixed opinions on transportation accessibility, with some businesses expressing concerns about the adequacy of public transit options for their clients and staff. Many businesses rely on car access, with employees and customers typically driving. Public transportation, such as Metro Mobility and regular route bus services, is beneficial for clients, particularly elderly and non-driving patients, but accessibility issues persist. The new Gold Line stations and other transit investments are anticipated, but their impact on local business remains uncertain, and improvements, such as closer bus stops and pedestrian-friendly crosswalks, are desired to better serve customers and staff.

To address these concerns, the city could enhance transportation accessibility by advocating for transit stops closer to key business locations and implementing pedestrian infrastructure improvements, such as crosswalks, in high-traffic areas. Collaborating with transit authorities to increase bus routes and frequency, particularly near senior care facilities and businesses serving non-driving clients, could make public transportation a more viable option. Additionally, the City can generally improve business accessibility via transit by supporting the upcoming Metro Microtransit service for Woodbury and Oakdale as well as advocating for new routes to provide greater connectivity to METRO Gold Line stations. By prioritizing these enhancements, the city can better accommodate the transportation needs of local businesses and their clientele, supporting continued growth and accessibility.

RECOMMENDATION 3: BUSINESS IMPROVEMENT

The survey indicates that businesses are considering various property improvements and potential expansions, though most projects are focused on maintenance and minor renovations. Many businesses are not planning significant expansions in the short term but are interested in updates such as exterior improvements, parking lot enhancements, and interior renovations. Some businesses have long-term plans to expand such as potential space leases and opening new branches, while others prioritize deferred maintenance and smaller upgrades like carpet and lobby refurbishments.

To support these businesses, the city could offer incentives for property enhancements, such as façade improvement grants or low-interest loans for capital improvement. Additionally, providing guidance on permitting and zoning for expansions and renovations could facilitate smoother transitions for businesses looking to expand their physical footprint. By assisting businesses with these improvements, the city can help enhance the overall appeal and functionality of commercial spaces, fostering a more vibrant and inviting business environment.



BRE&A visit to Superior Third Party Logistics: Andrea King (Account Manager), Andrew Gitzlaff (Oakdale), Councilmember Jake Ingebrigtsen, Larry Eberhard (OACC), and Christopher Wyffels (President).

RECOMMENDATION 4: COMMUNITY

Businesses expressed an overall positive sentiment about Oakdale's location, community atmosphere, and city services, with businesses appreciating its central position, ease of access, and supportive public services. Many find Oakdale's proximity to major employers, freeways, and other metro areas beneficial for attracting clients and staff. The community's small-town feel, coupled with accessible public services like police patrols and responsive city inspectors, enhances the perception of safety and convenience. Businesses also value Oakdale's business-friendly environment, efficient permitting processes, and involvement in local events like parades and fairs.

To build on these strengths, Oakdale could further enhance business visibility and access by maintaining clear boulevards, improving signage, and providing regular construction updates. The city would also improve by creating a more robust marketing campaign or branding to attract visitors to Oakdale. The city might also consider hosting additional business events, such as a fall or winter expo, to foster a stronger local business identity and drive increased traffic to Oakdale businesses.

CONTACT INFORMATION

ST. PAUL AREA CHAMBER WORKSTREAM

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Saint Paul, MN 55101 651.223.5000
www.stpaulchamber.com

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Director of Business Development
(651) 265-2767
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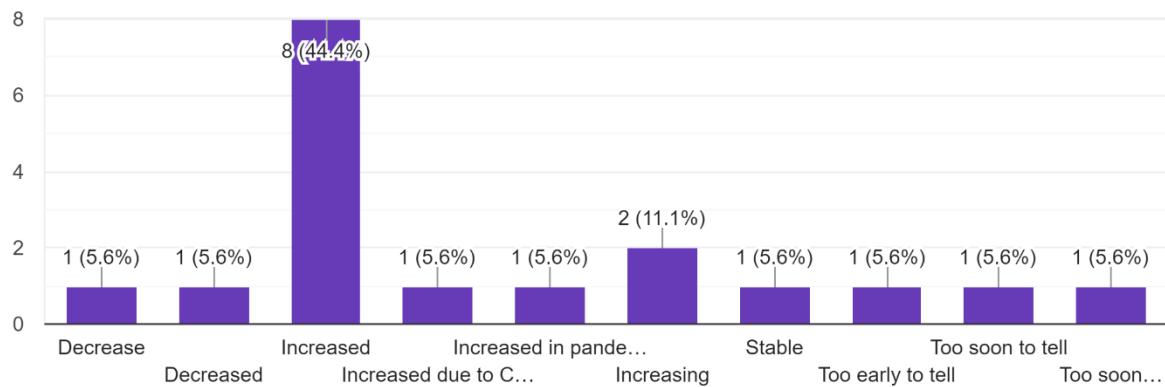
APPENDIX A – BRE&A SURVEY RESULTS

