



ECONOMIC DEVELOPMENT REPORT



The city of New Hope Economic Development Report highlights redevelopment projects throughout the city from the previous year and the tools that are in place to promote development activity. The city's Economic Development Authority promotes and facilitates business development and housing redevelopment activities.

OVERVIEW & HISTORY

LOCATION

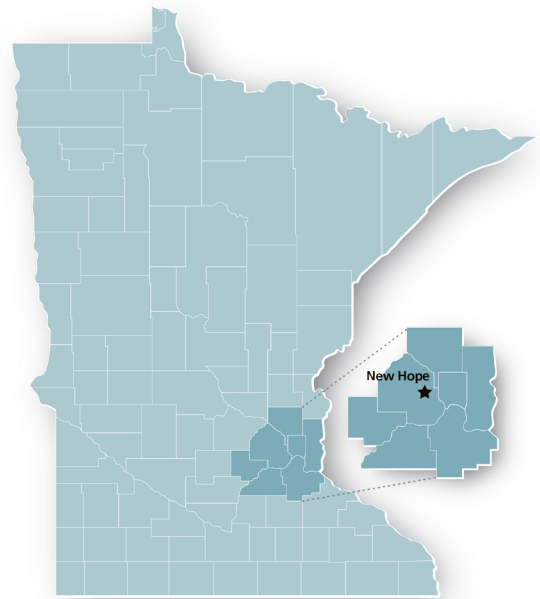
The city of New Hope is a suburb located northwest of Minneapolis with strong neighborhoods, an abundance of parks and recreational opportunities, excellent schools, and great shopping nearby. The city has easy access to the entire Twin Cities area with major arterials of Highway 169, Highway 100, Interstate 694, and Interstate 394 all nearby.

HISTORY

In the early 1900s, New Hope was a farming-rich community. The area was settled as part of Crystal Lake Township and became the home for many family farms. As housing developments spread west from Minneapolis in the 1930s, the residents of Crystal Lake Township began the movement to incorporate the township. In 1936, the city of Crystal was incorporated. Forming a city, though, was not supported by all residents in the township. The rural residents in the western half of the township broke away from the city of Crystal and formed their own township. The resistant residents, mostly farmers, were unhappy about paying taxes for projects such as street lighting and sanitary sewer. The name the farmers selected for their new township was a reflection of the time, New Hope.

Many residents along the New Hope-Crystal border formed groups and requested to be annexed by Crystal in order to receive what were the most modern city services at the time. Others, however, were happy to be part of New Hope township and remained separate from Crystal. Therefore, pockets of New Hope residents were created along the eastern boundary. By the early 1950s, the rapidly developing township of New Hope chose the fate it had eluded just over 15 years earlier. In 1953, New Hope incorporated as a city to prevent losing more of its land and residents to Crystal via annexation. This move was again opposed by the farming community of New Hope, but housing developments between 1936 and 1953 had made farmers a minority in New Hope.

When the township was incorporated, it had 600 residents. The city grew rapidly and was home to over 2,500 people by 1958. This rapid population growth continued through the 1960s, and by 1971, there were 24,000 residents in New Hope. The population of the community has declined slightly since 1971.



POPULATION (2020 CENSUS)

21,986

SIZE/AREA

5.1 square miles

YEAR FORMED

1953

BUSINESSES

480

JOBS

10,969

SHOPPING CENTERS

5

SCHOOL DISTRICT

Robbinsdale Area (281)

SCHOOLS

6

PARKS/ACREAGE

18/200

SUMMARY OF ACTIVITY

The city of New Hope's Economic Development Authority (EDA) promotes and facilitates business development activities. It considers proposals on a case-by-case basis and utilizes a broad base of public financing options. Membership of the EDA is identical to that of the New Hope City Council. Council members are appointed to the commission for terms concurrent with the City Council terms and the mayor acts as president of the authority. The city manager serves as the executive director. The city employs various resources to help businesses grow and reach their goals.

