



Crosslake Economic Development Meeting
September 6, ~~8:00~~ A.M. City Hall Chamber
8:30

Mission Statement: To Develop and Promote the Economic Growth and Welfare of Crosslake While Protecting the Environment.

Agenda:

1. Call to Order Dean Fitch
2. Approval of Minutes:
3. 2023 Budget Review:
4. Special Projects:
 - Survey Preliminary results Carla Bainbridge
 - Comp Plan Update Dave Gahn
 - Housing Chapter
5. 2024 EDA Goals: Team
 - Communication:
 - Collaboration with Crosslake Chamber/Crosslakers
 - Quarterly articles in N'Land Press
 - Identify resources with/through other organization and community
 - Business Growth Opportunities
 - Impact of Loon Center on business climate
 - Identify/interview new business (homebase or office)
 - Collaborate with BLAEDC on potential feeder business
 - Upgrade website
 - Provide quarterly update to Crosslake City Council
 - Host 2 Regional Workshops
6. 2024 Quarterly Meeting
7. Adjourn:

Crosslake EDA Crosslake Economic Development Authority
Meeting Minutes
8:30 A.M. July 12, 2023 Crosslake City Hall

Members present: Dean Fitch, Patty Norgaard, John Andrews, Marcia Seibert-Volz, Roger Roy, Sandra Farder, Dave Gahn, Carla Bainbridge

Others present: Dr. Tim Houle, Crow Wing County; Diane Cash, Crosby; Jon Lubke, Crow Wing County; Jenny Max, Nisswa; Tyler Glynn, BLAEDC; Cindy, Myogeto, Crosslake Chamber; Merle Lindner, Crosslake; Corrine Hodapp, USACE; Dave Nevin, City of Crosslake, Peter Gansen, City of Crosslake; Josh Netland, Tremolo Communications; Ron Ommen, Ideal Township; Marlene Yurek, Manhattan Beach; Cheryl Stuckmayer, City of Crosslake; Jan Mosman, Emily

The regular quarterly meeting of the Crosslake EDA was called to order at 8:30 AM by Dean Fitch.

A motion was made by Marcia Seibert-Volz and seconded by Roger Roy to approve the minutes of the January 11, 2023 meeting. No further discussion. Motion carried with all ayes.

EDA Updates

City Comprehensive Plan:

As directed by the City Council, the Comprehensive Plan is being reviewed to become a more specific and more usable document. Of the nine sections, five have been reviewed and all expected to be finished by the end of the year. Community experts have been tapped for their input and this action should lead to goals that are more measurable and effective.

Business/Resident Survey:

Carla Bainbridge has done an excellent job organizing and getting the word out about the survey. There is a snapshot of the survey on the EDA website. Responses have been good. The survey will help find out what the community is thinking about.

EDA Recruitment:

Currently EDA is meeting quarterly but there is something going on weekly. Let us know if you want to be an alternate.

EDA Website:

First, thanks are needed for Tremolo Communication for their support. It could not have been completed without their help. The website helps people find out business-wise what is going on.

Schedule/Meeting:

August: Comprehensive Plan

September: Website

July/August: Survey results

Tyler Glynn of BLAEDC reported on staff working with Carla to distribute the survey. The BLAEDC staff is also working directly with businesses. Ten have been completed and overall have been positive. The survey is being publicized through social media and the chamber site. The survey is present and real time. Any questions are being directed to the EDA through the website contact form.

Patty Norgaard introduced Dr. Tim Houle. She did not know who he was before attending a Crow Wing County Commissioner meeting and seeing him in action. He is a teacher, well respected, and serious. The topic of demographics is critical for all communities. As it is budget time it is appropriate to be planning for the future.

His qualifications:

- Received Education at Hamline University
- Crow Wing County Administrator 2008 to current
- Board of Directors for Center for Rural Policy and Development
- Past President/Board of Directors Minnesota City/County Managers Association

Dr. Tim Houle stated he has been doing this work for 15 years but going on 30. Significant points on demographics:

July 1, 2019- first time Millennials were a larger part of the workforce than Baby Boomers.

How have the generations affected us?

Every generation ages.

Births underlying each generation:

- 1946-1964 Baby Boomer 76 million

- 1965-1980 Gen X 55 million

- 1981-1996 Millennial 62 million

Implications when Baby Boomers entered the education system.

