

IX. Economic Development

A. A BRIEF HISTORY

In the late 1800's as the Newport area began to develop, the economy focused on agriculture. Settlers lived off the land growing food for themselves and their neighbors. Eventually as technology changed, the railroad was built through town as was Highway 61 and Newport developed into more of a bedroom community to the St. Paul and Minneapolis area. Rather than becoming a place for large industry, Newport's economy has since focused on the service side with limited industry.

The most notable businesses in the 1920s were the Farmers Terminal Meat Packing Plant, the Farmers Terminal State Bank, and Bailey Nurseries. St. Paul Gas Company provided electricity to the community until the late 1930s when Northern States Power (NSP) built its electric substation near the old Red Rock camp. NSP would later build an office and service center in the 1970s and a Resource Recovery Plant that generated refuse derived fuel (RFD) in the 1980s. Northwestern developed the oil refinery just across the border in St. Paul Park in 1939 (now operated by Marathon Ashland) and since has provided jobs to a large number of Newport residents. One of the most unique elements to the Newport economy is the number of local businesses that are family owned and operated. Most of these businesses are service-oriented businesses that have served Newport residents and business persons for over 30 years.

Currently, Newport's economy is primarily a non-manufacturing economy with the bulk of its employment base in the transportation, communication, public utilities and retail trade employment areas. Many auto oriented businesses and food establishments are located along Trunk Highway 61. Most of the employment opportunities in the community are blue-collar jobs, such as warehousing, trucking, auto repair, packaging, light assembly, and other industrial jobs. Newport is a small community with a much localized economy that provides only the basic services such as food, hardware and limited convenience needs.

Some businesses have decided to close due to the Highway 61/I494/Wakota Bridge Project, but the project does have its benefits as it has provided the community with the opportunity to Re-Vision itself and "Build for the Future." Newport's excellent location at the intersection of I494 and Highway 61 make it a great place to do business in the thriving south east metro area.

B. A REGIONAL PERSPECTIVE

From a regional perspective, Newport enjoys a convenient location. Improvements to Highway 61 and Interstate 494 in recent years have improved access to and from Newport. The City has identified opportunities for redevelopment and new development along the Highway 61 corridor, and believes that its close proximity to the St. Paul and Minneapolis downtowns, airports, and other business and employment concentrations will draw new economic activity and employment to the community.

C. ECONOMIC ASSETS/DRAWS

There are several assets or strengths that the City of Newport can draw upon in strengthening its role in economic development. These assets are not always obvious to the community or other businesses but when promoted the right way can help create an identity for both the community and the business. These assets include:

- Two regional roadways (and a bridge over the Mississippi River) that provides good access to much of the metropolitan area, the Minneapolis/St. Paul International Airport and Mall of America. Newport is 10 minutes from downtown St. Paul and 15 minutes from downtown Minneapolis, and is located within the thriving Southeast Metro Area.
- A major railroad runs through the community that brings opportunity for commuter rail and a transit facility.
- Local businesses such as Bailey Nurseries, Marathon Oil, and Fritz Candy Co. provide an international exposure.
- The local business association provides strong community leadership for local business interests.
- Many small family-owned and run businesses that are recognized regionally are still thriving in today's corporate economy.
- The Mississippi River (as well as the bluff) is a significant natural feature that can provide an identity.
- Improved maneuverability with new bridges and pedestrian paths versus the three previous semaphore intersections and railroad crossings.

D. A STRATEGY FOR ECONOMIC DEVELOPMENT

Newport has a tremendous opportunity in the upcoming years to make a public improvement payback to the community through a renewed interest in economic development. The improvements to TH-61, I494 and the Wakota Bridge will drastically improve the image and flow of traffic throughout the corridor. The improvements will create opportunities for new development which in the long run can lead to

reinvestment and redevelopment. Economic development is a cooperative process involving both the public and private sector. The City is working closely with leaders in the private sector to develop and implement its economic development goals.

1. Goals

Relative to Economic Development, it is the goal of Newport to:

- a. Ensure that economic development efforts in Newport are ongoing.
- b. Improve and preserve the success and vitality of the existing business community.
- c. Increase the availability of services and business opportunities to the community.
- d. Capitalize on improvements to TH-61, I494 and the Wakota Bridge.
- e. Reinforce the Newport Business Association's interest and leadership in the community.
- f. Market the City of Newport to economic development professionals and businesses.

