

CITY OF CHANHASSEN

Economic Development 3-Year Plan





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Adopted May 13, 2024

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A. Executive Summary

In 2021, Money Magazine recognized the City of Chanhassen as one of the best places in America to live. The city's natural amenities and quality of life are valued by its residents, businesses, and visitors alike. The City's Economic Development Commission (EDC) completed a strengths, weaknesses, opportunities, and threats (SWOT) analysis to help guide the city's 3-year economic development plan. Specifics to that SWOT analysis can be found within the body of this economic development plan.

Economic Development Statistical Information

1. Chanhassen's senior population, especially those between the ages of 65 and 74, has witnessed the fastest and most significant growth.
2. Between 2011-2021, Chanhassen lost population between ages 0-14, 35-44, and 45-54.
3. The average annual salary in Chanhassen is \$72,592.
 - a. Manufacturing is the largest employment type at 29.5% and has an average annual salary of \$82,628.
 - b. The second highest employment by industry type is Trade, Transportation, and Utilities, at 17.6%, with average hourly earnings of \$33.35 (\$69,368 annually).
 - c. A two-adult household with one child in Carver County requires a yearly cost of living of at least \$80,036.
4. The median housing costs in Chanhassen are 11% higher than the average owner-occupied housing costs in Carver County. Additionally, renter-occupied housing costs are 22% higher than the average renter-occupied housing costs in Carver County.

Strengths, Weakness, Opportunity, and Threats (SWOT) Analysis Summary

1. Highly educated community where residents have both public and private educational options,
2. Lack of developable land and the remaining parcels will be costly to develop/redevelop,
3. High cost of housing and limited workforce housing, and
4. Neighboring cities have more available land and areas for increased density.

Over the next three years, staff will work with developers in bringing in a variety of housing types and styles at various price points. Strategies will also be implemented to create and retain affordable, life-cycle housing which is important as it will ensure that Chanhassen can maintain its goal of being a "community for life".

Chanhassen has a highly educated community with 63.9% of its population 25 years and older having at least a bachelor's degree in 2021. Staff will work to market vacant or underutilized properties to employers recruiting staff whose education and skill level match those of Chanhassen's residents. The goal of increasing these jobs is to allow residents to live and work in Chanhassen while maintaining a diverse local tax base. Being too reliant on one industry could leave the city susceptible to economic downturns or shifts.

The implementation of this Three-Year Plan, which includes an Economic Resilience Plan, will not only maintain but will strengthen Chanhassen's high quality of life, strong financial position, and stable economy.

B. PURPOSE

In 2023, the city contracted with Raftelis, a consulting group that aids local governments in assessing current conditions and planning for improvement for the future, to complete an operational study of all departments across the organization. The goal of this assessment was to review the operations, processes, procedures, and resource levels of city departments, as well as identify what opportunities exist to enhance the efficiency and effectiveness of service delivery and position the city to meet anticipated growth.

The recommendation stated the primary duties of the Economic Development Manager should include the following.

- Business Outreach - Creating a rotation schedule for when the Manager will meet with businesses and develop a database of businesses and properties within Chanhassen, and;
- Local Networking - Create relationships with commercial real estate brokers, working with the utility organizations and departments to understand what's available as far as locations and communicating this information to stakeholders.

Raftelis also recommended that the city should develop a three-year Economic Development Plan to give guidance to the Economic Development Manager, whose position was newly created in 2022, and set a course for success as this role continues to develop. This plan is to be communicated to the community and city staff and should include the following sections.

- A summary of current economic conditions in the city,
- A regional Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis,
- A Strategic Action and Implementation Plan, consistent with other city-wide plans,
- A performance evaluation framework, and
- An Economic Resiliency Plan.

C. CURRENT ECONOMIC DEVELOPMENT CONDITIONS

The following statistical information was provided by the Minnesota Department of Employment and Economic Development (DEED).

POPULATION

Carver County is the 11th largest of the 87 counties in the state. Its population has increased over the past decade, ranking Carver County as the fastest-growing county in the State of Minnesota from 2010 to 2022 (Table 1).

	2010	2022	2010-2022 Change	
	Population	Estimates	Number	Percent
Region 11	2,849,567	3,149,205	+299,638	+10.5%
Anoka County	330,844	368,864	+38,020	+11.5%
Carver County	91,042	110,034	+18,992	+20.9%
Dakota County	398,552	443,341	+44,789	+11.2%
Hennepin County	1,152,425	1,260,121	+107,696	+9.3%
Ramsey County	508,640	536,413	+27,773	+5.5%
Scott County	129,928	154,520	+24,592	+18.9%
Washington County	238,136	275,912	+37,776	+15.9%
State of Minnesota	5,303,925	5,717,184	+413,259	+7.8%

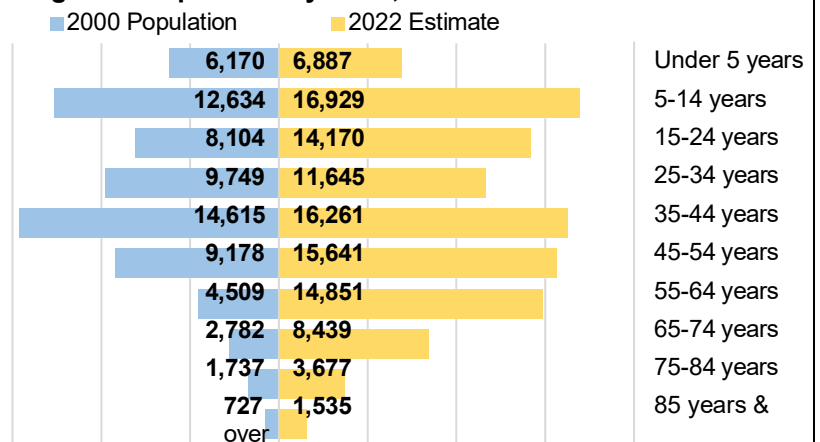
Source: US Census Bureau, Population Estimate Program

Carver County's population is aging, especially as the “Baby Boom” generation moves through the population pyramid (Figure 1).

	Number	Percent
Under 5 years	6,887	6.3%
5-14 years	16,929	15.4%
15-24 years	14,170	12.9%
25-34 years	11,645	10.6%
35-44 years	16,261	14.8%
45-54 years	15,641	14.2%
55-64 years	14,851	13.5%
65-74 years	8,439	7.7%
75-84 years	3,677	3.3%
85 years & over	1,535	1.4%
Total Population	110,034	100.0%

Source: Census Population Estimates, 2017-2021 ACS

Figure 1. Population Pyramid, 2000-2022



The 5-year estimates compiled by the U.S. Census Bureau's American Community Survey (ACS), detailed that Chanhassen's total population increased by approximately 11.2% (+2,574 people) between the 2011 and 2021. Comparatively, Minnesota's total population increased by approximately 7.4% during that period. Chanhassen's senior populations, especially those between the ages of 65 and 74, witnessed the fastest and most significant growth (Table 3).

Age	2021	2011	Population Change, 2011 – 2021	
			Numeric	Percent
0 to 14	5,541	5,957	-416	-7.0%
15 to 24	3,055	2,438	+617	+25.3%
25 to 34	2,566	2,047	+519	+25.4%
35 to 44	3,428	3,910	-482	-12.3%
45 to 54	3,522	4,370	-848	-19.4%
55 to 64	4,105	2,668	+1,437	+53.9%
65 to 74	2,108	828	+1,280	+154.6%
75 and over	1,249	782	+467	+59.7%
Total	25,574	23,000	+2,574	+11.2%

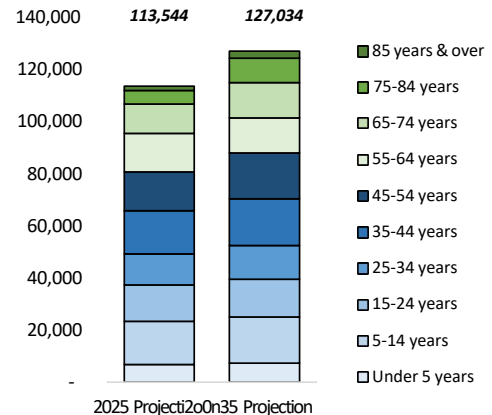
Source: U.S. Census Bureau, American Community Survey 5-Year Estimates

According to the Minnesota State Demographic Center, Carver Co.'s population is expected to grow from 2025 to 2035, with a rate of change that is faster than the projected statewide growth rate (4.5%). In addition to the overall growth, the number of people aged 65 years and older is expected to increase over the next decade (see Figure 2 and Table 4).