- New schools

- Temporary structures

In 1990 talked about closing elementaries with the shift in demographics.

What is the implication for the workforce?

- For every 5 Baby Boomers retiring only 4 Gen X to fill job- 20% difference.

- Social Security if going to tip over

- Current generation working for previous generation

Are people sitting on sidelines?

A lot of people underemployed or do not have the required skill sets

Short of workers

Penalizing social security

20% smaller workforce has an impact through every aspect of society

Have a conversation about how many people will be here

- Impact on real estate

- Prioritizing health care

Not a sustainable trend

Wealth transfers need to be discussed

Next generation pay 20% more for us than our parents

Issue coming for social security

Innovating is not a variable, it is a constant—improving productivity

Unemployment is still rising and innovation is not enough

Increase productivity

Bring in new workers

- Immigration? Not likely

The higher the unemployment the better the capabilities

What is next?

Every generation is decreasing but not declining as rapidly

Baby Boomer decision created issue with Social Security- System will change/pivot but not go away

Told us 25 years ago—labor shortage is coming

Future planning:

- What is it doing to the community?

- Working on process

- How do we internalize it and do something about it

There will be fewer people, but it depends on whether or not you attract more people

- So many natural assets in Crosslake that it should thrive despite demographics

Don't plan in a vacuum

Conversation about housing needs

Best thing/worst thing and find the opportunities

Competing against other communities

Bring it back to the community

- What kind of things should we be thinking about?

- Competing for people

- Touristy

- Small

- Seasonal

- Sleepy

- Take into account the changing demographics

AI/manufacturing is going to happen

Automation is part of the solution

Challenge we face is to do it correctly

Home ownership is generational

30 years from now will be different

Need to plan for increases as well as decreases

How much housing is needed now/10 years/20 years?

Shifting within the generations

Solution?

Treating each other with respect, other views

TOGETHER

Compromise is not a bad thing

Trying to define what is the best thing for Crosslake?

Respect and honor the differences

Next meeting: September 6, 2023

Work groups meeting in July and August

There being no further business or announcements, Dean Fitch adjourned the meeting at 10:00 AM.

Martha Steele

Volunteer Recorder

EDA Housing Update to the Crosslake Comprehensive Plan (Sept 6 version)

Overview: Crosslake has been and continues to thrive as a preferred destination for Retirees, Second Homeowners, and Vacationers. Many in this group have multi-generational legacies with the City and area in general. They cherish the life style and shape the ethos of Crosslake. Investments they are making in their properties, and patronage to local businesses are critical to the financial health and overall vibrancy of Crosslake. Like all other sections of the Crosslake Comprehensive Plan (CCP) there are key metrics in Housing that need to be part of the CCP dashboard to ensure the City is meeting their expectations.

Patrons Served: Current data shows there are 4000 homeowners in the 56442 zip code. Crosslake housing is predominately lakeside single family homes. There are a healthy number of multi family condos/townhouses both on and off lake. On any summer weekend there are more visitors than residents in the City and surrounding area. They are large contributors to local economic activity. Resorts, hotels, campgrounds and VRBO's offer visitors hundreds of accommodations, and bring thousands to the City each year. This is an important group since many of them are candidates to become homeowners, so need to be included in decisions about Housing, Land Use, Zoning, and City Services and Planning,

Patron Accomodations	2023	2024	2025	2026	2027
Housing	4000				
Hotel Rooms					
Resort Rooms					
VRBO					
Camp Sites					

Property Values (Single Family Homes): A key metric in Housing health is the growth in property values. For Crosslake, inventory of homes for sale has changed from an average of 150 ten years ago to about 50 currently. Because scarcity drives value, there has been a robust increase in average and median home values (*Data only available for single family homes*)

House Values	2020	2023	2024	2025	2026	2027
Avg		\$970K				
Median	\$340K	\$585K				

The City has limited land available for new home construction and neighborhood development. The 2017 CCP survey showed a split in resident's desire for more housing density, although a recent development of new senior housing, maybe the most dense residential property in the City, has been welcomed, and very successful. Its likely more developments like that will be part of the City's future. In the interim an important metric to the CCP dashboard is investments being made in new and especially existing properties as seen in the permits being issued by the City's Planning and Zoning Department:

