



Economic Development Authority Agenda

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
2. Consider Adoption of Resolution Approving Organization of Advisory Bodies
 - a. Oath of Office (none)
 - b. Election of 2020 President
 - c. Election of 2020 Vice-President
 - d. Election of 2020 President Pro-Tem
 - e. Election of 2020 Secretary
 - f. Election of 2020 Treasurer
 - g. Adoption of Amended and Restated Bylaws
 - h. Adoption of 2020 Meeting Schedule
3. Approve Minutes of December 3, 2019 Regular Economic Development Authority Meeting
4. Business Item
 - a. Revolving Loan Policy Update
5. Other Business / Updates / Communications
 - a. Business Prospects
 - b. EDAM
 - c. Housing Starts in 2019
 - d. Business Arrivals and Departures in Isanti 2019
 - e. GPS 45:93
 - f. Visits with the Mayor
 - g. Annual Conflict of Interest Disclosure Forms
 - h. Other
6. Closed Session
 - a. Closed Session for review and consideration of sale of EDA property located at 825 East Dual Blvd, pursuant to Minnesota Statutes Section 13D.05 Subdivision 3(c).

The EDA will resume in open session following the closed session matter. After reopening the meeting, the EDA may take such action, if any as it deems appropriate pertaining to the matter discussed in closed session.
7. Adjournment



MEMO

To: Economic Development Authority
From: Sheila Sellman, Community Development Director
Date: January 7, 2020
Subject: Organization of Advisory Bodies as per Ordinance 181

According to Ordinance 181 and the By-laws of the EDA, the first meeting of the year is time to choose new officers of the Economic Development Authority. **New** elected or appointed Authority members must take an oral “Oath of Office” and sign the “Oath of Office” sheet.

- A. Oath of Office – no new members at this time
 - 1) Verbal Oath
 - 2) “Oath of Office” signatures – Form to be provided if necessary (Not required, no new members in 2020, all returning from prior year.)

- B. Election of 2020 EDA President
Commissioner Johnson was appointed in 2019. Role: Preside at all meetings; sign EDA documents; submit recommendations and information as considered proper concerning the business affairs and polices of the Authority. Staff recommends selection of a President for 2020 and adopting in attached Resolution 2020-1.

- C. Election of 2020 EDA Vice-President
Commissioner Lorinser was appointed in 2019. Role: Perform duties in the absence of the President. Staff recommends selection of a Vice President for 2020 and adopting in attached Resolution 2020-1.

- D. Election of 2019 EDA President Pro-Tem (**Not Required as this position is utilized as needed**)
In 2019 a President Pro-Tem was not appointed. Role: Preside in the absence of the President and Vice-President. The Bylaws and Enabling Resolution imply that this is done at the time of need.

- E. Election of 2020 EDA Secretary (typically Staff)
Community Development Director Sheila Sellman was appointed Secretary in 2019. Role: Keep minutes and maintain records. Staff recommends election of a Secretary and adopting in attached Resolution 2020-1

F. Election of 2020 EDA Treasurer

Finance Director Mike Betker was appointed EDA Treasurer in 2019. Staff would recommend appointing the City of Isanti Finance Director for 2020. Role: Signatory of the Authority. Books are maintained by the City of Isanti Staff (Finance Director). Staff recommends election of a Treasurer and adopting in attached Resolution 2020-1.

G. Adoption of Bylaws and Official Seal

One Amendment was made to the bylaws in 2019 by Resolution 2019-2 a resolution amending the bylaws to authorize the EDA President to cancel an EDA meeting due to a lack of substantial items for an agenda. A copy of the Amended and restated Bylaws are attached to Resolution 2020-1

H. Adoption of 2020 Meeting Schedule

Staff recommends adoption Resolution 2020-1 which includes the meeting dates for the 2020 EDA meetings.

Action Requested:

- 1) Consider Adoption of Resolution 2020-1 attached hereto inserting names of appointed officers.

Attachments:

- 1) EDA Resolution 2020-1

**CITY OF ISANTI ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION 2020-1**

RESOLUTION ORGANIZING THE ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF ISANTI MINNESOTA

IT IS HEREBY RESOLVED by the Board of Commissioners (the "Board") of the Economic Development Authority of the City of Isanti Minnesota (the "EDA") as follows:

1. Recitals.

(a) On February 18, 2014 the City of Isanti Minnesota (the "City"), acting through its City Council, adopted a modified enabling resolution pursuant to Minnesota Statutes, Sections 469.090 through 469.108 and the EDA adopted its current Bylaws on June 2, 2015.

(b) The Board wishes to provide for the basic organization of the EDA, including appointment of officers.

2. Appointment of Officers. The Board hereby appoints and approves the following officers of the Economic Development Authority:

President	
Vice-President	
Secretary	Sheila Sellman, City of Isanti Community Development Director
Treasurer	Mike Betker, City of Isanti Finance Director

The President shall be the chief presiding officer of the Board and shall have such other responsibilities as may be required by law or conferred on the President by resolution of the Board. In the absence of the President, the Vice-President shall assume all of said responsibilities of the President. The offices of President, Vice President, Treasurer, and Secretary shall be elected annually, as required by law. The Secretary shall act as the chief recording officer for the Board and shall maintain a file of minutes of Board meetings and resolutions.

In accordance with Minnesota Statutes, Section 469.096, Subdivision 8, all checks of the EDA shall be signed by the Treasurer shall state the nature of the claim for which the check is issued. As required by law, the EDA shall adopt an official seal.

Regular Meetings of the Board. The Board shall hold regular meetings immediately following the 1st City Council Meeting on the 1st Tuesday of every month at Isanti City Hall. In the event that the 1st City Council Meeting of the month is moved due to a conflict (e.g. Election Day or precinct caucuses) the Authority meeting date will move to the same day as the 1st City Council Meeting of the month. The Board's regular meetings shall be held at such times as the Board may designate. For 2018, the following meeting dates are attached on Exhibit A:

3. Bylaws. A copy of the EDA Bylaws adopted on June 2, 2015 and amended on July 2, 2019 are attached hereto on Exhibit B. The attached bylaws are amended and restated to reflect the amended made on July 2, 2019 regarding meeting cancelation.

The following Commissioners were present:

and the following were absent:

The motion for the adoption of the foregoing resolution was introduced by Commissioner _____ and was duly seconded by Commissioner _____ and upon vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted and was signed by the President and Secretary.

Adopted by the Economic Development Authority Board of Commissioners on January 7, 2020.

By _____
President

Attest _____
Secretary

Official Seal

**BYLAWS OF THE ISANTI
ECONOMIC DEVELOPMENT AUTHORITY
Amended and Restated January 7, 2020**

ARTICLE 1 - THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the “City of Isanti Economic Development Authority” (hereinafter the “Authority”), and its governing body shall be called the Board of Commissioners (hereinafter, the “Board”).

Section 2. Seal of Authority. The Authority shall have an official seal, as required by Minnesota Statutes, Section 469.096, Subdivision 1. That seal shall be the seal of the City of Isanti Economic Development Authority attached hereto as Exhibit A-1.

Section 3. Office of Authority. The principal office of the Authority shall be at Isanti City Hall, 110 First Avenue NW, PO Box 428, Isanti, MN 55040 - 0428.

ARTICLE 2 - ORGANIZATION

Section 1. Officers. The officers of the Authority shall be a President, Vice President, Secretary, Treasurer. The President, Vice President, Secretary, Treasurer shall be elected each year at the annual meeting. No Commissioner may serve as President and Vice President at the same time. The offices of Secretary and Treasurer need not be held by a Commissioner.

Section 2. President. The President shall preside at all meetings of the Board. Except as otherwise authorized by Board resolution, the President and the Executive Director (the Vice President in either officers absence or incapacity) shall sign all contracts, deeds, and other instruments made or executed by the Authority. At each meeting, the President shall submit such recommendations and information as considered proper concerning the business affairs and policies of the Authority.

Section 3. Vice President. The Vice President shall perform the duties of the President in the absence or incapacity of the President; and in case of resignation or death of the President, the Vice President shall perform such duties as are imposed on the President until such time as the Board selects a new President.

Section 4. President Pro-Tem. In the event of the absence or inability of the President and Vice President to preside at any meeting, the Board may appoint any remaining Commissioner as the President Pro-Tem to preside at such meeting.

Section 5. Secretary. The Secretary shall keep or cause to be kept minutes of all Board meetings and shall maintain or cause to be maintained all records of the Authority. The Secretary shall also have such additional duties and responsibilities as the Board may from time to time and by resolution prescribe.

Section 6. Treasurer. The Treasurer shall serve as a signatory of the Authority only. The actual books of the Authority shall be maintained by the Finance Department of the City of Isanti.

Section 7. Executive Director. The Executive Director shall be designated from time to time by the Authority, shall be the chief appointed executive officer of the Authority, and shall have such additional responsibilities and authority as the Board may from time to time by resolution prescribe. The Executive Director shall serve at the pleasure of the Board.

Section 8. Advisory Committees. The Authority may by resolution establish one or more committees which are advisory to the Authority.

Section 9. Ex-Officio Board Members. The Authority shall be empowered to appoint up to two Ex-Officio members to the Authority for the purpose of advising the board. Said members shall not have voting rights and shall be appointed annually to one year terms.

Section 10. Vacancies. Should an office become vacant for any reason, the Board shall elect a successor from its membership at the next regular meeting, or at a special meeting called for such purpose, and such election shall be for the unexpired term of said officer.

Section 11. Unexcused Absences.

Absence by any Commissioner from any three meetings in a twelve (12) month period, unless excused in advance by the Chair, constitutes a vacancy. In the event of any vacancy, the Mayor with the approval of the City Council shall appoint a person to complete the unexpired term"; and

Section 12. Board Composition.

The EDA's governing body (Board of Commissioners) shall consist of a total of Seven (7) Commissioners, Five (5) of which shall be members of the City Council. All Commissioners shall be appointed by the Mayor with the approval of the City Council. The terms for those appointed shall be for six-years, except that City Council members shall be appointed annually. A vacancy is created, whenever a sitting member leaves the Board. The EDA has all powers and duties set forth in Section 469.090 to 469.108 of the Act and other law, except as limited by this resolution.

The Board of Commissioners shall be composed of adults 18 years or older that live within the City limits of the City of Isanti; own a business within the City of Isanti; and / or have a significant management role in running a business in the City of Isanti that gives them insight on the role of economic development in the City, overall community and business environment, or shall be members of the City Council of the City of Isanti.