Carver Co.	2025 Projection	2035 Projection	Numeric Change	Percent Change
Under 5 years	6,857	7,334	477	7.0%
5-14 years	16,525	17,737	1,212	7.3%
15-24 years	13,992	14,442	450	3.2%
25-34 years	11,875	12,903	1,028	8.7%
35-44 years	16,484	17,974	1,490	9.0%
45-54 years	14,951	17,555	2,604	17.4%
55-64 years	14,746	13,447	-1,299	-8.8%
65-74 years	11,248	13,491	2,243	19.9%
75-84 years	5,213	9,426	4,213	80.8%
85 years & over	1,653	2,725	1,072	64.9%
Total Population	113,544	127,034	13,490	11.9%

Source: Minnesota State Demographic Center

Figure 2. Projections by Age Group, 2025-2035



The Metropolitan Council (METC) updates its 30-year forecasts at least once per decade. Forecasts indicate when, where, and how much population, household, and job growth the region and its communities can expect. The METC recently shared their updated forecasts for Chanhassen (Table 5) and Carver County (Table 6). Chanhassen is designated as an Emerging Suburban Edge.

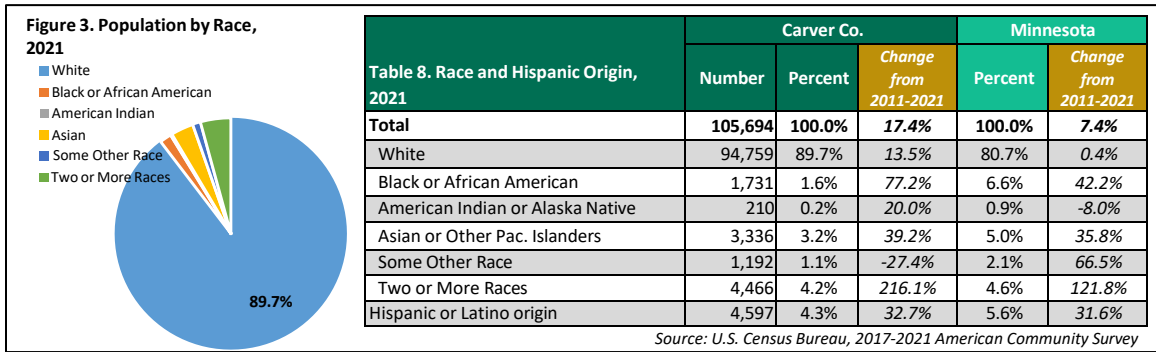
Table 5. METC City of Chanhassen 2040 Forecast			
Forecast Year	Population	Households	Employment
2010	22,952	8,352	10,905
2020	26,700	10,000	15,600
2030	31,700	11,900	17,000
2040	37,100	14,000	18,400
Source: METC Community Pages, Chanhassen, 2024			

Table 6. METC Carver County 2040 Forecast			
Forecast Year	Population	Households	Employment
2010	91,042	32,891	31,836
2020	108,520	40,940	41,810
2030	135,960	52,180	48,230
2040	161,440	62,650	54,700
Source: METC Community Pages, Carver County, 2024			

The race demographics chart (Table 7) offers a visual snapshot of the diverse population that defines the city’s collective identity. This chart not only illustrates the distribution of racial groups but also serves as a valuable resource for recognizing the growth of cultural diversity in the community.

Table 7. Chanhassen Decennial Census Estimates, 2000-2020			
Population	2000	2010	2020
Total Population	20,321	22,952	25,947
White	19,284	21,235	22,095
Black or African America	152	254	360
American Indian or Alaska Native	31	24	46
Asian	576	887	1,608
Some Other Race	84	198	354
Two or More Races	193	352	1,479
Hispanic or Latino (of any race)	402	525	956
Source: METC Community Pages, Chanhassen, 2024			

Carver County's population is also becoming more racially diverse. Since 2011, the county's white population has increased, but at a slower rate than several other races (Figure 3 and Table 8).

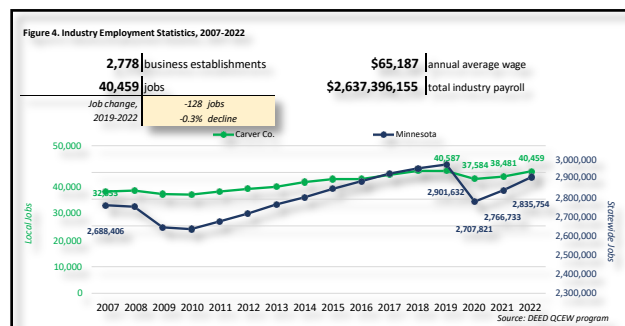


Compared to the state, Carver Co. has a smaller percentage of foreign-born residents. From 2010 to 2021, Carver Co. saw an increase in the number of foreign-born residents, though it was slower than the statewide increase.

	Carver Co.		Change 2010-2021		Minnesota	
	Number	Percent	Number	Percent	Percent	Change
Foreign-born Population	5,549	5.3%	531	10.6%	8.5%	30.6%
Europe	1,101	19.8%	-81	-6.9%	9.4%	0.3%
Asia	2,422	43.6%	706	41.1%	37.0%	30.2%
Africa	369	6.6%	270	272.7%	27.8%	89.8%
Oceania	51	0.9%	28	121.7%	0.4%	17.8%
Americas:	1,606	28.9%	-392	-19.6%	25.4%	6.8%
Latin America	1,516	27.3%	-265	-14.9%	23.0%	8.5%
Northern America	90	1.6%	-127	-58.5%	2.5%	-6.7%

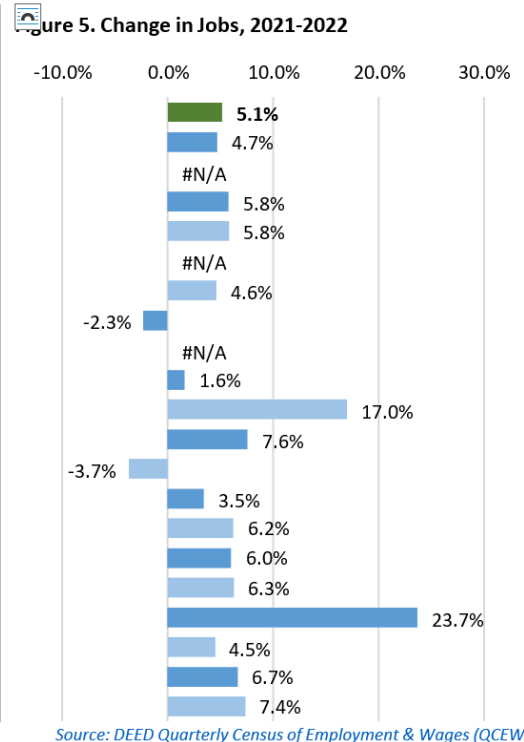
Employment

Coming out of the pandemic, Carver County hasn't fully recovered in the number of jobs (Figure 4), but in 2022, it had the 11th largest economy of the 87 counties in the state. Carver County was the 5th fastest growing in the past year and the 29th fastest growing since 2019.