BUSINESSES & ASSISTANCE PROGRAMS

Local commercial and industrial businesses are extremely important to the city. The City Council has undertaken programs and initiatives to address both commercial and industrial properties. These programs focus on:

- Retaining existing businesses.
- Assisting with expansions.
- Attracting new businesses to vacant available buildings.
- Attracting new construction to a limited number of available vacant sites.
- Improving communication with businesses and responding more effectively to business concerns and inquiries.

BUSINESS SUBSIDY PROGRAM

The city's business subsidy program addresses policies related to the use of Tax Increment Financing (TIF), tax abatement, and other business assistance programs for private development. It serves as a guide in reviewing applications requesting business assistance. All projects must meet mandatory minimum approval criteria and the level of assistance is evaluated on a case-by-case basis. Assistance can cover project costs as allowed for under Minnesota Statutes. The EDA considers using a business assistance tool to assist private developments in circumstances in which the proposed private project meets one of the following uses:

- Provides a diversity of housing not currently provided by the private market.
- Provides a variety of housing ownership alternatives and housing choices.
- Promotes affordable housing for low- or moderate-income individuals.
- Promotes neighborhood stabilization and revitalization through the removal of blight and by upgrading the existing housing stock in residential areas.
- Removes blight and encourages redevelopment in the commercial and industrial areas of the city in order to encourage high levels of property maintenance and private reinvestment in those areas, including façade improvement.
- Increases the tax base of the city to ensure the long-term ability of the city to provide adequate services for its residents, while lessening the reliance on residential property tax.
- Retains local jobs, increases the local job base, and provides diversity in that job base.
- Increases the local business and industrial market potential of the city.
- Encourages additional unsubsidized private development in the area, either directly or through secondary "spinoff" development.
- Offsets increased costs of redevelopment over and above the costs that a developer would incur in normal development.
- Accelerates the development process and achieves development on sites that would not be developed without this assistance.

LOAN PROGRAMS

The city has partnered with the lending center at the Center for Energy and Environment (CEE) to offer a convenient one-stop service that provides commercial and non-profit property owners in New Hope access to a comprehensive array of financing and rehabilitation services.



The CEE Loan Program provides financing to New Hope businesses making cost-effective, energy efficiency improvements. Nonprofit organizations that are interested in reducing their energy costs are eligible to apply for funds through the CEE to help finance energy-efficient projects implemented in properties owned and/or occupied by nonprofit entities.

OUTSTANDING BUSINESS AWARD PROGRAM

The city's Outstanding Business Award Program was initiated in 2006 to recognize contributions by businesses to the local community. The purpose of the award program is to recognize businesses for noteworthy accomplishments such as expanding or improving a building or property, creating new jobs for New Hope residents, reaching a milestone year in business, or providing outstanding community service. Nominations are accepted quarterly for the award.

BUSINESS NETWORKING GROUP

The New Hope Business Networking Group was started by New Hope business owners in 2010 to create an open forum for networking within the city. The group is open and free to all New Hope business owners. The Business Networking Group meets regularly at one of the participating businesses. The city is also a long-time member of Minneapolis Regional Chamber (previously TwinWest Chamber of Commerce).

BUSINESS RESOURCES

Open to Business was a partnership between New Hope and the Metropolitan Consortium of Community Developers (MCCD), an association of nonprofit community development organizations serving the Twin Cities that was in place through the end of 2022. The city worked with MCCD to provide business consultation services and financial advice to small local business owners and aspiring business owners. Entrepreneurs were able to meet with business advisors who offered assistance in several areas.



Beginning in 2023, the city became a partner in the Elevate Hennepin program. Elevate Hennepin is a resource hub powered by Hennepin County that brings expert advising and other business resources to New Hope businesses at no cost. Designed in consultation with local entrepreneurs and business owners, Elevate Hennepin provides inclusive access to resources for starting and scaling a business.