**Note: Some data points have been changed or represented differently.*

2023

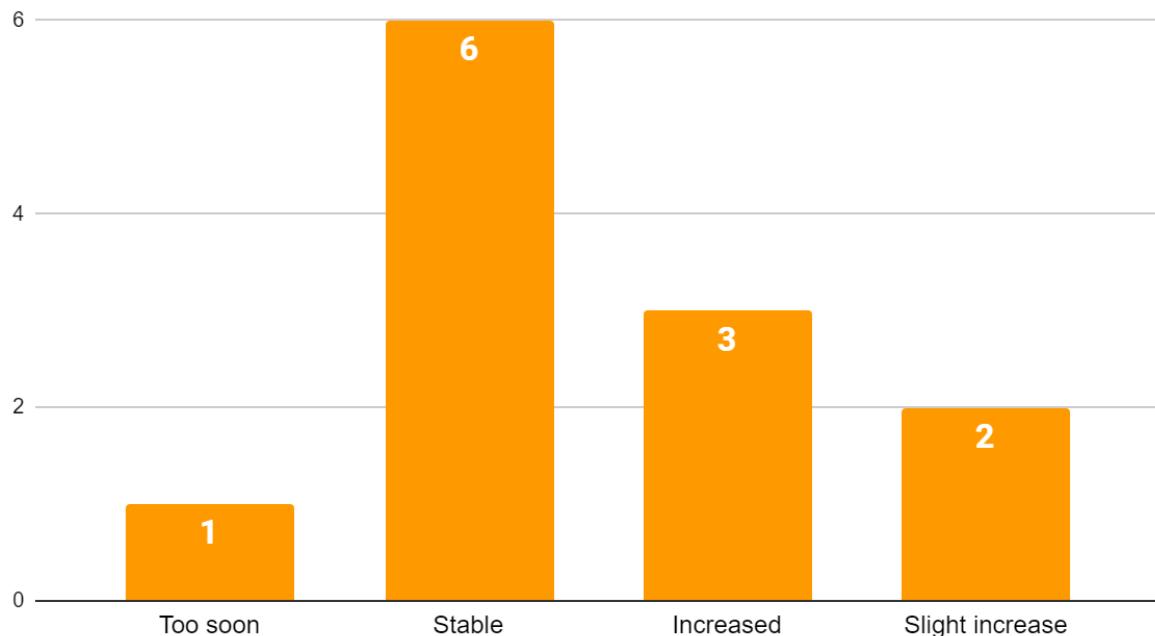
How has business been this year? How does it compare to last year?

18 responses



2024

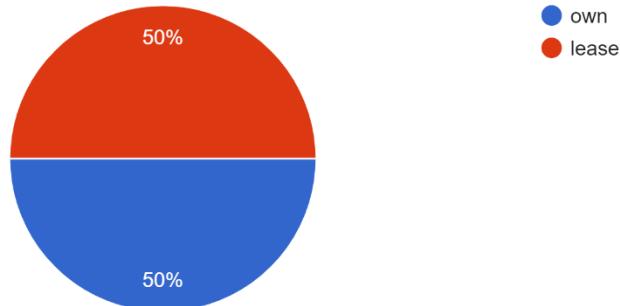
How has business been this year compared to last year?



2023

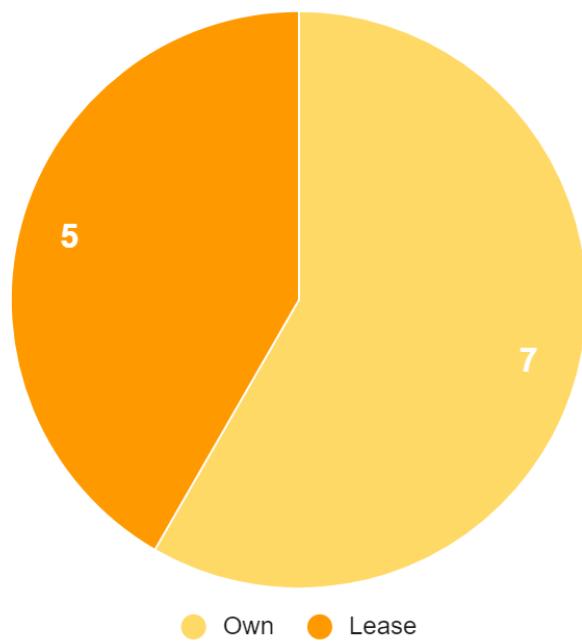
Do you own or lease the space?

18 responses



2024

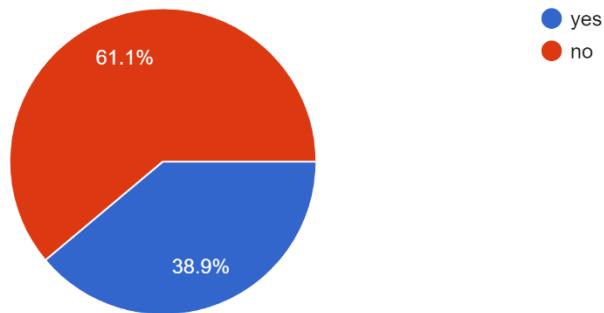
Do you own or lease the space?