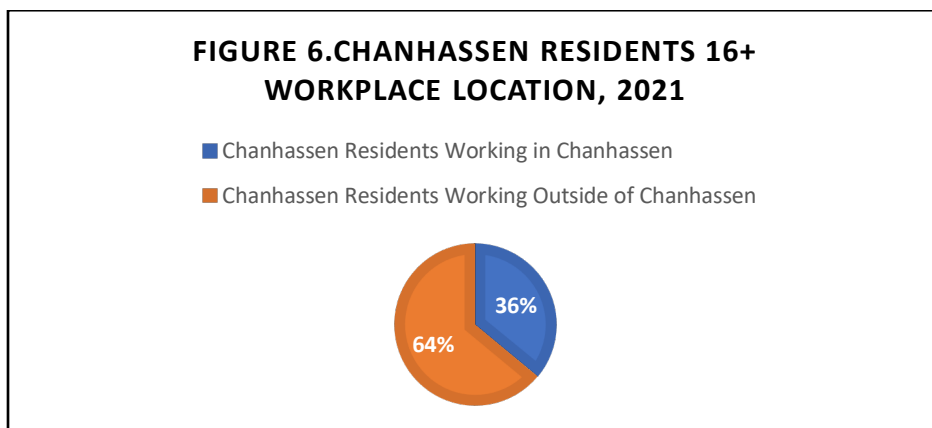


In 2022, Carver County had a total of 40,059 jobs with an average annual wage of \$65,187. The highest industry sector was Manufacturing, representing 24.3% of the total jobs. Between 2021-2022, Carver County experienced the most job growth in the Arts, Entertainment, and Recreation industries (Table 10).

Table 10. Carver Co. Industry Employment Statistics, 2022	Number of Jobs	Percent of Total Jobs	Average Annual Wage
Total, All Industries	40,459	100.0%	\$65,187
Agriculture, Forestry, Fish & Hunt	133	0.3%	\$36,732
Mining	#N/A	#N/A	#N/A
Construction	2,624	6.5%	\$78,613
Manufacturing	9,832	24.3%	\$83,742
Utilities	#N/A	#N/A	#N/A
Wholesale Trade	1,904	4.7%	\$95,620
Retail Trade	3,680	9.1%	\$31,746
Transportation & Warehousing	418	1.0%	\$15,693
Information	248	0.6%	\$75,497
Finance & Insurance	770	1.9%	\$89,547
Real Estate & Rental & Leasing	382	0.9%	\$64,191
Professional & Technical Services	1,614	4.0%	\$82,380
Management of Companies	837	2.1%	\$142,339
Admin. Support & Waste Mgmt. Svcs.	1,111	2.7%	\$70,657
Educational Services	4,419	10.9%	\$49,627
Health Care & Social Assistance	5,582	13.8%	\$64,870
Arts, Entertainment, & Recreation	1,173	2.9%	\$38,722
Accommodation & Food Services	3,239	8.0%	\$21,503
Other Services	974	2.4%	\$37,632
Public Administration	1,484	3.7%	\$68,245

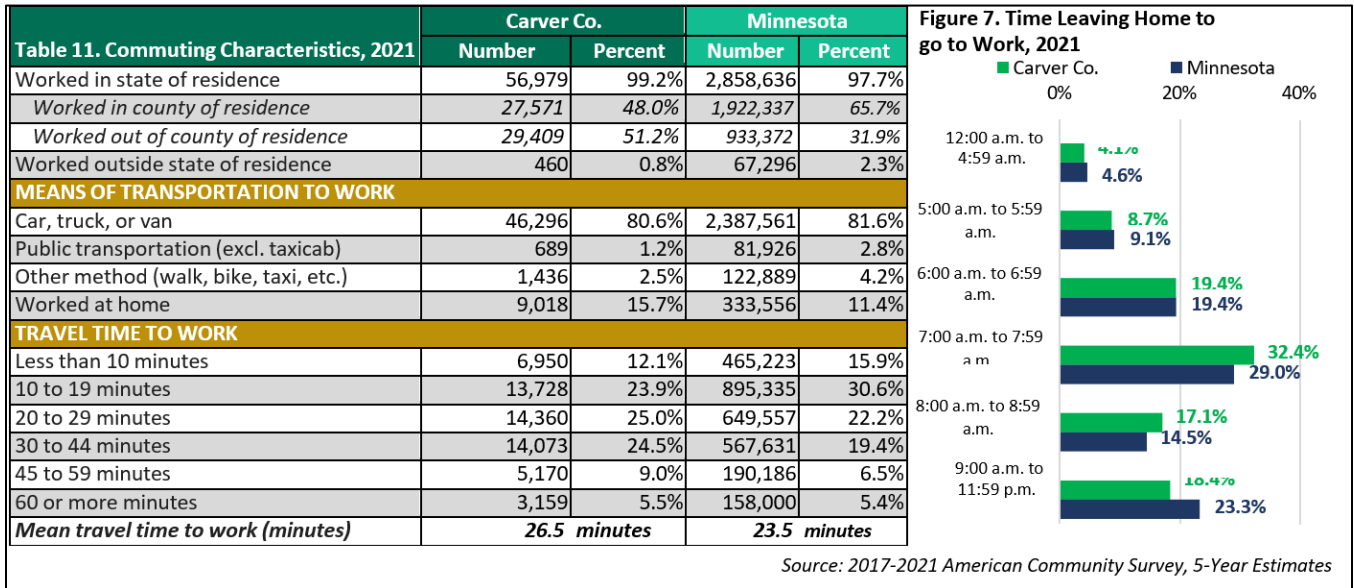


Approximately 36% of Chanhassen residents (residents 16 years of age and older who were working) worked within Chanhassen city limits. Meanwhile, 64% of Chanhassen residents worked outside the city's boundaries (Figure 6).

