



**City of Shoreview**  
**Economic Development**  
**and**  
**Business Retention**

**Summary Report**

**February 2014**

## OVERVIEW

Shoreview is in the midst of significant economic growth with several high profile business expansions and bringing new commercial retail services, expanded high density living options, and added jobs and tax base. The fact that Shoreview is experiencing so much development activity, despite the slow recovering regional and national economies, can be credited in part to strategic actions and programs adopted by the City of Shoreview.

Recognizing that Shoreview was reaching a stage of maturity as a nearly fully developed community with limited commercial land available for new economic development, the City has established a new strategic plan for fostering continued economic growth by focusing on retaining and growing our existing key businesses. Through the adoption of the ***Shoreview Business Retention and Expansion (BRE) Program***, the City Council developed a comprehensive and proactive plan to strengthen City relationships with the local business community, especially our key landmark and emerging companies deemed critical in providing significant jobs and economic tax base that benefit the overall quality of life in Shoreview.

The *Shoreview BRE Program* was created by the City Council, carried out through the work of the advisory Economic Development Commission based on several economic factors:

- Local business and industry provide the economic foundation that supports the City's high quality of life
- Shoreview has transitioned from a growing suburb to a redeveloping community
- Limited vacant land availability necessitated a new approach to growing business, creating jobs, providing services, and expanding tax base
- Reinvestment and redevelopment have become key components to the long-range strategic economic plan

Since the adoption of the BRE program, teams consisting of the Mayor, City Council members, Economic Development Commission members, and City staff have conducted over two dozen in-person visits to our top businesses to better understand their concerns and needs to succeed and grow in Shoreview. A number of these business visits have resulted directly in business retention and expansion projects through private-public partnerships developed between the City government and our businesses.



Shoreview Mayor Sandy Martin leads group of City officials on a BRE visit to Lion Precision in celebration of Manufacturer's Day in Minnesota.

Several years ago, the City Council established the Economic Development Authority to provide the necessary resources to assist with economic development, leading to the expansion of key local high tech companies such as PaR Systems and TSI Incorporated, which will bring hundreds of new highly skilled jobs and additional tax base. Cummins Power Generation, a global multi-billion dollar

enterprise, moved to Shoreview this past year and opened their new world headquarters facility with over 600 employees.

### **EDAM Business Retention Project of the Year Award**

The City of Shoreview, led by the City Council, and with support of the Economic Development Authority and Economic Development Commission, are committed to continue implementing and expanding the BRE program and other strategic economic plans for enhancing these important local business relationships. The City continues to be proactive and responsible to ensure that Shoreview sustains and protects a strong, healthy, and positive business climate that promotes and fosters continued economic development, business growth and reinvestment in the community.



Accepting the EDAM Business Retention Award on behalf of the City of Shoreview, from left to right: Ady Wickstrom (Council), Ben Withhart (EDA President/Council), Blake Huffman (former Council/EDA President-current Ramsey County Commissioner), Gene Marsh (EDA/EDC), Emy Johnson (EDA/Council), Sue Denkinger (EDA/EDC) and Jonathan Weinhagen (EDC)

These efforts were recognized in 2013 by the Economic Development Association of Minnesota when they honored the City of Shoreview with the ***Business Retention Project of the Year Award*** for the successful expansions of PaR Systems and TSI Incorporated. These two projects resulted in the private investment of over \$12.5 million and will create in excess of 200 engineering and technical jobs.

### **Economic Gardening Initiative**

The City of Shoreview has partnered with Ramsey County on a new *Economic Gardening* initiative being launched by Ramsey County in association with four other metropolitan area counties. The Regional Economic Gardening Partnership is linking selected emerging businesses with an array of resources to assist with long-term growth and job creation.

The *Economic Gardening* initiative, which began in October of 2013, includes 7 Shoreview-based businesses that qualified and were selected to participate in this program – the highest number of participating companies from any of the suburban communities in the five-county group. Shoreview-based companies in the program include: American Metro, Hed Cycling, Lion Precision, Mead Metals, Multi-Clean, Nardini Fire Equipment, and Promet International.

## **BUSINESS EXPANSIONS & REDEVELOPMENT**

### **PaR Systems Expansion**

PaR Systems, a world leader in robotics technology systems for material handling and automation, completed in 2013 the construction of a new 48,000 square foot manufacturing facility on their headquarters campus in Shoreview. PaR Systems has 170 employees in Shoreview and over 450 employees at multiple locations worldwide. The City provided “fast-track” approvals of the building project and financial support of \$600,000 for site improvements funded from TIF District No. 1. The \$5.5 million expansion provides additional manufacturing space to meet continued projected growth, including major contracts to provide robotic cranes to assist with the contamination clean-up of the Fukushima nuclear power plant in Japan. The company expects to grow its employment base in Shoreview by 30% over the next several years. PaR Systems is designated as a key “landmark/emerging” company in the City’s adopted Business Retention and Expansion Program.