2023

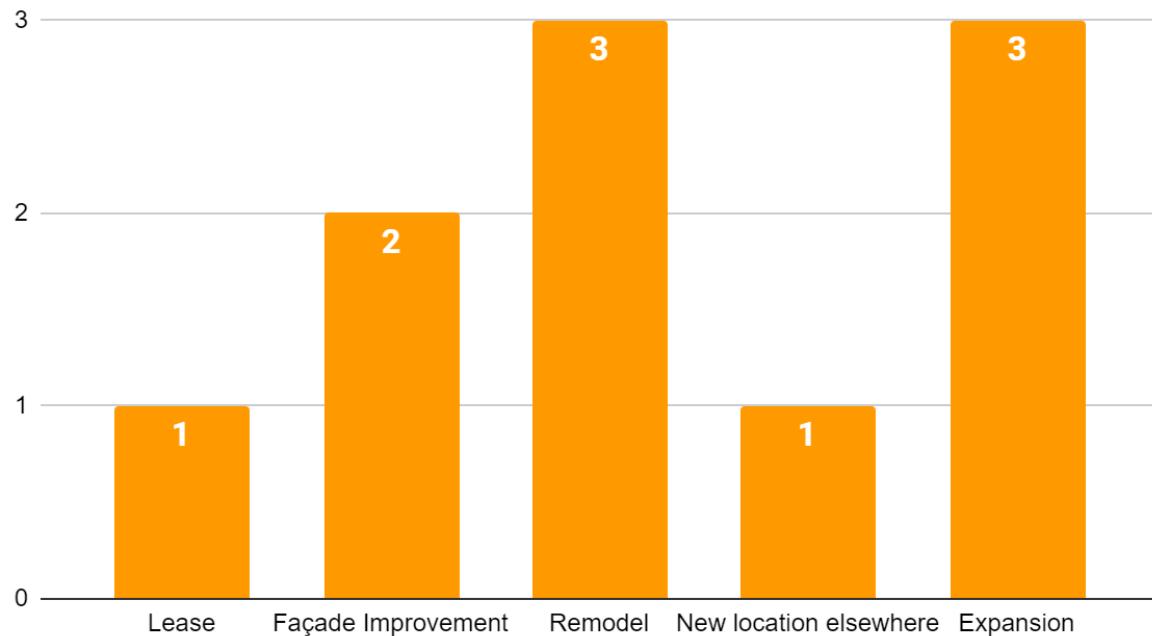
Do you plan to make any capital investments?

18 responses



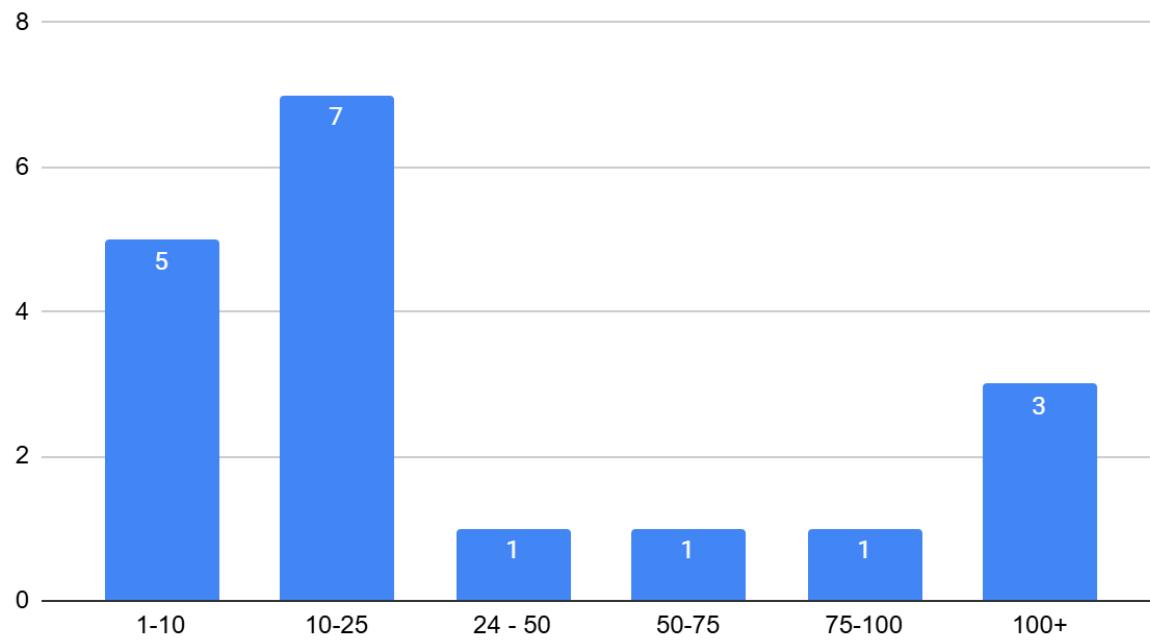
2024

What types of improvement you plan to do?