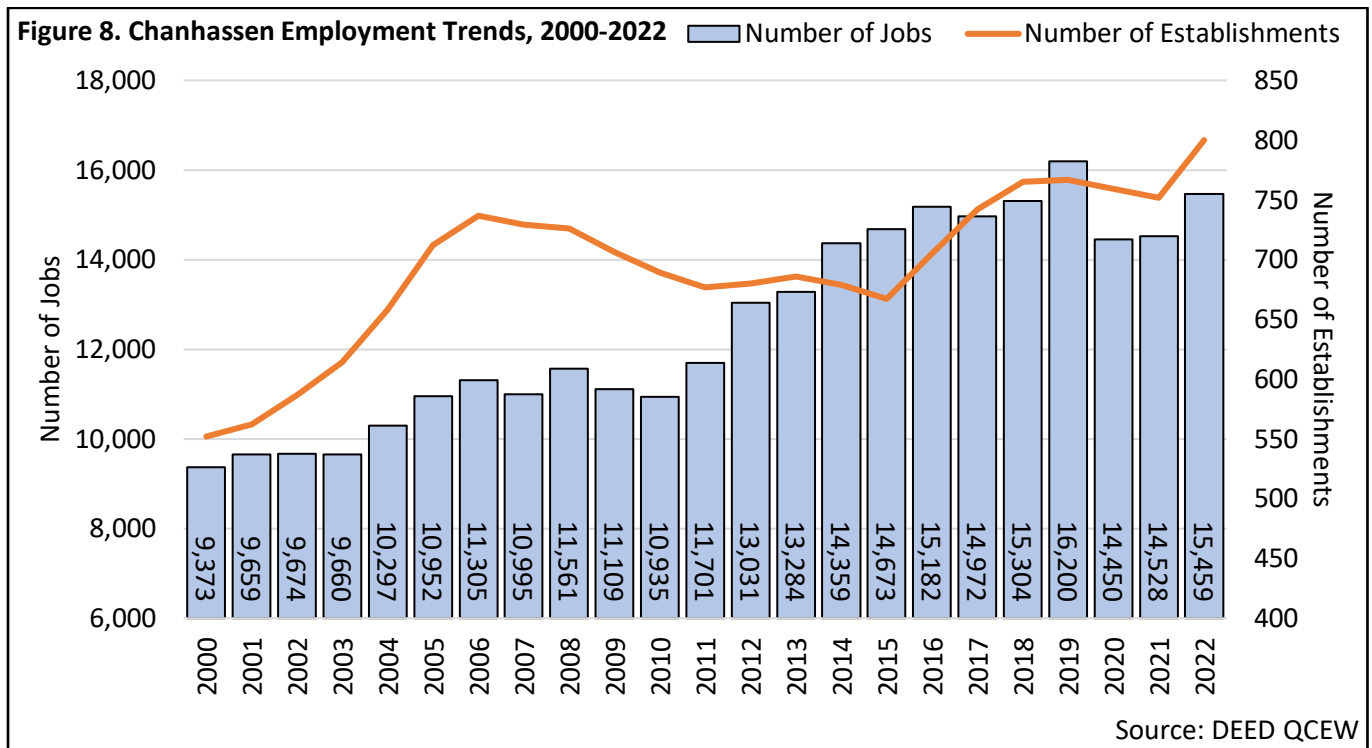


Source: US Census Bureau, 2021

A smaller percentage of workers in Carver County worked in the same county where they live compared to the state. Carver County also had a longer average commute time than the state average.



According to the Department of Employment and Economic Development’s (DEED) Quarterly Census of Employment and Wages (QCEW), the City of Chanhassen had 800 business establishments (Figure 8), supplying 15,459 total jobs in 2022.



Total payroll for all jobs equaled \$1.1 billion, while the average annual wage in Chanhassen is \$72,592 (Table 12). Manufacturing is the leading industry in Chanhassen with 29.5%. Coming in second at 17.6% is Trade, Transportation, and Utilities, part of the “service-providing industries group” and includes employment in wholesale, retail, transportation and warehousing, and utilities. These industries have average hourly earnings of \$33.35 equating to an annual salary of \$69,368. Source: US

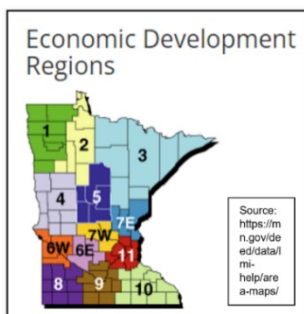
Bureau of Labor Statistics, Industries at a Glance

Table 12. Chanhassen Industry Statistics, Annual 2022					
Industry	Number of Jobs	Share of Total Jobs	Number of Establishments	Total Payroll (\$1,000s)	Avg. Annual Wage
Total, All Industries	15,459	100.0%	800	\$1,123,302	\$72,592
Manufacturing	4,563	29.5%	47	\$378,021	\$82,628
Trade, Transportation and Utilities	2,715	17.6%	149	\$188,307	\$69,368
Professional and Business Services	2,155	13.9%	165	\$222,447	\$103,272
Health Care and Social Assistance	1,158	7.5%	73	\$73,490	\$63,440
Accommodation and Food Services	1,068	6.9%	50	\$24,471	\$22,880
Educational Services	1,042	6.7%	21	\$50,007	\$47,892
Construction	842	5.4%	54	\$74,170	\$87,984
Arts, Entertainment, and Recreation	761	4.9%	22	\$34,391	\$45,240
Other Services	401	2.6%	100	\$15,089	\$37,648
Finance and Insurance	329	2.1%	55	\$31,040	\$94,744
Public Administration	212	1.4%	5	\$14,522	\$68,536
Information	108	0.7%	20	\$8,787	\$81,068
Real Estate and Rental and Leasing	94	0.6%	36	\$8,184	\$86,892
Natural Resources and Mining	11	0.1%	3	\$376	\$37,128

Source: DEED Quarterly Census of Employment and Wages

In 2023, the median hourly wage (\$25.60) in Region 11 (Figure 9), was higher than the state median hourly wage. Overall, Region 11 had the highest median hourly wage level of the 13 economic development regions in the state. Region 11 Includes the Counties of Caver, Scott, Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Figure 9. MN Economic Development Regions



Hourly wages were highest for management occupations (\$60.18) and lowest for food preparation and serving-related jobs (\$15.29) (Table 13).

Table 13. Occupational Employment & Wage Statistics, 2023							
Occupational Group	Region 11				State of Minnesota		
	Median Hourly Wage	Estimated Regional Jobs	Share of Total Jobs	Regional Location Quotient	Median Hourly Wage	State-wide Jobs	Share of Total Jobs
Total, All Occupations	\$25.67	1,718,290	100.0%	1.0	\$24.25	2,827,310	100.0%
Management	\$60.18	128,450	7.5%	1.1	\$51.58	193,760	6.9%
Business & Financial Operations	\$39.29	152,020	8.8%	1.2	\$38.19	201,940	7.1%
Computer & Mathematical	\$51.41	78,440	4.6%	1.3	\$49.73	99,250	3.5%
Architecture & Engineering	\$41.64	37,060	2.2%	1.1	\$40.60	53,100	1.9%
Life, Physical & Social Science	\$41.34	19,160	1.1%	1.1	\$39.37	29,070	1.0%
Community & Social Service	\$26.00	30,510	1.8%	0.9	\$25.82	54,820	1.9%
Legal	\$51.41	14,890	0.9%	1.3	\$47.87	18,730	0.7%
Education, Training & Library	\$25.35	89,460	5.2%	0.9	\$24.82	158,830	5.6%
Arts, Design, Entertainment & Media	\$30.59	26,520	1.5%	1.2	\$28.80	37,630	1.3%
Healthcare Practitioners & Technical	\$41.91	102,560	6.0%	0.9	\$41.07	186,700	6.6%
Healthcare Support	\$17.27	100,520	5.9%	1.0	\$17.40	162,400	5.7%
Protective Service	\$25.28	23,310	1.4%	0.9	\$25.83	40,620	1.4%
Food Preparation & Serving Related	\$15.29	125,670	7.3%	1.0	\$14.89	216,970	7.7%
Building, Grounds Cleaning & Maintenance	\$18.54	43,360	2.5%	0.9	\$18.26	76,210	2.7%
Personal Care & Service	\$17.34	36,850	2.1%	1.0	\$16.96	58,120	2.1%
Sales & Related	\$19.61	142,400	8.3%	1.0	\$18.14	239,500	8.5%
Office & Administrative Support	\$23.74	212,320	12.4%	1.0	\$23.06	345,830	12.2%
Farming, Fishing & Forestry	\$19.21	1,090	0.1%	0.4	\$19.84	4,060	0.1%
Construction & Extraction	\$35.05	61,400	3.6%	0.9	\$31.00	113,930	4.0%
Installation, Maintenance & Repair	\$29.47	51,770	3.0%	0.9	\$27.95	98,670	3.5%
Production	\$22.67	109,650	6.4%	0.9	\$22.07	209,380	7.4%
Transportation & Material Moving	\$21.88	130,880	7.6%	0.9	\$19.80	227,780	8.1%

Source: DEED Occupational Employment & Wage Statistics, Qtr. 1 2023

Moving forward, DEED is predicting the following occupations will be highest in demand (Table 14).

