CITY OF SHOREVIEW
AGENDA
CITY COUNCIL WORKSHOP
Monday June 15, 2026
5:00 PM

Under MN Statutes 13D.02 and city policy, council members may participate remotely.

1. **GENERAL BUSINESS**
   - 1.a Discussion with bikeways and trails committee
   - 1.b Discussion on local sales tax authority
   - 1.c Strategic priorities update

2. **OTHER ISSUES & LIAISON UPDATES**

3. **ADJOURNMENT**

Memorandum

TO: City Council Workshop

FROM: David Yang , Staff Engineer

DATE: June 15, 2026

SUBJECT: Discussion with bikeways and trails committee

ITEM NUMBER: 1.a

SECTION: GENERAL BUSINESS

REQUESTED MOTION

The city council and bikeways and trails committee will be holding a joint meeting to review the committee's recent activities and discuss future goals.

INTRODUCTION

The bikeways and trails committee continues to focus their efforts on the development and promotion of the city's trails and bikeways through community engagement and discussions, along with hosting the annual Tour de Trails. In addition, the committee is actively reporting maintenance needs and identifying deficiencies in the trail network throughout the city, providing feedback on local and regional roadway projects impacting non-vehicular transportation, and educating residents on bicycle safety and state statutes at community events such as Springfest and the Slice of Shoreview.

Since the last joint meeting with the city council in the fall of 2024, the committee has been involved in a variety of projects alongside their primary responsibilities as an advisory group to the city council. In 2025, the committee partnered with Chippewa Middle School to pursue funding to address the significant lack of bicycle racks to meet student demand at the school. Despite having been unable to secure funding for the project, the initiative brought the issue to light within the community. In 2026, the committee, in partnership with Gallery 96, was awarded grants from the Shoreview Community Foundation and Ramsey Washington Metro Watershed District to complete a mural in the Highway 96 tunnel, located next to the community center's lower level parking lot. This project is intended to bring community members together, make the space more inviting, deter vandalism, foster a share sense of local identity, bring attention to local waterways, and enhance the overall atmosphere of Commons Park.

Along with these accomplishments, the committee has had a successful impact on the implementation of three items from their trail wish list, with another scheduled to be completed in 2026. The committee has long advocated for these improvements at the local and county levels for several years, along with gathering community feedback and channeling it to staff. The committee's trail wish list is attached.

In addition to their trail wish list, the committee has drafted a memo to the city council proposing infrastructure upgrades to improve safety for all forms of transportation in

Shoreview in response to input from community interactions. The intention of this document is to serve as a guide for the city council and staff as they work on the 2050 comprehensive plan and future projects. The committee's memo is attached.

Over the next two years, the committee will continue to focus on fulfilling their primary responsibilities by taking on initiatives to improve trail accessibility, user safety, and user experiences. The committee will also continue to adapt their engagement strategies and focus to align with the current state of non-vehicular transportation, regulations, local user needs, and city council priorities. The committee's two-year work plan for 2027-2028 is attached.

DISCUSSION

RECOMMENDATION

It is recommended that the city council discuss the goals of the bikeways and trails committee and provide guidance.

ATTACHMENTS

BTC Trail Wish List 03-05-2026.pdf
Memo to City Council re Safety Features v.3.pdf
BTC 2027-2028 Work Plan.pdf

City of Shoreview
Bikeways & Trails Committee

Trail Wish List (Draft)

Last Revised: March 05, 2026

Note: Wish list items are presented in no particular order of priority.

Pending Completion:

- Address flooded trails in the Snail Lake Regional Park open space area (Ramsey County) – *Project scheduled for 2026*

Additions and Improvements:

- Install trail from Highway 96 to Reiland Lane in the Highway 96 Regional Trail area (Ramsey County)
- Replace Lexington Avenue sidewalk with a trail, between Highway 96 and Victoria Street (Ramsey County)
- Install trail, or repair shoulder pavement, on Rice Street, between Highway 694 and Gramsie Road (Ramsey County)
- Install trail on County Road I, between Shamrock and Lexington Avenue (Ramsey County)
- Grass Lake area trail loop (Ramsey County)
- Turtle Creek Open Space trail (Ramsey County)
- Install trail or sidewalk on Soo Street (Ramsey County)
- Install trail on Victoria Street from Cannon Avenue to County Road C West
- Curb cuts at the intersection of Gramsie Road and Chatsworth Street (Shoreview)
- Explore mountain bike paths (Ramsey County)

- Lake ice pathways (Shoreview)
- Replace Tanglewood Drive sidewalk with a trail, between Hodgson Road and Lexington Avenue (Shoreview)
- Close Hodgson Road Connection to thru traffic to allow a safe and efficient route for non-vehicular traffic (Shoreview)

Maintenance and ADA Needs:

- Rehab the section of trail on Vivian Avenue from County Road E to the St. Odilia Church driveway (Shoreview)
- Grass Lake Park trail repairs/maintenance (Ramsey County)
- County Road J trail repairs/maintenance, between Rice Creek Parkway and Lexington Avenue (Shoreview)
- Lexington Avenue trail repairs/maintenance, between Highway 96 and County Road I (Shoreview)
- Hodgson Road Connection sidewalk repair/maintenance, between Tanglewood Drive and Hodgson Road (Shoreview)
- Gramsie Road trail repair/maintenance, between Rice Street and Victoria Street (Shoreview)

To: Shoreview City Council ("City Council")
From: Bikeways and Trails Committee ("B&TC")
CC: David Yang, liaison to B&TC
Date: June 11, 2026
Subject: Proposed Safety Improvements

While Shoreview has done a masterful job of creating numerous separated multi-use trails around the city, it has been less proactive in addressing conflicts between drivers, cyclists, and pedestrians. B&TC has heard of multiple instances of automobiles colliding with cyclists in Shoreview, including the child of a committee member. At the November 4, 2024 meeting between B&TC and City Council, members of City Council expressed concern about an increase in distracted driving that could lead to additional collisions in the future. Separately, albeit relatedly, B&TC has received an increasing number of complaints about conflicts between pedestrians and cyclists, especially riders of e-bikes. This memorandum proposes infrastructure solutions aimed at making travel safer for all modes of travel in Shoreview.

A. Execute Summary

At its core, this memorandum asks our city planners to change their mindset. Shoreview is currently designed for cars with safe infrastructure for pedestrians/cyclists thrown in at the end, if possible. As the city rebuilds itself over the next 20-25 years, city planners should plan for multiple forms of transportation, ensuring that the infrastructure for each type of travel complements the others. In this memo, we call for:

1. Reducing the baseline speed of city streets to 20 mph so that different forms of transportation can share the street. If the city decides that a particular street must have a higher speed limit, it should deem it unsafe for the street to be shared and provide a separated trail, if one does not already exist.
2. Design streets, and pressure the county to design roads, with a lower "design speed." Rather than force the Sheriff to enforce speed limits, include traffic calming measures to make it impossible for vehicles to travel faster than the desired speed limit.
3. Build trails that are a different color from the streets/roads and have the different color of the trail continue through intersections.
4. Elevate trails and crosswalks through intersections.
5. Create curb extensions (bulb-outs) at all trail crossing/crosswalk locations.
6. Require an underpass at intersections with more than three lanes of vehicle travel.
7. Adopt a safer roundabout design.

8. Ban “slip lanes” and right turns on red.
9. Rotate traffic lights so that lights appear on the near side of the intersection.
10. Install modal filters to eliminate cut-through streets.
11. Widen the trails.
12. Separate bicycle travel from pedestrian travel.

Each of these proposals is explained in greater detail below.

Section 1 of this memorandum addresses safety improvements aimed at alleviating conflicts between drivers, on one hand, and cyclists/pedestrians, on the other hand.

Section 2 of this memorandum proposes safety improvements to alleviate conflicts between pedestrians and cyclists.

Finally, while Sections 1 and 2 address city-wide changes that City Council should make, or ask Ramsey County to make, as paths are rebuilt over the next 20 years, Section 3 of this memorandum proposes safety improvements to be made at specific spots in Shoreview, including new paths that will increase safe, non-vehicular travel.

Section 4 addresses possible sources of funding for these improvements.

B. Section 1: Proposals to Reduce Conflicts between Drivers and Cyclists/Pedestrians

1. Twenty is Plenty

We recommend that Shoreview immediately adopt a uniform speed limit on all city streets of 20 mph. Lower speed limits improve reaction time and stopping distance, reduce crash severity, significantly reduce crash fatalities, and dramatically improve pedestrian survival rates. Shoreview has few sidewalks in its neighborhoods. Residents and families often use roads for walking to and from trails, walking their dogs, and children are often present at play. The lower kinetic energy at 20 mph compared to 30 mph is crucial in residential areas, as it significantly lowers the severity of accidents and allows more time for both drivers and pedestrians to react.

Discord between drivers and cyclists often arises because drivers desperately want to pass the slower moving cyclist. By reducing the difference in their relative speeds, a lower speed limit reduces this anxiety in drivers and leads to less conflict.

While the city may ultimately decide to provide the additional safety of a fully separated bike lane or walking path on some city streets, particularly in areas that experience high youth

travel, a reduction in speed limit has the benefit of being both immediate and entirely within the city's control.

We propose a speed limit of 20 mph because most electric bikes have a top speed of 20 mph, which would allow electric bikes and cars to share the road.

Drivers also benefit from a reduction in vehicle speed, which results in fewer (and less severe) accidents because it allows more reaction time and shorter stopping distances.[1] In addition, by allowing more people to feel secure traveling via methods other than an automobile, drivers benefit by a reduction in traffic congestion.

2. Enforce Speed Compliance (and Improve Driver Attention) with Traffic Calming

Traffic calming is an umbrella term for "stuff that makes drivers pay attention."[2] If you make driving lanes narrower, drivers feel "squeezed" and pay closer attention to keep their car within their assigned lane. If you make vehicles drive over something (e.g., speed bumps or speed tables or rumble strips or cobblestone), the simple act of deflecting the car up and down increases attention and reduces speed. If you make a driver turn their wheel a little bit (e.g., to weave through a chicane or go around a roundabout), they engage more with their environment and reduce their speed.

While the most effective measure should be chosen on a case-by-case basis, ***we propose that the city monitor vehicle speeds on its new 20 mph streets and add traffic calming measures to force vehicles to remain within the speed limit***. Signs and paint do not improve safety; proper engineering does. An additional benefit to this approach to city construction is it reduces the need for speed enforcement by our already taxed Sheriff's department.

3. Give Trails Their Own Color

Road designers often use color contrasts to signal road rules to drivers. Lane markings denote the area where drivers must keep their vehicles. Stop lines insist vehicles stay behind them at stop lights. Zebra markings (crosswalks) alert drivers that they may come into conflict with a pedestrian crossing the road. ***We propose that the city adopt a standard color (besides black) to use for its multi-use trails in order to create a color contrast between different modes of transportation.***

[1] https://www.iihs.org/topics/speed
[2] See, e.g., https://www.ite.org/technical-resources/traffic-calming/traffic-calming-measures/; https://nacto.org/publication/urban-street-design-guide/design-controls/design-speed/speed-reduction-mechanisms/.

In the United States, cities often use bright green for bike paths. In Amsterdam, most bike paths are red.[3] As Shoreview has a network of multi-use paths (rather than bike specific paths), we do not think the city needs to pursue any particular color.[4] The crucial factor is that the color contrasts sharply with the color of the road. The color should be universal throughout the city, and, most important, should ***continue through intersections*** or other possible points of conflict with automobiles (e.g., parking lots). It is only by continuing the color through the intersection that Shoreview can make clear to drivers that cyclists and pedestrians have priority in these spaces. To put it differently, spaces marked in a different color of asphalt are "owned" by pedestrians and cyclists. A car can pass through as a "guest," but it should be obvious to everyone that people, not cars, have priority.[5]

The city is already planning a related pilot project to test whether glowing stones mixed with asphalt will properly illuminate our multi-use paths at night. If so, ***it would be ideal if the top layer of all future multi-use paths included both a color pigment and glowing stones, thereby improving safety night and day***.

4. Elevate Trails and Crosswalks through Intersections

We propose that crosswalks be elevated such that all multi-use trails and sidewalks remain at a continuous (elevated) height through all intersections city-wide.

At a typical intersection, pedestrians and cyclists travel down from the sidewalk/path into the roadway. This act of stepping down into a space meant for cars automatically makes the cyclist/pedestrian into a "guest" in an area "meant for" cars. We propose that the design of the road be modified to flip this presumption. By raising the crosswalk/path so that it flows at a continuous level through the intersection, it makes it clear that cyclists and pedestrians have the right of way. The crosswalk/path becomes an area "meant for" people, and any car that wants to cross must yield. The requirement to yield is often indicated to drivers by including "Shark Teeth" markings immediately before the elevated crosswalk.

Note that an elevated crosswalk functions identically to a speed table. Cars must drive up and over them, which tends to force drivers to reduce their speed. In other words, these elevated road crossings double as design-based speed enforcement mechanisms. For a local example of

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[3] See, e.g., https://bicycledutch.wordpress.com/2011/06/02/rolling-out-a-red-carpet-for-cyclists/. Amsterdam seems to have chosen red because it is cheaper (and requires less maintenance) to mix a paint pigment with the asphalt before it is laid. Here is a link to a company that sells such an additive: https://asphaltcolor.com/. It is possible, however, that the city's current asphalt supplier will have other suggestions.

[4] We note this because, if it is cheaper to use one color over another, the city might as well save the money, as long as the color would provide sufficient contrast with the road.

[5] To really drive this point home, many countries (and even cities around the U.S.) use "Shark Teeth" markings to alert drivers that they are required to yield. See, e.g., https://mutcd.fhwa.dot.gov/htm/2003r1/part3/fig3b-14_longdesc.htm

this proposal in action, the Rosedale Mall has implemented raised crosswalks throughout its parking lots.

The following image shows an elevated trail that is a different color from the roadway (thus illustrating points 3 and 4). Note that the roadway is designed to allow space for cars turning left to still yield to pedestrians/cyclists.