This most recent project continues a long public-private partnership between the City and PaR Systems. In 2008, the City facilitated the successful retention and relocation of the company from their previous Shoreview location. PaR Systems acquired the former Curtis 1000 printing facility and undertook a multi-million dollar expansion and major remodeling to the building. The City acquired the adjacent non-tax generating former Ramsey County Sheriff’s property and sold the site to PaR Systems as part of a financial assistance package of \$1.2 million funded through TIF District No. 1. The Sheriff’s property was critical to retaining PaR Systems by providing a relocation site that could accommodate future company growth. The project resulted in the successful retention of a major business in Minnesota that continues to grow and add highly skilled jobs. The move also allowed their former sister company PaR Nuclear (now Westinghouse Electric Company) to expand operations and jobs in Shoreview at the facility that was originally home to PaR Systems before the PaR Nuclear division was acquired by Westinghouse.



## TSI Incorporated Expansion

TSI Incorporated completed construction in 2013 of a 58,000 square foot expansion of their corporate headquarters and research/manufacturing facility. The City of Shoreview provided “fast-track” approvals of the expansion project and financial support of \$1 million through the creation of a 9-



year Economic Development Tax Increment District (\$500,000 “pay as you go”) and funds from TIF District No. 1 (\$500,000). Public financing was provided to assist with site improvements including significant site constraint challenges that included installation of an underground storm water retention system. TSI is designated as a key “landmark” company in the City’s adopted Business Retention and Expansion Program (BRE).

TSI Incorporated is a global leader in the design and production of precision instruments measuring health and safety air quality, biological detection, and aerosol science, currently employing 560 world-wide including 440 highly skilled employees in Shoreview. The most recent expansion was completed to accommodate continued growth, with the company projecting a workforce addition of 180-200 employees in Shoreview in the next few years. Besides the important addition of jobs and continued growth of a key local business, the City’s \$1 million public investment brought over \$7 million in private investment adding a projected \$12.5 million in market value.



### TCF Bank/Sinclair Redevelopment

TCF Bank opened a new branch facility at the corner of Lexington Avenue and Red Fox Road in early 2013. The new building was constructed on the former Sinclair gas station property, which was demolished to make way for the new bank.



The City of Shoreview assisted with the redevelopment by providing assistance through economic development funds for the demolition of the old gas/service station and clean-up remediation of the site, making it construction ready for the new bank.



Through the redevelopment project, the City was able to leverage funding for the reconstruction of Red Fox Road to support the added development and provide better traffic flow and safer pedestrian movements in the busy commercial area anchored by Super Target.

### Trader Joe's Retail Center

Trader Joe's, a popular national specialty grocery store, opened their new Shoreview location in October 2013 as the second phase of the Red Fox Retail development. The Shoreview location becomes the 7<sup>th</sup> Trader Joe's in the Twin Cities metropolitan area.



The new store is the second phase of development in the Red Fox retail area. Phase one was completed late in 2012, adding to the City's selection of dining choices and other retail services. The first phase retail center included



restaurants of Chipotle, Leeann Chin and Five Guys Burgers, plus Massage Retreat and Spa and Sport Clips. The City helped facilitate both phases by working with the developer to provide gap financing for acquisition and site improvements, providing the community with new retail services and added jobs, including additional dining choices long requested by our residents and

businesses.

### Midland Plaza Redevelopment

In what is the first new market rental apartment project in Shoreview in decades, construction began in 2013 for the upscale Lakeview Terrace apartments located at the southeast corner of Victoria Street and County Road E. The six-story 104 unit apartment building is the end result of a private-public partnership between an ownership group from the adjacent Midland Terrace complex and the City of Shoreview.



The redevelopment project involved the tear-down of the old blighted Midland Plaza strip center at Owasso and Victoria Streets. The project included \$3 million in public infrastructure improvements funded primarily by the City with contributions from Ramsey County and a Metropolitan Council Livable Communities grant. The City relocated Owasso Street to align

with County Road E in order to create a development parcel for the new apartments, and traffic safety and pedestrian improvements of the intersection of Ramsey County roads. The redevelopment will provide benefits of removing an old vacant retail center, creating new higher end market rental housing choices for the community, and traffic safety improvements in the project area. The majority of the public road improvements were completed in late 2013, with construction of the high-end apartment building slated for completion by fall, 2014.

The developer is privately investing over \$20 million into luxury apartment building, which will include a variety of amenities including underground parking, which they hope will attract young professionals and “empty-nesters” looking to downsize but remain in the community. The development should serve as attractive live-work housing for many large business employers in the area.