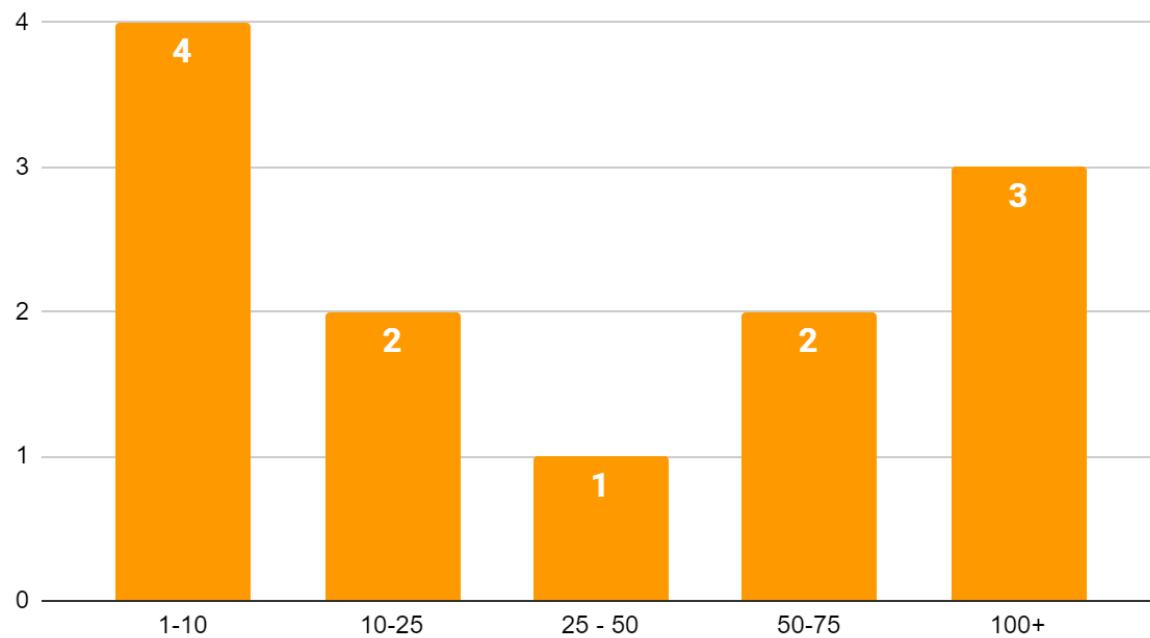
2023

Total Employee size in Oakdale



2024

Total employee size in Oakdale

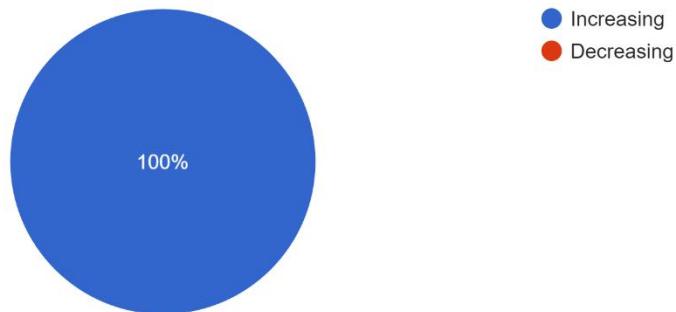


Workforce

2023

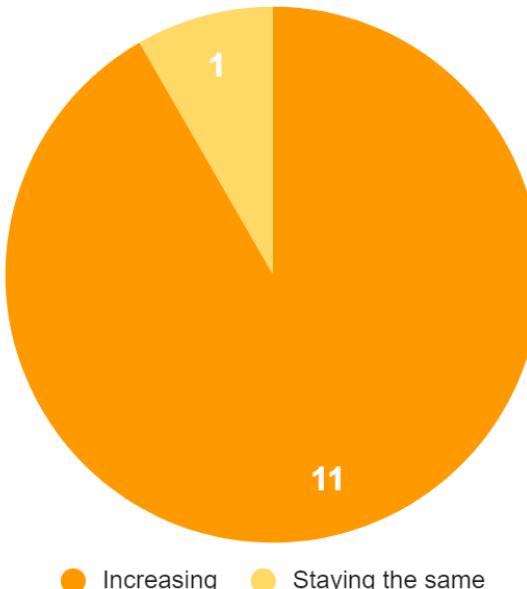
Do you anticipate that number increasing/staying the same or decreasing next year?