Permits Issued						
	2018	2019	2020	2021	2022	2023/May
New Construction Dwelling	37	31	44	45	41	21
Septic - New	23	15	27	35	46	15
Septic- Upgrades	22	27	27	42	34	7
Porch / Deck	69	58	52	75	67	16
Additions	24	21	26	28	33	21
Landscape	36	45	53	55	60	20
Access Structures	34	38	54	65	69	23
Demo/Move	16	21	21	13	18	5
Totals	261	256	304	358	368	128* YTD

Property Taxes: Property Taxes are derived from all types of housing and accommodations, as well as commercial properties. In combination these taxes drive 70%+ of the Crosslake City budgeted revenues:

Year	Property Taxes	Yr/Yr Change	Revenue Budget	% of Budget
2018	3,698,172		5,170,894	71.5%
2019	3,955,182	+7%	5,303,357	74.6%
2020	4,513,949	+14%	6,418,933	70.3%
2021	4,485,597	-.6%	5,888,937	76.2%
2022	4,472,300	-.2%	7,448,568	60%
2023 Budget	4,835,459	+8%	6,828,152	70.8%

This compares to an average of 30% in most small town budgets, which highlights how unique Crosslake's housing/ commercial property market is to more common compares of other cities in Crow Wing County, the state of Minnesota, and the US in general.

Community Engagement:

The City of Crosslake, (through its budgets) in combination with Community Groups provide a broad range of resources and activities for Crosslake's patrons. This is a group of active adults and families that are drawn to Crosslake's "Up North" experiences. Lakes and woods lead that and are seen in their engagements in outdoor activities such as water sports, golf, hiking, biking, ATV/Snowmobiling, and similar. There are more than 50 public lake access points, for those that are not directly on a lake. Crosslake's Community Center hosts a broad range of facilities and venues for tennis, pickleball, playground, gardening, library, indoor exercise. In the winter months, walking trails are groomed for snowmobiling, an ice rink is maintained as is a sledding hill. Use of these facilities is growing each year;

Amenities/Resources	2023	2024	2025	2026	2027
Community Center Memberships					
Gym / Exercise					
Tennis/Pickleball					
Ice Rink					
Garden					

Crosslake is home to several annual events. In Feb is Crosslake's Winterfest, March is the Patrick's Day Parade, June is the Antique Boat Show, July 4th Fireworks; August Cardboard Boat Races, September is Crosslake Days.

Event	2023	2024	2025	2026	2027
Winterfest					
St Patrick's Day					
Antique Boat Show					
July 4 th					
Cardboard Boat					
Crosslake Days					

Crosslake is a wholesome and safe place. City services and resources are exceptional, Law enforcement, fire department, EMS, and administrative services serve the citizens and are great stewards of the environment:

City Services */10.000 Patrons	2023	2024	2024	2025	2026	2027
Traffic Violations						
Thefts						
Fire Calls						
EMS						

Along with this City services there are Healthcare, Dental and Family Service providers

Community Support Groups (NPO): Crosslake is fortunate to have several varied community groups to support Homeowners and visitors:

- 8 Churches / Place of Worship
- Crosslakers –
- Lions Club – Community and Humanitarian Services
- American Legion – Serve Veterans, their Families, Military, and Community
- Whitefish Chain Yacht Club – Promoting Safety on Water
- WAPOA – Water and Environmental Protection
- PAL – Patrons of the Parks and Library

Summary: Crosslake provides an exceptional set of amenities, experiences and support for Homeowners and Visitors. Property owners can expect their investments to be preserved and in fact grow. The City government is thoughtful and frugal in its support of the expectations of the patrons it serves. That is further enhanced by several active community groups.

****NOTES for Further Discussion:***

- ***Does this capture the key metrics for Housing?***
- ***Is the use of “patrons” acceptable/important? Purpose is to acknowledge all that Crosslake serves***
 - ***Demographics are tough to capture for this broader group***
- ***Should Commercial strength be included in Housing or elsewhere***
 - ***Is there a measure of Crosslake Commercial activity?***
- ***Are the 50+ public Lake Access points important to the Housing section?***
- ***Should environmental protection efforts be included in Housing section?***
- ***Are we okay that starter or entry level housing /rentals aren’t specifically addressed?***
- ***Does this capture current and expected Housing trends?***