5. Create Curb Extensions (Bulb-Outs) at Crossings

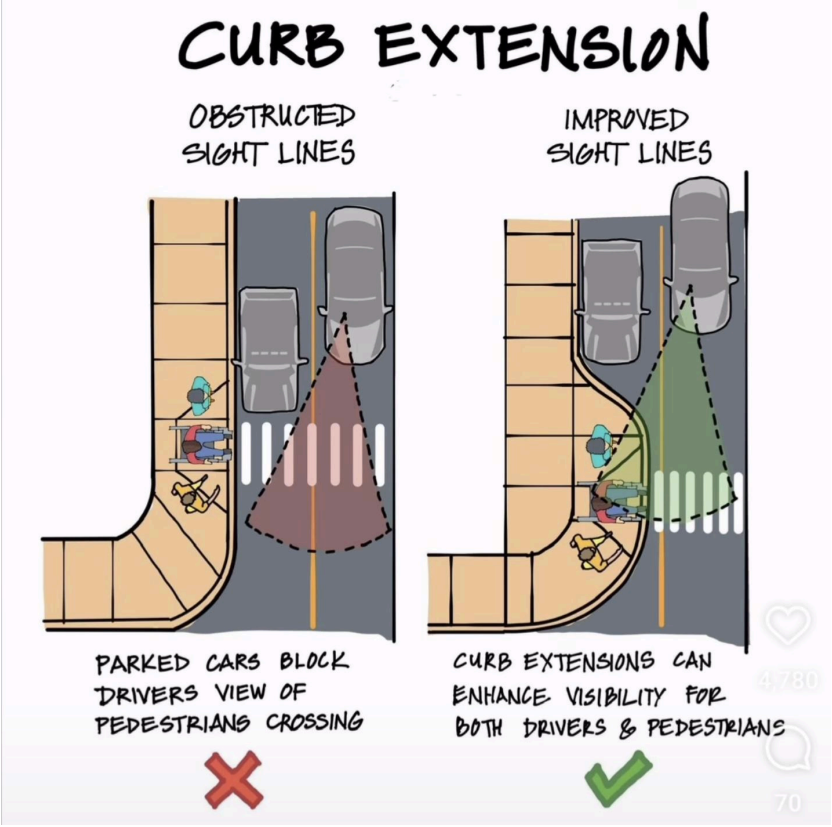
We recommend that the city include curb extensions at all crossings city-wide (especially crossings of county roads).

Roads are typically designed with both a designated driving area and a shoulder. While the inclusion of a shoulder often benefits drivers (by giving them a safe space to pull over when necessary), it makes the road crossing longer for pedestrians and cyclists. This can make the crossing "feel" more intimidating to the pedestrian, and it also lengthens the time for pedestrians to cross, frustrating drivers.

To improve this, we propose that the city include curb extensions at all crossings city-wide (including crossings of county roads). A curb extension simply extends the curb, just at the crosswalk, into the shoulder area. This reduces the distance that pedestrians/cyclists must travel to cross these busy roads, and it creates a visual "pinch point" for drivers, which should

cause them to reduce their speed. It also makes it easier for drivers to see the pedestrians/cyclists waiting to cross the road, thereby making it easier for them to yield.

The following image shows the benefits of this type of infrastructure improvement for both pedestrians/cyclists and drivers.



6. Underpasses, Underpasses, Underpasses

We recommend that the city require the inclusion of an underpass during reconstruction of any intersection with more than three lanes of vehicle travel (including turn lanes).

The most effective way to avoid conflicts between drivers and cyclists/pedestrians is to eliminate the conflict. By allowing the multi-use paths to flow underneath busy intersections, the city would dramatically improve throughput and safety for all modes of travel. We propose that the city require the inclusion of an underpass during reconstruction of any intersection with more than three lanes of vehicle travel (including turn lanes). While we understand that underpasses can be expensive to construct, the requirement merely insists that our leaders include pedestrian/cyclist safety into its decision-making process. We can have narrower intersections

with street-level crosswalks or wider intersections with an underpass. The current engineering philosophy is to sacrifice pedestrian/cyclist safety to make life better for automobiles.

A "road diet" - i.e., transforming a four-lane road into a three-lane road - is typically recommended when average daily traffic volume is less than 25,000 cars per day.[6] According to Ramsey County data, the average daily traffic volume on Lexington ranges from approximately 15,000 vehicles per day in the northern part of the city to 22,000 in the commercial area closer to Target.[7] Highway 96 ranges from 21,000 to 22,000 within city limits.[8] In either case, the city can promote dramatic safety improvements for pedestrians and cyclists (and save both Shoreview and Ramsey County money) by simply insisting that Ramsey County adhere to the standards laid out by the Federal Highway Administration when the time comes to remake these county roads. Each is currently overbuilt.

7. If You Roundabout, Roundabout Safely

We recommend that future roundabouts be designed with the crosswalks and/or multi-use paths set back 1-2 car lengths from the rotary portion of the roundabout. We also propose that cars enter the roundabout at closer to a 90 degree angle; the current design used by Ramsey County encourages cars to accelerate into roundabouts at higher speeds. Current roundabouts should be retrofitted during their next reconstruction.

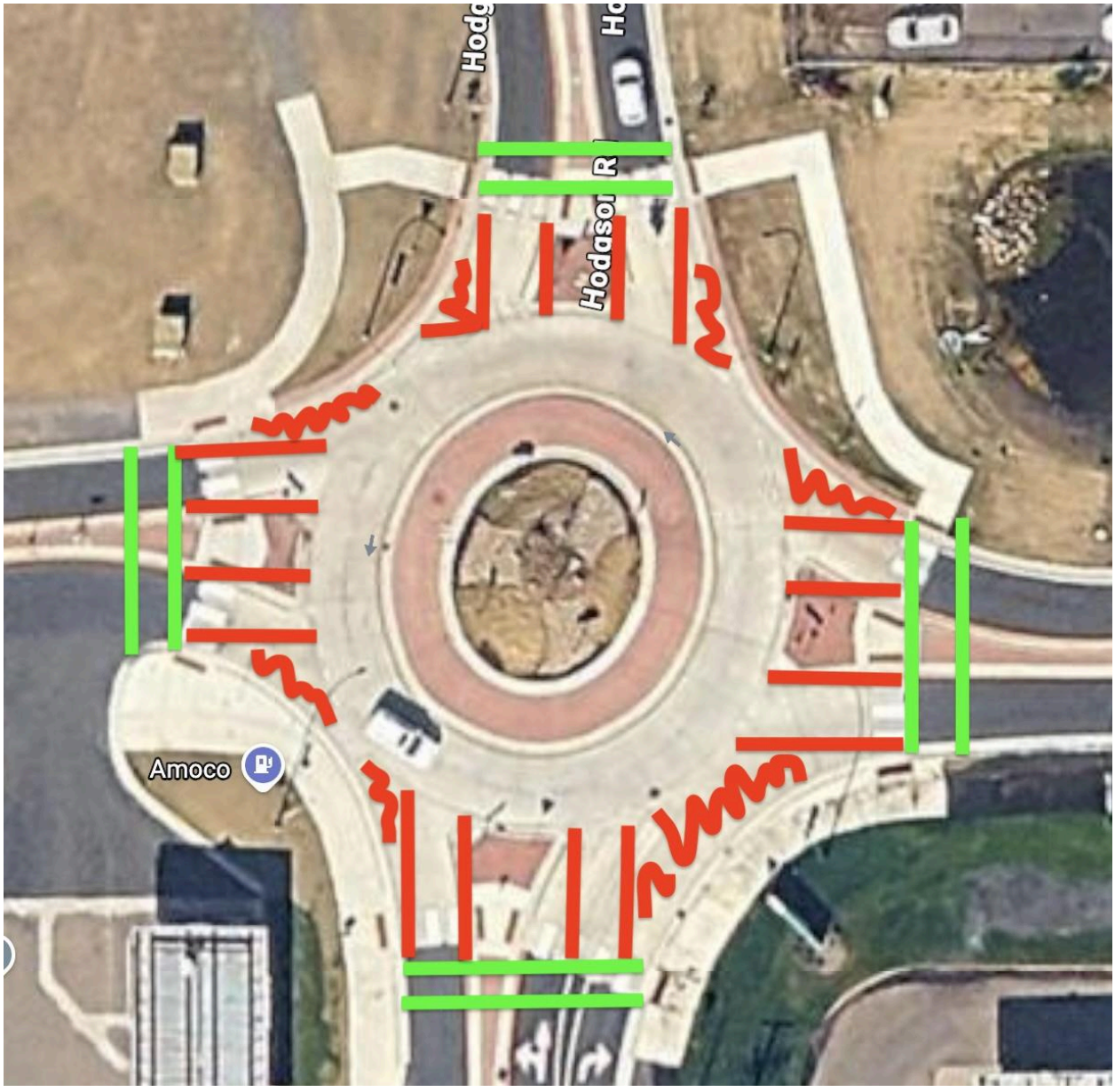
The city has experienced an increased use of roundabouts in recent years. Roundabouts reduce conflicts with other cars because drivers only need to look to their left when determining when they can enter the roundabout, which is safer than needing to scan right and left looking for an opening.

Unfortunately, the characteristic that reduces conflicts with other cars can actually increase the likelihood of a conflict with a pedestrian or cyclist. As a driver approaches a roundabout, her eyes look left (to determine when to enter the roundabout), which means she often misses any pedestrian or cyclist hoping to cross from the right.

A well-designed roundabout should have the crosswalk set back 1-2 car lengths from the rotary portion.[9] This allows a driver to yield to pedestrians/cyclists before he gets to the point where he needs to search for an opening to enter the roundabout. It also allows a driver exiting the roundabout to get her head around and examine her surroundings before barreling into the crosswalk.

[6] See https://highways.dot.gov/safety/proven-safety-countermeasures/road-diets-roadway-reconfiguration.
[7] See https://www.arcgis.com/home/item.html?id=2d38035ba8614bad933121f6599129dc.
[8] Id.
[9] See https://www.fhwa.dot.gov/publications/research/safety/00067/00067.pdf (at Section 2.2.1).

The following image shows a bird's eye view of the roundabout located at Hodgson Road and County Road J. The green markings show where the pedestrian/bicycle path should be, a bit further back from the rotary portion of the roundabout. The red lines show where the motor vehicle lanes should have been placed, at something closer to a right angle to the rotary portion of the roundabout. The squiggly lines show the portions that never should have been built.

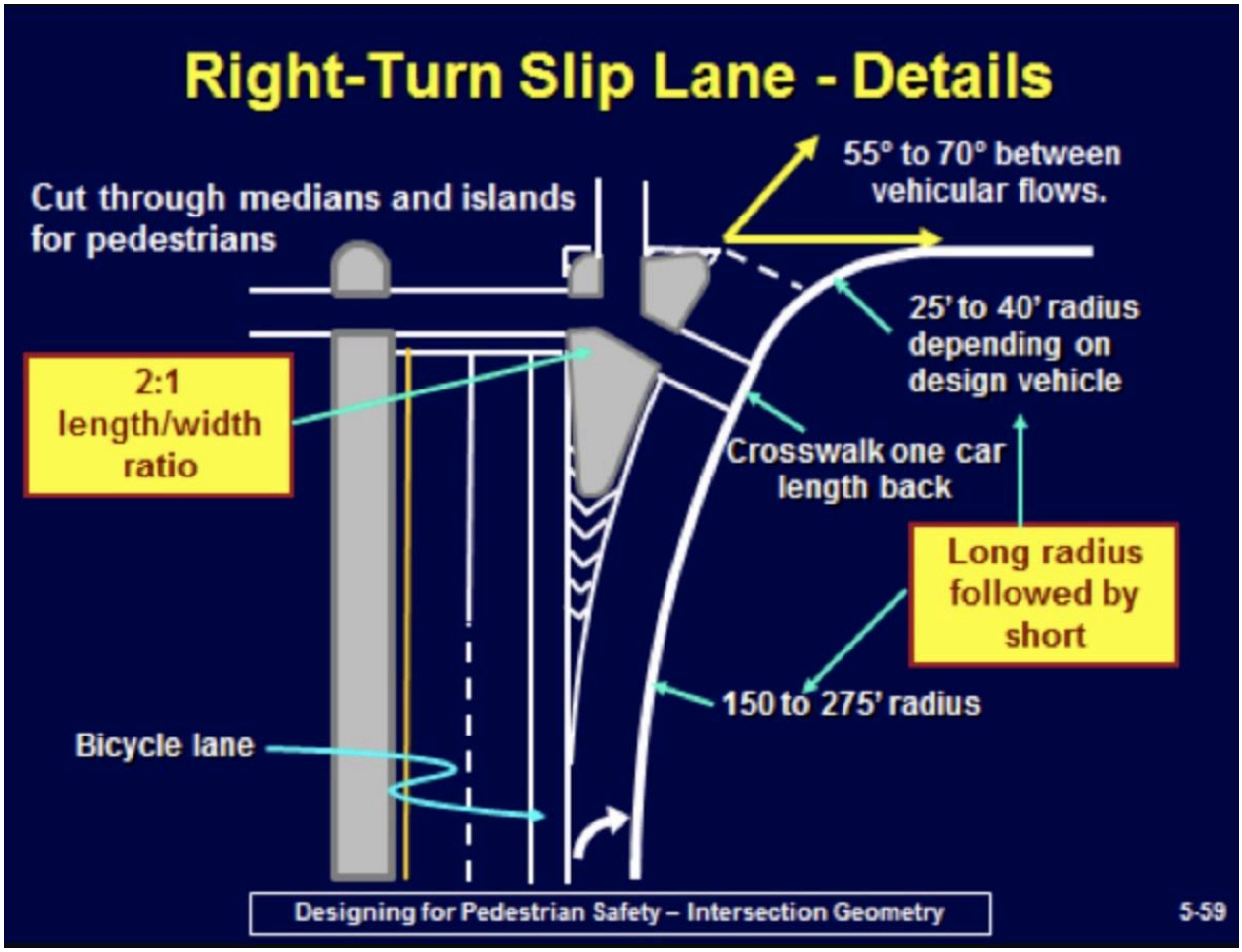


8. Ban Inherently Dangerous Infrastructure Design

We recommend that Shoreview ban future construction of slip lanes and also prohibit right turns on red lights city-wide.

Departments of transportation have long included design elements to increase automobile "throughput" at the expense of safety. We propose that the city ban the future construction of slip lanes and ban right turns on red.

A "slip lane" is a lane of travel that permits a motor vehicle to turn right without going through the intersection. You just slip around the outside. The intersections at Lexington/Highway 96 and Hodgson/Highway 96 currently have slip lanes, which look like this:



Just as with roundabouts, drivers hoping to turn right on red (or with use of a slip lane) only look to the left to identify an opening in traffic that will allow the driver to merge. But the crosswalk is located to the driver's right! An anxious or impatient driver will plow into a crosswalk, even when the signal indicates that it is safe for pedestrians to cross. It is important to note that this isn't the driver's fault or the cyclist/pedestrian's fault. It is the city's fault for building subpar infrastructure.