Elevate Hennepin was created to better connect business owners and entrepreneurs to expertise, capital, and resources. With investment from Hennepin County and other local and state government partners, all professional consultants, technical expertise, trainings, and events are available at no cost to businesses located in Hennepin County. Elevate Hennepin draws together experts, tools, and programs intentionally designed to help new and established businesses gain their footing, plan for their next steps, and take their success to a new level. Elevate Hennepin provides three types of business services:

- No-cost expert consulting covering a wide range of essential business areas including legal, marketing, strategic planning, and operations.
- An events hub for business owners to find ways to network, connect in peer-to-peer discussions, learn, and enhance their businesses.
- A resource directory for business owners to explore county, state, and federal resources that can empower their business.

EMPLOYMENT

There are approximately 480 commercial/industrial/service businesses in the city, 56 of which opened in 2022. These businesses account for approximately 10,969 jobs in the city. The city’s 15 largest employers, which are listed below, account for many of those jobs.

MAJOR EMPLOYERS

Employer	Products/Services	New Hope-Based Employees (Total Employees)
Independent School District 281	Education	631 (1,792)
Minnesota Masonic Home/ North Ridge Care Center	Skilled nursing care facility	560
Hy-Vee	Grocery & convenience store	370
Horwitz	Mechanical contractor	348
City of New Hope	Government agency	338 including seasonal staff
Padagis	Pharmaceutical and medicine manufacturing	315
St. Therese Home of New Hope	Skilled nursing care facility	286 (787)
YMCA	Health club	228
Liberty Diversified International	Stationery supplies	200
Intermediate District 287	Education	199 (791)
Parker - Hannifin Oildyne Division	Hydraulic component production	172
Dakota Growers Pasta Company	Macaroni & spaghetti	159
Waymouth Farms, Inc.	Salted & roasted nuts & seeds	150
Good Samaritan Society	Skilled nursing care facility	136
Avtec	Warehousing & metal finishing	118