18 responses



2024

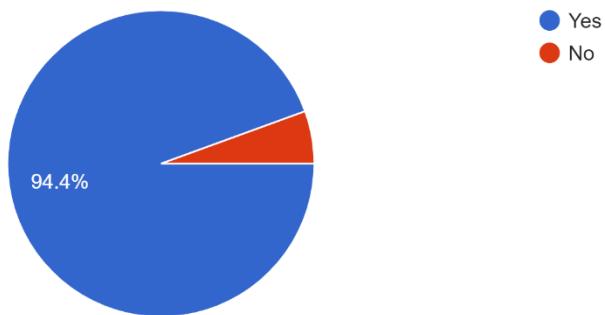
Do you anticipate that number increasing, staying the same, or decreasing next year?



2023

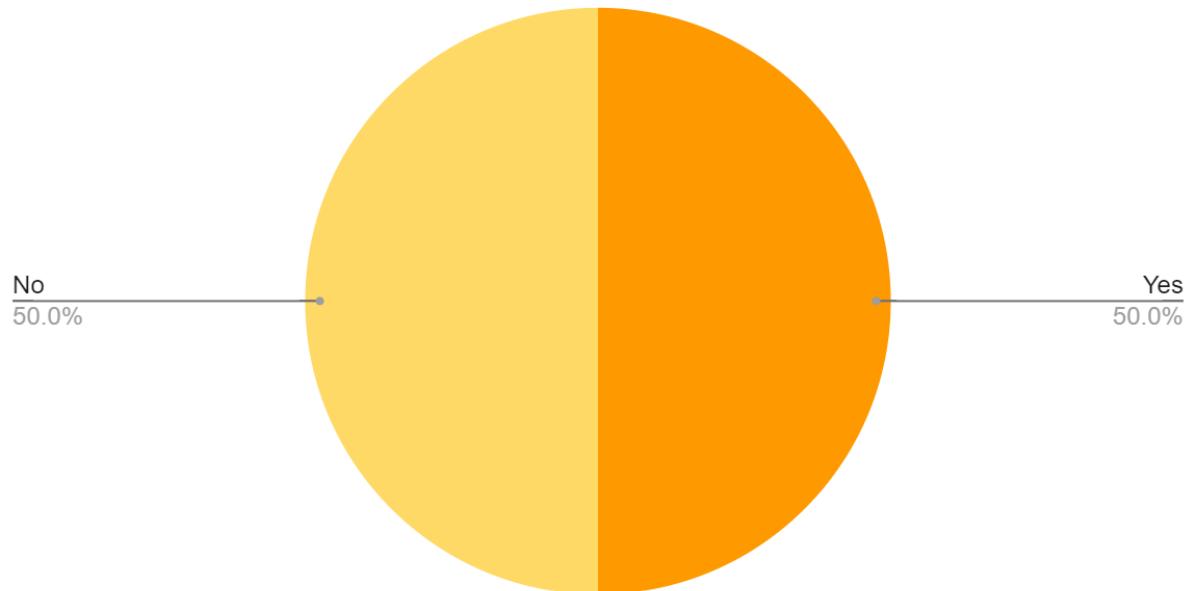
Does the existing transportation network adequately serve your business?

18 responses



2024

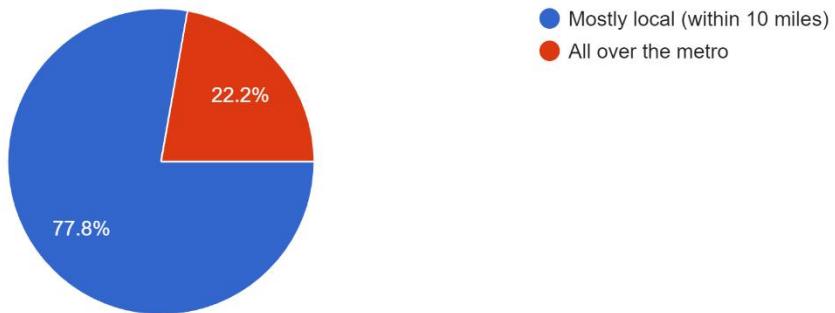
Does the existing transportation network adequately serve your business?



2023

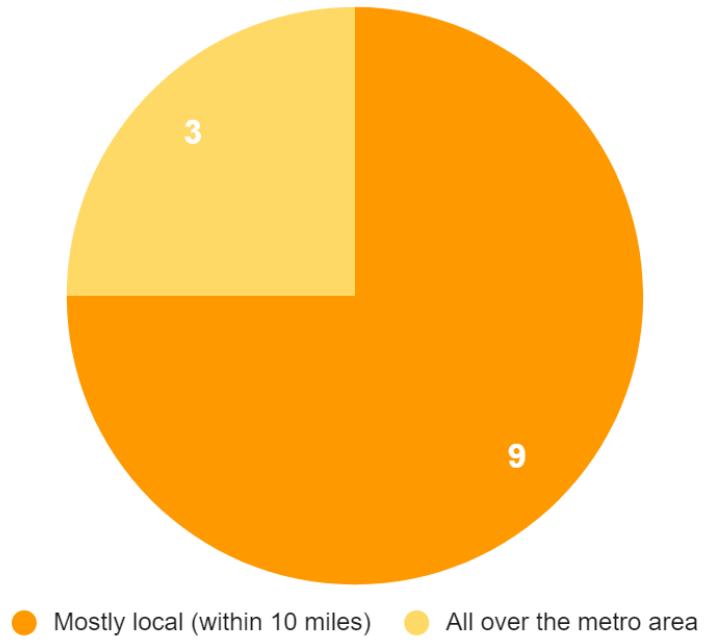
Where do your employees commute from?