9. Rotate Traffic Lights

Traffic lights are typically placed at the opposite side of an intersection. A driver waiting at a stoplight will inch as close as possible to the intersection to get a head start (or to better view oncoming traffic if trying to make a right on red). The driver can typically only accomplish this by rolling into a crosswalk, thereby blocking bicycles and pedestrians from crossing safely. Cyclists and pedestrians are then required to cross in an area not meant for crossing, which is dangerous.

In order to fix this, we propose rotating our existing traffic lights 90 degrees. By doing so, the traffic lights will appear on the same side of the intersection as the driver who is looking to them for guidance. The driver will not move forward into the crosswalk because he would then be unable to see the traffic light. Both Germany and the Netherlands install traffic lights in this manner.

10. Use Modal Filters to Prevent Unnecessary Through Traffic

Certain city streets function as shortcuts for drivers whose final destination does not lie along such city streets. For example, traffic traveling eastbound on 96 with the intention of heading north on Hodgson Road might cut through Victoria Street to get to Tanglewood. Instead of taking Tanglewood all the way to Hodgson, the driver might then cut through Hodgson Connection. In both cases, these decisions save the driver a few seconds, while saddling the neighborhoods with unnecessarily large amounts of traffic.

The simple fix in both cases is to install a modal filter between the county road and the city street. A modal filter is a series of planters or bollards or other obstructions that permit pedestrians and cyclists to pass through while filtering out automobiles.[10] This is an example of a modal filter:

[10] See, e.g., https://bikeportland.org/2025/03/03/guest-opinion-modal-filters-are-cheaper-and-work-better-than-speed-bumps-39304 for further discussion on modal filters.



While these filters make it slightly more circuitous for automobile traffic to reach the local neighborhoods, it does not make it impossible. It would also dramatically calm these local streets, resulting in quieter (and safer) neighborhoods, which homeowners, pedestrians, and cyclists will all appreciate.

With respect to the two cut-through examples listed above (Hodgson Connection and Victoria between 96 and Tanglewood), installing a modal filter on one end of the street would not remove the ability to reach any destination by car; instead, the city would filter out the drivers using these routes as pass-throughs, thereby calming these neighborhood streets.

C. Section 2: Proposals to Reduce Conflicts between Cyclists and Pedestrians

1. Twenty is Plenty

As noted above, adoption of a 20 mph speed limit on city streets would allow electric bicycles to share the roadway with automobiles, which also removes potential conflicts on the shared use paths between pedestrians and e-bikes. For any road where it is deemed imperative to maintain a higher speed limit, the city should require a separated bike trail (in addition to a sidewalk) so that bikes and pedestrians remain safe from one another.

2. Widen the Trails

The mixed use trails in Shoreview are 8 feet wide, and they are intended to accommodate two-way bicycle and two-way pedestrian travel. Minneapolis suggests the width of a shared use path should be 10-12 feet, though it only recommends such paths where space constraints make it impossible to have separate bike and walking paths.[11] If installing separate bike and pedestrian paths, Minneapolis recommends 10-12 feet just for the bikeway.[12] Saint Paul suggests that a two-way bike lane (without accommodating walking traffic) should be 10-12 feet.[13] Portland recommends 10-14 feet for two-way bicycle travel (again, without taking into account space for a sidewalk).[14] The CROW Manual used in Amsterdam was recently updated to suggest a 15-foot width if the path is meant to accommodate two-way bicycle traffic.[15] All of these localities recommend physically separating bicycle paths from walking paths.

The federal Department of Transportation recommends sidewalks be a minimum of 5 feet, if setback from the curb, or 6 feet if at the curb face.[16] It goes out of its way to point out, however, that potentially high traffic areas - e.g., schools, shopping districts, etc. - require much greater width. Minneapolis recommends 6-foot sidewalks with an additional 5-foot area for "furnishings" like trash cans and trees, as well as a 2-foot "frontage" zone in front of businesses (for things like benches).[17]

The point here is not to propose the exact perfect width for our city's sidewalks and trails; rather, a quick look at other areas shows that our current trails are extremely narrow for all that we ask of them. A quick rule of thumb may be to shoot for 16-foot paths (if intended for multi-modal use), albeit with some discussion of separating bicycle travel and pedestrian travel in high traffic areas.

3. Separate Bicycle Travel from Pedestrian Travel

As noted above, virtually every jurisdiction that promotes non-vehicular travel strongly encourages separating bicycle and pedestrian travel. Just as more people will bike on grade separated trails where they feel safe from cars, more pedestrians will walk on separated sidewalks where they feel safe from bikes.

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[11] https://sdg.minneapolismn.gov/design-guidance/bikeways/shared-use-paths
[12] https://sdg.minneapolismn.gov/design-guidance/bikeways/sidewalk-level-protected-bike-lanes
[13] https://www.stpaul.gov/sites/default/files/Media%20Root/Public%20Works/Appendix%20C_Design%20Standards.pdf
[14] https://bikeportland.org/wp-content/uploads/2021/10/Portland-Protected-Bicycle-Lane-Design-Guide-v2021-050521-small.pdf
[15] https://dutchcycling.nl/knowledge/blogs-by-experts/crow-updates-bike-lane-width-recommendations/
[16] https://safety.fhwa.dot.gov/ped_bike/univcourse/pdf/swless13.pdf
[17] https://sdg.minneapolismn.gov/design-guidance/sidewalks/sidewalk-zone-design-guidance

D. Section 3: Specific Safety Improvement Projects

1. Trail Extensions

    a. Extend the Victoria Street trail south from Cannon Avenue to County Road C West.

    b. Install a trail on Rice Street between Highway 694 and Gramsie Road.

    c. Install a trail loop around the Grass Lake area.

    d. Install a trail on Soo Street connecting the I-694 pedestrian bridge to the Owasso Boulevard trail.

    e. Install a trail along Harriet Avenue to connect the Victoria Street trail to the I-694 pedestrian bridge.

    f. Install curb cuts at the intersection of Gramsie Road and Chatsworth Street.

    g. Replace the Lexington Avenue sidewalk with a trail between Highway 96 and Victoria Street.

    h. Install a trail to connect the Highway 96 Trail and Reiland Lane. This trail would provide a vital connection between the western Snail Lake neighborhoods and Shoreview Commons, as well as any future Shoreview City Center.

    i. Install a trail on the north side of Highway 96 (while keeping the trail on the south side).

    j. Install dedicated bike lanes on Mound Avenue and Victoria Street to encourage walking and biking to the Shoreview Community Center and Shoreview Library. These bike lanes would also provide important car-free routes to the future Shoreview City Center. In each case, an investment in car-free infrastructure will reduce future demand for both driving and parking, thereby freeing up space for housing and commerce.

    k. Install a trail connection between Tomlyn Avenue and Carmel Court.

    l. Install a trail on Tanglewood Drive between Lexington Avenue and Hodgson Road. This would provide an important trail connection between the trails on Hodgson Road and Lexington Avenue. This route impacts the ability of pedestrians and cyclists to reach Shoreview Commons, and a future Shoreview City Center (to the trail's south). It is also an important

connection for middle school students traveling to Chippewa Middle School (to the trail's north).

m. Install a trail on Hodgson Road Connection between Tanglewood Drive and Hodgson Road. This trail would further drive pedestrian and bicycle traffic to Chippewa Middle School, as well as provide an additional, more direct path to the Shoreview Community Center from the North, particularly when paired with items (c) and (d) above.

n. Install a trail on the east side of Hodgson Road (while maintaining the trail on the west side) between Highway 96 and Chippewa Middle School.

o. Install a trail on County Road I between Lexington Avenue and Shamrock Park.

p. Install a trail across the Turtle Creek Open Space.

q. Explore locations for future mountain bike paths.

r. Consider installing seasonal frozen lake paths across city lakes.

2. Trail Maintenance Concerns

    a. Grass Lake Park trail repairs

    b. Vivian Avenue trail repairs from County Road E to the St. Odilia Church driveway

    c. Gramsie Road trail between Victoria and Rice Street

    d. Highway 96 trail between Lexington Avenue and Hodgson Road

    e. Lexington Avenue trail between Tanglewood and County Road I

    f. County Road J Trail repairs and maintenance

    g. Install a bike repair station at each city park near bicycle parking

3. Raised Intersections

    a. Intersection of Victoria Street and Harriet Avenue.

    b. Intersection of Victoria Street and Highway 96 (if a modal filter is installed to close automobile traffic from Highway 96 to Victoria).

c. Intersection of Hodgson Road and Hodgson Road Connection (if a modal filter is installed to close automobile traffic from Hodgson Connection to Hodgson Road).

d. Intersection of County Road I and Rice Creek Regional Trail

e. Intersection of Lexington Avenue and the Rice Creek North Regional Trail Corridor.

4. Roundabouts

a. Intersection of County Road E and Victoria Street

b. Intersection of Hodgson Road and Highway 96

c. Intersection of Snail Lake Boulevard and Highway 96

d. Intersection of Victoria Street and Highway 96 (unless a modal filter is installed to close automobile traffic from Highway 96 to Victoria).

e. Intersection of Lexington Avenue and Highway 96

5. Use Restrictions

a. Restrict the vehicle lane along the northern edge of the upper parking lot at the Community Center to bus-only transportation (or eliminate the lane entirely). A large number of children travel through the cross-walk in this lane to get from the upper parking lot to the Destination Playground. By limiting vehicle traffic solely to the not-very-frequent buses, the city would greatly reduce the possibility of a child being injured. There is also no reason for cars to exit the parking lot through this route rather than traveling back out to the road they used to enter the parking lot.

E. Section 4: Funding

At the November 4, 2024 meeting between B&TC and City Council, members of City Council expressed concern about where funding for trail maintenance or improved bicycle infrastructure will come from. While an understandable reaction, it is important for City Council to keep in mind that a shift in mode share (from car trips to pedestrian/bike trips) will save Shoreview money in the long run. As the population of Shoreview continues to grow, a fully car dependent city will have no choice but to widen roads further and expand parking lots ever more. This will (a) cost more money, and (b) decrease the amount of land left to tax, thereby resulting in unsustainable tax increases for homeowners and businesses.

The alternative way to deal with current (and future) traffic congestion is to give a percentage of the population an incentive to switch to a different (cheaper) mode of transportation. In a city like Oulu, Finland, with a climate very similar to our own, residents make approximately 20% of their trips by bicycle.[18] According to the Shoreview 2040 Plan, only 2% of Shoreview trips are made by bicycle.[19]

With that achievable room for improvement in mind, we would propose the following options to fund these improvements.

1. Apply for Safe Routes to School Funding

In Oulu, *half* of all schoolchildren bike to school.[20] In some schools with particularly well-designed traffic calming measures, the percentage is as high as 90%.[21] Year round. Sun or snow.

2. Dedicate Funds from the Existing Budget

We propose segregating funds from the current transportation budget to be used solely for creating, maintaining and improving bicycle infrastructure. By creating a separate line item for bicycle infrastructure, the city could better commit to increasing ridership and rider safety on a year-by-year basis.

3. Charge for Parking

Shoreview has several highly desirable parks, which are frequented by Shoreview residents *and* non-residents. The Destination Playground at Shoreview Commons, for example, has caused such a spike in demand that visitors regularly pack both parking lots, the library parking lot, the Mounds View Schools parking lot, and all available street parking. The parking shortage is so acute that the Parks department plans to cut down trees east of the Community Center in order to expand the lower level parking lot.

If you make something free, everyone will want it. In order to help the parking demand meet the available supply, Shoreview needs to charge for parking. By charging to park in these lots, the city would: (a) give local residents an incentive to walk or bike, (b) allow non-residents to defray some of the cost of these parks, and (c) normalize the idea that parking is never "free."

---

[18] See, e.g., Pratte, J. (2011). *Mainstreaming Bicycling in Winter Cities: The case of Oulu, Finland* [Master's thesis, University of Manitoba]. https://mspace.lib.umanitoba.ca/server/api/core/bitstreams/73dfec70-158a-4d5e-b047-801705a6bc8b/content.

[19] Chapter 5, Page 75.

[20] https://www.bbc.com/future/article/20231220-why-oulu-finland-is-the-winter-cycling-capital-of-the-world

[21] Id.

Free parking costs the city money. Our tax dollars pay to build and maintain these parking lots. Even more perniciously, the city forgoes the tax revenue that it could collect if these parking lots were developed into something other than free storage for automobiles. The most valuable real estate in Shoreview is the upper parking lot at Shoreview Commons. If it were developed into a six-story, mixed-use building with first floor commercial space (i.e., coffee shop, restaurant), it could be expected to generate annual tax revenue of at least a half million dollars per year. Instead, it *costs* the city money. While the city may not yet be ready to get rid of its parking lots, it can begin moving in the right direction by placing a price on the use of this valuable land.

4. Relax Zoning Restrictions

Residents of Shoreview, and even some members of city council, have pushed back against dense housing construction on the grounds that the city only receives 22% of the tax revenue from property taxes, so we should not make development decisions on the basis of the tax revenue that will be generated by building more densely. In other words, we do not need the money that additional density would provide.

Many of these same people would dismiss the suggestions included in this memorandum because we "cannot afford them." The tension in these conflicting arguments suggests that the city may, in fact, benefit from alternative development decisions.

City of Shoreview
Bikeways and Trails Committee
2027-2028 Work Plan

Introduction

Over the next two years, the committee will continue to focus on fulfilling its responsibilities by taking on initiatives to improve trail accessibility, user safety, and user experiences. In addition, the committee will also continue to adapt their engagement strategies and focus to align with current non-vehicular transportation trends, regulations, local needs, and city council priorities. The committee's goals for the next two years (2027-2028) are below.