PLANNING & DEVELOPMENT

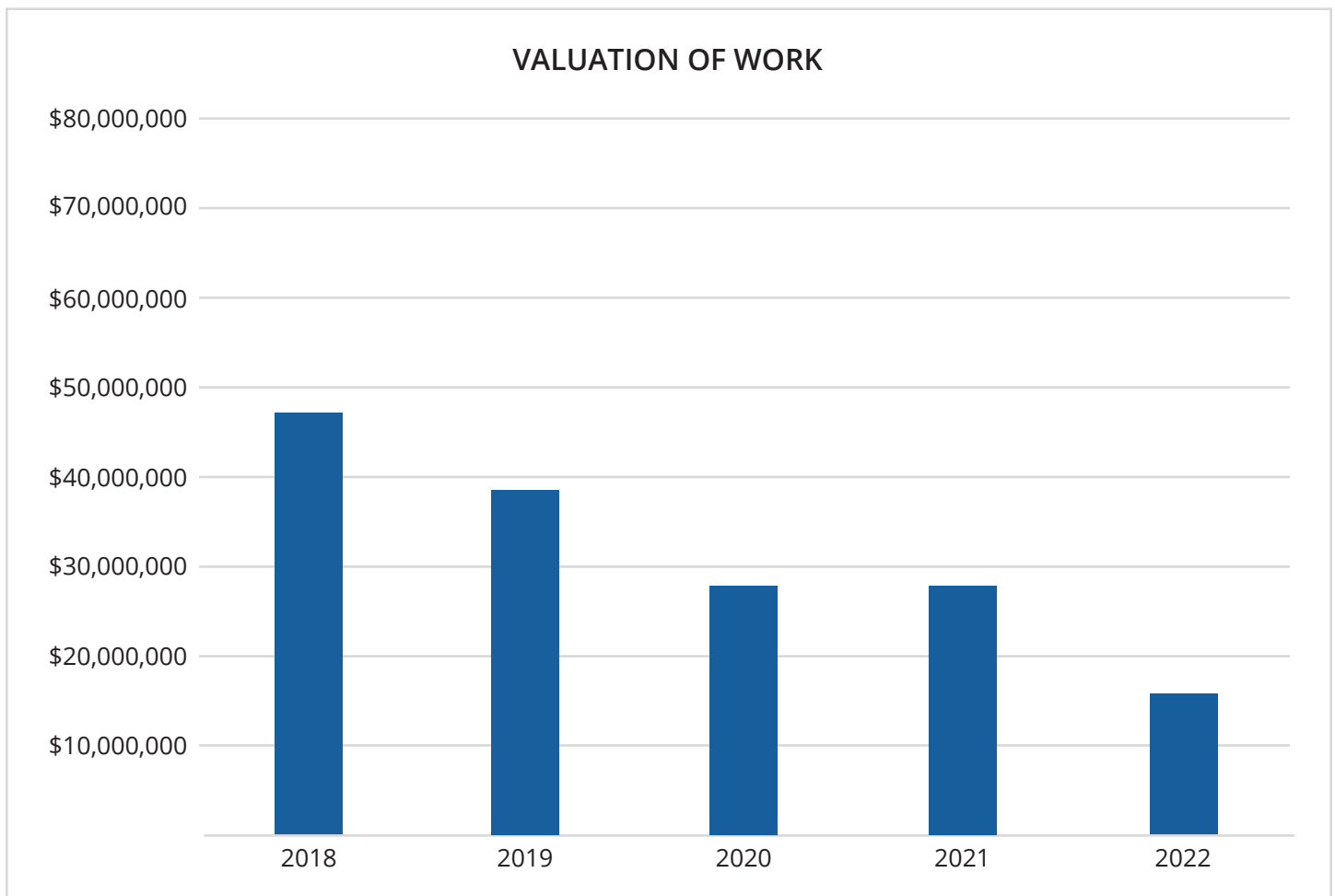
The city continues to see significant growth in commercial, industrial, and single-family housing areas. Overall development activity has slowed in recent years due in part to the pandemic, though the city anticipates that more growth will take place over the next several years.

DEVELOPMENT ACTIVITY

From 2018-2022, \$159,570,678 of reinvestment was approved in the city through construction permits. The city is striving to increase momentum to continually increase the tax base, while providing