ARTICLE 3 - MEETINGS

Section 1. Regular Meetings. The Board shall hold regular meetings immediately following the 1st City Council Meeting on the 1st Tuesday of every month at Isanti City Hall. In the event that

the 1st City Council Meeting of the month is moved due to a conflict (e.g. Election Day or precinct caucuses) the Authority meeting date will move to the same day as the 1st City Council Meeting of the month.

Section 2. Special Meetings. Special Board meetings may be called by the President, the Executive Director, or any two Board members. The Special Board Meeting shall be posted and/or publish notice of a special meeting as required by law. No other business other than that indicated on the posted notice shall be discussed at a special meeting.

Section 3. Meeting Cancellation. In the event of lack of substantial agenda items, the President is given authority to cancel the regular meeting. A minimum of 3 business days written notice to Board Commissioners of the cancelled meeting shall be given.

Section 3. Annual Meeting. The annual meeting of the EDA Board shall be the first regular meeting of each year.

Section 4. Quorum. A quorum of the Board shall consist of a majority of total members of the board. In the absence of a quorum, no official action may be taken by, on behalf of, or in the name of the Authority.

Section 5. Adoption of Resolutions. Resolutions of the Board shall be deemed adopted if approved by not less than a simple majority of all Commissioners present, unless a different requirement for adoption is prescribed by law. Resolutions need not be read aloud prior to a vote taken thereon and final execution upon passage.

Section 6. Rules of Order. Board meetings shall be governed by the most recent edition of Robert's Rules of Order.

ARTICLE 4 - MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Authority shall coincide with the fiscal year of the City of Isanti.

Section 2. Treasurer's Bond. The Secretary and Treasurer shall not be required to be bonded. The City Treasurer and the members of the Finance Department shall be bonded.

Section 3. Financial Statement. The Authority's books shall be audited in conjunction with the City of Isanti's annual audit.

Section 4. Report to the City. The Authority shall annually meet and report to the Isanti City Council to inform and coordinate regarding the goals of the community.

Section 5. Budget to City. The Authority shall annually send its budget to the City Council, whose budget includes a written estimate of the amount of money needed by the Authority from the City in

order for the Authority to conduct business during the upcoming fiscal year. The Authority shall comply with all City budgeting timelines.

Section 6. Employees. The Authority may select and recommend for employment to the City Council employees as it may require and determine their duties, qualifications, and compensation in accordance with the budget.

Section 7. Services. The Authority may contract for the services of consultants, agents, public accountants, and others as needed to perform its duties and exercise its powers. The Authority may also use the services of the City Attorney or hire a general counsel, as determined by the Authority. These contracts for service must be in accordance with the budget as approved by the City Council.

Section 8. Supplies, Purchasing, Facilities, and Services. The Authority may purchase the supplies and materials it needs in accordance with the budget. The Authority may use the facilities of the City's purchasing department. The City may furnish offices, structures, and space, stenographic, clerical, engineering, and other assistance to the Authority.

Section 9. Expenditures. The Authority purchases, shall be paid by check, issued by the Finance Department and signed by authorized signatories of the City of Isanti.

Approved by the Isanti Economic Development Authority this 7th day of January 2020

Board President

ATTEST:

Board Secretary

EXHIBIT A

**2020 ECONOMIC DEVELOPMENT AUTHORITY MEETING
SCHEDULE**

The Economic Development Authority shall hold regular meetings immediately following the 7:00 p.m. City Council Meeting on the 1st Tuesday of every month at Isanti City Hall. All meetings are held at Isanti City Hall at 110 1st Avenue NW, Isanti, MN 55040 in the City Council Chambers. The 2018 scheduled meeting dates are below:

January 7, 2020

February 4, 2020

March 4, 2020 (Wed)

April 7, 2020

May 5, 2020

June 2, 2020

July 7, 2020

August 5, 2020 (Wed.)

September 1, 2020

October 6, 2020

November 4, 2020 (Wed.)

December 1, 2020

All dates are subject to change

Economic Development Authority
Meeting Minutes
December 3, 2019

1. **Call to Order:** EDA President Johnson called the meeting to order at 9:20pm.
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Members Present – Johnson, Bergley, Gordon, Reller, Lundeen. Absent: Collison. Staff Present: Community Development Director Sheila Sellman
 - c. **Agenda Modification:** Removal of Business item, Mr. Greiner requested to reschedule the presentation.
 - d. **Swear in Clark Johnson:** Sellman swore in Clark Johnson who then joined the meeting.
2. **Approval of Agenda:** Motion by Lundeen, second by Bergley motion passes 6-0.
3. Approval of November 5, 2019 meeting minutes: Motion by Lundeen, second by Bergley motion passed 6-0.
4. Removed
5. **Other Business:** Sellman and the mayor reviewed businesses they have visited this year and intend to visit 1-2 a month for a meet and greet. Sellman's goal is to meet with all businesses in town. Reller suggested posting these visits on FaceBook and to provide a short summary of what the business does.
6. **Marketing/Work Plan survey:** Sellman prepared a survey for the EDA to fill out for the update of the Marketing/Work Plan.
7. **Adjourn:** Motion by Lundeen, second by Bergley to adjourn, motion passed 6-0. Meeting adjourned at 9:30pm.

Respectfully Submitted

Sheila Sellman, Community Development Director/EDA Secretary



Memo for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: January 7, 2020

Subject: Revolving Loan Fund Policy

Background:

The current Revolving Loan Fund Policy (RLF) was adopted October 5, 2010. As a general practice policies should be reviewed from time to time. The 2010 RLF policy mentions a Revolving Loan Fund Advisory Committee, this committee has not been in existence since 2014 and references a MIF award from 2008, this does not need to be in the policy.

At the recommendation of the Finance Director the repayment section should be updated to require Automatic Clearing House (ACH) system (automatic payments). The attached revised RLF policy for consideration has been drafted by City Attorney Langel to reflect these changes and provides general updates.

Recommendation:

Staff recommends approval of the Revised RLF Policy as presented.

Action Required:

Motion to adopt the Revolving Loan Fund Policy.

Attachments:

- Revised RLP Policy

City of Isanti
Revolving Loan Fund Policy
Adopted October 5, 2010
Revised January , 2020

Purpose:

The purpose of this policy is for the City to have the opportunity to provide short-term financing to assist business in the form of a loan. The purpose of such financing is to provide gap financing where conventional funding sources are not sufficient to meet the business needs for new facilities, business retention, building purchase, renovation, expansion, landscaping, machinery and equipment. The objectives of the revolving loan fund are to create or retain permanent full-time jobs in the City; to improve the overall tax base of the City; to diversify the economy; and to enhance the quality of life within the community.

The revolving loan fund is intended to complement and not to compete with private lending institutions. All loans are subject to the availability of funds. All funding is limited to the corporate limits of the City of Isanti. In addition to the loan terms and conditions set forth in this policy, the City shall have the right to impose additional terms and conditions in its sole discretion.

Revolving Loan Fund Evaluation and Approval Criteria:

Prior to the approval of any economic assistance, the ~~Revolving Loan Fund Advisory Committee, the City Attorney, or any other professional the City Council or Revolving Loan Fund Advisory Committee may request,~~ Finance Director shall review the application and any other documentation to ensure all necessary information has been provided. The City's Attorney should prepare, or if prepared by others, review all documents related to the public assistance. The cost incurred by the City for such review and preparation shall be paid by the applicant.

~~The Revolving Loan Fund Advisory Committee will review loan applications and recommend loans to the City Council. The Advisory Committee shall consist of a member of each financial institution with commercial lending experience within the City limits, a member of the Isanti business community as selected by the City of Isanti and a member of the City Council. All Advisory Committee members shall be appointed by the Mayor with the approval of the City Council. Advisory Committee approval shall be based on a majority vote of the members. A Quorum will consist of 50% (fifty percent) plus one member of the committee. The Advisory Committee will also comprise of the following non-voting members: the City of Isanti Finance Director and the City of Isanti Economic Development Director.~~

If requested, an appraisal ~~should~~ shall be submitted establishing the value of all collateral that will be pledged as security for the loan with an analysis of the life and value of the assets. The ~~Revolving Loan Fund Advisory Committee Council~~ has the right to accept or reject the appraisal. If an appraisal is ~~secured by~~ provided to the City, the cost of the appraisal is the responsibility of the applicant. At no time is a loan to be granted ~~which~~ that exceeds ninety percent of the collateral that is to be pledged as security.

Applicants must be in compliance with the City of Isanti zoning codes as well as all other local, state, and federal laws applicable to them.

All applicants shall pay the non-refundable application fee and non-refundable origination fee as established by the City Council. The commitment fees shall be retained for the administration of the loan.

Revolving Loan Fund Repayment and Default Information:

Applicant shall make all loan payments to the City electronically through the Automated Clearing House (ACH) system. Applicant shall provide the City with a fully completed and executed authorization as required by ACH.

The applicant ~~will agree~~ agrees to promptly notify the City of any change in the location of the collateral and ~~would agree~~ agrees not to sell, lease, offer to lease or transfer the collateral in any way without prior consent of the City. The applicant will keep the collateral insured at all times and safe from damage and theft and will pay promptly taxes and/or any debt to which collateral is secured. The applicant will pay a delinquency and collection charge on each ~~installment~~ installment not paid in default (failure to pay within 10 (ten) days of due date) in the amount of 5% ~~(five percent)~~ of each installment in default, plus reasonable costs of collection including attorney's fees. An applicant will be considered in default under the agreement upon occurrence of any of the following events: (a) default in the payment of any obligation including payment of taxes and City utility bills, (b) giving false information to the City, (c) loss, theft, substantial damage, destruction, sale, or encumbrances to any of the collateral, (d) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property, or assignment for the benefit of creditors by applicant, (e) other conditions that may be imposed by the City.

Upon such default and anytime thereafter, the City has the option to declare all obligations immediately due and payable. Without limitation, the City has the right to take immediate and exclusive possession of the collateral. The City will give the applicant at least 10 ~~(ten)~~ days written notice before the sale or disposition of the collateral.

Immediate repayment of the entire outstanding balance of the loan will be made if the business relocates outside the corporate limits of the City.

Disbursement Process:

Applicant shall be solely responsible for all payments for eligible uses of funds ~~in loan agreement~~. Loan proceeds shall be paid directly to applicants only after the work for which payment is requested has been performed or items purchased and inspected by the City, if applicable. Applicant will provide all invoices, certification and evidence in such form that the City may require, demonstrating work has been completed and Applicant has paid for the items eligible in the loan agreement. If periodic draws are requested, they will be limited to amounts equal to the values of materials furnished and/or services completed and shall be limited in number to three, including final payment. No payments shall be made without appropriate lien waivers being given.