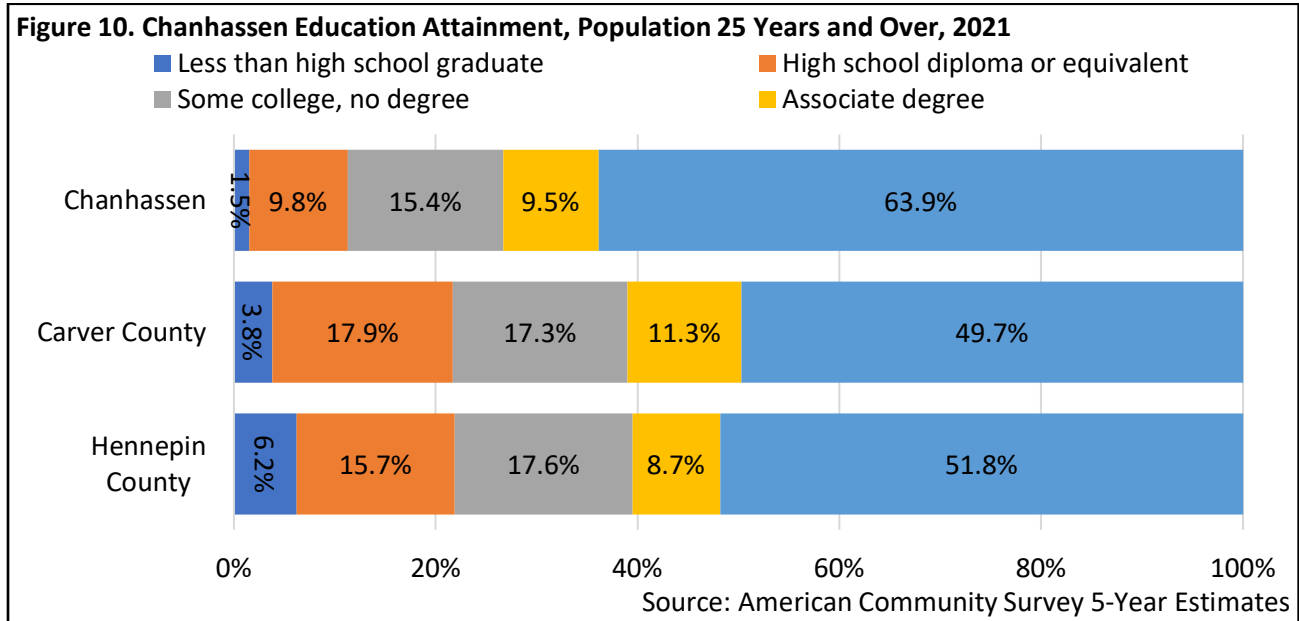
Table 14. Twin Cities Occupations in Demand, 2022			
Less than High School	High School or Equivalent	Some College or Assoc. Deg.	Bachelor's Degree or Higher
Retail Salespersons \$29,563/yr.	Nursing Assistants \$40,252/yr.	Registered Nurses \$88,275/yr.	Software Developers and Software Quality Assurance Analysts and \$109,686/yr.
Fast Food and Counter Workers \$27,050/yr.	Licensed Practical and Licensed Vocational Nurses \$53,226/yr.	Clinical Laboratory Technologists and Technicians \$57,392/yr.	General and Operations Managers \$116,335/yr.
Home Health and Personal Care Aides \$30,550/yr.	Machinists \$56,280/yr.	Dental Hygienists \$79,288/yr.	Project Management Specialists and Business Operations \$75,918/yr.
Customer Service Representatives \$43,930/yr.	Computer User Support Specialists \$58,065/yr.	Paralegals and Legal Assistants \$61,136/yr.	Accountants and Auditors \$72,999/yr.
Cashiers \$28,148/yr.	Automotive Service Technicians and Mechanics \$49,969/yr.	Radiologic Technologists and Technicians \$72,244/yr.	Management Analysts \$90,051/yr.
First-Line Supervisors of Retail Sales Workers \$50,220/yr.	Medical Assistants \$46,355/yr.	Veterinary Technologists and Technicians \$38,974/yr.	Computer Systems Analysts \$100,128/yr.
Janitors and Cleaners, Except Maids and \$33,643/yr.	Electricians \$76,105/yr.	Computer Network Support Specialists \$70,174/yr.	Market Research Analysts and Marketing Specialists \$76,791/yr.
First-Line Supervisors of Food Preparation and \$42,227/yr.	Hairdressers, Hairstylists, and Cosmetologists \$29,969/yr.	Industrial Engineering Technologists and Technicians \$59,129/yr.	Financial Managers \$136,310/yr.
Heavy and Tractor-Trailer Truck Drivers \$53,619/yr.	Industrial Machinery Mechanics \$63,713/yr.	Web Developers and Digital Interface Designers \$81,675/yr.	Substance abuse, behavioral disorder, and mental health \$53,558/yr.
Stockers and Order Fillers \$32,737/yr.	Dental Assistants \$59,028/yr.	Surgical Technologists \$65,054/yr.	Human Resources Specialists \$69,201/yr.

Source: DEED Occupations in Demand

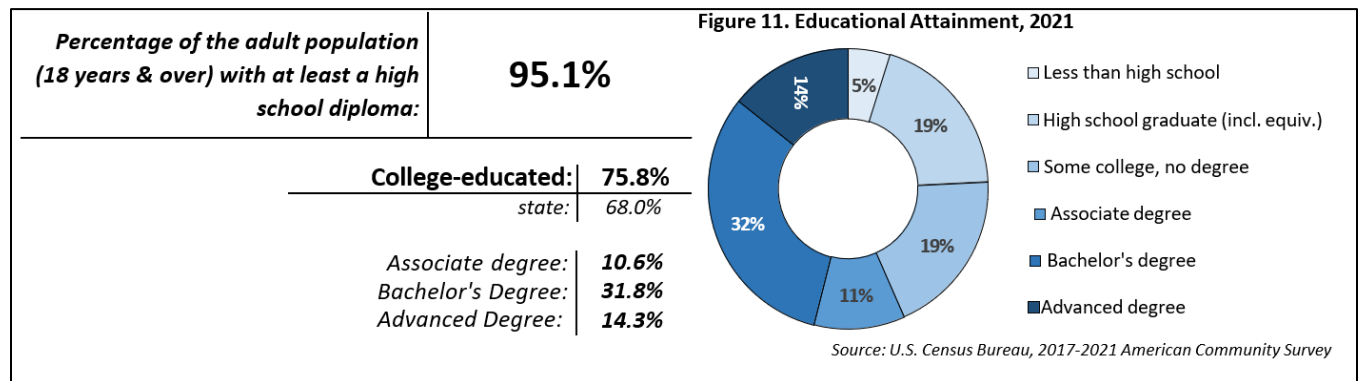
1. Educational Attainment

Chanhassen’s population is highly educated. According to ACS 5-year estimates, in 2021, 98.5% of the city’s population 25 years of age and older had a high school diploma or more. This was compared to 93.9% of Hennepin County and 96.2% of Carver County.

Additionally, in 2021, 63.9% of Chanhassen’s population who were 25 years and older had a bachelor’s degree. This was compared to 51.8% of Hennepin County and 49.7% of Carver County (Figure 10).