the highest level of services to residents, businesses, and property owners. Building permits for the construction of a new city center aquatic center and community theater were issued in 2019, accounting for nearly \$18 million of the \$38 million in work for the year.

DEVELOPMENT ACTIVITY BY YEAR

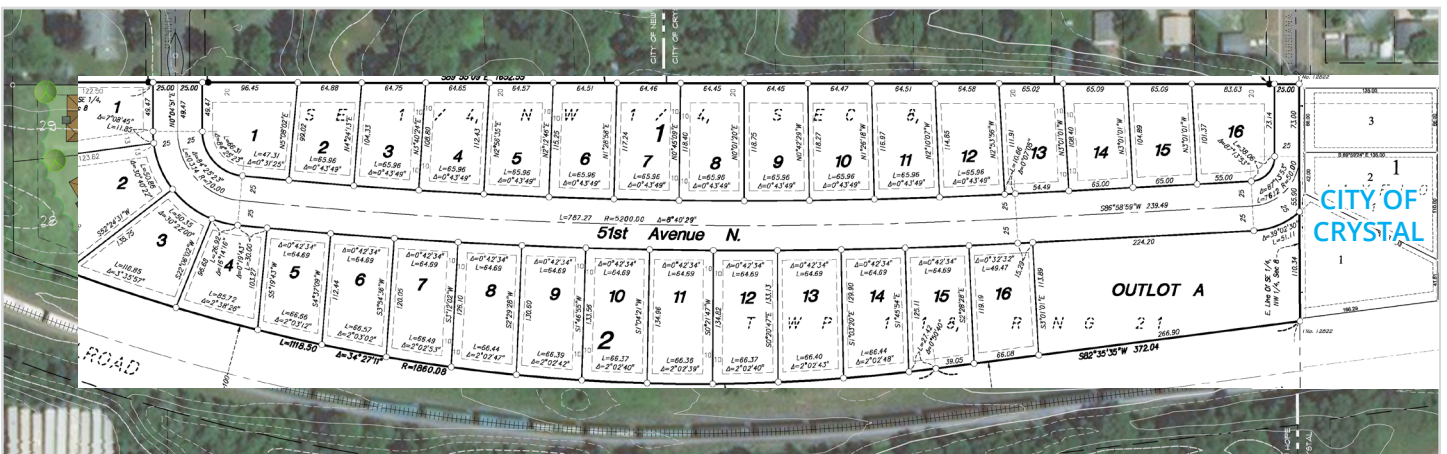
	2018	2019	2020	2021	2022
Permits issued	2,441	2,459	2,536	2,870	2,559
Fees collected	\$506,883	\$452,267	\$513,900	\$544,109	\$441,847
Valuation of work	\$46,952,876	\$38,288,981	\$27,832,249	\$28,894,527	\$17,602,045