Goals for 2027

- Review status of 2026 goals
- Monitor 2027 goals to ensure they align with the committee's mission and the city council's current needs and directives
- Review Trail Wish List and update as needed
- Look for opportunities to advocate for items on the Trail Wish List and Safety Improvement Memo
- Assess community needs that could be addressed with a Shoreview Community Foundation grant and look for partnership opportunities
- Promote trail use and safety awareness through increase community presence and engagement by participating in events such as Shoreview Springfest, Night to Unite, etc.
- Investigate potential enhancements to the overall experience of participants at the annual Tour de Trails event
- Explore new ways for promoting the Tour de Trails event
- Examine ways to improve presence at Slice of Shoreview along with engagement strategies and their effectiveness
- Look at feasibility of hosting a kids bicycle race, or other kids focused activities, in conjunction with the Tour de Trails
- Develop work plan goals for 2028-2029

Goals for 2028

- Review status of 2027 goals
- Update 2028 goals as needed
- Review Trail Wish List and update as needed
- Look for opportunities to advocate for items on the Trail Wish List and Safety Memo
- Assess community needs that could be addressed with a Shoreview Community Foundation grant and look for partnership opportunities
- Develop work plan goals for 2029-2030

Memorandum

TO: City Council Workshop

FROM: Brad Martens , City Manager

DATE: June 15, 2026

SUBJECT: Discussion on local sales tax authority

ITEM NUMBER: 1.b

SECTION: GENERAL BUSINESS

REQUESTED MOTION

INTRODUCTION

The City Council has requested an opportunity to discuss the potential of requesting a approval of a local sales tax authority.

DISCUSSION

Cities have the ability to adopt a local sales tax to use for regionally significant capital projects by following a strict procedure as outlined in Minnesota state law. The process is as follows:

- City Council adopts a resolution proposing the tax
- Submit adopted resolution to the House and Senate Taxes committee and appropriate subcommittees by January 31st
- Receive legislative approval by passage of a special law to enact the sales tax
- City Council adopts a resolution accepting the new law
- Hold a city referendum during a general election within two years of receiving legislative authority
- City Council adopts an ordinance imposing the tax

In order to understand the impact of imposing a local sales tax, a report was commissioned by the University of Minnesota Extension for Community Vitality. The report was to show the impact of imposing a half-cent (.05 percent) sales tax. The study shows the following outcomes based upon 2023 sales and use tax data:

- It is estimated that non-residents would pay for 48.3% of the tax; Shoreview residents would pay 51.7%
- The average Shoreview resident would pay $15.30 in taxes in 2023 if the tax had been established
    - Using the average household size of 2.31, this would amount to $35.34 annually per household
- The taxes generated using 2023 data are estimated at $810,000 annually
    - According to extension office staff, this number would likely be 10-15% larger as it does not include online sales
    - MN Department of Revenue requires an administrative fee that is less than one-percent

In Ramsey County, the cities of St. Paul and Roseville have adopted local sales tax. Below are the sales tax rates for Ramsey County cities and a link to a Minnesota Department of Revenue sales tax rate map

- St. Paul: 9.875%; including a 1.5% city tax
- Roseville: 8.875%; including a .5% city tax
- All other Ramsey County cities: 8.375%; no city tax
- https://taxmaps.state.mn.us/salestax/

As mentioned above, the sales tax may only be used for "regionally significant" projects which are specifically listed in the approvals. A recommended focus for the use of sales tax funds would be to pay for parks amenities which are used by those outside of the Shoreview community in addition to our residents. This could include the following:

- Existing facilities needing additional investments
    - Shoreview Community Center
        - Facility and amenity expansion
        - Access/security improvements
        - HVAC systems, elevator
    - Rice Creek Fields
    - Baseball fields throughout the system
    - ADA upgrades throughout the system
- New facilities outlined in the adopted Park System Master Plan
    - McCullough Park renovation including splash pad
    - Trail connections

Should the city council desire to move forward with a request to the legislature the next steps would be the following:

1. Develop a proposed project list and cost estimate (this would likely require some consultant assistance)
2. Consider hiring a consultant to complete some polling work to see if there is community support
3. Meet with legislators to obtain support
4. Finalize project list and language for adoption
5. Adopt a resolution proposing the tax
6. Seek legislative approval in the 2027 legislative session

The City Council should consider this information and provide direction to staff on any next steps forward.

RECOMMENDATION

ATTACHMENTS

Process to Obtain Local Sales Tax Authority - League of Minnesota Cities.pdf
Local Option Sales Tax Analysis for Shoreview MN.pdf

Process to Obtain Local Sales Tax Authority

INFORMATION MEMO

Published: July 9, 2025

Please note: The moratorium on local sales taxes expired on May 31, 2025, and cities may submit requests to the legislature during the 2026 legislative session.

Cities need to follow strict rules and procedures to get legislative authority for the creation of a local sales tax. Cities seeking local sales tax authority must file requests with legislators on the House and Senate Taxes committees by Jan. 31.

The city must submit a resolution proposing the local sales tax, details on the projects that will be funded by the tax, and documentation on regional significance. Cities may request legislative authority to impose a local sales tax to fund up to five capital projects of "regional significance" (Minn. Stat. § 297A.99).

Projects of Regional Significance

Local option sales taxes can only be used for "regionally significant" capital projects. State law limits these projects to "a single building or structure, including associated infrastructure needed to safely access or use the building or structure; improvements within a single park or named recreation area; or a contiguous trail." In recent years, several of the requests were modified to exclude road and other infrastructure projects, on the basis that those projects are not "regionally significant" and can be financed, at least in part, with other revenue sources.

Steps of the statutory process

To impose a general local sales tax, a city must take the following steps:

1. **Adopt a resolution.** The city council must first adopt a resolution proposing the tax. The resolution must include the proposed tax rate, documentation of the "regional significance" of each project to be funded, the amount to be raised with the tax, and the estimated length of time the tax will be needed (Stat. § 297A.99, subd. 2).
2. **Submit resolution and supporting materials to state tax committees.** The city is required to submit the adopted resolution, details on the projects, and documentation on regional significance to the chairs and ranking minority members of the House and Senate Taxes committees and appropriate subcommittees by Jan. 31 of the year that it is seeking the special law.
3. **Get legislative authorization.** The city must secure the passage of a special law authorizing the enactment of the local sales tax. The city would typically work with its local legislators to introduce special legislation (Stat. § 297A.99, subd. 3).

4. **Adopt a resolution.** After approval, the city must adopt a resolution accepting the new law. The city must also file the resolution and a local approval certificate with the Office of the Secretary of State before the next legislative biennium begins.
    - Download a Model Local Approval Certificate (pdf)
    - Submit the resolution and local approval certificate on the website of the Office of the Secretary of State
5. **Hold a referendum.** The city must conduct a referendum during a general election within two years of receiving legislative authority for the local sales tax. The referendum must include separate questions for each project, and only the ballot questions approved by voters may be funded by the sales tax (Stat. § 297A.99, subd. 3).
6. **Pass an ordinance.** The city council must pass an ordinance imposing the tax. It must also notify the commissioner of Revenue at least 90 days before the first day of the calendar quarter that the tax will be imposed.

Spending restrictions on referendum

State law restricts cities' spending of funds to promote the passage of a local sales tax referendum (Minn. Stat. § 297A.99, subd. 1(d)). Cities may only spend money to:

- Give residents the information that is contained in the local sales tax resolution, including information on specific projects and costs of those projects.
- Conduct public forums on the sales tax and projects to be funded, provided that proponents and opponents are given equal time to express their opinions.
- Provide facts on the proposed projects and the impact of the proposed tax on consumers.
- Conduct the required referendum.

Notification requirements

A city with a local sales tax must notify the public about the local sales tax in specific ways (Minn. Stat. § 297A.99, subd. 12a):

- **Provide notice on the city website.** The city must post a notice on its official city website that residents and businesses in the city may owe a local use tax on purchases of goods and services made outside of the political subdivision limits. The notice must provide information, including a link to any relevant Department of Revenue website, on how the taxpayer may get information and forms necessary for calculating and paying the tax. The city must display a link to this notice on the homepage of its website.
- **Provide notice on billing statements.** If the city provides and bills for sewer, water, garbage collection, or other public utility services, the billing statement must also include at least once per year a notice that residents and businesses may owe a local use tax on purchases made outside of the political subdivision limits. The notice must also explain how the taxpayer may get information and forms necessary for calculating and paying the tax.

Resources

The League worked with legislative staff and the Minnesota Department of Revenue to develop a model resolution that fulfills the requirements of the law. Your city may want to use the model if it is considering a local sales tax request.

Download the model resolution (doc)

If you have questions about the statutory process outlined above, contact one of the League's Intergovernmental Relations staff.

For more information and assistance with the local sales tax process, you may also contact the Minnesota Department of Revenue's Local Government Services Unit at localgovernmentservices.mdor@state.mn.us or (651) 556-6117.

Learn more about the required local sales tax process from the Minnesota Department of Revenue website

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Your LMC Resource

Beth Johnston

Intergovernmental Relations Representative

(651) 281-1218

bjohnston@lmc.org

UNIVERSITY OF MINNESOTA | EXTENSION

EXTENSION CENTER FOR COMMUNITY VITALITY

Local Option Sales Tax Analysis for Shoreview, MN

ESTIMATED CONTRIBUTIONS OF RESIDENTS AND NON-RESIDENTS TO A LOCAL OPTION SALES TAX

Authored by Eric King

REPORT SPONSOR: SHOREVIEW, MINNESOTA

Local Option Sales Tax Analysis for Shoreview

ESTIMATED CONTRIBUTIONS OF RESIDENTS AND NON-RESIDENTS TO A LOCAL OPTION SALES TAX

December 2025

Authored by Eric King, Extension Educator, University of Minnesota Extension Department of Community Development

Report Reviewers:
Kathryn Leys, University of Minnesota Extension, Department of Community Development

Sponsor:
City of Shoreview

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Table of Contents

SUMMARY of FINDINGS....3

BACKGROUND AND METHODOLOGY....6

TRADE AREA ANALYSIS BY MERCHANDISE CATEGORY....7

- Vehicles and Parts....7
- Building Materials....8
- Food and Groceries....9
- Furniture Stores, Electronics, and Appliances....10
- General Merchandise Stores....11
- Health and Personal Items....12
- Gas/Convenience Stores....13
- Apparel/Clothing....14
- Leisure Goods, All Other Miscellaneous Retail....15
- Amusement and Recreation....16
- Accommodations....17
- Eating/Drinking Establishments....18
- Repair and Maintenance....19
- Personal Services/Laundry....20
- Retail (Non-Store) and Other Services....21
- Construction, Manufacturing, Utilities, Wholesale Operations, Transportation, and Sales Suppressed for Business Confidentiality....22

APPENDIX A: RESEARCH ON THE EFFECTS OF A LOCAL OPTION SALES TAX....23

APPENDIX B: DEFINITIONS OF TERMS....25

SUMMARY OF FINDINGS

University of Minnesota Extension conducted a study to estimate the proportion of sales proceeds attributed to both Shoreview residents and non-residents.

Using 2023 sales and use tax data available from the Minnesota Department of Revenue (MN Revenue), Extension estimated that non-residents account for 48.3 percent of taxable sales subject to a local option sales tax (LOST).

In 2023, total taxable sales in Shoreview were $219.87 million. MN Revenue analysts estimate that 73.69% of taxable sales would be subject to a LOST. With 48.3 percent of sales derived from non-resident spending, Extension estimated that Shoreview residents spent $83.8 million of the total $162.0 million in taxable sales subject to a LOST.

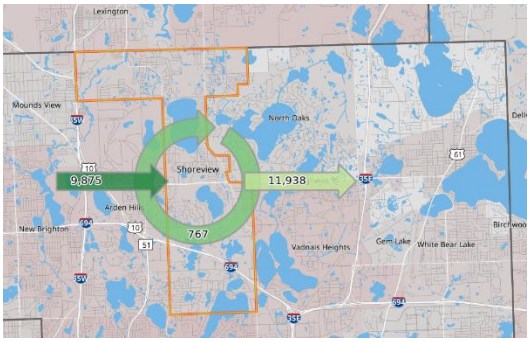
If the tax were in place in 2023, a 0.5 percent local option sales tax would have garnered $810,000 thousand in tax proceeds according to MN Department of Revenue analysts. Shoreview residents would have contributed $418,770 in taxes, and non-residents would have contributed $391,230 in 2023. Based on these estimates, each Shoreview resident would have paid, on average, an additional $15.30 in sales tax in 2023.

This report is based on a trade area analysis comparing actual taxable sales to potential sales. This is calculated by multiplying the Shoreview population in 2023 (MN Demographic Center) by the Minnesota average per capita sales for each category, and then adjusting for the county's personal income factor. This initial analysis provided an estimate of retail and service purchases made by Shoreview residents. For each merchandise group, the estimates for two types of purchasers—city residents and others—were calculated and adjusted considering the area economy. These adjustments were based on informed estimates and were aimed, in part, at reducing potential overestimates of the sales tax share attributable to non-residents. Assumptions and calculations are included for major retail and service categories so local decision makers can adjust totals if they have more nuanced insight.

Several factors and features of Shoreview' economy helped frame the analysis for the different merchandise categories:

- Residents of nearby communities can easily access Shoreview businesses. For this analysis, cross-hauling has the general effect of increasing non-resident spending as Shoreview is a central shopping hub in the region.
- Shoreview has less workers entering the city for employment than residents who leave for work (Figure 1). In this dynamic, commuters often shop for goods and services near where they work and those commuting into the city purchase in the city.

Figure 1: Shoreview worker in-flow and out-flow



Inflow and outflow of wage earners.

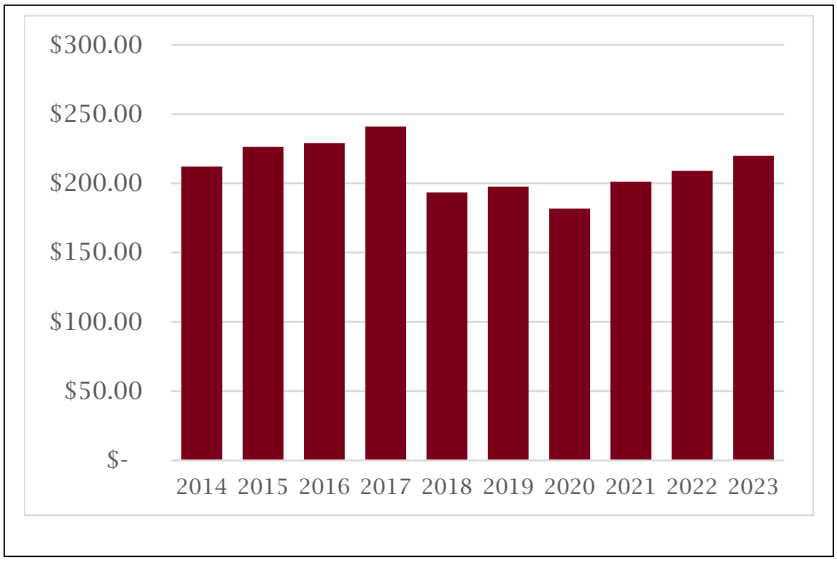
Source: 2022 U.S. Census Bureau On-The-Map

Figure 2 shows the estimated percentage of sales—across all merchandise categories—attributed to both residents and non-residents in 2023. These estimates are based on the adjusted analysis to more accurately reflect the city's economic and consumption circumstances. Based on these findings, Extension estimates city residents represent 51.7 percent of all taxable retail and service sales subject to the tax ($83.8 million), and the remaining 48.3 percent ($78.2 million) are attributed to non-residents.