Minnesota Investment Funds:

~~In 2008 the City of Isanti received a Minnesota Investment Fund (MIF) award. All applicants utilizing the funds from the MIF, will need to meet specific State laws. Job creation is a requirement for loan consideration to apply for the funds under MIF.~~

Maintaining Documentation Business Subsidy Reporting:

~~The City of Isanti will follow the Data Practices law as stated by State Statute.~~

As required by Minnesota Subsidies Law, certain assistance provided to a business must be reported to the Department of Employment and Economic Development on forms provided by the State of Minnesota. The applicant must provide information regarding jobs created and wages paid.

City of Isanti
Application for
Business Assistance Financing

Legal Name of Applicant: _____

Name of Business: _____

Business Address: _____

Telephone Number: _____

E-mail Address: _____

Business Website: _____

Tax ID #: _____ NAICS Code: _____

Name of Contact Person: _____

General Information:

Principal(s)	Address	Phone	Social Security #	Title	% of Ownership

Type of Business: Sole Proprietorship: _____ Corporation: _____
 Partnership: _____ New Business: _____

Date Established: _____

Business Name: _____

Address: _____

Web Address: _____

Type (partnership, etc.): _____

Authorized Representative: _____ Phone: _____

E-mail of contact person: _____

Description of Business: _____

Legal Counsel: _____

Address: _____ Phone: _____

Contact Person: _____ E-mail: _____

Participating Bank: _____

Address: _____ Phone: _____

Contact Person: _____ E-mail: _____

Accountant: _____

Address: _____ Phone: _____

Contact Person: _____ E-mail: _____

Financial Background:

- 1) Have you ever filed for bankruptcy? _____
- 2) Have you ever defaulted on any loan commitment? _____
- 3) Have you applied for conventional financing for a project? _____
- 4) List Financial references:
 - a. _____
 - b. _____
 - c. _____

Project Information:

- 1) Location of proposed project: _____
- 2) Amount of Business Assistance requested: _____

- 3) Need for Business Assistance: _____
- 4) Present ownership of site: _____
- 5) Number of permanent jobs created as a result of project: _____
- 6) Estimated annual sales: Present: _____ Future: _____
- 7) Market value of project following completion: _____
- 8) Anticipated start date: _____
- 9) Anticipated completion date: _____

Financial Information:

1) Estimated project related costs:

- a) Land Acquisition: \$ _____
- b) Site development: _____
- c) Building cost: _____
- d) Equipment: _____
- e) Architectural / Engineering fees: _____
- f) Legal fees: _____
- g) Off-site development costs: _____
- h) Public infrastructure costs: _____
- i) Other (explain): _____

Total \$ _____

**Public/Private
Total**

2) Sources of financing:

- a) Private Financing Institution: \$ _____
- b) Revolving Loan Funds: _____
- c) Other Public Funds (identify): _____
- d) Developer Equity: _____

Total \$ _____

City of Isanti

Check List for Final Application

The following is a list of the information and documentation necessary to submit a final application. Forms have been enclosed to aid you in preparing this information.

- ~~A. Describe~~ Description of the project that you propose to take place at the property, as well as a Business Plan & and History of the Business including a written description of the business, principals, ~~history~~ and past projects.
- B. Market Analysis and Business Plan
- C. Products
- D. Manufacturing Process
- E. Financial Information
 1. Projections. Provide pro-forma balance sheets, income statements and statements of cash flow (in both a monthly ~~& and~~ annual basis) for the next three years. Define the assumptions used to derive the projections.
 2. Profit and Loss Statements: last three years, current statement (less than 90 days ~~old~~) and three years' projections.
 3. Balance Sheets: last three years, current, and three years projections.
- F. Schedule of Business Debts
- G. Statement of Collateral
- H. Resumes and Personal Financial Statements
- I. Preliminary financial commitment from bank.
- J. Information on Affiliates
- K. Appraisals / Proposed Lease / Purchase Agreements
- L. Corporate / Partnership Authorization

Additional Attachments

- 1. Last year's Business Income Tax Statement, if applicable
- 2. Last year's Personal Income Tax Statement
- 3. Evidence of Payroll tax payment
- 4. Evidence of Worker's Compensation Insurance
- 5. A letter from the County Auditor or Treasurer verifying that there are no outstanding judgments or tax liens against the business, property or owners of the business.
- 6. Plans and drawing of project.
- 7. Background material of company
- 8. Payment of fee.
- 9. A map showing the location of your business, legal description and parcel identification number.
- 10. Current zoning of the property.
- 11. Existing Comprehensive Future Land Use designation of the property.
- 12. A statement identifying how the Revolving Loan Fund money will be used and why it is necessary to undertake the project.
- 13. A statement identifying the public benefits of the proposal. This may include property valuation, job creation if applicable and other community assets.

TO BE SIGNED BY APPLICANT

I have willfully furnished this information to the City of Isanti for the purpose of applying for a loan. I understand that this information will be available for review by the City of Isanti ~~Revolving Loan Fund Advisory Committee~~ Finance Director, the City Attorney, or any other professional the City Council ~~or Revolving Loan Fund Advisory Committee~~ may request. I declare that the information provided in this application is true ~~and~~ to the best of my knowledge. I understand that the City of Isanti has the right to verify this information and will be in contact with those individuals and institutions involved in this proposed project as well as credit references. False information, in addition to disqualifying me from any further considerations and financial assistance, may also subject me to litigation ~~or~~ to recover the City's expenses related to reviewing this application and/or costs to collect any loan balances. In addition, I understand that the City of Isanti may release information for public relations purposes regarding the project, excluding any confidential financial information.

Signature

Date

Loan Criteria

Eligible Businesses

- ~Businesses must be located, or willing to relocate to the City of Isanti.
- ~Manufacturing, assembly, warehousing, research and development, retail and service businesses.

Ineligible:

- ~Non-profits are not eligible under this program.

Eligible Uses of Funds:

- ~Building Purchase
- ~Building construction
- ~Building renovation / expansion
- ~Machinery & equipment
- ~Landscaping
- ~Retention

Ineligible Uses of Funds:

- ~Working Capital
- ~Inventory
- ~Purchase of equity positions in business enterprises
- ~Refinancing of existing debt

Loan Amounts:

- ~\$15,000 to \$50,000
- ~The City reserves the right to approve loan amounts less than the amount requested.
- ~Funding is limited to 33% of the eligible asset.

Loan Terms Available:

- ~Up to 10 year loan terms are available.
- ~Each loan will be determined on a case-by-case basis.
- ~Equipment loans will generally not exceed beyond the depreciated life of the asset being financed.
- ~Debt Service Coverage of 1.2/1.

Interest Rates:

- ~Anywhere from a rate of 3% to the 5 year Treasury bill + 1%
- ~Interest rates will be fixed.
- ~Interest rates are determined on a case-by-case basis as recommended by the ~~Revolving Loan Advisory Committee~~. Note, needs City Council approval.

Job Creation & Wage Requirements:

- ~Must meet State requirements when utilizing State funds and business subsidy law if applicable.

Fees:

- ~Approved borrowers are responsible for all legal fees, document preparation, recording & filing fees.
- ~An application fee and a 1% origination fee will apply.

Equity Requirements:

- ~The borrower must provide a minimum of 10% of total project costs as equity.

Personal Guarantees:

- ~Personal guarantees are required of all persons having 20% or more ownership of the business.
- ~Life insurance on the principle(s), for the amount of the loan is required. This insurance policy must be assigned to the City of Isanti.

Repayment Ability:

- ~Credit Checks will be made on businesses and primary owners as a part of the financial analysis.
- ~Applicants must demonstrate adequate historical and / or pro-forma cash flow for the proposed new debt.

Financial Structure:

- ~A financial institution must be involved in the development project.

Collateral Requirements:

- ~The ~~Revolving Loan Fund Advisory Committee~~ Finance Director, the City Attorney, or any other professional the City Council ~~or Revolving Loan Fund Advisory Committee~~ may request will review and take into consideration loan collateral coverage.
- ~The City may take a subordinate collateral position to other lenders.

Management Experience:

- ~It is required that the project have capable, skilled management through experience or expertise in the applicant's industry, either through previous successful business ownership or through appropriate managerial support services.

Late Penalties:

- ~The City shall include late penalties for loan payments made after their due date.

Loan Disbursement Policy:

- ~The City will place restrictions on the disbursement of loan funds.

Consideration in Setting Interest Rates:

- ~Size of Loan
 - ~Length of Loan
 - ~Use of Loan
 - ~Inflationary expectations.
 - ~Interest rate expectations.
 - ~Perceived risk of project
 - ~Amount of owner equity.
 - ~Presence / absence of other funding sources.
 - ~Financial strength of ownership
 - ~General economic conditions & expectations.
 - ~Type and size of building
 - ~Number of jobs created, if applicable
 - ~Wages paid
 - ~Location of business within the City.
- Considering all these factors, loan interest rates are set at the sole discretion of the City of Isanti.



Memo for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: January 7, 2020

Subject: Other Business/Updates/Communications

- a. Business Prospects
 - Midsize manufacturer is looking at some EDA land to build a 20,000 square foot manufacturing plant. Staff has been talking to him about the 4-acre parcel the EDA owns. He is hoping to purchase the lot for \$1 as we have advertised. He is working on his pro-forma, once staff reviews this item will come back to the EDA for a more in-depth discussion with a possible closed session.
 - Staff continues to have discussions with a Senior Housing developer and potential for building in Isanti.
- b. EDAM Winter Conference January 23rd and 24th -agenda attached
- c. Housing Starts in 2019 -80 There were 82 permits issued in 2018 so we are on pace with last year.
- d. Business Arrivals and Departures in Isanti 2019
 - Arrivals**
 - Best Western Hotel
 - Kwik Trip
 - Dollar General (under construction)
 - Senior Prairie Cottages 2 (approved)
 - Hydraulic Cylinders
 - CBD Joint
 - Fancy Dancin
 - Rockstad and Co Creative Corner
 - The Journey New Life Church
 - Isanti Floral
 - Departed**
 - Elaine's floral and Gifts II
 - Rock and Gem Shop
 - Bow Daddy Archery
 - YouCrafty
 - Climb Theater
 - Embroidery and Ink

- e. GPS 45:93 – 2019 highlights and membership dues
- f. Business Visits with the Mayor 2019
 - SnoBear
 - Advanced Telemetry Systems (ATS)
 - Coborns
 - Flagship Bank
 - Falcon National Bank
 - Minnesota Equipment
 - O'Reilly Auto Parts
 - Prairie Senior Cottages
 - Federated Coops
 - North American Title Company
 - River Counseling
 - Members Cooperative Credit Union
- g. Annual Conflict of Interest Disclosure Form, if you haven't turned a new one in please get that to me ASAP. Forms will be available at the meeting.