The following planning and development activities occurred in the last year:

Windsor Ridge

SVK Development completed the construction of 32 new single-family homes on an 8.7-acre site that was previously undeveloped and owned by the city. In the fall of 2018, the city received six proposals from four developers for the site. After careful consideration, SVK Development was selected as the preferred builder for the site. The new homes included a mix of rambler, split level, and two-story designs and sold for an average price of \$430,000. The project helped provide step-up housing options within the city and brought more than \$13.76 million in new value to the city. The city of Crystal also developed another three lots just east of the project.



Pallet One MN

Pallet One MN purchased the 55,000-square foot building at 9210 Science Center Drive in 2022 and moved its operations into New Hope. The company specializes in manufacturing and recycling wood pallets. Pallet One MN obtained a conditional use permit for open outdoor storage on the property. Extensive improvements were made to the outdoor storage area, including the installation of 22 trees to help with screening of the storage area. The business employs 30 people in one of New Hope’s two primary industrial areas.



RISE Dispensary

At the end of 2022, RISE Dispensary began making upgrades to the building at 7700 42nd Avenue North in preparation for opening a medical cannabis retail store. Approximately \$750,000 in improvements were made to the building, which was largely vacant in recent years. RISE has seven locations across the metro that are accessible to Minnesota residents that have been certified with a qualifying medical condition.



The Cafe Meow

The Cafe Meow opened in the Winnetka Commons shopping center at 3524 Winnetka Avenue North in June of 2022. The business features a coffee shop and a cat lounge. The coffee shop is similar to other small coffee shops, providing coffee, tea, and baked goods from local businesses. The separate cat lounge houses rescue cats that can be visited and potentially adopted.

Padagis US LLC

The Minnesota Department of Employment and Economic Development (DEED) approved a \$980,000 Minnesota Investment Fund loan for Padagis US LLC. The loan was intended to help with purchasing \$5 million in new machinery and adding 60 jobs to the facility at 3940 Quebec Avenue North. The request was later withdrawn, however, it is likely that the company will still be investing in the facility. Padagis is a privately held pharmaceutical manufacturer that offers generic prescription and over the counter products. The company was started in 2004 as the prescription division of Perrigo. Through acquisitions and organic growth, they became a national leader in generic pharmaceuticals. Padagis is the city’s sixth largest employer, with approximately 315 employees.



HOUSING

LOAN PROGRAMS

Loans and financing for home improvement projects are available to residents of New Hope through the Center for Energy and Environment and Hennepin County.