2. Policies

In regards to Economic Development, it is the policy of the City to:

- a. Work with regional and local governments (such as St. Paul Park, Cottage Grove, Woodbury, or Washington County) in promoting economic development and renewal on a regional level.
- b. Encourage public-private partnerships when undertaking economic development projects.
- c. Consider overall community benefit (not just taxes or jobs) when providing public assistance for economic development initiatives (community benefit can include tax revenues, jobs created, more livable wage levels, improved image, community involvement, economic assets) with a concentration on improved image.

- d. Support redevelopment of underutilized land to a greater intensity of development that will increase job opportunities, make better use of local tax base opportunity, support the use of public transit, provide greater services to the community and improve upon the area's image.
- e. Consider assisting local businesses that may need help with expansion needs.
- f. Encourage new development that increases the diversity of employment opportunities, attracts livable wage jobs, and promotes self-reliance among local businesses.
- g. Provide good quality public infrastructure to support business development and expansion including provisions for locating telecommunication services in public rights-of-way.
- h. Support, encourage and promote small and start up businesses through education assistance and business outreach.
- i. Encourage and facilitate industrial and commercial development through master planned business parks on sites designated for business park development in the land use plan.
- j. Encourage aesthetics, "streetscaping", landscaping, and other natural features as ways of creating a vibrant business community.

E. ACTION STEPS

- 1. The City's EDA will lead economic development efforts, and build and maintain partnerships with the local business community.***

Future economic development planning needs to be a combined effort between the public and private sector. Members of the business community, the political decision makers, and Newport residents must collaborate to advise the City Council on the most appropriate form and process for future economic development projects. The City's EDA will lead these efforts and foster collaboration among public and private partners.

2. *Continue to fund economic development activities*

Enhancing and preserving a community's economic development is an ongoing process that takes time and money. The City will commit and seek funds to complete project specific plans and reports, administer redevelopment projects, prepare promotional materials, maintain meeting agendas, and serve as a resource to the business community.

3. *Maintain the community's business outreach program*

The City's Economic Development Director leads outreach efforts to the business community. These efforts are critical to preserving relationships with the existing business community and ensuring needs are being met. The Director and EDA work to improve communications between the City and the business community, and connect businesses with the resources needed to continue to develop and prosper.

4. *Identify and inventory development/redevelopment opportunities*

The comprehensive plan broadly defines areas with redevelopment potential. The City will complete focused efforts and studies as needed in these areas to foster development and redevelopment, and identify roles that the City can play to support these efforts.

5. *Utilize the City's marketing DVD and other media to promote economic development*

The City of Newport has many assets that it can promote to businesses and organizations that may have an interest in the community. The City has created a video describing these assets and development opportunities, and will use this and other marketing efforts to promote the City.

F. FUNDING STRATEGIES

1. *Tax Increment Financing (TIF)*

TIF is a tool used by cities and other development authorities to finance certain types of development/redevelopment costs. The public purposes of TIF are the redevelopment of blighted areas, construction of low and moderate-income housing, provision of livable wage employment opportunities, and improvement of tax

base.² The City of Newport has two redevelopment districts (see Figure 9-1).

2. *Livable Communities Act*

By being a participant in the Metropolitan Council's Livable Communities Act, the City becomes eligible for grants and loans that support development and redevelopment of livable communities. The tax base revitalization account provides funds to clean up contaminated land to support economic redevelopment, job retention and job growth. This program could assist the City with any clean up costs that might be associated with contamination on redevelopment lands.

3. *Tax Abatement*

A new law created in 1997 allows Minnesota communities to individually "abate" taxes on a parcel of land if the community can find that it is in the public interest. This law applies to projects that increase or preserve tax base, provide employment opportunities, help to acquire or construct public facilities, help redevelop blighted areas, or help provide residents with access to services.

4. *Department of Employment and Economic Development (DEED)*

DEED provides support to local municipalities particularly geared towards retaining businesses within the State of Minnesota. DEED will provide help with creating an economic development plan and identifying strategies to implement the plan. Financial assistance is available in the form of a variety of loans and grants such as the Contaminated Site Cleanup grant program, which is designed to assist communities in converting brownfields back into marketable/developable industrial and commercial land.