2019 Highlights

- **Workforce:** GPS held its second annual “Innovative Approaches to Career Readiness” event in May. The Workforce Committee created and offered an “Innovation Grant” opportunity to schools, which was funded by an Initiative Foundation grant. Recipients were Rush City, Willow River & Wolf Creek Trio. The committee coordinated presentations by DEED Analyst, Luke Greiner, called “What Every Parent and Student Should Know: Labor Market Information for Career Decision Making”. The committee also started planning a hands-on career exploration event for 2020-21 school year, which the Initiative Foundation agreed to support by providing \$10,000 in matching funds. GPS also promotes Construct Tomorrow, the regional HR group, local colleges, the East Central Housing Organization (ECHO), the Pine Technical & Community College Mobile Welding Lab, the Regional Career Fair and the Kanabec County EDA’s annual conferences.
- **Inventors & Entrepreneurs Club (I & E Club):** GPS is a founding sponsor of this new club, which held its inaugural meeting in March. Club meetings are held on the fourth Tuesday of each month at the East Central Energy headquarters in Braham and are open to all inventors and entrepreneurs in the GPS region. Meetings are free to attend and feature an educational topic and a business success story during each meeting.
- **Humphrey School of Public Affairs Research Project:** Over the course of the fall 2019 semester, GPS engaged a research team of four master’s students at the University of Minnesota to conduct an overview of the regional economy. The group’s research will provide a more thorough understanding of East Central Minnesota’s economic assets and provide recommendations on how the group can best market the region, adopt creative approaches to the region’s challenges, and build stronger capacity for GPS.
- **Broadband:** GPS continued its broadband work in 2019 through its role as a “Governing Member” of the Minnesota Rural Broadband Coalition. Several GPS members are also active participants in the coalition. In September, with technical assistance from the Blandin Foundation, several GPS members completed and submitted an extensive Intelligent Communities Forum (ICF) questionnaire on behalf of GPS. The completed questionnaire is ICF’s benchmarking tool that measures six inter-related indicators of a community’s competitiveness in the digital economy. The tool is used to measure progress against other communities and over time.
- **Cyber Security:** The theme of GPS’s annual meeting, held in September, was cyber security. The keynote speech was entitled “Cyber Security for Businesses & the Workforce” presented by John Bonhage of the FBI Minneapolis. Anoka-Ramsey Community College and Pine Technical & Community College presented information about the cyber-security degrees offered at both schools.
- **Familiarization (Fam) Events:** GPS organized and hosted two Fam events in 2019. The first event was held in July in Duluth and the second event was held in November in Minneapolis. Members attended both events to promote the GPS region. Site selectors and commercial realtors learned about the region and made key contacts with members for future projects.
- **Organizational:** Karl Schuettler of The Northspan Group is GPS’s Organizational Consultant and Becky Schueller of the Pine City Area Chamber of Commerce is GPS’s Administrative Consultant. Examples of their work include website updates, marketing/communications, internal organization/structure and improved processes. As a result, GPS is efficient, consistent and there is a more seamless leadership/officer transition annually.

The Value of Belonging

GPS consultants and members are available resources to assist cities and counties in business retention, attraction, and expansion. You will benefit from leads for new businesses through our regional memberships in the Community Venture Network and in the Minnesota Marketing Partnership, as well as visibility with site selectors due to GPS-hosted Familiarization (Fam) events in Minnesota.

Utility companies, financial institutions, and real estate companies are afforded access to potential new business, assistance in strengthening existing businesses, and a voice in shaping regional economic development strategy through membership. Educational entities and community-based organizations benefit from partnership with the wide array of members and from opportunities to advance their missions and grow and strengthen their communities. GPS maintains memberships that allow available properties in the region to be listed on internet sites used locally and nationally by site selectors. Private businesses can access financial, business growth, and workforce resources. Paid members will have a presence on the updated GPS 45:93 website which is targeted at business relocation specialists and at businesses looking for a location.

Our members bring a broad, professional knowledge base and access to resources including specializations in economic and community development, workforce development, business development, housing and social services, broadband issues, local government, education, and private industry expertise. Our group collaboration affords us the opportunity to:

- act regionally
- provide education and networking opportunities for our members
- promote enhancement of the regional workforce and infrastructure
- attract new business and financial investment
- support existing business retention and expansion as a means to strengthen and promote our regional economy.

Become a Member Today!

City of Braham	Chisago County HRA-EDA	Presbyterian Homes and Services
City of Hinckley EDA	Kanabec County EDA	Cambridge Medical Center/Allina
City of Isanti	East Central Regional Development Commission	Welia Health
City of Mora	Central Minnesota Jobs & Training Services, Inc.	Arvig
City of North Branch EDA	Minnesota Energy Resources Corporation	Falcon National Bank
City of Pine City EDA	Minnesota Power	First Citizens Bank
City of Princeton	North 65 Chamber of Commerce	Neighborhood National Bank
City of Sandstone	Mille Lacs Corporate Ventures	Unity Bank
City of Rush City	East Central Arts Council	Entrepreneur Fund
Pine County	Pine Technical & Community College	Hill Capital Corporation
Isanti County	Nemadji Research Corporation	Minnesota Business Finance Corp.

Membership Information

Business/Organization Name: _____
Primary Contact: _____
Primary Email Address: _____
Billing Address: _____
Secondary Contact Name: _____
Secondary Contact Email: _____

Yes, please add the above email addresses to the GPS:45:93 Quarterly E-Newsletter

2020 Membership Dues

Sponsorship Level	
Utility Company	\$ 2,000
College	\$ 1,000
Government Membership	
County	\$ 1,000
Tribal Entity	\$ 1,000
City	\$ 850
Affiliate Members: Businesses & Organizations	
Financial Institution, Medical Facility, Businesses	\$ 500
Partner Members: Civic & Non-Profit Organizations	
Chambers of Commerce, Non-Profits (i.e. civic groups, Lions, Rotary, etc.)	\$ 250
Individual Members	
Retired Members, Individuals in Job Transition (no business affiliation)	\$ 100

- Please send invoice
 Check Enclosed

CONFLICTS OF INTEREST DISCLOSURE FORM

Purpose: _____

Public Officials of the City of Isanti listed by title in the Resolution are required to complete and file this Disclosure Form with the City Administrator in accordance with the provisions of the Conflicts of Interest Policy.

1. Affiliations with Agencies Doing Business with the City

Identify all positions as officer, director, partner, proprietor or employee of any firm or proprietary interest of ten percent (10%) or more in any company, business, enterprise, corporation, partnership, labor union or association doing business with the City.

<u>Name of Organization</u>	<u>Position Held</u>	<u>Compensation Involved</u>
_____	_____	Yes _____ No _____
_____	_____	Yes _____ No _____
_____	_____	Yes _____ No _____

Not Applicable

2. Real Property Owned in the City of Isanti

Identify real property items owned or being purchased by a Public Official, spouse, or child, or in which the Official has a beneficial interest. The actual value of any item is not required.

(Exclude homestead property.)

<u>Property Item</u>	<u>Address</u>	<u>PID #</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Not Applicable

3. Assets

Identify all ownership or beneficial interests in any company, business, enterprise, corporation, partnership, labor union or association doing business with the City where such interest exceeds ten percent (10%) of the total ownership.

Name of Organization

Not Applicable

Public Official and/or Applicant:

Print Name

Signature

Date: _____

Please provide the following information:
(Please Print)

Current Address and Post Office Box Number

City, State, Zip Code

Home Phone Number

Work Phone Number

Cell Phone Number

Received by the City Administrator/designee on: _____

News



Find news from prior years in [DEED's digital library](#).

(<http://cdm16105.contentdm.oclc.org/cdm/search/collection/p16105coll1>).

[View entire list](#)

Minnesota Unemployment at 3.3%

Job gains up 0.2% year over year while the labor force participation rate held at 70.3%

December 19, 2019 | [Economic Development](#)

(<https://youtu.be/tPqp2P1dZHQ>)Contact:

Eric Lightner

651-259-7149

eric.lightner@state.mn.us (<mailto:eric.lightner@state.mn.us>)

Oriane Casale

651-259-7383

oriane.casale@state.mn.us (<mailto:oriane.casale@state.mn.us>)



St. Paul – Minnesota's seasonally adjusted unemployment rose a tenth of a percent during November to 3.3%, according to data released today by the Minnesota Department of Employment and Economic Development (DEED). The national seasonally adjusted unemployment rate for November fell a tenth of a percent to 3.5%.

Minnesota gained 5,911 jobs from November 2018 to November 2019, a 0.2% increase. Over the month on a seasonally adjusted basis Minnesota lost 3,000 jobs overall and October's 7,400 increase was revised downward to 5,200 jobs.

The private sector average wage rate went up 18 cents in November for a 5.2% rise over the year.

“The fall and winter months tend to be unpredictable for job growth because of the seasonal effects of weather,” said DEED Commissioner Steve Grove. “Strong wage growth and one of the highest labor force participation rates in the nation both suggest that the state continues to experience a tight labor market.”

The labor force participation rate held at 70.3%. The employment to population ratio also held at 68%.

Five supersectors gained jobs in November. The largest gain was in leisure and hospitality (up 3,800) followed by other services (up 900), professional and business services (up 800), financial activities (up 300), trade transportation and utilities (up 300) and government (up 100).

Supersectors losing jobs in November were; construction (down 4,900), manufacturing (down 2,600), education and health services (down 1,500), information (down 100) and mining and logging (down 100).

The Minneapolis-St. Paul Metropolitan Statistical Area (MSA) was the only MSA to lose jobs in November (down 5,729).

Mankato MSA gained 1,518 jobs over the year, the largest gain of any Minnesota MSA. Next largest gains came from Rochester MSA (up 1,253), followed by St. Cloud MSA (1,016) and Duluth-Superior (up 12).