Center for Energy and Environment

The city has partnered with the lending center at the Center for Energy and Environment (CEE) to offer a convenient one-stop service that provides residential property owners in New Hope access to a comprehensive array of financing and rehabilitation services. The Low Interest Loan Program provides loans and funds to homeowners to make improvements to their properties. An Emergency Deferred Loan is also available for homeowners that have emergency improvement needs but do not qualify for other home improvement loan or grant programs. The program is funded with Economic Development Authority (EDA) funds. The following loans/subsidies/leveraged funds have been issued to New Hope residents through the CEE in recent years:

	2018	2019	2020	2021	2022
Loans/Subsidies/ Leveraged Funds	4	3	5	13	10
Amount	\$71,438	\$35,320	\$71,822	\$259,574	\$169,264

Hennepin County

Hennepin County’s Home Rehab Program enables income-qualified residents to request loans that address basic safety, maintenance, and health concerns, as well as home improvements. Loans up to \$30,000 at 0% interest are available to residents of New Hope. No monthly payments are required, and the loans may be forgiven after 15 years if residents continue to live in and own their home. The program is funded with Community Development Block Grant (CDBG) funds allocated to Hennepin County through the Department of Housing and Urban Development. The following loans have been issued to New Hope residents through Hennepin County in recent years:

	2018	2019	2020	2021	2022
Loans	1	1	1	2	2
Amount	\$12,600	\$28,965	\$30,000	\$59,800	\$59,205

Curbside Appeal Reimbursement Program

In July of 2022, the city launched the Curbside Appeal Reimbursement Program to encourage homeowners to make improvements to the exterior of their homes and garages in areas that are visible from the street. The city reimburses a portion of costs for projects meeting eligibility requirements. The goals of the program include improving the city’s housing stock, instilling confidence in neighborhoods, and increasing home values.

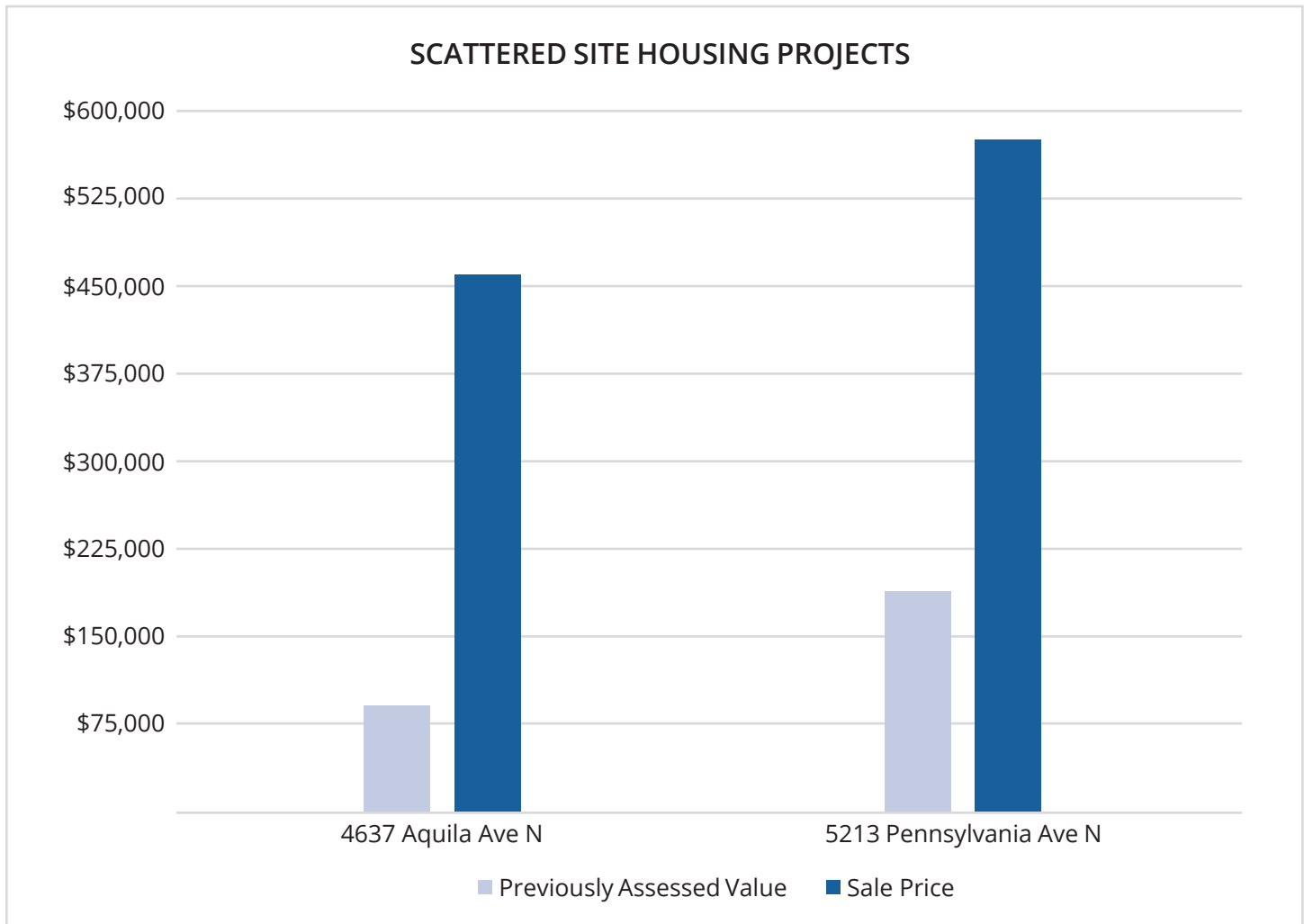
	2022
Projects	11
Valuation of work	\$110,136