Figure 2: Estimated 2023 Taxable Sales Subject to LOST

	Taxable Sales	Percent of Sales
City residents	$83,754,000	51.7%
Non-residents	$78,246,000	48.3%

Figure 3: Total taxable sales in Shoreview from 2014-2023



Source: Minnesota Department of Revenue

The total taxable sales in the city rose through 2017, with a large decrease in total taxable sales in 2018 (Figure 3). Total sales have steadily increased in the years since the 2020 global pandemic. This provides some sense of the stability and trajectory of a LOST going forward.

Extension forecasted taxable sales subject to the local tax for 2023, 2024, and 2025 using a simple exponential smoothing forecast model that employs a moving weighted average and a 95% confidence interval to provide an upper and lower bound to the estimate (Figures 5 and 6). This model estimates total tax proceeds in 2024 to be between an upper limit of $852,526 and a lower limit of $593,577.

Considering the historic disruption of the pandemic and its uneven effect on business categories, this forecast is an unlikely scenario based only on past trends. National evidence shows that home-focused businesses like food, building materials, furniture, and general merchandise did well through the pandemic, whereas dining, accommodations, and amusement saw record sales decreases. The increase in sales over the previous three years further complicates any forecast, though based on historical data, movement towards the Upper Confidence Bound seems more likely than forecast.

Figure 5: Forecast for Tax Proceeds based on Past Trends 2014 to 2023

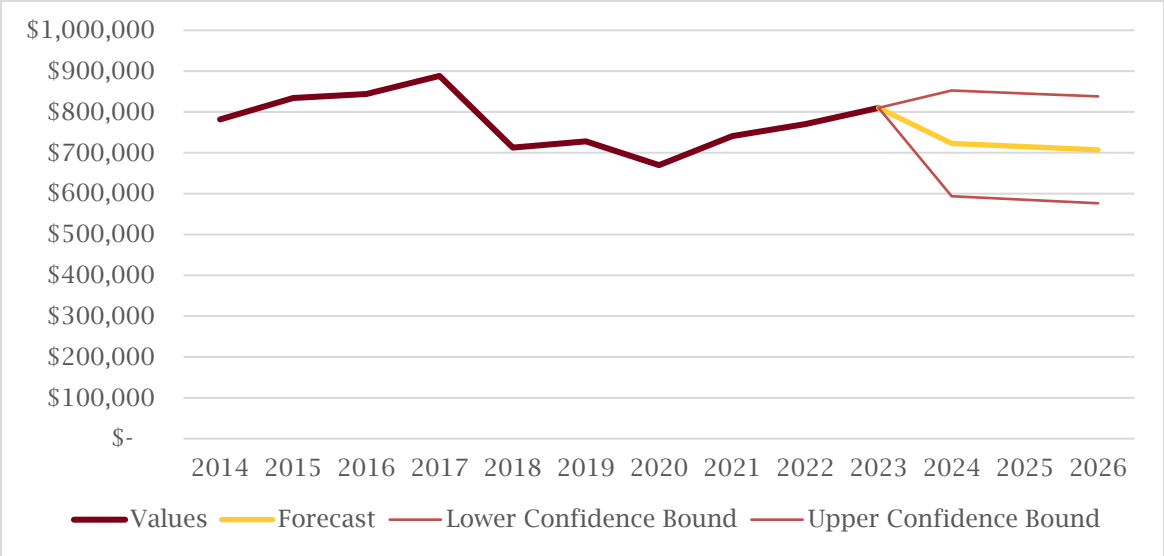


Figure 6: Forecast with Upper and Lower Bound 2023-25

	Forecast	Lower Bound	Upper Bound
2024	$723,041	$593,557	$852,526
2025	$715,090	$584,947	$845,233
2026	$707,138	$576,327	$837,950

Use taxes also affect the tax proceeds from a local option sales tax. Use taxes derive from businesses purchasing products from out-of-state sources and in other Minnesota locations. Use taxes are often less consistent and more difficult to estimate accurately than sales taxes. In 2023, the city received $377,397 in use (not sales) tax proceeds. It would have garnered $27,955 for a LOST at the 0.5 percent rate.

Policymakers must also consider the impacts that a LOST may have on consumer purchasing behavior, particularly whether it will result in a loss of consumer purchases to other jurisdictions. Extension examined records of 11 cities that enacted a local option sales tax between 1999 and 2006 (information available on the Minnesota Department of Revenue website). Records do not indicate a major purchasing change due to the additional sales tax, and most of the jurisdictions have shown continued sales growth (see Appendix A). These communities, however, may not be comparable to Shoreview. All communities included in this analysis are located outside the Twin Cities metro area and may retain more shoppers than communities in the metro area where one can easily switch spending from one jurisdiction to another.

BACKGROUND AND METHODOLOGY

Community economics educators at University of Minnesota Extension provide applied research and education to help community and business partners make better informed decisions. In recent years, Minnesota has adopted laws enabling local governments to enact a local option sales tax. Extension has assisted these administrations in estimating their potential tax proceeds and the portion of taxes paid by local residents.

This report estimates the proportion of tax proceeds generated by Shoreview residents compared to non-residents. The most recently available state sales tax data (2023) from the Minnesota Department of Revenue (MN Revenue) was used.

Trade Area Analysis and Calculations

Extension conducted a trade area analysis of retail and service sales in select merchandise categories, estimating the amount of taxable sales subject to sales taxes made by both local residents and non-residents. Use tax is a much smaller portion of the total collection compared to sales tax proceeds. It is also estimated using a different formula.

Extension calculated potential sales for the city in each merchandise category and compared this calculation to actual taxable sales from the Minnesota Department of Revenue sales tax statistics for the same category. Actual sales greater than potential sales indicate the city attracts sales from outside its boundaries or has sales greater than one would expect from its residents. Extension used the difference between potential and actual sales to set reasonable estimates of spending by residents and non-residents across all categories. These estimates also helped inform adjustments for each category.

Potential sales calculations are based on average statewide spending by merchandise category and the population of the city, then adjusted by the level of income in Shoreview. Specifically, potential sales result from city population, state per capita taxable sales, and the index of income (see sidebar and Appendix B).

The following section details the initial and adjusted trade area calculations for all merchandise categories. The sections labeled "Analysis with Adjustments" lists the final estimate of sales generated by non-residents. A rationale for adjustments and conclusions is also included.

Potential sales estimate the dollar amounts for purchases made by local residents *if* local residents spend as much as the average Minnesota resident.

Potential sales are calculated by the following formula:
(T ÷ PMn) x PO x (YWC ÷YMn) = potential sales

T = Total Minnesota taxable sales for a merchandise category

PMn = 2023 population of Minnesota (5,800,386)

PO = 2023 population of Shoreview (27,369)

YWC = Per capita income of Shoreview residents ($69,310)

YMn = Per capita income of Minnesota residents ($72,557)

Online sales have been left out of the estimates for this analysis as data for these types of transactions by jurisdiction are not available before a local option sales tax is enacted. After a local option sales tax is enacted, sales tax is collected for online sales for delivered purchases. Extension estimates about 10-15% of sales are made online by households. This additional revenue is not included in this analysis.

TRADE AREA ANALYSIS BY MERCHANDISE CATEGORY

The following pages provide detailed analysis by merchandise category.

Vehicles and Parts

N/A percent of total taxable retail and service sales

The **n/a businesses** in this retail category include repair parts, snowmobiles, boats, trailers, and recreational vehicles. *Sales of cars and other on-road vehicles are not included in this category since they are subject to a different tax.*

	($Millions)
Actual taxable sales	$ -
-Potential sales	$ -
= $ variance	$ -
= as % of potential	%

Unadjusted Trade Area Analysis

Potential taxable sales to residents	$ -
Surplus	$ -
Total	$ -
Surplus percentage	%

Analysis with Adjustments

Capture rate of Shoreview residents	%
Residents' $ share	$ -
Non-Residents' $ share	$ -
Total	$ -
Non-resident share per group	%

Analysis for Vehicles and Parts

There are no businesses in this category. If businesses do exist, Department of Revenue suppresses data for categories with four or fewer businesses.

Building Materials

N/A percent of total taxable retail and service sales

These **n/a businesses** sell lumber, hardware, paint, wallpaper, tile, hardwood floors, roofing, fencing, ceiling fans, lawn equipment, and garden items.

	($Millions)
Actual taxable sales	$ -
Potential sales	$ -
= $ variance	$ -
= as % of potential	%

Unadjusted Trade Area Analysis

Potential sales to residents	$ -
Surplus	$ -
Total	$ -
Non-resident share per group	%

Analysis with Adjustments

Capture rate of Shoreview residents	%
Residents' $ share	$ -
Non-residents' $ share	$ -
Total	$ -
Non-resident share per group	%

Analysis for Building Materials

There are no businesses in this category. If businesses do exist, Department of Revenue suppresses data for categories with four or fewer businesses.

Food and Groceries

9.7 percent of total taxable retail and service sales

The **8 businesses** in this merchandise group include grocery stores, delis, bakeries, and butcher shops that sell food to be prepared at home. Liquor stores are also included in this group.

	($Millions)
Actual taxable sales	$13.52
- Potential sales	$20.93
= $ variance	($7.40)
= as % of potential	-35.4%

Unadjusted Trade Area Analysis

Potential sales to residents	$20.93
Surplus	($7.40)
Total	$13.52
Non-resident share per group	-54.7%

Analysis with Adjustments

Capture rate of Shoreview residents	48%
Residents' $ share	$10.14
Non-residents' $ share	$3.38
Total	$13.52
Non-resident share per group	25.0%

Analysis for Food and Groceries

Food and grocery businesses account for 9.7 percent of total taxable retail and service sales. This merchandise group includes eight establishments such as grocery stores, delis, bakeries, butcher shops, and liquor stores that primarily sell food intended for home preparation. Actual taxable sales total $13.52 million, compared to $20.93 million in estimated potential sales, resulting in a sales gap of $7.40 million. This represents a leakage of 35.4 percent relative to potential demand, indicating that a substantial share of local food and grocery spending is occurring outside the trade area. Extension estimates a 48 percent capture rate for Shoreview residents. Based on this capture rate, residents account for approximately $10.14 million of total sales, while non-residents contribute an estimated $3.38 million. Total sales remain $13.52 million, and the non-resident share is 25.0 percent. This analysis indicates that while resident spending capture is limited, a meaningful portion of sales is supported by non-resident customers, partially offsetting resident leakage but not fully closing the overall gap between actual and potential sales.

Furniture Stores, Electronics, and Appliances

0.1 percent of total taxable retail and service sales*

These **7 businesses** primarily include household-type appliances, sewing machines, cameras, computers, other electronic goods, furniture, beds, carpeting, window coverings, kitchenware, and wood-burning stoves.

	($Millions)
Actual taxable sales	$0.20
-Potential sales	$22.42
= $ variance	($22.22)
= as % of potential	-99.1%

Unadjusted Trade Area Analysis

Potential sales to residents	$22.42
Surplus	($22.22)
Total	$0.20
Non-resident share per group	-10975.8%

Analysis with Adjustments

Capture rate of Shoreview residents	1%
Residents' $ share	$0.19
Non-residents' $ share	$0.01
Total	$0.20
Non-resident share per group	5.0%

Analysis for Furniture Stores, Electronics, and Appliances

Furniture stores, electronics, and appliance retailers account for just 0.1 percent of total taxable retail and service sales. This merchandise group includes seven businesses selling household appliances, electronics, computers, furniture, bedding, carpeting, window coverings, kitchenware, and related durable household goods. Actual taxable sales total $0.20 million, compared to estimated potential sales of $22.42 million, resulting in a sales gap of $22.22 million. This represents a leakage of 99.1 percent relative to potential demand, indicating that nearly all resident spending in this category is occurring outside the local market. Extension estimates the capture rate of Shoreview residents at just 1 percent. Based on this capture rate, residents contribute approximately $0.19 million in sales, while non-residents account for roughly $0.01 million. Total sales remain $0.20 million, and the adjusted non-resident share is reduced to 5.0 percent. The adjusted analysis confirms that this retail category functions almost entirely as an unmet local demand area, with negligible resident capture and minimal reliance on non-resident spending.

General Merchandise Stores

N/A percent of total taxable retail and service sales*

The **n/a businesses** in this category sell general merchandise and are unique because they have the equipment and staff needed to sell a large variety of goods from a single location. This includes department stores, superstores, dollar stores, and variety stores.

	($Millions)
Actual taxable sales	$ -
potential sales	$ -
= $ variance	$ -
= as % of potential	%

Unadjusted Trade Area Analysis

Potential sales to residents	$ -
Surplus	$ -
Total	$ -
Non-resident share per group	%

Analysis with Adjustments

Capture rate of Shoreview residents	%
Residents' $ share	$ -
Non-Residents' $ share	$ -
Total	$ -
Non-resident share per group	%

Analysis for General Merchandise Stores

There are no businesses in this category. If businesses do exist, Department of Revenue suppresses data for categories with four or fewer businesses.

Health and Personal Items

0.1 percent of total taxable retail and service sales

Stores selling prescription drugs, food supplements, vision supplies, cosmetics, and hearing aids are among the **5 businesses** included in this merchandise group.