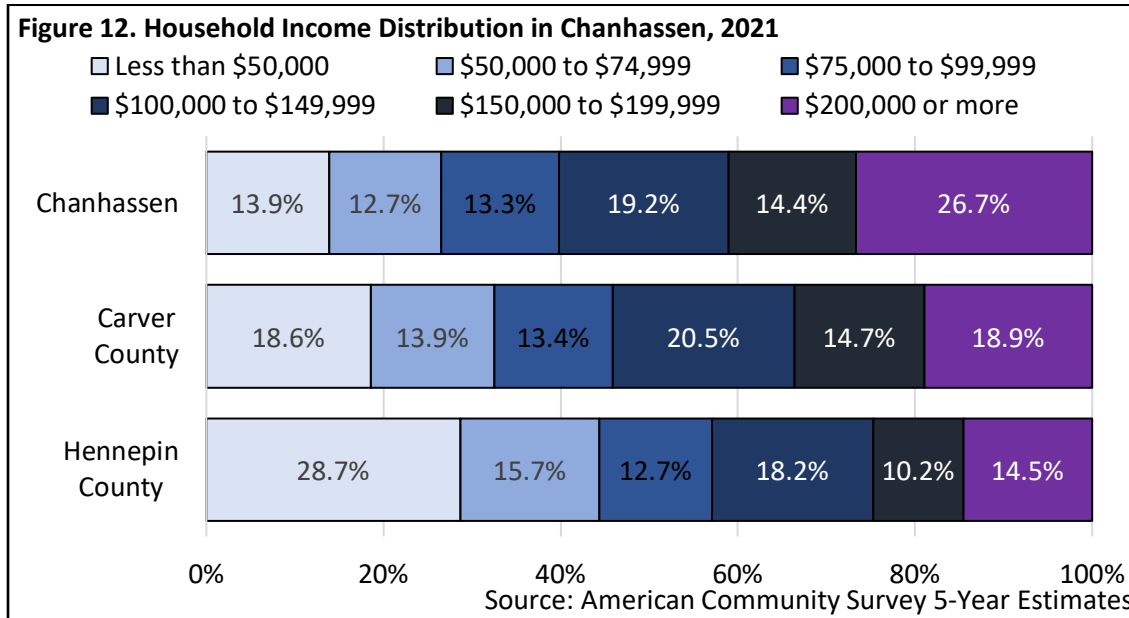


In Carver County, 95.1% of adults 18 years and over have at least a high school diploma. This is higher than the State of Minnesota, at 92.8%. Carver County also has a high percentage of college-educated people with 75.8% compared to the state average of 68% (Figure 11).

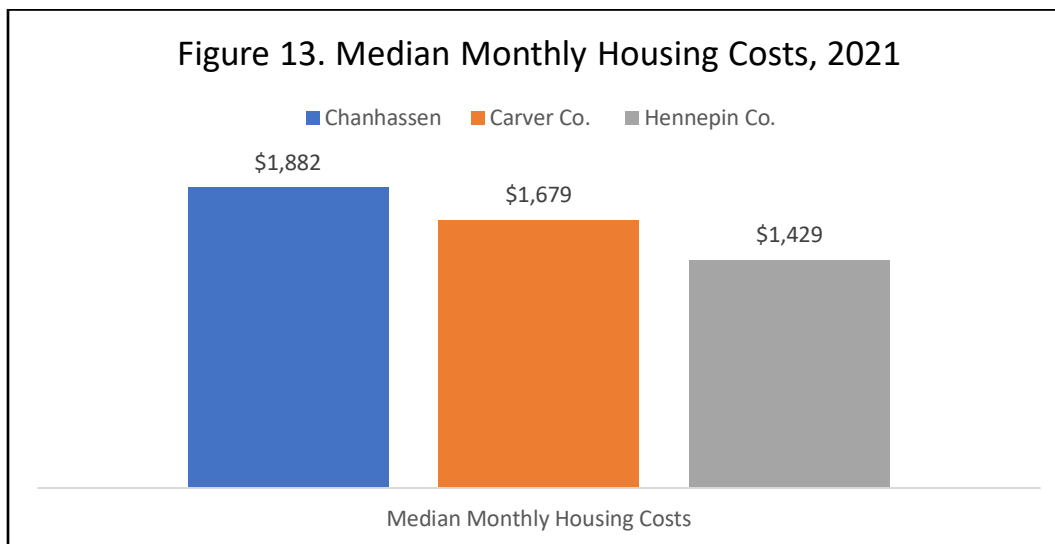


2. Housing & Household Income

According to ACS 5-year estimates, Chanhassen had a median household income of \$123,566 in 2021. The comparative median household incomes were \$107,890 in Carver County and \$85,438 in Hennepin County (Figure 12).

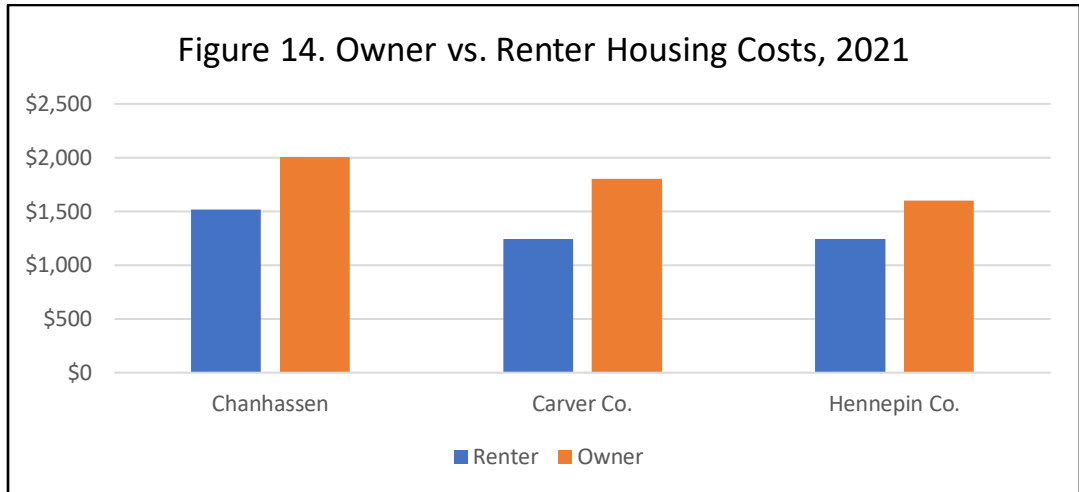


For occupied housing units, the median monthly housing cost in Chanhassen was higher than that of Hennepin and Carver Counties (Figure 13).



Source: US Census Bureau, Housing Data, 2021

Chanhassen residents pay more for both owner-occupied and renter-occupied housing (Figure 14). In total, median housing costs in Chanhassen are 11% higher than the average owner-occupied home in Carver County. Additionally, renter-occupied housing costs in Chanhassen are 22% higher than the average renter-occupied housing in Carver County.



Source: US Census Bureau, Housing Data, 2021

Chanhassen had approximately 9,406 occupied housing units in 2021, with 8,262 (87.8%) being owner-occupied and 1,144 (12.2%) being renter-occupied. Chanhassen had approximately 488 vacant housing units in 2021 (4.9%). In comparison,

- Hennepin County had 523,528 occupied housing units (63.1% owner-occupied and 36.9% renter-occupied) and approximately 26,726 vacant housing units in 2021 (4.9%).
- Carver County had 38,213 occupied housing units (82.7% owner-occupied and 17.3% renter-occupied) and approximately 1,602 vacant housing units in 2021 (4.0%).

Source: US Census Bureau, Housing Data, 2021

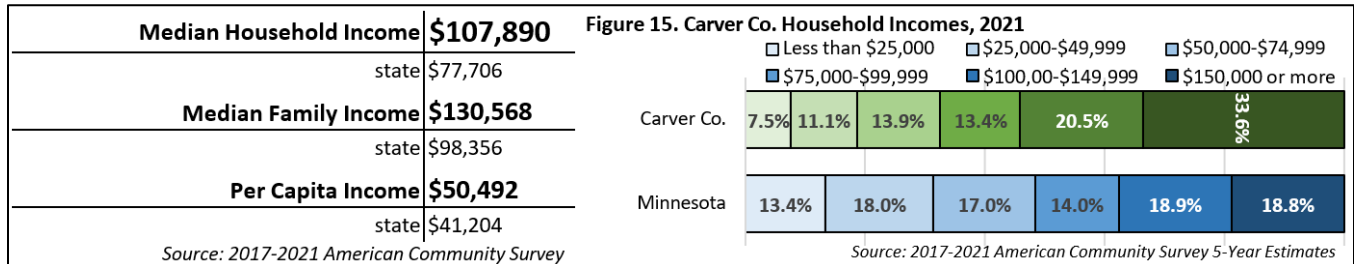
Carver County had a higher median housing value than the state, having the 1st highest value of the 87 counties in 2021.