18 responses



2024

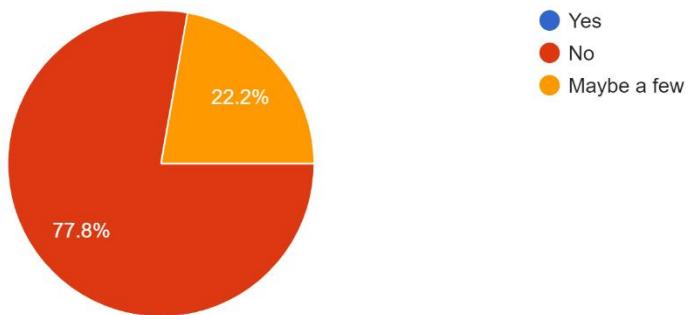
Where do your employees primarily commute from?



2023

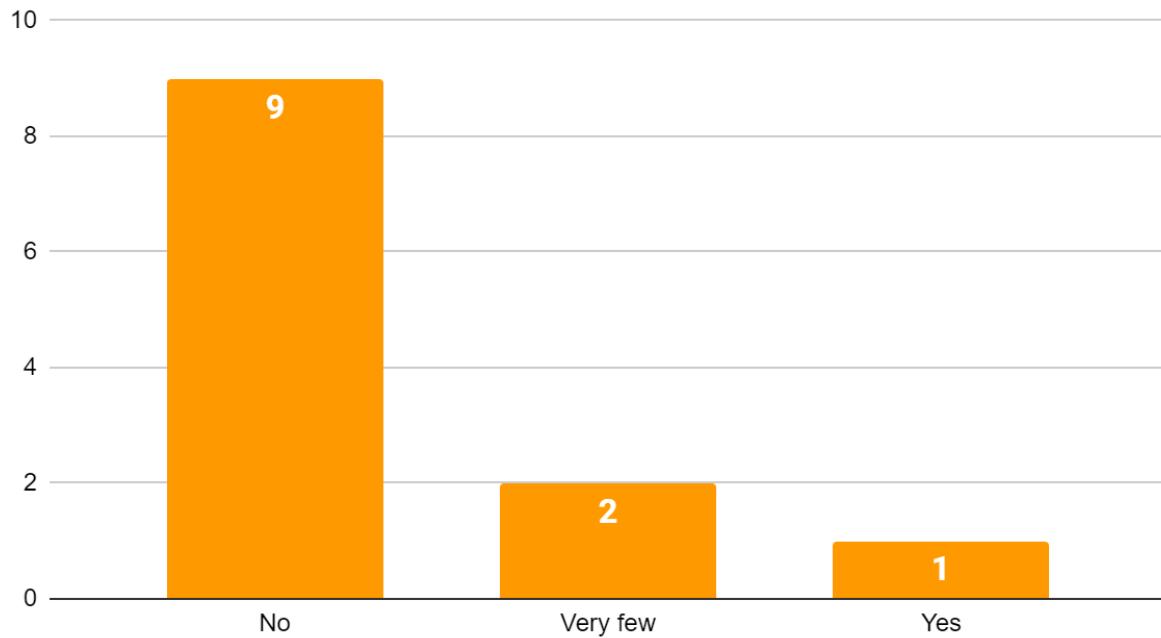
Do your employees utilize transit?

18 responses



2024

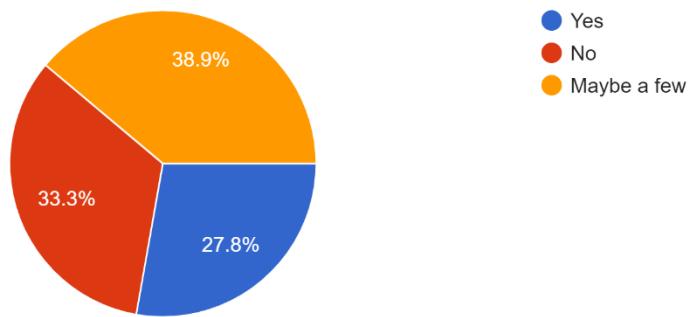
Do your employees and customers utilize transit?