	($Millions)
Actual taxable sales	$0.08
Potential sales	$4.88
= $ variance	($4.80)
= as % of potential	-98.4%

Unadjusted Trade Area Analysis

Potential sales to residents	$4.88
Surplus	($4.80)
Total	$0.08
Non-resident share per group	-6312.5%

Analysis with Adjustments

Capture rate of Shoreview residents	1%
Residents' $ share	$0.07
Non-residents' $ share	$0.00
Total	$0.08
Non-resident share per group	5.0%

Analysis for Health and Personal Items

Health and personal item retailers account for 0.1 percent of total taxable retail and service sales. This merchandise group includes five businesses selling prescription drugs, food supplements, vision supplies, cosmetics, and hearing aids. Actual taxable sales total $0.08 million, compared to estimated potential sales of $4.88 million, resulting in a sales gap of $4.80 million. This represents a leakage of 98.4 percent relative to potential demand, indicating that nearly all resident spending in this category is occurring outside the local market. Extension estimates the capture rate of Shoreview residents at 1 percent. Based on this capture rate, residents contribute approximately $0.07 million in sales, while non-resident spending is effectively negligible. Total sales remain $0.08 million, and the adjusted non-resident share is estimated at 5.0 percent. The adjusted analysis indicates that this category functions almost entirely as an unmet local demand area, with minimal resident capture and little reliance on non-resident spending.

Gas/Convenience Stores

2.1 percent of total taxable retail and service sales

This merchandise group covers **8 businesses** selling convenience items at a store that also sells fuel.

	($Millions)
Actual taxable sales	$2.97
-Potential sales	$9.41
= $ variance	($6.43)
= as % of potential	-68.4%

Unadjusted Trade Area Analysis

Potential sales to residents	$9.41
Surplus	($6.43)
Total	$2.97
Non-resident share per group	-216.3%

Analysis with Adjustments

Capture rate of Shoreview residents	28%
Residents' $ share	$2.68
Non-residents' $ share	$0.30
Total	$2.97
Non-resident share per group	10.0%

Analysis for Gas/Convenience Stores

Gas and convenience stores account for 2.1 percent of total taxable retail and service sales. This merchandise group includes eight businesses selling convenience items at locations that also sell fuel. Actual taxable sales total $2.97 million, compared to estimated potential sales of $9.41 million, resulting in a sales gap of $6.43 million. This represents a leakage of 68.4 percent relative to potential demand, indicating that a majority of resident spending in this category occurs outside the local market. Extension estimates the capture rate of Shoreview residents at 28 percent. Based on this capture rate, residents contribute approximately $2.68 million in sales, while non-residents account for an estimated $0.30 million. Total sales are $2.97 million, and the adjusted non-resident share is 10.0 percent. The adjusted analysis suggests that while non-resident spending plays a minor role, the category primarily serves local residents and experiences significant leakage due to limited resident capture.

Apparel/Clothing

0.3 percent of total taxable retail and service sales

This merchandise group includes **7 businesses** selling new clothing and accessories, jewelry, shoes, bridal items, clocks, and luggage.

	($Millions)
.9Actual taxable sales	$0.40
Potential sales	$5.07
= $ variance	($4.66)
= as % of potential	-92.0%

Unadjusted Trade Area Analysis

Potential sales to residents	$5.07
Surplus	($4.66)
Total	$0.40
Non-resident share per group	-1154.6%

Analysis with Adjustments

Capture rate of Shoreview residents	7%
Residents' $ share	$0.36
Non-residents' $ share	$0.04
Total	$0.40
Non-resident share per group	10.0%

Analysis for Apparel/Clothing

Apparel and clothing retailers account for 0.3 percent of total taxable retail and service sales. This merchandise group includes seven businesses selling new clothing and accessories, jewelry, shoes, bridal items, clocks, and luggage. Actual taxable sales total $0.40 million, compared to estimated potential sales of $5.07 million, resulting in a sales gap of $4.66 million. This represents a leakage of 92.0 percent relative to potential demand, indicating that the vast majority of resident spending in this category occurs outside the local market. Extension estimates the capture rate of Shoreview residents at 7 percent. Based on this capture rate, residents contribute approximately $0.36 million in sales, while non-residents account for an estimated $0.04 million. Total sales remain $0.40 million, and the adjusted non-resident share is 10.0 percent. The adjusted analysis indicates that this category primarily serves local residents at a very limited scale and functions largely as an unmet area of consumer demand.

Leisure Goods, All Other Miscellaneous Retail

1.6 percent of total taxable retail and service sales

43 businesses are part of this group, including florists, used merchandise stores, pet supply stores, sporting goods, books, music, hobby items, fabrics, toys, and other retailers.

	($Millions)
Actual taxable sales	$2.25
Potential sales	$18.91
= $ variance	($16.66)
= as % of potential	-88.1%

Unadjusted Trade Area Analysis

Potential sales to residents	$18.91
Surplus	($16.66)
Total	$2.25
Non-resident share per group	-739.5%

Analysis with Adjustments

Capture rate of Shoreview residents	11%
Residents' $ share	$2.03
Non-residents' $ share	$0.23
Total	$2.25
Non-resident share per group	10.0%

Analysis for Miscellaneous Retail

Leisure goods and other miscellaneous retail account for 1.6 percent of total taxable retail and service sales. This merchandise group includes 43 businesses such as florists, used merchandise stores, pet supply retailers, sporting goods stores, book and music sellers, hobby shops, fabric and toy stores, and other specialty retailers. Actual taxable sales total $2.25 million, compared to estimated potential sales of $18.91 million, resulting in a sales gap of $16.66 million. This represents a leakage of 88.1 percent relative to potential demand, indicating that most resident spending in this category occurs outside the local market. Extension estimates the capture rate of Shoreview residents at 11 percent. Based on this capture rate, residents contribute approximately $2.03 million in sales, while non-residents account for an estimated $0.23 million. Total sales remain $2.25 million, and the adjusted non-resident share is 10.0 percent. The adjusted analysis indicates that this category largely serves local residents but captures only a small share of resident demand, resulting in substantial leakage to other retail markets.

Amusement and Recreation

0.3 percent of total taxable retail and service sales*

The **5 businesses** in this group include casinos, bowling lanes, water parks, amusement parks, arcades, bingo halls, golf courses, ski slopes, marinas, dance or fitness centers, recreational clubs, ice rinks, swimming pools, roller rinks, etc.

	($Millions)
Actual taxable sales	$0.39
Potential sales	$10.51
= $ variance	($10.12)
= as % of potential	-96.3%

Unadjusted Trade Area Analysis

Potential sales to residents	$10.51
Surplus	($10.12)
Total	$0.39
Non-resident share per group	-2616.7%

Analysis with Adjustments

Capture rate of Shoreview residents	2%
Residents' $ share	$0.25
Non-residents' $ share	$0.14
Total	$0.39
Non-resident share per group	35.0%

Analysis for Amusement and Recreation

Amusement and recreation businesses account for 0.3 percent of total taxable retail and service sales. This merchandise group includes five businesses such as casinos, bowling lanes, water parks, amusement parks, arcades, bingo halls, golf courses, ski slopes, marinas, dance or fitness centers, recreational clubs, ice rinks, swimming pools, and similar facilities. Actual taxable sales total $0.39 million, compared to estimated potential sales of $10.51 million, resulting in a sales gap of $10.12 million. This represents a leakage of 96.3 percent relative to potential demand, indicating that nearly all resident spending on amusement and recreation occurs outside the local market. Extension estimates the capture rate of Shoreview residents at 2 percent. Based on this capture rate, residents contribute approximately $0.25 million in sales, while non-residents account for an estimated $0.14 million. Total sales remain $0.39 million, and the adjusted non-resident share increases to 35.0 percent. The adjusted analysis indicates that while overall sales are minimal relative to resident demand, a notable portion of existing activity is supported by non-resident users, suggesting limited but measurable attraction beyond the local population within an otherwise highly unmet market.

Accommodations

6.2 percent of total taxable retail and service sales

These **4 businesses** provide lodging or short-term accommodations for travelers, vacationers, and others. Included are hotels, motels, lodges, bed & breakfasts, campgrounds, fraternities, boarding houses, and dormitories.

	($Millions)
Actual taxable sales	$8.66
Potential sales	$11.81
= $ variance	($3.15)
= as % of potential	-26.7%

Unadjusted Trade Area Analysis

Potential sales to residents	$11.81
Surplus	($3.15)
Total	$8.66
Non-resident share per group	-36.3%

Analysis with Adjustments

Capture rate of Shoreview residents	1%
Residents' $ share	$0.09
Non-residents' $ share	$8.57
Total	$8.66
Non-resident share per group	99.0%

Analysis for Accommodations

Logically, a significant percentage of lodging sales are from non-residents visiting the area or staying overnight for business or vacation. As with previous LOST analyses, Extension set the non-resident share at 90+ percent of sales to allow for resident spending related to events, facility charges, and 'staycations.' A capture rate of 1 percent of Shoreview resident spending in this category was estimated after making adjustments to account for graduations and other large events related to the post-secondary institutions.

Eating/Drinking Establishments

21.8 percent of total taxable retail and service sales

These **32 businesses** sell food at full-service or limited-service establishments. The group includes cafeterias, bagel shops, ice cream parlors, snack bars, food service contractors, caterers, lunch wagons, and street vendors. It also includes bars, taverns, and nightclubs.

	($Millions)
Actual taxable sales	$30.35
Potential sales	$53.83
= $ variance	($23.48)
= as % of potential	-43.6%

Unadjusted Trade Area Analysis

Potential sales to residents	$53.83
Surplus	($23.48)
Total	$30.35
Non-resident share per group	-77.3%

Analysis with Adjustments

Capture rate of Shoreview residents	37%
Residents' $ share	$19.73
Non-residents' $ share	$10.62
Total	$30.35
Non-resident share per group	35.0%

Analysis for Eating/Drinking Establishments

Eating and drinking establishments account for 21.8 percent of total taxable retail and service sales. This merchandise group includes 32 businesses selling food through full-service and limited-service establishments, including cafeterias, bagel shops, ice cream parlors, snack bars, food service contractors, caterers, lunch wagons, and street vendors, as well as bars, taverns, and nightclubs. Actual taxable sales total $30.35 million, compared to estimated potential sales of $53.83 million, resulting in a sales gap of $23.48 million. This represents a leakage of 43.6 percent relative to potential demand, indicating that a substantial share of resident spending on dining and drinking occurs outside the local market despite this category's strong overall presence. Extension estimates the capture rate of Shoreview residents at 37 percent. Based on this capture rate, residents contribute approximately $19.73 million in sales, while non-residents account for an estimated $10.62 million. Total sales remain $30.35 million, and the adjusted non-resident share is 35.0 percent. The adjusted analysis indicates that while this category captures a meaningful portion of resident demand and benefits from non-resident spending, nearly half of potential resident expenditures continue to leak to other markets.

Repair and Maintenance

5.8 percent of total taxable retail and service sales

The **14 businesses** in this group restore machinery, equipment, and other products. The group does not include plumbing or electrical repair services but does encompass auto repair, cameras, televisions, computers, copiers, appliances, lawn mowers, specialized equipment, small engines, furniture, shoes, guns, etc.

	($Millions)
Actual taxable sales	$8.13
Potential sales	$10.36
= $ variance	($2.23)
= as % of potential	-21.5%

Unadjusted Trade Area Analysis

Potential sales to residents	$10.36
Surplus	($2.23)
Total	$8.13
Non-resident share per group	-27.4%

Analysis with Adjustments

Capture rate of Shoreview residents	71%
Residents' $ share	$7.32
Non-residents' $ share	$0.81
Total	$8.13
Non-resident share per group	10.0%

Analysis for Repair and Maintenance

Repair and maintenance services account for 5.8 percent of total taxable retail and service sales. This merchandise group includes 14 businesses that restore machinery, equipment, and other products, including auto repair, electronics, appliances, lawn and garden equipment, small engines, furniture, shoes, firearms, and other specialized items, but excludes plumbing and electrical repair services. Actual taxable sales total $8.13 million, compared to estimated potential sales of $10.36 million, resulting in a sales gap of $2.23 million. This represents a leakage of 21.5 percent relative to potential demand, indicating a comparatively strong level of local market performance. Extension estimates the capture rate of Shoreview residents at 71 percent. Based on this capture rate, residents contribute approximately $7.32 million in sales, while non-residents account for an estimated $0.81 million. Total sales remain $8.13 million, and the adjusted non-resident share is 10.0 percent. The adjusted analysis indicates that this category captures a large share of resident demand, with relatively limited leakage compared to other retail and service categories.

Personal Services/Laundry

0.2 percent of total taxable retail and service sales

The **22 businesses** in this merchandise group include barber shops and beauty parlors, death care services, laundry and dry-cleaning services, and a wide range of other personal services, such as pet care (except veterinary), photofinishing, temporary parking, and dating services.

	($Millions)
Actual taxable sales	$0.31
Potential Sales	$5.31
=$ variance	($5.00)
= as % of potential	-94.1%

Unadjusted Trade Area Analysis

Potential sales to residents	$5.31
Surplus	($5.00)
Total	$0.31
Non-resident share per group	-1586.1%

Analysis with Adjustments

Capture rate of Shoreview residents	6%
Residents' $ share	$0.30
Non-residents' $ share	$0.02
Total	$0.31
Non-resident share per group	5.0%

Analysis for Personal Services/Laundry

Personal services and laundry account for 0.2 percent of total taxable retail and service sales. This merchandise group includes 22 businesses such as barber shops and beauty parlors, death care services, laundry and dry-cleaning establishments, and a wide range of other personal services, including pet care (excluding veterinary services), photofinishing, temporary parking, and dating services. Actual taxable sales total $0.31 million, compared to estimated potential sales of $5.31 million, resulting in a sales gap of $5.00 million. This represents a leakage of 94.1 percent relative to potential demand, indicating that most resident spending on personal services is occurring outside the local market. Extension estimates the capture rate of Shoreview residents at 6 percent. Based on this capture rate, residents contribute approximately $0.30 million in sales, while non-residents account for an estimated $0.02 million. Total sales remain $0.31 million, and the adjusted non-resident share is 5.0 percent. The adjusted analysis indicates that this category functions largely as an unmet local demand area, with minimal resident capture and limited reliance on non-resident spending.

Retail (Non-Store) and Other Services

This section includes taxable sales attributed to North American Industrial Classification System categories 511-813 released by MN Revenue.