Table 15. Estimated Value of Owner-occupied Housing Units, 2021	Carver Co.		Minnesota
	Total	Percent	Percent
Total	31,595	100.0%	100.0%
Less than \$50,000	1,009	3.2%	4.3%
\$50,000 to \$99,999	350	1.1%	6.1%
\$100,000 to \$149,999	1,093	3.5%	9.5%
\$150,000 to \$199,999	1,992	6.3%	14.8%
\$200,000 to \$299,999	7,538	23.9%	28.7%
\$300,000 to \$499,999	12,216	38.7%	26.4%
\$500,000 or more	7,397	23.4%	10.2%
Median (dollars)	\$353,300		\$250,200

Source: 2017-2021 American Community Survey, 5-Year Estimates

5. Cost of Living

In 2021, Carver County had the 2nd highest median household income of the 87 counties in the state. Carver County had a higher median household income than the state and a lower percentage of households with income below \$50,000 (Figure 15).



The cost of living has increased over the past 2 years. In 2022, Carver County had a higher cost of living than the state, with a minimum hourly wage of \$17.77 is required for a single person living alone to meet the basic needs and an hourly wage requirement of \$20.94 for a family with 2 full time working adults and 1 child in daycare full time (see Table 16).

Single Adult (19-50), No Children	Required Income		Monthly Costs						
	Single Person Yearly Cost of Living	Hourly Wage	Childcare	Food	Health Care	Housing	Transportation	Other	Taxes
Carver Co.	\$37,836	\$18	\$0	\$401	\$155	\$1,111	\$765	\$366	\$355
State of MN	\$34,992	\$17	\$0	\$403	\$159	\$961	\$760	\$330	\$303
Two Adults Both Working FT & 1 Child in Daycare	Required Income		Monthly Costs						
	Two Income Family Yearly Cost of Living	Hourly Wage	Childcare	Food	Health Care	Housing	Transportation	Other	Taxes
Carver Co.	\$80,036	\$19	\$1,547	\$916	\$567	\$1,394	\$894	\$559	\$793
State of MN	\$69,912	\$19	\$1,148	\$921	\$555	\$1,216	\$886	\$517	\$583

Source: DEED Cost of Living Tool

The cost of childcare reflected above was compared to the average weekly rates for family childcare programs and childcare centers in Minnesota as of April 2024, by Childcare Aware of MN. Rates for part-time and drop-in care may be higher than those listed (Table 17).

	Daycare Center	Family Childcare Center
Infant	\$440.87	\$223.28
Toddler	\$386.16	\$212.76
Preschool	\$332.92	\$201.33
School-age	\$296.08	\$176.83

Source Childcare Aware of MN, 2024 Cost of Care

C. STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS (SWOT) ANALYSIS

This SWOT Analysis was completed as a collaboration between the Community Development Department and the Economic Development Commission (EDC).

CHARACTERISTICS WITHIN CHANHASSEN'S BORDERS:	
<p>Strengths: The strengths of a city are assessed by looking at characteristics internal to a city, and that impact how it might be viewed by potential businesses, developers, or other economic agents.</p> <ul style="list-style-type: none"> • Highly educated community where residents have both public and private educational options. • Full-time Fire Department. • Proximately to the major highway system and the availability of SW Prime. • Elevated quality of life with access to natural and abundant public amenities (parks, trails, lakes, etc.). • A high number of major attractions (Paisley Park, the Arboretum, and Chanhassen Dinner Theatre) with approximately 350,000 annual visitors. • Strong support from the Chamber of Commerce, Buy Chanhassen, the American Legion, the Lions, and two Rotary groups. 	<p>Weakness: These are also focused on the internal features of a city that have the potential to impact its marketability to businesses, developers, or other economic agents. Can be categorized as real, perceived, or areas of uncertainty.</p> <ul style="list-style-type: none"> • Perceived as resistant to change and not development friendly. • Lack of attainable housing and rentals. • Lack of walkability, and bike-ability in the downtown. • High land and development costs. • Lack of developable land and the remaining parcels will be costly to develop/redevelop.
CHARACTERISTICS INSIDE AND OUTSIDE OF CHANHASSEN:	
<p>Opportunities: A city's future opportunities are approached broadly and strategically. Opportunities are related to the physical elements of the city, market conditions, and real or perceived advantages for the city.</p> <ul style="list-style-type: none"> • Infill and underutilized properties could be marketed to developers and other local investors (i.e., Mixed-Use). • Underutilized parking ramp downtown. • Youth and adult education, and incumbent worker training. • Location and connectivity to MSP and the MSP/St. Paul International Airport. 	<p>Threats: These can be categorized as real, perceived, or unknown. Understanding the underlying issues and causes of a threat, as well as minimizing their impacts, are methods by which their damage to a city can be mitigated.</p> <ul style="list-style-type: none"> • High cost of housing and limited workforce housing. • Development, land, and building costs are high. • Lack of available workforce, transportation, and land. • Increasing interest rates. • Refinancing interest rates are high therefore people stay in their homes longer. • Neighboring cities have available land and areas for densification.

D. Strategic Action and Implementation Plan

The City of Chanhassen's 2040 Comprehensive Plan identified the many reasons why people choose to live and work in the city. These reasons included:

- A neighborly place with low crime rates,
- A downtown with many services, restaurants, and retail opportunities,
- Many community amenities and special attractions,
- A wide housing stock to accommodate all budgets and stages of life, and
- A large commercial base so residents can live and work in the community.

As a part of this three-year plan, it is important to build off these positive attributes as well as to identify new areas where economic development initiatives can be implemented. The incorporation of both aspects will allow the city to maintain its identity while continuing to grow.

Goal 1. Healthy Local Economy

Every business, job, and institution within the city relies on each other for success. Workers and jobs create ripple effects as people spend money on homes, local goods, and services. Businesses support the local economy through jobs and the potential for spin-off businesses. The city will continue to support businesses with the intention that their economic success will aid in the success of the overall city.

STRATEGY:

1. Create a business-friendly environment where current and future businesses are aware of staff, programs, and tools available to assist them through the various stages of business, from entrepreneurship to succession planning.
2. Attract employers who require employees to have a bachelor's degree or higher to utilize the available highly educated local workforce (Figure 4).

OBJECTIVE:

1. Continue the Business Retention and Expansion (BR&E) Program and Survey.
2. Educate the business community on the resources available to them.
3. Market incentives to attract high-wage/front-of-the-house jobs requiring at least a bachelor's degree or higher.

TACTIC:

1. Schedule monthly one-on-one meetings with local business owners and/or operators.
2. Businesses will be encouraged to complete the BR&E Survey and their responses will be compiled in the city's CRM software.
3. The "Businesses" section on the website will be built out to include tools and resources for local businesses.

Goal 2. Community for Life

The motto for the City of Chanhassen is “A community for life”, therefore the city must work to ensure the availability of a variety of housing opportunities for residents of all races/ethnicities, income levels, and stages of life. By growing and maintaining a variety of housing types and styles, more residents will be able to live and work in Chanhassen.

STRATEGY:

1. Retain Naturally Occurring Affordable Housing (NOAH) for renters and homeowners. NOAH refers to residential properties that are typically older housing stock which are less desirable and therefore more affordable for renting or purchasing.
2. Encourage zoning for a diversity of housing types and styles. Diverse housing types such as apartments, townhouses, and twin homes require less energy to build, heat, and cool, have a lower impact on the environment, and are generally more affordable.

OBJECTIVE:

1. Maintain the quality of existing naturally occurring affordable housing by providing funding to property owners to complete updates to their property while keeping it affordable to the community.
2. Promote density through planning initiatives such as mixed-use developments and/or increased density for development projects that contain a certain level of affordable units.

TACTIC:

1. Staff and the EDC will work with the Metropolitan Council (METC) to create a program that will aid local NOAH rental property owners in utilizing funds to complete updates to the property.
2. Staff will continue to share vacant or underutilized properties and their future zoning classifications with developers.
3. Future use of State of Minnesota Sales Tax Revenue to aid in affordable housing.