Minnesota Employment and Unemployment - November 2019

	Seasonally Adjusted		Not Seasonally Adjusted (NSA)	
	November 2019	October 2019	November 2019	November 2018
Unemployment Rate				
Minnesota	3.3%	3.2%	2.9%	2.3%
U.S.	3.5%	3.6%	3.3%	3.5%
Employment	November 2019	October 2019	November '18 to '19 level of Change	November '18 to '19 % level of Change
Minnesota	2,966,800	2,969,800	5,911	0.2%
U.S.	152,252,000	151,986,000	2,380,000	1.6%

Minnesota Over the Year Employment Change: November 2018 - November 2019

	MN OTY Job Change	MN OTY Job Growth Rate	US OTY Job Growth Rate
Total nonfarm	5,911	0.2	1.6
Total Private	4,451	0.2	1.7
Logging and Mining	50	0.8	-1.5
Construction	-2,296	-1.8	2.9
Manufacturing	-1,990	-0.6	0.5
Trade, Transport. and Utilities	2,326	0.4	0.0
Information	-3,830	-7.8	3.0
Financial Activities	2,518	1.4	1.3
Prof. and Business Services	-4,378	-1.1	2.0
Ed. and Health Services	-5,631	-1.0	3.0
Leisure and Hospitality	16,113	6.2	2.8
Other Services	1,569	1.4	1.2
Government	1,460	0.3	1.1

Metropolitan Statistical Area OTY Employment Change – From November 2018 to November 2019

Metropolitan Statistical Area (MSA)	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	-5,729	-0.3
Duluth-Superior MN-WI MSA	12	0.0
Rochester MSA	1,253	1.0
St. Cloud MSA	1,016	0.9
Mankato MSA	1,518	2.5

Visit the DEED website to see [DEED's alternative measures of unemployment.](https://mn.gov/deed/data/current-econ-highlights/alternative-unemployment.jsp)
(<https://mn.gov/deed/data/current-econ-highlights/alternative-unemployment.jsp>)

DEED is the state's principal economic development agency, promoting business recruitment, expansion and retention, workforce development, international trade and community development. For more information about the agency and its services visit the [DEED website \(http://mn.gov/deed\)](http://mn.gov/deed) or follow [DEED on Twitter.](http://twitter.com/mndeed) (<http://twitter.com/mndeed>)

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Minnesota Unemployment at 3.3%

Job gains up 0.2% year over year while the labor force participation rate held at 70.3%

12/19/2019 8:08:09 AM

(<https://youtu.be/tPqp2P1dZHQ>)Contact:

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Economic Development

Economic Development

jobs

Site Selection In 2020: The Squeeze Is On

January 1, 2020 | Dees Stribling, Bisnow National

Attracting a relocating business to a particular place is tougher than ever in the current high-employment, incentive-skeptical climate. Yet in the face of such headwinds, economic development organizations have come up with some creative ideas to boost their site selection prospects.



Take Topeka, Kansas, where economic development officials recently rolled out Choose Topeka, a pilot program that offers money to workers to relocate to the city. Under the program, people with job offers in Topeka can apply for as much as \$15K if they are looking to buy a house in the area, or \$10K if they sign a one-year apartment lease.

The program is being supported by advertising that is clearly aimed at a younger audience that might be persuaded that a low-cost city such as Topeka is worth a look. Choose Topeka might thus be creative, but at its heart the incentive is an example of a small city doing battle in the war for talent. The larger the critical mass of skilled young workers, the thinking goes, the better the prospects to attract businesses to the area. (Topeka has more conventional incentives for businesses as well.)

The response to the program — especially after it got the attention of late-night comedian Stephen Colbert — has been remarkably strong and interest in Topeka has come from around the country and the world, said Molly Howey, the senior vice president of economic development for Go Topeka, a division of the region's umbrella economic development organization, the Greater Topeka Partnership.

Places large and small are in the war for talent and the businesses that hire them, though most of the corporate site selection spoils go to the same large U.S. metro areas.

Chicago, Dallas-Fort Worth and New York were the top-performing metro areas in the latest edition of The World's Most Competitive Cities, compiled by EY, the Milken Institute, Conway and Oxford Economics and published in Site Selection magazine. Each has more than 2 million people within its city limits, according to the U.S. Census Bureau's 2019 estimates.

Other areas might not be site selection behemoths like Chicago or DFW, but they have some edge when it comes to attracting young talent, either as interesting places to live or places that offer high-paying jobs, or at least decent wages compared to the cost of living.

According to a study by Magnify Money, San Francisco has attracted the most millennials and is where they have seen the largest increase in wages. San Francisco is an expensive but popular city, while the other highest-ranking millennial boomtowns are less expensive but have attributes that have attracted millennials in droves. They include Denver, Austin and Nashville.

While the major metros continue to dominate the rankings, smaller cities — where one successful business attraction could make a meaningful difference to its tax revenues — still need to find ways to make that possibility a reality.

Site Selection cites the example of Findlay, a town of about 41,300 in northwestern Ohio, as a success in attracting businesses. The city has a number of corporate HQs, a relatively low cost of doing business, and active collaboration between local colleges and employers, all of which help give it an edge. The town also supports local entrepreneurship, which spurs long-term local job growth.

Topeka is stressing its job opportunities for young talent as well as a low cost of living.

"Economic development is now about taking a more holistic approach to emphasizing the assets of a region," Go Topeka's Howey said. "It's about stressing your assets for placemaking. Everyone talks about quality of life, but you have to be more specific. What is it about a place that will allow a company to attract and keep workers?"

Topeka tells its potential workers that there is lots to do in Kansas' state capital, perhaps more than generally appreciated, that they won't pay a fortune for housing, and they won't spend a lot of time stuck in traffic. Chicago and Dallas-Fort Worth have kept their spots as the top cities for drawing businesses across an array of industries, ranking top five in at least 10 of the 12 industrial categories: business and finance, chemicals and plastics, electronics, food and beverage, IT and communications, machinery and equipment, metals, automotive, life sciences, energy, aerospace, and transportation and logistics.



Challenges For Economic Development

Attracting and keeping businesses has never been a simple task, but as 2020 begins, it is more challenging than ever, according to economic development experts.

For instance, a city or county might have much else going for it in the bid to attract new or expanding business — a strong economy, access to transit, lifestyle amenities — but if the available office space is lacking in supply or quality, it is going to be at a distinct disadvantage.

"One factor is simply a lack of high-quality space, at least at a price that makes a relocation an attractive proposition," Xpera Group Director of Economic and Market Research Alan Nevin said, noting that in some places, office vacancies are hovering between 8% and 10%, and industrial vacancies between 3% and 5%.

"In some urban cores, land prices have gotten a little silly, especially for industrial development," Nevin said, adding that California has been particularly prone to that problem, so much so that in some ways Phoenix functions as an industrial market adjunct to Southern California and Reno likewise to Northern California, so those areas are attracting businesses that need large amounts of industrial space.

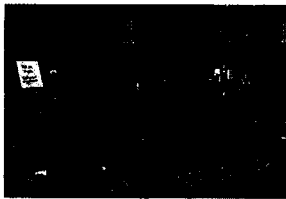
JLL puts the national office vacancy rate at 14.2%, making for a tight market at least until the next wave of spec office space is delivered in 2022 and 2023.

Besides a lack of space, many urban areas also lack the transportation infrastructure necessary to attract businesses that employ young and well-educated talent. Even a place like greater Boston, which is a tech magnet, has that problem.

"If this [Massachusetts] House and Senate and governor do not get serious about raising billions for transportation improvements, because we have underinvested in the system for more than a generation, we are screwed," Kendall Square Association President C.A. Webb said at a recent *Bisnow* event.

Among the other challenges in the site selection process are low unemployment and wage inflation, according to Site Selection Group CEO King White. Unemployment has been low for some years now, and after many years stagnating, wages are finally beginning to grow, to as much as 4% this year. Minimum wages are rising in some places, pushing up wages at the lower end of the pay scale.

That complicates the site selection process, especially for companies that need more traditional, non-tech kinds of workers, such as at warehouses, call centers and retail operations, White said.



There is also more grassroots pushback against tax incentives — a movement that has found its legs recently, with the potential to persist over the coming years. For decades, a wide range of incentives, including straightforward tax breaks and job training schemes that benefit relocating companies, have been par for the course in economic development.

During the third quarter of 2019, Site Selection Group estimates that site selection incentive packages totaled about \$1.56B nationwide. Of that total, more than \$1.2B went toward the largest 25 incentive packages.

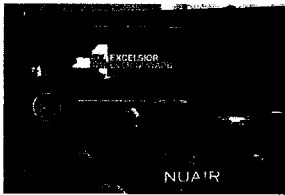
Cree, a manufacturer of semiconductors, took home the largest package of the quarter, a little more than \$500M from the state of New York to develop a 480K SF facility in Utica. The deal attracted criticism.

"This looks like it's a very, very high cost-per-job economic development project," W.E. Upjohn Institute for Employment Research Senior Economist Timothy Bartik told the Albany Business Journal, asserting that it is even more expensive per job than Wisconsin's deal with Foxconn, which has been blasted as a boondoggle.

But perhaps no incentive package has ever received the blowback accorded Amazon HQ2 in New York City.

"Many Americans are rightly aghast at the 'economic war among the states' as so plainly revealed by Amazon.com Inc.'s HQ2 auction," writes Greg LeRoy, executive director of Good Jobs First, which tracks economic development incentives. "And now they are also emboldened to challenge the system underlying this corrosive war by the enormous community organizing victory in New York City that caused Amazon to cancel its plan for one new headquarters in Queens."

Besides driving Amazon away from ambitious New York building plans, the incentive pushback has inspired more cities and states to do rigorous analyses of their impact. The most recent states to require regular analysis of economic development tax incentives are Kansas and Montana, bringing the total to nearly two-thirds of U.S. states, according to Pew Research.



How Site Selection Strategies Are Changing

More data is available than ever before, and there are more ways to crunch the data than in the wildest dreams of a 20th-century statistician, but it hasn't made the site selection process easier, for businesses looking for space or economic development entities looking to provide it.

"Site selection has become more complicated in the last decade due to the availability of more data, how the data is analyzed and extremely tight labor conditions," said White, who founded Site Selection Group after leading Trammell Crow's site selection platform.

Companies are looking at a long list of positive attributes, White said: labor availability, reasonable labor costs, a good education system,

workforce development initiatives, low personal and corporate taxes, employer-friendly labor laws, a minimal union presence, accessibility, economic incentives, reasonable real estate costs and reasonable utility costs.

The importance of these factors will vary by project or industry type, but some combination of them is always at play, White said.

With those many metrics in mind, companies are thus demanding more advanced site selection analytics to help support local, regional and international location decisions, King said. The demand has caused economic development organizations to become more sophisticated in their efforts to attract companies as well as develop more effective workforce development initiatives.