SCATTERED SITE HOUSING

Over the years, the city has utilized its Economic Development Authority (EDA) to acquire several properties as part of the Scattered Site Housing Program. The primary focus of the program is to target distressed single-family properties throughout the city, with the goal of improving residential neighborhoods. The program currently emphasizes two primary activities: demolition and rehabilitation. When homes are demolished, the vacant lot is sold to a builder for the construction of a new single-family home. Homes that are rehabilitated are sold on the open market. The following scattered site housing projects were completed and sold over the last year:

Address	Previously Assessed Value	Sale Price	Percent Increase	Project Type
4637 Aquila Ave N ¹	\$91,000	\$460,000	405%	Demolition & rebuild
5213 Pennsylvania Ave N	\$189,000	\$575,000	204%	Demolition & rebuild

¹Assessed value prior to fire was \$236,000 for the year 2020.



SCATTERED SITE HOUSING



4637 Aquila Ave N - Before



4637 Aquila Ave N - After



5213 Pennsylvania Ave N - Before



5213 Pennsylvania Ave N - After

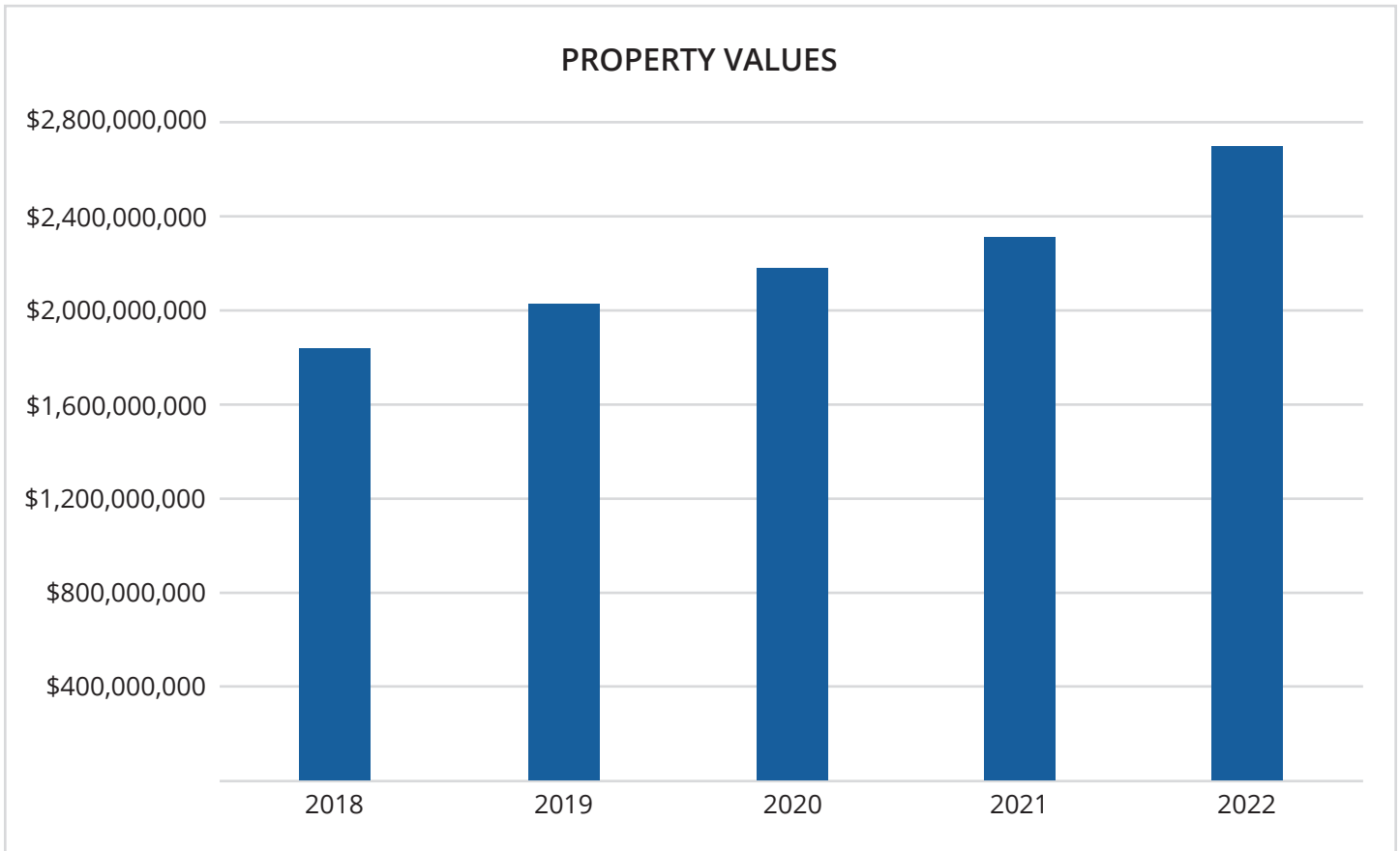
In addition to these completed projects, there were several other scattered site homes under construction or projects in progress at the time of publication, including:

- Demolition and rebuild at 5306 Rhode Island Avenue North (new home sold for \$550,000 in 2023).
- Demolition, lot split, and rebuild at 4201 Boone Avenue North (under construction).
- Demolition and rebuild at 3611 Louisiana Avenue North (under construction).
- Demolition and rebuild at 5802 Boone Avenue North (demolished).
- Demolition, lot split, and rebuild at 4965 Winnetka Avenue North (demolished).

Homes sold in 2023 will be highlighted in the 2024 Economic Development Report. Since 2014, approximately \$5.5 million in value has been added to the city's tax base through the scattered site housing program.

PROPERTY VALUES

	2018	2019	2020	2021	2022
Taxable market value	\$1,831,436,951	\$2,021,382,123	\$2,177,389,934	\$2,308,596,615	\$2,693,654,510
Percent change	7.92%	10.37%	7.72%	6.03%	16.68%



MEDIAN HOUSEHOLD VALUES

	2018	2019	2020	2021	2022
Median Household Value	\$229,000	\$244,000	\$257,000	\$275,000	\$325,000
Percent change	7.51%	6.55%	5.33%	7.00%	18.18%