	($Millions)
Actual taxable sales	$71.76
% of total taxable retail and service sales In Shoreview	51.6%

Analysis with Adjustments

	($Millions)
Residents' $ share	$43.77
Non-residents' $ share	$27.99
Total	$71.76
Non-resident share per group	39%

Analysis for Retail and Other Services

This group includes non-store retailers (such as direct selling operations), healthcare, waste management, rental/lease services, administrative support, and the performing arts. Some of these categories serve primarily a local market, whereas categories like 541 (professional and technical services) often serve a non-local market. This mix of business types is too diverse to run a trade area analysis for, but Extension estimated an aggregate 39 percent of these sales are to non-resident customers. The categories of sales are shown below:

CATEGORY	TAXABLE SALES	% NON-LOCAL	NON-LOCAL $
454 RETL -NONSTORE RETAILERS	$13,576,420	35%	$4,751,747
531 REAL ESTATE	$21,785	40%	$8,714
541 PROF,SCIENTIFIC,TECH SERV	$6,365,973	35%	$2,228,091
561 ADMIN, SUPPORT SERVICES	$51,111,899	40%	$20,444,760
611 EDUCATIONAL SERVICES	$66,115	40%	$26,446
621 HEALTH -AMBULATORY CARE	$560,646	35%	$196,226
711 PERF ART, SPECTATOR SPRTS	$43,998	40%	$17,599
813 RELIGIOUS,CIVIC,PROF ORGS	$12,892	40%	$5,157
TOTALS	$71,759,728	39%	$27,678,739

Construction, Manufacturing, Utilities, Wholesale Operations, Transportation, and Sales Suppressed for Business Confidentiality

A diverse mix of businesses fall into these non-retail categories, and a portion of sales are within a suppressed or non-disclosed subcategory. These industries and services generate $80.83 million in taxable sales, or 36.8 percent of total taxable sales in Shoreview. A significant portion of this amount would be subject to any new sales taxes, including a local option sales tax.

This category includes utilities that primarily serve a local market and are subject to a local option sales tax. The diversity of firm types included in this category makes it difficult to understand the customer mix of these businesses; however, Extension broke out each known subcategory with an assumption of whether customers paying the taxable sales were non-local:

Category	Taxable Sales	% non-local	$ non-local
CONSTRUCTION	$334,866	60%	$200,919.60
MANUFACTURING	$2,151,411	80%	$1,721,128.80
WHOLESALE	$33,009,100	90%	$29,708,190.00
UNDESIGNATED/SUPPRESSED	$45,331,661	50%	$22,665,830.50
Total	$80,827,038	67%	$54,296,068.90

Extension estimated that, overall, 67 percent of sales are to non-residents. This analysis assumes that some subcategories, such as manufacturing sell primarily (90 percent) to non-resident customers, whereas subcategories like construction split sales between resident and non-resident customers.

Analysis with Adjustments

	($Millions)
Residents' $ share	$26.67
Non-residents $ share	$54.15
Total	$80.83
Non-resident share	67%

APPENDIX A: RESEARCH ON THE EFFECTS OF A LOCAL OPTION SALES TAX

Policymakers are often concerned that enacting a local sales tax will result in a loss of consumer purchases to neighboring communities that have not adopted the tax.

The Minnesota Department of Revenue records the tax collected from a set of Minnesota jurisdictions that have had a local sales or use tax in effect for at least eight years. Most of these cities show continued sales growth. A comparison that includes 11 Minnesota cities adopting a 0.5 percent local option sales tax is offered below (refer to Figures 4, 5, 6, and 7).

Policymakers must determine the best allowable method to raise revenue from a variety of options. One option is raising property taxes, which is not directly related to a household's current income and raises the financial burden of low-income or retired homeowners. Sales taxes raise revenues based on household expenditures, which, in Minnesota, excludes the basic necessities of food and clothing. However, since sales tax raises revenues from non-residents who shop in Shoreview, resident contributions to tax revenues are significantly lower than a tax generated exclusively by local residents, such as a property tax. Policymakers must carefully consider these and other factors before making a decision about enacting a local sales tax.

Figure 4: Taxable retail and service sales by communities that began collecting a local option sales tax from 1999 to 2006

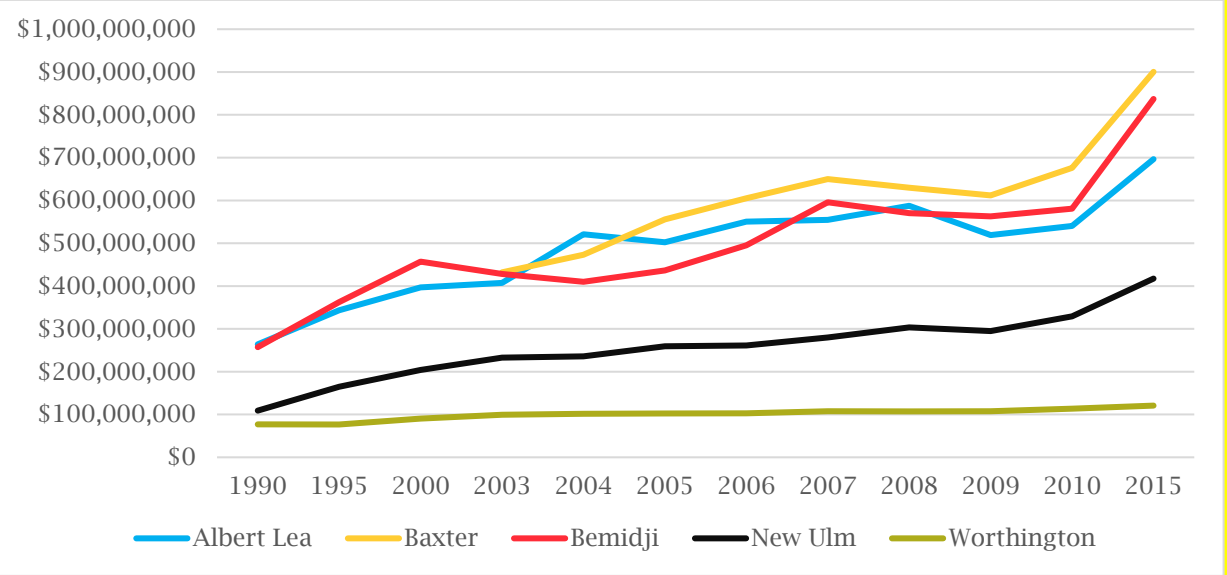


Figure 5: Data table for example communities, taxable retail and service sales (in millions)

Town Name	2015 Population	Year LOST	90	95	00	03	04	05	06	07	08	09	10	15
Albert Lea	18,356	2006	$264	$344	$397	$407	$521	$502	$551	$555	$588	$519	$541	$696
Baxter	8,065	2006				$432	$473	$556	$605	$650	$630	$612	$676	$900
Bemidji	11,917	2005	$257	$362	$457	$428	$410	$437	$495	$596	$570	$563	$581	$837
New Ulm	13,594	1999	$109	$165	$204	$233	$236	$259	$261	$280	$303	$295	$329	$417
Worthington	11,283	2005	$77	$77	$91	$99	$102	$103	$103	$108	$107	$108	$114	$121

Figure 6: Taxable retail and service sales by communities that began collecting a local option sales tax between 2011- 2012

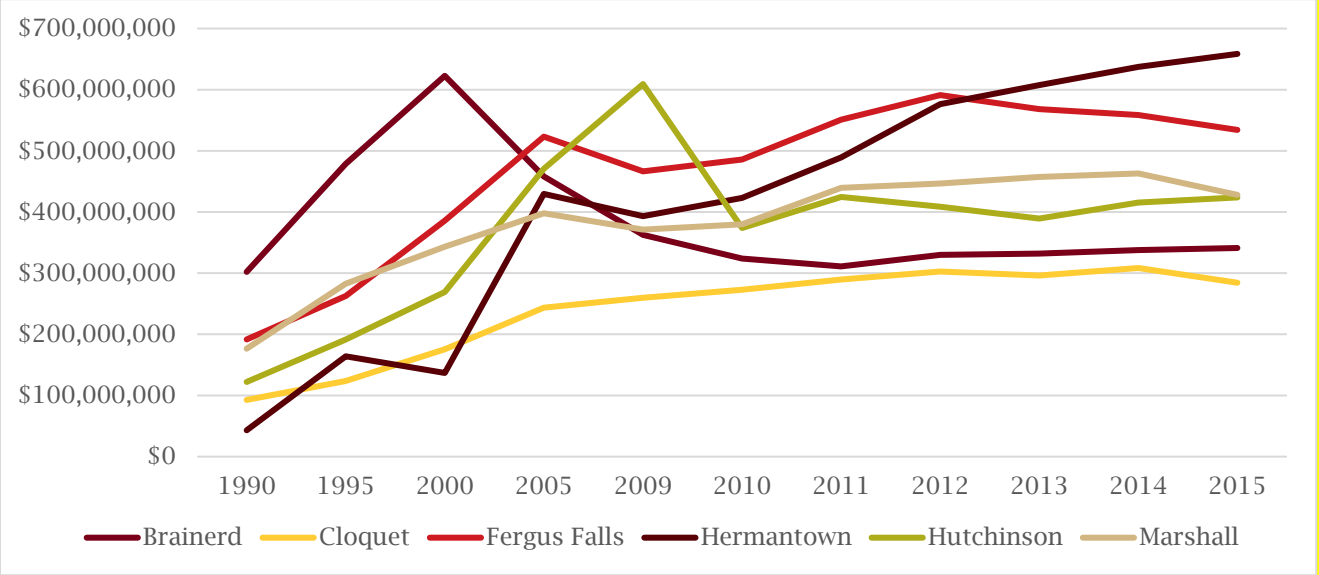


Figure 7: Data table for example communities, taxable retail and service sales (in millions)

Town Name	2015 Pop	Year LOST	90	95	00	05	09	10	11	12	13	14	15
Brainerd	13,178	2011	$302	$479	$623	$458	$362	$324	$311	$330	$332	$338	$341
Cloquet	11,201	2011	$93	$124	$175	$244	$260	$273	$290	$303	$296	$308	$284
Fergus Falls	13,471	2011	$192	$263	$386	$523	$467	$486	$551	$591	$568	$558	$534
Hermantown	7,448	1996 - increase 2012	$43	$164	$137	$430	$393	$423	$489	$576	$607	$637	$659
Hutchinson	13,080	2011	$122	$191	$269	$471	$609	$374	$425	$409	$389	$415	$424
Marshall	12,735	2011	$176	$283	$343	$398	$371	$380	$440	$447	$457	$463	$428

APPENDIX B: DEFINITIONS OF TERMS

Gross sales
Gross sales include taxable sales and exempt businesses with sales and use tax permits. This is the most inclusive indicator of business activity for reporting jurisdictions, but it can be misleading when used in comparisons. At times, non-taxable commodity items (e.g., gasoline) can have large price variations, creating huge swings in gross sales.

Taxable sales
Taxable sales are sales subject to sales tax. Taxable sales exclude exempt items, items sold for resale, items sold for exempt purposes, and items sold to exempt organizations. For the purpose of this study, taxable sales were the focus of the analysis. For more information on what is taxed in Minnesota, see the "Minnesota Sales and Use Tax Instruction Booklet" available at https://www.revenue.state.mn.us/minnesota-tax-handbooks

Taxable retail and service sales
In this study and other retail trade analyses conducted by University of Minnesota Extension, the term “taxable retail and service sales” refers to the North American Industry Classification System (NAICS) numbers of 441 to 454 (retail) and 511 to 812 (most service industries) released by the Minnesota Department of Revenue for a geographic area.

Current and constant dollar sales
Current dollar (or “nominal dollar”) sales are those reported by the state. No adjustment has been made for price inflation. In general, this measure of sales is not satisfactory for comparisons over long periods of time since it does not account for changes in population, inflation, or the state's economy. Constant dollar (or “real dollar”) sales reflect changes in price inflation by adjusting current dollar sales according to the Consumer Price Index (CPI). Constant dollar sales indicate the real sales level with respect to a base year. This is a more realistic method of evaluating sales over time than current dollar comparisons, but it still does not take into consideration changes in population or the state’s economy.

Number of businesses
The number of sales and use tax permit holders who filed one or more tax returns for the year.

Index of income
This index provides a relative measure of income, calculated by dividing local per capita income by state per capita income. The base is 1.00. For example, a 1.20 index of income indicates that per capita income in the area is 20 percent above the state average.

Potential sales
Potential sales are an estimate of the amount of money spent on retail goods and services by residents of a city or county. It is the product of city/county population, state per capita sales, and the index of income (based on the county personal per capita income).

Actual sales
For this study, the Minnesota Department of Revenue’s 2023 sales data for Shoreview provides the actual sales numbers used.

Variance between actual and potential sales

The variance between actual and expected sales is the difference in sales from the "norm" (i.e., the amount above or below the standard established by the expected sales formula). When actual sales exceed expected sales, the study area has a "surplus" of retail sales. When actual sales fall short of expected sales, the study area has a retail sales "leakage." Discrepancies between expected and actual sales occur for a variety of reasons. For this study, we use potential sales per merchandise group to create a first-cut estimate of residents' purchase activities.

Cautions

Gross sales

Gross sales are a comprehensive measure of business activity, but it should be noted the numbers in this report are self-reported. Furthermore, gross sales are not audited by the state of Minnesota. It is believed that gross sales figures are generally reliable, but there is the possibility of distortions, especially in smaller cities where misreporting may have occurred.

Misclassification

Holders of sales and use tax permits select the North American Industry Classification System (NAICS) category that best fits their business. All sales reported by a business is attributed to that selected NAICS category. Regardless of who makes this classification, errors are occasionally made. Also, sometimes a business will start out as one type but evolve over time to a considerably different type. Misclassifications can distort sales among business categories, especially in smaller cities. For example, a furniture store that is classified as a general merchandise store will underreport sales in the furniture store category and over-report sales in the general merchandise category.

Suppressed data

The sales data for merchandise categories that have less than four reporting firms are not reported. This is a measure taken by most states to protect the confidentiality of sales tax permit holders. Sales for suppressed retail categories are placed into the miscellaneous retail category (NAICS 999) and included in total sales but not total sales of a typical retail trade analysis. For this report, however, all taxable sales—including NAICS 999—are part of calculating the amount of special taxes collected.

Consolidated reporting

Vendors with more than one location in Minnesota have the option of filing a separate return for each location or filing one consolidated return for all locations. The consolidated return shows sales made, tax due, and location by study area, and city/county for each business. Data for consolidated filers are combined with data for single-location filers to produce the figures in this report. Occasionally, consolidated reports may not be properly deconstructed, and all sales for a company may be reported for one town or county. Whenever misreporting is discovered, the Minnesota Department of Revenue is contacted to clarify the situation.