Goal 3. Sustainable Infrastructure

The purpose of sustainable infrastructure (roads, water, sewers, fiber, etc.) is to support the city’s current residents, but it will also benefit future generations. The city must be mindful as we maintain and develop infrastructure to ensure that the current and future needs of the community are met. A common development/developer dilemma is the high development fees associated with extending public water and sewer infrastructure.

STRATEGY:

1. Inform businesses and developers on the history of the city’s sewer and water infrastructure as well as on the current Sewer Availability Charge (SAC) and the Water Availability Charge (WAC) fee structure.

OBJECTIVE:

1. Educate property owners, developers, leasing agents, and business owners on the purpose of the SAC/WAC fee and how this could affect them as their business grows or as their property changes use in a way that creates more demand on the sewer and wastewater systems.

TACTIC:

1. Create a webpage and/or market current webpage(s) that provides information on the development fees for new and expanding businesses in Chanhassen.
2. Work with relevant departments to develop a policy related to the SAC/WAC fee so it's clear to the business community and property owners how the units are used, recorded, and/or reused.
3. Staff will market resources to property owners that can help mitigate the burden of these fees as their parcels change use or get significantly redeveloped.
4. Staff will review the city's policy for when and how it charges the city's portion of SAC/WAC fees for projects involving commercial tenant remodels.

Goal 4. Thoughtful Growth

By promoting thoughtful growth, the city can tailor new and infill projects to meet the long-term goals of the community. Building for the future of Chanhassen will prevent costly redevelopments in the future and lead to higher levels of resident satisfaction. Priority should be placed on identifying ways to increase density and local connections without compromising quality. A walkable city, with purposeful development choices, will accommodate the growing population and attract a younger generation of residents.

STRATEGY:

1. Increase knowledge of available commercial/industrial infill sites throughout the city.
2. Promote redevelopment of underutilized or under-performing parcels.
3. Increase community draw for new and existing residents by increasing convenient connections to neighborhood businesses.

OBJECTIVE:

1. Staff will identify and connect with commercial property owners to discuss the possibility of infill and/or redevelopment.
2. Staff will work to educate property owners on the location of utilities and how that could affect future development.
3. Increase pedestrian connections and focus on keeping amenities within a walkable distance.

TACTIC:

1. All commercial/industrial infill lots will be identified, and staff will contact the current owners of these parcels to discuss their plans for the site.
2. Staff will request that developers add or expand sidewalks and trails with the land use development or improvements.

3. Staff will work with developers to assess the City’s comprehensive water and sewer plans to identify when opportunities may present themselves to spur development but which require an amendment to the city’s comprehensive plan.

Goal 5. Community Development

The League of Minnesota Cities states the following about Community Development:

“Cities must constantly respond to a changing environment. To create vibrant places for residents to live, work, and play, cities regulate the use of land within their boundaries, use tools to assist in ensuring housing stock for residents, and to attract and support business for economic growth.”

When community development is effective, there is less crime, less disparity between citizens, better jobs available, a more talented workforce, and fewer overall issues that impact residents. Community development doesn’t necessarily solve problems in a city; but it will reduce problems and increase growth opportunities. Without community development, both economic and business development suffer greatly.

STRATEGY:

1. Increase the sense of community by celebrating local businesses.

OBJECTIVE:

1. Local businesses will work together to build an ecosystem where they feel supported by each other and the community.
2. Encourage residents to shop locally and support locally owned businesses.

TACTIC:

1. The city will aid in the promotion of a yearly Small Business Saturday event through business outreach and creating public-facing resources and branded materials.
2. Consider adding additional local business events such as Manufacturing or Restaurant Week or other programs that increase a positive business-friendly ecosystem.
3. The city will facilitate introductions between business owners and will add quarterly business meetings/tours.

E. Performance Evaluation Framework

A. Healthy Local Economy	Timeline	Tracking/Reporting
1. Schedule monthly one-on-one meetings with local business owners and/or operators.	On-Going	Annual Report
2. Businesses will be encouraged to complete the BR&E Survey and their responses will be compiled in the city's CRM Software.	On-Going	Annual Report
3. The "Businesses" section on the website will be built out to include tools and resources for local businesses.	12/2024	This will be presented to the EDC on or before November 2024
B. Community for Life	Timeline	Tracking/Reporting
1. Staff and the EDC will work with the Metropolitan Council (METC) to create a program that will aid local NOAH rental property owners in utilizing funds to complete updates to the property.	09/2024	This will be presented to the EDC on or before September 2024
2. Staff will continue to share vacant or underutilized properties and their future zoning classifications with developers.	On-Going	Annual Report
3. Future use of State of Minnesota Sales Tax Revenue to aid in affordable housing.	On-Going	Annual-Report
C. Sustainable Infrastructure	Timeline	Tracking/Reporting
1. Create a webpage and/or market current webpage(s) that provides information on the development fees for new and expanding businesses in Chanhassen.	06/2025	This will be presented to the EDC on or before July 2025
2. Work with relevant departments to develop a policy related to the SAC/WAC fee so it's clear to the business community and property owners how the units are used, recorded, and/or reused.	05/2024	This will be presented to the EDC and CC on or before July 2024
3. Staff will review the city's policy for when and how it charges the city's portion of SAC/WAC fees for projects involving commercial tenant remodels.	12/2024	This will be presented to the EDC on or before January 2025
4. Staff will market resources to property owners that can help mitigate the burden of these fees as their parcels change use or get significantly redeveloped.	On-Going	Annual Report
D. Thoughtful Growth	Timeline	Tracking/Reporting
1. All commercial/industrial infill lots will be identified, and staff will connect with the current owners of these parcels to discuss their plans for the site and potential use options.	12/2026	Annual Report
2. Staff will request that developers add or expand sidewalks and trails with the land use development or improvements.	On-Going	Annual Report
3. Staff will work with developers to assess the City's comprehensive water and sewer plans to identify when opportunities may present themselves to spur development, but which require an amendment to the city's comprehensive plan.	On-Going	Annual Report
E. Community Development	Timeline	Tracking/Reporting
1. The city will aid in the promotion of a yearly Small Business Saturday event through business outreach and creating public-facing resources and branded materials.	On-Going	Annual Report
2. Consider adding additional local business events such as Manufacturing or Restaurant Week or other programs that increase a positive business-friendly ecosystem.	On-Going	Annual Report
3. The city will work to introduce business owners to each other and will add quarterly business meetings/tours.	On-Going	Annual Report

F. Economic Resilience Plan

Resilience is an overarching theme that ties an economic development plan together. The resilience of a community or an economy is defined as *“the capability to anticipate risk, limit impact, and bounce back rapidly through survival, adaptability, evolution, and growth in the face of turbulent change”* (NADO Research Foundation) and the Federal Economic Development Administration (EDA) also defines economic resiliency as *“the ability of an area to prevent, withstand, and quickly recover from major disturbances to its underlying economic base.”*

Staff has identified the following strategies to aid the business community and residents with a higher level of resiliency:

1. Promote public and private investments in the community to promote and sustain the creation and retention of local businesses.
2. Create more opportunities for entrepreneurs to start new businesses.
3. Partner with the planning department to develop and implement areas within the 2050 Comprehensive Plan to promote balanced development including workforce housing and ownership options for young families and seniors to create intergenerational housing options.
4. Redevelop underutilized buildings, particularly targeting the Central Business District, to emphasize that Downtown Chanhassen is the core of our city, a year-round destination that offers dining, living, and shopping, as well as public gathering spaces and amenities.
5. Increase and modernize parking spaces downtown and utilize the existing parking provided by Southwest Transit.
6. Partner with the planning department to design and install wayfinding street signs that are more visible for drivers and easy to read that will inform about local tourist attractions and destinations.
7. Encouraging diversification of industries and sectors to reduce oversaturation of industries or businesses. This helps spread risks and enhances overall resilience.
8. Promoting innovation and the adoption of new technologies to drive economic growth and competitiveness.
9. Building partnerships with businesses, communities, and other stakeholders to create a collaborative and coordinated approach to economic resilience.