2023

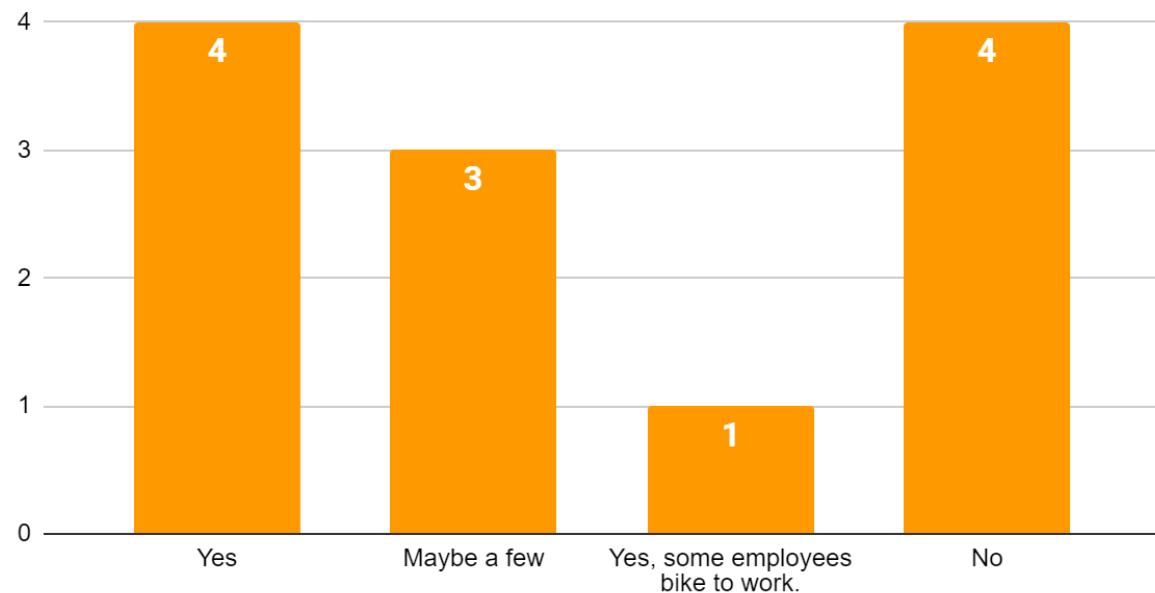
Do your employees or customers walk or bike to your business?