Memorandum

TO: City Council Workshop

FROM: Brad Martens , City Manager

DATE: June 15, 2026

SUBJECT: Strategic priorities update

ITEM NUMBER: 1.c

SECTION: GENERAL BUSINESS

REQUESTED MOTION

INTRODUCTION

The city council adopted the 2025-2027 strategic priorities on April 21, 2025. The priorities were developed during two workshops in collaboration with the city council, department leaders, and the city manager. The adopted priorities as well as a report showing the status of these priorities is attached to this report for discussion.

DISCUSSION

Strategic priorities are important for organizations to provide clarity on the prioritization of resources including funds and staff efforts. The 2025-2027 strategic priorities were adopted following the 2024 election which is a typical process for the City of Shoreview. The adopted priorities include three focus areas and five special initiatives:

Focus areas:

- Financial stability
- Exceptional services
- Communications and engagement

Special initiatives:

- Complete the park system master plan
- Develop a climate action plan
- Integrate and implement energy action plan throughout the organization
- Enhance our scholarship program
- Monitor and explore the potential redevelopment of the Shoreview Mall site

The attached status report includes further detail on the priorities including action items, responsible departments, timeline, and performance measures. Each area is then color coded in green, yellow, or red indicating their status as follows:

- Green: complete or planned for completion
- Yellow: in progress but additional work needed
- Red: Work has yet to begin or has not made significant progress

Overall the status report shows that staff has made great progress on the adopted priorities. The city council should review the report and provide any additional direction to staff.

RECOMMENDATION

ATTACHMENTS

2025-2027 strategic priorities
2025_-_2027 strategic priorities status report

2025 – 2027 Strategic priorities

Financial stability

Maintain and further improve the city's financial stability. The city's commitment to long-term financial planning has been critical to achieving its financial strength and maintaining a high value of services for taxes paid. Continuing this commitment, while looking for ways to increase non-tax revenue, will be necessary to fund essential municipal services, maintain our infrastructure, and make key investments in many projects and activities that enhance our quality of life.

- Continue an institutional commitment to five-year operating plan, two-year budget cycles, and long range infrastructure planning.
- Maintain the city's AAA bond rating
- Maintain Shoreview's relatively low tax levy ranking among peer communities.
    - Investigate opportunities to increase non-tax levy revenue to reduce property tax impacts

Exceptional services

Continue to provide the exceptional services and amenities that Shoreview is known for. Residents and visitors alike know Shoreview as a premier community with high quality services and outstanding facilities and recreational amenities. It's important to continue this reputation by maintaining a high level of services, as well as adapting where needed.

- Conduct community surveys every three years to determine resident satisfaction levels with various services and programs.
- Expand recreational programs and services throughout the entire park system.

Communications and engagement

Enhance our efforts to communicate and engage with all of our community. Shoreview prides itself on being a welcoming community, fostering community pride, and providing effective and professional communications. Strengthening our commitment to these initiatives is important to ensure we meet the changing needs of our community.

- Provide a variety of outreach and engagement opportunities that meet the needs of Shoreview's changing demographics
    - Host a leadership academy in 2027

- Implement recommendations from the University of Minnesota Resilient Communities Project for reaching a variety of demographics, specifically those in multi-family units
  - Create a list of community stakeholders to share information and engage with
  - Identify barriers for using city services
- Enhance communication efforts in the following areas:
  - Land use processes
  - General government processes
  - City priorities
  - Finances and how tax dollars are used
- Engage with and cultivate future leaders through committees and commissions
  - Review and assess policies for structure and recruitment

Special initiatives

In addition to the priorities listed above, the city council is also committed to working on the following special initiatives.

Complete the park system master plan

Continue to enhance and upgrade our parks by prioritizing the park system master plan. This includes allocating both funds and staff time to keep these projects moving forward in a timely manner. Staff will also investigate the use of additional revenue sources such as a sales tax. The following lists some of the improvements currently included in the capital improvement plan:

- Bobby Theisen Park improvement project
- Shamrock Park playground project
- Commons Park building project
- McCullough Park renovation project including splash pad
- Shamrock Park renovation project
- McCullough Park playground project
- McCullough Park hockey rink project
- Shamrock Park renovation project

Develop a climate action plan

Develop a climate action plan that:

- Assesses risks to public infrastructure and private property
- Identifies opportunities for long-term cost savings for the city, residents, and businesses
- Includes measurable indicators for success.

The plan should be consistent with Ramsey County's climate action plan and be adapted to Shoreview's circumstances. This will require new resources in the 2026 budget.

Integrate and implement energy action plan throughout the organization

Continue to implement the energy action plan by integrating it throughout communication and planning efforts. This includes work in the following areas:

- Outreach and communications
  - Expand newsletters, social media, and event participation
  - Improve community engagement and business collaboration on energy programs
- Renewable energy and electrification
  - Advance solar projects and subscribe to renewable energy programs
  - Expand EV adoption, charging stations, and continue to review opportunities to electrify park maintenance equipment
- Development policies and planning
  - Enhance sustainability within the development code
  - Integrate energy efficiency and renewable energy into planning and development
- Parks and green spaces
  - Reduce turfgrass and incorporate native plantings
  - Incorporate renewable energy, energy efficiency, electrification into park projects and maintenance

Enhance our scholarship program

Increase access to our recreational programs and services for all residents by enhancing our scholarship program. This includes establishing a formal program with a dedicated funding source and criteria for its use.

Monitor and explore potential redevelopment of the Shoreview Mall site

Continue to monitor and explore the potential for developing the Town Center plan. This includes redevelopment of the Shoreview Mall site and industrial area between Lexington and Victoria north of Highway 96.

2025 - 2027 Strategic Priorities

Financial stability: Maintain and further improve the city's financial stability. The city's commitment to long-term financial planning has been critical to achieving its financial strength and maintaining a high value of services for taxes paid. Continuing this commitment, while looking for ways to increase non-tax revenue, will be necessary to fund essential municipal services, maintain our infrastructure, and make key investments in many projects and activities that enhance our quality of life.				
Action item	**Responsible departments**	**Timeline**	**Performance measures**	**Notes**
Continue an institutional commitment to five-year operating plan, two-year budget cycles, and long range infrastructure planning.	Administration, Finance	Ongoing	Plans and documents adopted by council and placed online through OpenGov	Complete
Maintain the city's AAA bond rating.	Finance	Ongoing	AAA bond rating re-affirmed with each debt issuance	Successful; ongoing
Maintain Shoreview's relatively low tax levy ranking among peer communities.	Administration, Finance	Ongoing	As adopted Shoreview was the 6th lowest when compared to 28 metro cities with population between 20,000 and 50,000 (14 larger and 14 smaller)	2025 data show Shoreview is now 5th lowest when compared to this group
Investigate opportunities to increase non-tax revenue to reduce property tax impacts	Administration	2025-2026	Determine whether or not to advance a local option sales tax request	Completing local option sales tax analysis; developing project scope
Exceptional services: Continue to provide the exceptional services and amenities that Shoreview is known for. Residents and visitors alike know Shoreview as a premier community with high quality services and outstanding facilities and recreational amenities. It's important to continue this reputation by maintaining a high level of services, as well as adapting where needed.				
Action item	**Responsible departments**	**Timeline**	**Performance measures**	**Notes**
Conduct community surveys every three years to determine resident satisfaction levels with various services and programs	Administration	2025-2026	Complete community survey and present results to the city council and community	Completed fall 2025
Expand recreational programs and services throughout the entire park system.	Parks and Recreation	2025-2027	Analyze gaps in programming; develop an implementation plan to add programs to address gaps	Intern position hired; reviewing programming with additional focus on adding teen and inclusive programming

2025 - 2027 Strategic Priorities

Communications and engagement: Enhance our efforts to communicate and engage with all of our community. Shoreview prides itself on being a welcoming community, fostering community pride, and providing effective and professional communications. Strengthening our commitment to these initiatives is important to ensure we meet the changing needs of our community.				
Action item	**Responsible departments**	**Timeline**	**Performance measures**	**Notes**
Provide a variety of outreach and engagement opportunities that meet the needs of Shoreview's changing demographics	Administration	Ongoing	Items in this section as outlined below will be the performance measure	
Host a leadership academy in 2027	Administration	2027	Complete the academy program	To be completed in 2027
Implement recommendations from the University of Minnesota Resilient Communities Project for reaching a variety of demographics, specifically those in multi-family units	Administration	2025 - 2026	Number of recommendations implemented; number of events hosted (or co-hosted) by the city	The task force recommends implementing the following actions in 2026: create a tabling kit to use at events; continue attending Hot Dog with a Deputy events; host one event at a senior facility and one event at non-senior facility; host a booth at the Slice of Shoreview; conduct both a short-form and long-form survey; and distribute information to property managers for them to include in monthly e-newsletters or new resident packets. These actions will continue in 2027, with the following new actions: incorporate a public art piece for the city's 70th anniversary; interview council members; and host focus groups.
Create a list of community stakeholders to share information and engage with	Administration	2025	List created; information shared regularly	Administration intern creating list
Identify barriers for using city services	Administration	2025	Include as a community survey question; review and recommend changes based upon survey results	Survey completed; data did not show significant barriers to participation beyond lack of time; developing a communications strategy that includes a social media campaign on ways to be involved and where to find information; looking into interviewing advisory board
Enhance communication efforts in the following areas: land use processes, general government processes, city priorities, finances and how tax dollars are used	Administration	Ongoing	Create one piece of content (document, social media post, etc.) per area. Incorporate plain language in all pieces.	Communications created a two page infographic on the budget for the spring 2026 ShoreViews and post on Instagram and Facebook in February 2026. This also included info on how tax dollars are used.; Communications is working with community development on content for the development code and comp plan updates. They also did a reel for snowplowing operations in December
Engage and cultivate future leaders through committees and commissions by reviewing and assessing policies for structure and recruitment	Administration	2026	Review policies and present recommendations to the city council.	Discussed at the April 20 workshop; staff will bring back to the city council at an upcoming workshop

2025 - 2027 Strategic Priorities

Special initiative: Complete the park system master plan				
Action item	**Responsible departments**	**Timeline**	**Performance measures**	**Notes**
Allocate funds and staff to keep these projects moving forward in a timely manner	City Council, Parks and Recreation	Ongoing	Complete projects on time as outlined in the capital improvement program	Bobby Theisen Park grand opening took place on May 2, 2026; coordinating various dugout/ball field improvements; planning next major improvement scheduled for McCullough Park in 2028.
Special initiative: Develop a climate action plan				
Action item	**Responsible departments**	**Timeline**	**Performance measures**	**Notes**
Adopt a climate action plan consistent with Ramsey County's climate action plan, adapted to Shoreview's circumstances. Plan should: assess risks to public infrastructure and private property; identify opportunities for long-term cost savings for the city, residents, and businesses; include measurable indicators for success	City Council, Public Works, Administration	2025 - 2026	Complete vulnerability study for stormwater and sanitary sewer; adopt a climate action plan to include transportation, land management, community resilience, energy efficiency, healthy community planning, and business development	Initial draft created; meeting with departments to refine priorities; scheduled to be discussed by city council at their July workshop
Special initiative: Integrate and implement energy action plan throughout the organization				
Action item	**Responsible departments**	**Timeline**	**Performance measures**	**Notes**
Outreach and communications: Expand newsletters, social media, and event participation; improve community engagement and business collaboration on energy programs	Public Works, Administration, Community Development	Identify and develop - 2025-2026; distribute - ongoing	Identify opportunities, develop educational materials, and distribute materials into existing city operations which include interactions with residents and business owners. Develop case studies to share for both residents and businesses.	Newsletter and flyers were distributed on topics including a residential energy savings guide, refrigerator recycling, electric lawn equipment, and the home energy squad. Social media posts included specific rebate information, energy assistance, renewable subscriptions, solar, refrigerator recycling, and home energy squad. Completed a direct mailing to two census block groups with potentially high energy burden; door to door campaign at Brookside mobile home park in October 2025. Presentations to the economic development commission in January 2025; presentation at the environmental quality committee speaker series in April 2025; hosted a business energy breakfast. Tabled at Springfest and the Farmer's Market. Provided information to renters as part of rental inspection program.

2025 - 2027 Strategic Priorities

Renewable and energy electrification: Advance solar projects and subscribe to renewable energy programs; expand EV adoption, charging stations, and continue to review opportunities to electrify park maintenance equipment.	Public Works, Parks and Recreation,	2025-2027	Install solar projects at the water treatment plant, Bobby Theisen Park, and Commons Park; expand EV charging options for community center visitors and city vehicles; add EV fleet where practical; determine feasibility of electrifying park maintenance equipment	Water treatment plan solar project complete; developing plan for solar installation at Bobby Theisen Park and Commons Park buildings; developing plan for EV chargers at community center; purchased first full EV; reviewing park maintenance equipment
Development policies and planning: enhance sustainability within development code; integrate energy efficiency and renewable energy into planning and development	Community Development	2025-2026	Identify existing sustainability requirements or recommendations in code; implement actions when the climate action plan is adopted	Zoning code update process is ongoing; discussing reduction in lot sizes, parking minimums, incorporation of EV charging stations; recommending increased density as part of the comprehensive plan adoption process. Additional actions may be considered at directed by the climate action plan following adoption.
Parks and green spaces: reduce turfgrass and incorporate native plantings; incorporate renewable energy, energy efficiency, electrification, into park projects and maintenance	Parks and Recreation	2025-2027	Review opportunities to reduce turf grass and increase native plantings with park renovation projects; incorporate energy efficiency solar, EV chargers into future park projects	Reviewing with implementation of park system master plan. Solar and EV chargers will be installed at Bobby Theisen Park.
Special initiative: Enhance our scholarship program				
Action item	**Responsible departments**	**Timeline**	**Performance measures**	**Notes**
Increase access to our recreational programs and services for all residents by enhancing our scholarship program. This includes establishing a formal program with a dedicated funding source and criteria for its use	Parks and Recreation	2026	Dedicated funding source identified and program created.	Initial discusions with finance complete
Special initiative: Monitor and explore potential redevelopment of the Shoreview Mall site				
Action item	**Responsible departments**	**Timeline**	**Performance measures**	**Notes**
Continue to monitor and explore the potential for developing the Town Center plan. This includes redevelopment of the Shoreview Mall site and industrial area between Lexington and Victoria north of Highway 96	Community Development	Ongoing	Continue ongoing communication with ownership; update the town center plan as part of the 2050 comprehensive plan process	Incorporated into the 2050 comp plan process