5. *Twin Cities Community Capital Fund (TCCCF)*

The City is a member of the Twin Cities Community Capital Fund (TCCCF). The fund is a nonprofit loan fund that offers customized flexible financing options designed to fit a variety of business needs. The loans are made in partnership with local lenders and City economic development organizations. The loans can be used to finance:

² Tax Increment Financing March 1996, Program Evaluation Division, Office of the Legislative Auditor

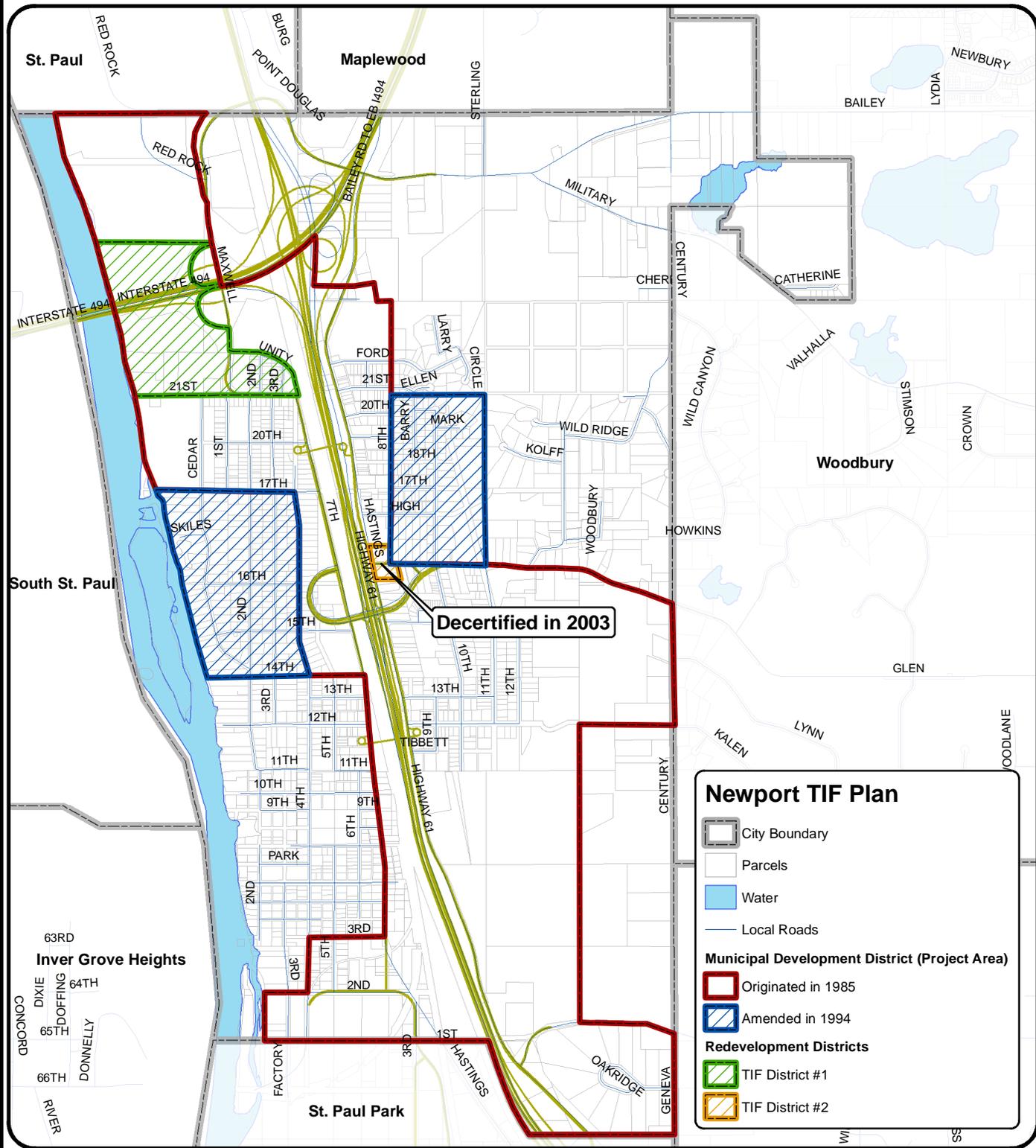
- Fixed assets, including land and buildings
- Building construction
- Leasehold improvements and renovations
- Machinery and equipment
- And working capital

6. *Other Institutions*

The City has developed and maintains an excellent working relationship with area banks and lending institutions, who are actively involved in redevelopment efforts.



City of Newport Tax Increment Financing (TIF) Project Area and Districts Comprehensive Plan - Draft



Decertified in 2003

TKDA
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Data sources include the City of Newport, Metropolitan Council, the 1998 Comp Plan, and TKDA.