### **FUTURE ECONOMIC DEVELOPMENT**

The City of Shoreview is seeking special legislation for the 15-year extension of pre-1990 Tax Increment District No. 1, which is considered critical to the City having sufficient financial resources to continue economic development efforts of growing the tax base, creating jobs, and undertaking redevelopment to sustain our high quality of life. As a mature fully-developed suburban community, Shoreview has adopted the strategic goals of supporting the retention and expansion of our key businesses and focusing on redevelopment areas that provide good paying jobs and tax base. There are a number of potential projects that will require City assistance to support these goals including the future expansion of Westinghouse Electric, redevelopment of the aging Shoreview Village Mall as a key component to the long-range redevelopment plan of the Shoreview Town Center, and redevelopment/renovations to buildings within the Shoreview Corporate Center in order to retain key business and continue to grow jobs and tax base. The following provides a summary of these potential projects:

## Westinghouse Electric (PaR Nuclear)



PaR Nuclear is a subsidiary of Westinghouse Electric Company, LLC. The Shoreview-based company began in 1961 as Programmed and Remote Systems, a "spin-off" of General Mills, by a group of four engineers and public investors. Many foreign and domestic nuclear plants built by Westinghouse have PaR Fuel-handling Equipment installed. Multiple government-owned research facilities

operated by Westinghouse Electric Company were supplied with PaR manipulators and specialized material-handling equipment to process radioactive materials. This long relationship progressed until Westinghouse purchased the PaR Systems nuclear operation in 2004. PaR Nuclear, a wholly owned subsidiary of Westinghouse Electric Company LLC, provides the nuclear markets the world over with the latest fuel-handling equipment and automated controls technology. PaR Nuclear also operates NuCrane Manufacturing out of Hutchinson, Minnesota. PaR Nuclear is now doing business as Westinghouse Electric Company.



**Possible Expansion Areas  
for Westinghouse**

Proposed Expansion Area for Westinghouse

Westinghouse has indicated they expect significant company growth and have major expansion needs at their Shoreview location. They employ approximately 260 at the Shoreview facility and project a need for expanded manufacturing, assembly, and office space over the next several years. The current 9.5-acre site is fully developed, which will require property acquisition to accommodate building expansion and parking needs. The City has been working with Westinghouse officials on expansion options that will retain the company in the region. Westinghouse is designated as a key "landmark/emerging" company in the City's adopted Business Retention and Expansion Program (BRE).

## Shoreview Village Mall

The *Shoreview Town Center* is a long-range vision that anticipates the eventual redevelopment of an older 80+ acres commercial and light industrial area along Highway 96 corridor between Lexington Avenue and Victoria Street, creating a mixed-use area of residential, business, and commercial uses linking to the nearby civic campus and nature areas. Anticipating changes away from industrial uses and an aging retail center due to the area's central location and many surrounding amenities, the City formulated an overall plan to guide future redevelopment proposals.

The *Shoreview Town Center* is a 10-15 year master plan designed to accommodate an evolution in uses over time from industrial to a combination of residential, retail, business employment and civic uses. Development of the project would occur in phases and when completed, the redevelopment would provide nearly 700 new residential units, about 215,000 square feet of commercial and office space, and over 1,300 new jobs.



Proposed Redevelopment Concept for Shoreview Village Mall Property

Central to the *Shoreview Town Center* plan is the redevelopment of the Shoreview Village Mall, a 10-acre parcel with an 80,000 square foot shopping center built in the early 1980s. The Shoreview Village Mall is an under-utilized property with an aging and outdated designed center that has shown serious decline in overall appearance, general maintenance and tenant mix over the past two decades. The property is situated as a gateway into Shoreview and its redevelopment is a major redevelopment goal. A mixed-use redevelopment concept estimates a 600% increase in market value and over 800 jobs by transforming the site into a vibrant village center of retail services, business, and housing.

## Shoreview Corporate Center

The Shoreview Corporate Center is a 553,000 square foot corporate business campus consisting of buildings. The campus includes world-class companies including Land O' Lakes and Hill-Rom. Conveniently located at I-694 and Lexington Avenue, the center is across Lexington Avenue from the Land O' Lakes headquarters and close to restaurants, shops, and hotels. The Shoreview Corporate Center was originally built and used by Deluxe Corporation (Deluxe Check Printers at the time) for their headquarters and production site.

Hill-Rom Corporation occupies the 1020 County Road F building as their central main offices. Land O' Lakes leases both the 1050 and 1080 County Road F buildings, with 850 employees. Hill-Rom and Land O' Lakes are two of Shoreview's largest employers and both companies have made multi-million dollar improvements and renovations to their buildings.

The buildings at 4000 Lexington Avenue (104,000 square feet) and 1005 Gramsie Road (160,000 square feet) are currently vacant. The 1005 Gramsie facility was built in 1982 by Deluxe Corporation for their check printing operations and was later leased by Medtronic and converted from manufacturing/production to office use. The building needs significant exterior and interior renovations or could possibly be a tear-down. A redevelopment will likely require City financial assistance to secure a high end corporate user bringing significant employment and tax base.

## Shoreview Corporate Center

Campus Map