18 responses

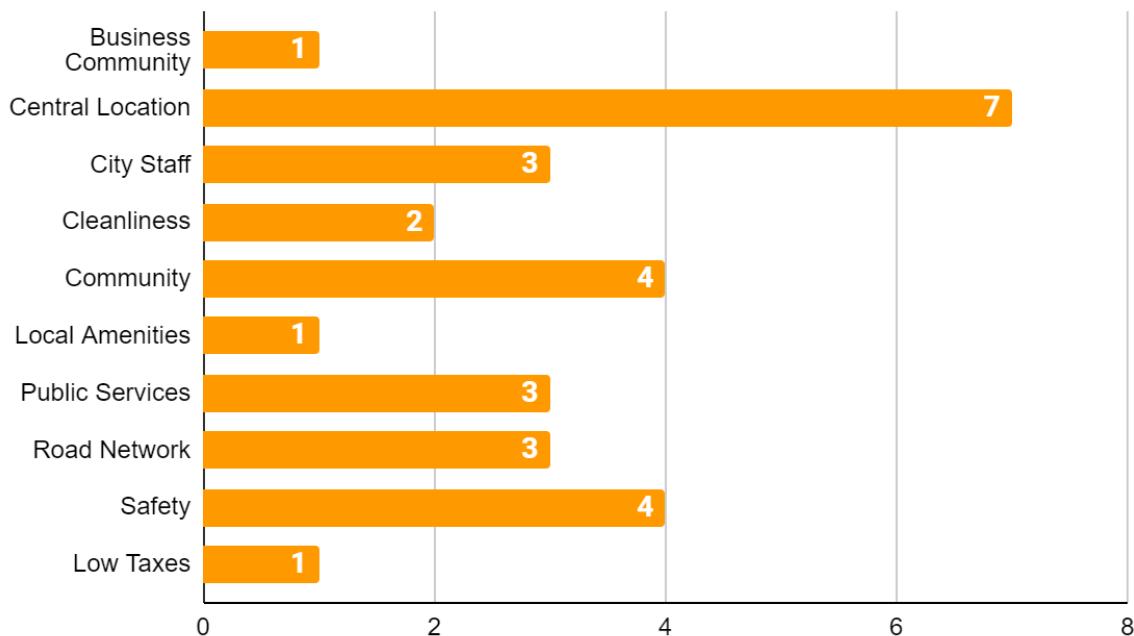


2024

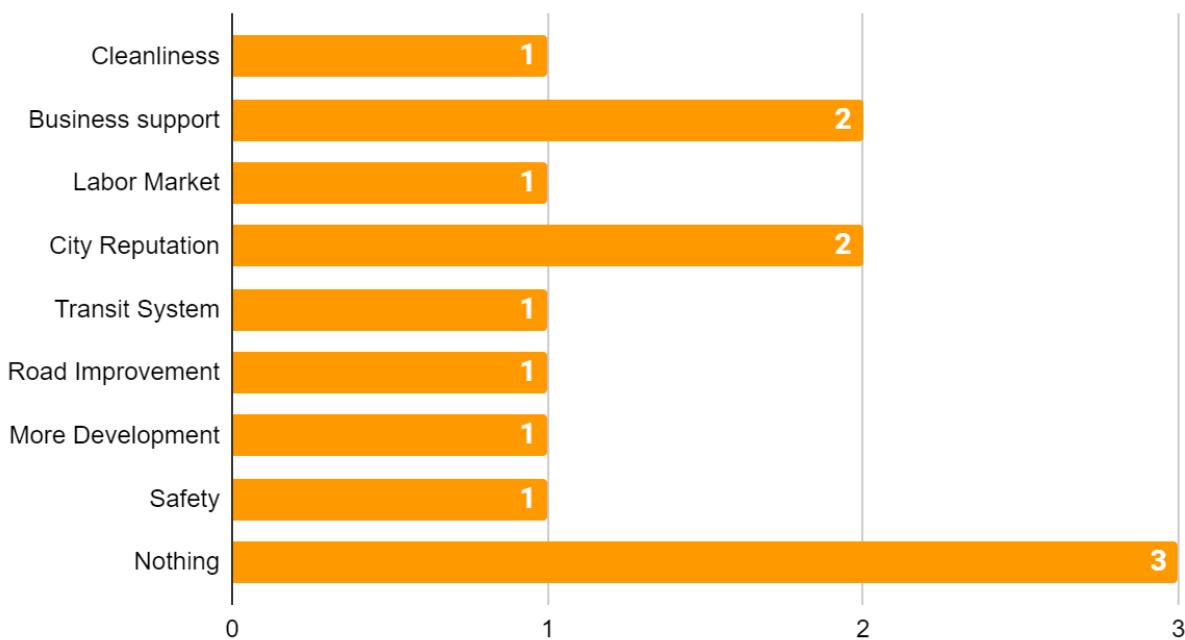
Do your employees or customers walk or bike to your business?



What do you appreciate about Oakdale



What are some improvements for Oakdale



APPENDIX B – BRE&A SURVEY SCRIPT

Interview Guide Oakdale BRE&A

Business name:

Date:

Lead Staff name:

Elected Official name:

Business Community Rep:

Business Community Rep:

Data collector name:

INSTRUCTIONS:

[Instruction for interviewer: Interviewees likely will bring up topics early that later appear as questions. You can restate these later questions on topics that have already been covered. For example, "To go back to the issue of X, is there anything else you'd like to add or note, aside from what we've talked about already? "]

SCRIPT:

Introduction

Thanks for taking the time to meet with us. We're here on behalf of the City of Oakdale, in partnership with the Oakdale Area Chamber of Commerce as a collaborative effort to understand your business's perspectives of the business climate in Oakdale. The City has also conducted similar interviews with businesses in past years as an ongoing economic development best practice.

The insights and opinions you share will help The City learn about your needs and provide the City with input they can incorporate into their policies, to set economic development strategies and/or to use in long-range planning efforts. This discussion usually takes about an hour.

Additionally, we are here to establish connections and share any resources that might be of benefit to you. We have brought some materials for you to look over and if there are any other resources you wish to inquire about City staff will be happy to connect back to you with those after the visit.

Most importantly, before we begin- please know that we will not share or publish any information for general distribution that connects your name or your business's name to the specifics you provide to us. Instead, the project report (which will be provided to you) will summarize the interviews collectively. If we ask questions you'd rather not answer, please don't feel obligated. Additional staff from the City may be brought in as necessary to respond.]

Begin asking questions, every other turn.

Let's start with introductions from everyone (name, title, organization).

Business Details

When were you founded?

What is your ownership structure?

What types of products or services do you offer?
How has your industry changed in the past 10, 20, 30 years?
How has business been this year? How does it compare to last year?

Facilities/Investment Plans

Do you own or lease your space?
How many square feet do you use?
Do you plan to make any capital investments such as expansion, renovations, or equipment?

Local Employment and Workforce

How many people work here?
Do you anticipate that number increasing or decreasing in the next year?
What types of job opportunities exist at your company?
Have you had a hard time filling any specific roles? *If yes, which roles have been challenging to fill?*

Transit/Transportation

Does the existing transportation network adequately serve your business?
Where do your employees commute from?
Do your employees utilize transit (i.e. bus/rail?)
If transit were more readily accessible would more people use it?
Do your employees or customers walk or bike to your business?

Community

Have you used city, county, or other government entity supports (such as grants, loans, technical assistance, etc.) in the past? *If yes, what government support programs has your company used?*
Would you be interested in learning more about resources City partners have to offer?
Have you attended City or Chamber events in the past?
How do you learn about City issues and events?
Are you a Chamber member?
What do you appreciate about being located in Oakdale?
What are some things that you think the City could do to make Oakdale a better place to do business?