"The fundamentals of site selection haven't changed, but the dynamics of the market have," said Brandon Talbert, a director at Cleveland-based site selection firm Austin Consulting. "Access to rich data resources have enabled companies to make better-informed decisions."

Moving forward, communities and economic development agencies will need to be more innovative to compete for new investment, Talbert said. Rural communities in particular will need to demonstrate that they can meet workforce demands and provide access to amenities that a younger demographic is seeking.

"Selecting a location that provides access to a skilled, educated workforce has never been more important," Talbert said. "Companies are looking for any advantage possible when it comes to hiring and retaining workers."

Regional economic development organizations have begun specializing, placing a focus on a globally important industry in which to make a long-term investment, in the hopes of developing a cluster.

One of the better-known examples is the San Diego region, and its tight focus on life sciences, which has made the area a significant cluster in that industry. Loudoun County, Virginia, has "Data Center Alley," which more than half of the world's internet traffic travels through and

land prices have skyrocketed as data center builders gobble up space to build bigger and bigger campuses.

The recently completed "drone zone" between Syracuse and Rome, New York, is another example of a state/local push to encourage site selection by a particular industry in a particular place. In this case, the state of New York has gone to considerable lengths to boost the unmanned aircraft system industry.

In November, the state established a 50-mile unmanned traffic management drone corridor between those two cities, the first of its kind in the country. Companies are now able to test drones and drone technology beyond visual line of sight in part of the corridor.

In greater Milwaukee, one strong economic development focus has been water technologies. The industry in the region supports about 20,000 jobs, with more than 120 water-related companies having a presence in or nearby, including water tech giants A.O. Smith, Badger Meter and Kohler.

Work is nearly complete in Milwaukee on Green Tech Station, an incubator that will be home to as many as 20 pilot projects focused on water filtration technology, facilitated by a 20,000-gallon water tank and pumping system on the property.

Besides its unusual program to attract a young population, Topeka's more standard economic development programs aren't focused on one industry, but emphasize specific assets, Howey said. The natural resources in the area support the growth of the food industry, and there are specialized training courses that businesses can use to train specialized workers.

"The skills are here, and so are the resources to do customized training," Howey said. "That strategy has become increasingly important in recent years, and it isn't unique to Topeka. Both existing and new businesses wanting to tap into the programs, which offer training specific to an industry or even an individual company in cooperation with universities or tech schools."

See Also: The 14 Deals And Trends That Defined Real Estate In 2018

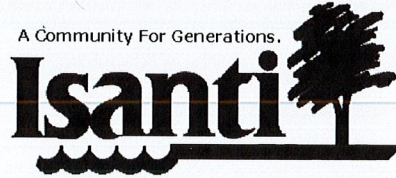
Related Topics: site selection, King White, Alan Nevin, Topeka, Kansas, Molly Howey, C.A. Webb, Brandon Talbert

City Council Chambers

Tuesday, February 4, 2020

Immediately Following the 7:00pm City Council Meeting

A Community For Generations.



Economic Development Authority Agenda

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
2. Approval of the Agenda
3. Approve Minutes of January 7, 2020 Regular Economic Development Authority Meeting
4. Business Items
 - a. Marketing/Work Plan Update
5. Other Business / Updates / Communications
6. Adjournment

Economic Development Authority
Meeting Minutes
January 7, 2020

1. **Call to Order:** EDA President Johnson called the meeting to order at 7:36 pm.
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Members Present – Johnson, Bergley, Gordon, Reller, Lundeen and Collison. Staff Present: Community Development Director Sheila Sellman, and City Administrator Josi Wood.
 - c. **Agenda Modification:** None
2. **Consider Adoption of Resolution Approving Organization of Advisory Board:** Bergley motioned to nominate Mayor Johnson for the 2020 EDA President, second by Collison, motion passed 6-0. Collison motioned to nominate Lundeen for 2020 EDA Vice-President, second by Bergley, motion passed 6-0. Motion by Lundeen to remove EDA President pro-tem, second by Gordon, motion passed 6-0. Lundeen motioned to keep the Secretary and Treasurer the same – appointing the Community Development Director as Secretary and the Finance Director as the Treasurer, second by Bergley, motion passed 6-0. Motion by Lundeen second by Bergley to adopt Amended and Restated Bylaws motion passed 6-0. Motion by Bergley to adopt the 2020 meeting schedule second by Collison, motion passed.
3. **Approval of Minutes:** Motion by Collison, second by Bergley to approve December 3, 2019 meeting minutes motion passes 6-0.
4. **Business item**
 - a. **Revolving Loan Policy update:** Motion to approve by Lundeen second by Gordon, motion passed 6-0
5. **Other Business:** Sellman provided an overview of business prospects, building permit activity, business arrivals and departures for 2019, GPS45:93 2019 highlights and a list of businesses that she and the Mayor visited in 2019.
6. **Closed Session:** The EDA went into closed session to discuss the sale of EDA land at 825 East Dual Blvd. The regular meeting resumed and the EDA directed Sellman to start negotiations on the sale. Motion by Lundeen, second by Bergley for Director Sellman to start negotiations for the sale of 825 East Dual with the parameters discussed in the closed session, motion passed 6-0.
7. **Adjourn:** Motion by Bergley, second by Collison to adjourn, motion passed 6-0. Meeting adjourned at 7:58.

Respectfully Submitted

Sheila Sellman, Community Development Director/EDA Secretary



Memo for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: February 4, 2020

Subject: Marketing/Work Plan update

Background:

In 2015 the EDA adopted an EDA Marketing/Work plan. Now that five years have passed it is important for the EDA to review and update the plan. Attached for discussion is a draft of the update, suggested changes are shown by strikethroughs and underlining new language. As part of the process the EDA filled out a short survey the results are attached.

As part of the update staff would specifically like to discuss the following items:

1. Memberships
2. Facebook
3. Rail Options
4. Housing Study update
5. Clinic/medical campus

Recommendation:

Staff recommends discussion on the draft plan and to direct staff to make any changes and bring back a final version for adoption.

Attachments:

- Draft Plan
- Survey Results

2015 EDA Marketing / Work Plan
Adopted March 3, 2015 Updated

MISSION

The Economic Development Authority promotes and supports the growth of commercial and industrial development and tax base through the use of economic development methods and tools.

GOALS AND OBJECTIVES

- 1) Strengthen the City of Isanti economy through the support of local business, attraction of new businesses, creation of jobs and the diversification of industries.

Objectives

- 1-1.1 Sell / deed vacant industrial land in Isanti Centennial Complex to manufacturing/warehousing businesses.
- 1-1.2 Help promote the sale or lease of vacant space in commercial and industrial properties owned by private sector.
- 1-1.3 Utilize all economic development tools available that support retention, expansion and attraction of industry
- 1-1.4 Identify industries vertically integrated to industries in Isanti and recruit.
- 1-1.5 Support efforts to develop a rail served industrial park in Isanti.
- 1-1.6 Use Market/Tourism Feasibility study to bring a hotel to Isanti.
- 1-1.7 Support efforts to bring a clinic/medical campus and related business to Isanti. Is this still a goal?
- 1-1.8 Maintain prospect database and contact prospects in a timely manner.
- 1-1.9 Consider zoning changes that reflect the market conditions and will increase the tax base of the City.
- 1-1.10 Maintain Membership in the Initiative Foundation to keep financial resource flexibility for project financing
- 1-1.11 Maintain membership in GPS 45:93 to take advantage of regional marketing and prospect generation through Community Venture Network. Economic Development Director Sullivan is a member of the Executive Committee of this organization for 2015. Community Development Director Sheila Sellman is designated as the Isanti County Rep for the Minnesota Marketing Partnership (MMP).
- 1-1.12 Maintain membership in Economic Development Association of Minnesota (EDAM) to increase exposure for the City of Isanti and to

increase business leads. Economic Development Director Sullivan is elected to Board of Directors (2014-2015)

1-1.13 Maintain membership/partnership in the Chamber of Commerce

1-1.12-1.14 Maintain partnership with East Central Regional Development Commission

- 2) Position Isanti as a low cost, business/developer friendly, growing, healthy community with small town feel and amenities, with a plan to grow in an orderly manner. cutting edge, modern alternative to Anoka County for industrial development.

Objectives

- 2-1.1 Utilize city website and other marketing mediums to promote Isanti in general including low taxes for business operations growing/young community, new infrastructure, parks, small town feel in Isanti.
- 2-1.2 Targeted direct marketing to East Bethel, Blaine and Ham Lake manufacturers to relocate and /or expand in Isanti -is this still an objective?
- 2-1.3 Promote "Minnesota Shovel Ready Certification" for industrial sites with the assistance of the WEBSITE, LOIS, MNCAR, brochures and the Internet.
- 2-1.4 Market local success stories through the City Website, GPS 45:93, EDAM, Facebook and local media.
- 2-1.5 Highlight availability of City Sewer and Water Services outside of Metropolitan Council Control.
- 2-1.6 Market stability of City Council and the streamlined development process that allows for projects to be approved quickly.
- 2-1.7 Market SAC and WAC Deferral program to area developers and businesses.
- 2-1.8 Market advantages of lower tax assessed values and omission from fiscal disparities which result in lower property taxes.

- 3) Enhance the appeal of Isanti as a place to work and live.

Objectives

- 3-1.1 Initiate efforts to improve winter driving conditions of County and State Roads and efficiencies for travel corridors
- 3-1.2 Support improved trail and sidewalk connectivity for residents, schools, commercial and industrial areas, and neighboring communities.
- 3-1.3 Market existing quality housing stock and new schools.

- 3-1.4 Support marketing activities that highlight community events or organizations. ~~((i.e. adding additional signs for other events held in Isanti on a seasonal basis at the NW corner of Hwy 65 and CSAH No. 5 (Johnson Property))~~
- 3-1.5 Support and assist in the recruitment of the development of a ~~medical clinic, hotel,~~ restaurants and other retail developments that will bring people to Isanti to live.
- 3-1.6 Work with local organizations which includes but is not limited to: such as Rum River BMX, Cambridge Isanti Soccer Association, ISD 911, Firefighter's Rodeo and Chambers of Commerce to market successes and activities in Community

4) Support redevelopment and expansion ~~efforts~~ in Historical Downtown/Heritage Blvd.

Objectives

- 4-1.1 Utilize East Central Minnesota ~~Regional Housing Study and Executive Summary~~ to bring investment to Isanti for Senior and Market Rate Housing. City Council is looking to update this -partner in those efforts?
- 4-1.2 Work with existing ~~businesses on the~~ enhancement, maintenance, ~~rehabilitation and renovation of property~~ utilizing Tax Increment Financing, RLF Fund and ~~other~~ local economic development incentive programs.
- 4-1.3 Encourage ~~new~~ capital investment by brokering transactions and marketing development opportunities in Isanti.
- 4-1.4 Support ~~connections between~~ the Historic Downtown and Heritage Blvd retail districts.

5) Increase City of Isanti visibility and participation in business community.

Objectives

- 5-1.1 Support chamber initiatives that are consistent with City Policy and attend meetings.
- 5-1.2 Coordinate and host Mayor's Employer Appreciation Luncheon
- 5-1.3 Conduct Business Retention and Expansion visits and listen to business needs and concerns.
- 5-1.4 Keep Information on City Website current and highlight community successes.

- 5-1.5 Work with Isanti Mayor to issue proclamation for Minnesota Manufacturer's Week, visit with businesses and present Certificate of Commendation from Governor.
- 5-1.6 Continue to provide updates on city programs and services that are helpful to businesses and promote local events in the Isantian Newsletter or via the business list.
- 5-1.7 Email to Businesses
- 5-1.8 Establish new relationships and nurture existing relationships with area banks, brokers and contractors.
- 5-1.9 Update Isanti Business List semi-annually.
- 5-1.10 Attend functions as approved by the City Council that allow Isanti to express concerns regarding the creation or maintaining of an economic development friendly environment (i.e. legislative forums)
- 5-1.11 Distribute marketing items for the City of Isanti. (Pencils, pins, coffee cups, higher-end item for dignitaries, or other appropriate items as needed).
- 5-1.12 Explore Signage on Hwy 65 to increase visibility and identity for Isanti
- 5-1.13 Utilize memberships in economic development organizations (EDAM, GPS 45:93) to market the City of Isanti to a larger audience.
- 5-1.14 Continue meet and greet visits with the Mayor and tours of all businesses in town
- 5-1.135-1.15 Attend and participate in Isanti County EDA Meetings.

LOCAL SWOT ANALYSIS While this is good information it is not necessary for a marketing/work plan and is quickly outdated. Staff suggests removing it from this document.

- ~~1) **Availability of development sites and facilities:** Isanti has many industrial and commercial site and buildings available for sale or lease. The myriad of options serve as a *strength*. The City also has areas available for expansion and is not land locked. The City has four "Minnesota Shovel Ready Certified" sites within Isanti Centennial Complex ready for immediate development. There is approximately 30,000 square feet of vacant industrial buildings in the industrial park in Isanti. In addition, there is also five vacant, Minnesota Shovel Ready Certified, lots in the City owned industrial park. The affordable available space, and lots is a strength for the community. This is a competitive advantage for the City of Isanti.~~
- ~~2) **Business Incentives:** Many assistance programs are available for new businesses choosing to locate in Isanti and this is a *strength*. Most programs available to the city~~

are for new construction and aren't targeted to existing businesses which serves as a *weakness*. Tax Increment Financing, Tax Abatement, and SAC and WAC Deferral are available to spur investment. The State of Minnesota implemented and funded the MN Job Creation Fund and MIF in 2014. These programs require a minimum of 10 new jobs to be created. The economy is improving but there is still a reservation by many business prospects to move this far out regardless of the attractive incentives. The City owns approximately 150 acres of vacant land and this is a *strength* and potentially a competitive advantage. Well priced, privately owned land east of State Hwy 65 along the highway is also available for development.

3) **Business Retention and Expansion Program:** The City of Isanti conducts business expansion and retention visits which serves as an *opportunity* for growth and stability. In 2014, 15 formal visits were conducted. Many informal visits are conducted by the Economic Development Director and Mayor throughout the year. Continuation of this program will help identify expansion opportunities and strengthen relationships with businesses.

4) **Cambridge:** Cambridge is a large regional center in Isanti County. Home to the county seat and regional educational and health care facilities serves as a *threat* to the City of Isanti. Cambridge continues to draw large scale commercial investment along State Hwy 95. Fleet Farm and Aldi opened in 2013 and create a draw to the region. Industrial development in Cambridge has been slow and poor access to major roadways is a *strength* for Isanti. The combination of the Isanti and Cambridge Chambers of Commerce serve as an *opportunity* for Isanti to benefit from the membership and funds of the Cambridge Chamber.

5) **Chamber of Commerce:** The Isanti Area Chamber of Commerce and Cambridge Area Chamber of Commerce are in the process of a merger. It has been communicated that the collective office will remain in Isanti but move to 2 Enterprise. The merger is anticipated to be complete in April 2015 with the new fiscal year starting in July. The new name for the combined chamber will be North 65 Chamber of Commerce. There are concerns as to the City of Isanti losing its identity as a result of the merger would could be a *weakness*. The EDA has communicated a willingness to have the same level of access as the City of Cambridge to the Board of Directors. Current leadership of each chamber feels that pooling resources will result in a more robust and effective chamber and if this is accomplished it could serve as an *opportunity* for more business development.

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6) **Economic Conditions:** Economic conditions have improved in 2014 and more investment is being made in Minnesota. Still, the City of Isanti, is still considered too far out by many brokers and site selectors. The volume of deals getting done is improving and trying to gain a share of this growth is realistic. Identifying and targeting companies where their workforce and ownership is closer to Isanti would be a way to capitalize on the improving economy. Downsizing has been a trend for businesses during the poor economic conditions and this serves as an *opportunity* for Isanti. Isanti has available building inventory and lower cost alternatives to property located in the metropolitan area. Improvement in the economy and the implementation of the SAC and WAC deferral program lead to 14 new housing starts in 2013 and 38 more in 2014.

7) **Education Opportunities:** Primary, Intermediate and Middle Schools are located in Isanti and proximity to post-secondary education at Anoka Ramsey Community College is a *strength*. School District 911 and community leaders held a strategic planning session in late 2014-15. The session led to some bold new initiatives based on "leading", "achieving" and "innovation". The 5 year plan put in place is highlighted by 1) Learning and Research, 2) Partnerships and Innovation, 3) Spanish Immersion and Career Readiness, 4) Leadership and Character Development and 5) Personalized Learning and Planning for the Future". The addition of the Arts and Science Academy Charter School in 2014 provides access to another education alternative. This school also has the ability to draw residents from outside of Isanti to the community which is an opportunity. Both the additions of the Charter School and the adoption of the new plan for School District 911 serve as great *opportunities* for Isanti to improve business and resident recruitment to the community. The availability of online and cohort learning opportunities for 4 year colleges has minimized the *weakness* of not having a four year college within 20 miles.

8) **Environmental Aspects:** Soils and hydrology in the City are generally *strengths* for development. The City does not have a regional pond system for some of its development sites and the required onsite ponding for projects can serve as a *weakness* where it is required. The State of Minnesota continues to require higher water quality standards for storm and wastewater. These items are costly and the result of the pass through costs of maintaining these higher standards is yet to be understood. Staff anticipates that this will prove to be short term *weakness* until other communities are required to maintain the same standards.

9) **Financial Institutions and Finance:** The City has four financial institutions located within the City limits which provide options for financing. Investment by the banking

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community in the City constitutes a strength. The potential for financial partnerships with these institutions is an opportunity. In 2015 there have been some indications that some of the financial institution may be acquired which could be viewed as an opportunity to bring investment from outside of the community and to increase lending amounts. The city currently has an A+ bond rating which demonstrates the financial stability of the City and is a strength.

10) **Fuel Prices:** Prices for fuel have fallen significantly into the range of \$2.10-2.30 per gallon range for regular unleaded gasoline. Lower fuel prices increase the marketability of the City of Isanti by creating more connectivity to the 7 County Metro Area. In order to have businesses and future residents commit to Isanti the prices need to stabilize so that there can be confidence in commuter and transportation costs. \$2.75 gallon or less for regular unleaded gas for an extended period of time would help investment for the community. The decreased cost of transportation for raw materials, manufactured or distributed goods could be looked at as a strength for a community located 30 miles outside of Minneapolis/St Paul for travel over the roads.

11) **Governmental Factors:** Government regulation and requirements that cities are bound by serve as a weakness. The ability of the City to manage zoning and planning outside of the Metropolitan Council control is a strength and opportunity to react quickly to the market if needed. The City council for the City of Isanti has had very few changes in policy and leadership over the past 5 years. In relation to cohesiveness, especially compared to neighboring communities it may be considered a strength.

12) **Health Care:** A strength with the presence of health care facilities (hospital and clinics in Cambridge) nearby. An opportunity for a local clinic exists and should be explored in 2015. Adding a clinic along the Hwy 65 corridor would add to convenience to commuters and residents and take some reliance off the over-utilized clinic in Cambridge.

13) **Housing Market / Foreclosure:** Based on the continued economic recovery in 2014, it appears as if the foreclosure crisis has come to an end in Isanti. To originally address the aforementioned foreclosure crisis, the Foreclosure Committee was created on April 1, 2008 by the City Council. The committee was created to track and monitor foreclosed homes, to ascertain their condition and address nuisance situations and property situations to stabilize the condition of the foreclosed housing stock. In April 2010, 171 single family homes were in the foreclosure process with 57 of those homes being vacant, which represented 12% of the entire housing stock in the City of Isanti which

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was one of the highest rates in the state. On October 21, 2014, the City Council adopted Resolution 2014-252 Sunsetting the Foreclosure Committee citing that less than 3% of the city housing stock is in the process of foreclosure. Over the course of 2014 the city has seen market values begin to recover and 38 new housing permits were pulled in 2014. As of November 7, 2014 there were 324 platted single family lots in Isanti. This is a *strength* for the community. According to the Minneapolis Area Association of Realtors the Average Sales Price when comparing December 2013 to December 2014 has increased from \$125,682 to \$179,325 (+42.7%) when comparing 2013 to 2014 as a whole the Average Sales Price has increased from \$131,403 to \$153,033 (16.5%) Days on the market has decreased from 82 to 66 which is trending positively for Isanti. Similar numbers exist for Cambridge with Average Sales price slightly lower in Cambridge.

14) **Image:** In the past, Isanti has been hurt immensely from the news relating to foreclosures and unemployment in the construction industry which was a perceived *weakness*. Changes in the economy in the construction of 14 new homes in 2013 and 38 in 2014 is improving this image and there have not been any recent articles written about Isanti and the foreclosure crisis that shed a poor light on the community. Isanti has worked at establishing itself as a low cost alternative to the Metro Area but the overtones of the poor economy and foreclosure are an obstacle that will need to be overcome. The development of a current brochure, attainment of "Shovel Ready Certification", and being present at site selection conferences will improve the image of Isanti. Neighboring Communities have not enjoyed the stability that the City of Isanti City Council has provided and this creates a "trusting" environment for potential developers.

15) **Isanti County GIS System:** Isanti County has a Beacon GIS Maps and a Pictometry system with 2011 aerial maps and enhanced pictometry available for use. This system allows the city to produce maps that can be used for marketing purposes and it is able to generate meaningful tax reports which would be considered a *strength*.

16) **Isanti Indoor Arena – Home of Rum River BMX:** In 2014, The Isanti City Council voted to issue tax abatement bonds to construct the Isanti Indoor Arena – Home of Rum River BMX. The facility will be 75,000 square feet and will allow for year round racing in this cold weather climate state. This project was made possible by an agreement between Rum River BMX Association and the City of Isanti. Rum River BMX Association will be leasing the facility from the city of Isanti for a period of 40 years. Based on estimates provided by Rum River BMX, it is anticipated that this one of a kind facility will bring up

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to 80,000 participants/spectators to the City of Isanti each year. It also is considered a huge demand generator for bringing a hotel to the City of Isanti.

17) **Labor:** The unemployment rate for Isanti County was reported at 4.0% in November 2014. This represents a drop of 0.3% over the past year which is very positive. The availability of this workforce is a *strength*. Isanti County also has a higher percentage of people with high school diplomas or GEDs (91.6%) than the nation, but a lower percentage of people with a bachelor's degree or higher (16.5%). Instead, Isanti County has a very high percentage of people with some college, but no degree (26.1%) and a higher percentage of people with associate degrees (9.3%) than the U.S. In sum, more than one in every four adults in Isanti County has a college degree. 20% of workers in Isanti were employed in the construction industry which was hit hard under the current economic downturn. When the economy improves, the availability of the skill set of this workforce will be an *opportunity* for employers in the region.

18) **Lodging:** The City of Isanti does not currently have a hotel in the community which is a *community weakness*. The City of Isanti loses the ability to capture commerce and dollars from outside of the community if participants of sporting venues, business travelers, vacationers are not able to stay in town overnight. The closest hotel to Isanti is a Grand Stay Crossings in Cambridge which is 7 miles north of Isanti. The City Council Authorized a Market/Tourism Feasibility Study in 2014 with preliminary results showing a good market for a hotel in Isanti. Establishing a hotel in Isanti is a City Council/EDA Priority.

19) **Overall Cost of Doing Business:** Isanti has a solid industrial base and its proximity to the Twin City Metropolitan Area is a *strength* and it serves as an *opportunity* for recruiting prospects. Property taxes for comparable building sizes are less in Isanti than in the Metropolitan Area due to the materials of construction allowed and lower land values. Land is less expensive for retail and industrial users when compared to the Twin Cities Metro Area and Cambridge which serves as an *opportunity* for Isanti. From a retail perspective Isanti is challenged. Three to five mile trade areas do not support populations that larger retailers generally need which is a *weakness*. However, when adding Cambridge to our Market area the numbers look much more promising. Work was done to compare the development costs for surrounding communities and the results were varied. Generally speaking property taxes for Isanti were lower when compared to developed cities but fees associated with Sewer and Water usage and SAC and WAC were higher. When compared to townships, the development costs for all cities was significantly higher. A rate study will be conducted in 2015 which should give

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some insight into future costs in this area. Currently, Isanti County does not have a coordinated approach to rural development and does not encourage growth to occur in the developed cities.

20) **Population Characteristics:** Isanti has an estimated population of 5,395 based on information from the US Census in 2012. Based on staff assumptions it is estimated that the population is closer to 5,500 as of December 2014. Isanti grew at a very rapid rate from 2000 to 2008. Isanti County is still projected to be the fourth fastest growing county in the state for the next two decades. The relatively young population with a median age of 28.4 and growth in recent years is a *strength*.

21) **Prospect/Project Management Capabilities:** In March 2010 an Economic Development Director position was filled and is held by the same individual. This constituted a change in how Isanti operates and devotes more a staff time to addressing economic development needs and concerns. The continuity in this position and the City Council is an advantage over communities that do not have staff related specifically related to economic development and is a *strength*. With more devoted staff, response time to prospect inquiries has improved.

22) **Proximity to Twin Cities Metropolitan Area:** The distance from the Twin Cities and its strong manufacturing industries is a *weakness* for Isanti. Travel times from suppliers and related industries not in Isanti County add costs for businesses. Being outside of the Metro Area is a *strength* in that it is not governed by the Metropolitan Council and land and development costs for projects can be much more inexpensive.

23) **Quality of Life:** Isanti has a historic downtown with a small town feel, smaller local retail options and located close enough to the regional center of Cambridge to satisfy the needs of its residents. Proximity to the Twin Cities Metropolitan Area serves arts and recreation needs not met within the community. The development of the city trail system and the connectivity to other communities is a *strength*. In 2012, Legacy Park was completed. This park/trail system is unique and has the potential to draw visitors from outside the community. In 2014, a full time Parks and Event Coordinator was hired to increase programming and to operate the Isanti Family Farmers Market and street dances re-established by the EDA in 2013. The mix of housing stock highlighted by the over-abundance of starter homes and lack of the senior component serve as a *weakness* for the community.

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24) **Rail:** Isanti is located on rail and this is an *opportunity*. Commuter rail and transportation of freight are potential draws for both residents, and businesses within the region. A concept plan for a rail-served industrial park is complete and the Isanti County EDA headed up a study in 2011 to determine the feasibility within Isanti County. Site for Cambridge, Braham and Isanti were analyzed and only the City of Isanti site was deemed financially feasible. The current national and regional economy does not currently support this type of development now. Once the economy improves the City of Isanti Site is a valid option for a Rail Served Industrial Park for the Northern Metropolitan Area. If economic conditions continue improve this would be considered a *strength*.

25) **Relationships and Memberships with Economic Development Organizations:** Membership in Economic Development Organizations and taking advantage of marketing and networking opportunities is a *strength* for Isanti. Isanti is directly or indirectly affiliated with the following organizations: Economic Development Association of Minnesota, GPS 45:93, Greater MSP, MN Prospector, Positively Minnesota, Community Venture Network, and Isanti County EDA. A competent local chamber of commerce will help the City of Isanti succeed. The creation of the North 65 Chamber of Commerce serves as an *opportunity* for the region to rebrand and to work together.

26) **Telecommunications:** The City is adequately served for phone service for landline and wireless technologies. Broadband services are generally available via fiber optic or cable. It is unknown what the future of communications will be in regards to fiber optics or wireless options. Isanti has a reliable system available for both residents and businesses so this would be considered a *strength*. Fiber Optic has been installed in portions of Centennial Industrial Complex in 2012 which serves as a *strength* for Isanti. There is a broadband initiative that will extend fiber to Anoka-Ramsey Community College in Cambridge which could be an *opportunity* to build the area network.

27) **Transportation System (roads):** Isanti is situated at the intersection of State Hwy 65 and Isanti County Hwy 5. Improvements have been made to the intersection of these roads and the stoplight serves as a strength and opportunity for business development. Isanti is not located on an interstate highway/freeway and this is viewed as a weakness to larger manufacturers, distribution centers and large format retailers. Average daily traffic counts for the intersection of Hwy 65 and County Road 5 are 20,500 trips per day which is a strong potential market. Winter driving conditions on state and county roads is poor after significant winter precipitation events and this serves as a weakness. Working to improve winter driving conditions and for major transportation corridors would help alleviate this evident weakness. In 2014 a Pavement Management Plan was

adopted by the City Council. This document serves a guide to keep the roads in good condition now and into the future.

28) **Utilities:** Isanti is fully served by City Services for Sewer and Water. The capacity and functionality of this system is a *strength*. The debt generated by the extension of city services east of Highway 65 is a *weakness* due to its impact on the City tax levy, connection charges and rates. Isanti is outside of the Metropolitan Council Service Area which is viewed as a *strength* because of the local government control. Centerpoint Energy and Connexus Energy are capable primary providers of electricity and natural gas for the community. Connexus Energy could be a partner in economic development initiatives and could be viewed as an *opportunity*.

29) **Web Presence:** The City of Isanti enhanced its web presence in 2014 by upgrading the City Website. The addition of the City of Isanti to the GPS 45:93 regional marketing website and updates to the existing city site improve the city presence in the market. Isanti is also being marketed on the LOIS site and by Greater MSP. Isanti industrial sites are now listed on the MNCAR System. Isanti County launched a "Tools for Business Success" site that also serves as a resource for area businesses and another avenue for marketing Isanti. City Staff was very involved in the development of the site. Increased use of these mediums is an *opportunity* to enhance the image of Isanti.

COMPETITION

Northern Anoka County, Isanti County and the Chisago County represent areas that are competing against the City of Isanti for business and market share. Communities within the geographic boundary include: Athens Township, Cambridge, East Bethel, Ham Lake, Ramsey, and North Branch.

Athens Township is the first community outside of Anoka County with substantial industrial development on Hwy 65. Strengths for Athens Township include: 1) significantly lower tax rate than Isanti, 2) successful, visible industrial development along Hwy 65, and 3) closer proximity to Minneapolis-St. Paul and other manufacturers. Improvements to Hwy 65 to the South of Athens will increase its appeal to business looking to locate out of the Metro Area. Economic Development efforts by Isanti County which allows development in the Townships serves as a *threat*.

Cambridge has developed into a regional retail center and has more amenities than the City of Isanti. Anoka-Ramsey Community College, healthcare facilities, the county seat and

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government center all serve as additional trip generators for that community which makes it formidable competition to the city for retail and industrial investment. Cambridge boasts the closest JOBZ district to the Twin Cities at a distance of 45 miles from Minneapolis and Isanti does not have that incentive to offer businesses it is recruiting. Fleet Farm is scheduled to open in 2013. This store should bring commerce to the region and Isanti is positioned to receive residual benefit from increased commerce in the region. The strengths for Cambridge include: 1) a strong retail tax base, 2) a strong governmental services presence, 3) healthcare facilities, 4) a strong political lobby for the region, 5) many choices for shopping, eating and recreational opportunities, 6) GIS capabilities and GIS staff and 7) a hotel. Weaknesses include: 1) poor transportation corridors and parking issues within older portion of city, 2) highest tax rate in Isanti County, and 3) lack of synergy relating to the development of industrial development.

East Bethel is an emerging competitor for the City of Isanti. In 2010 a large sewer and water project was approved by the East Bethel City Council. Construction for this project commenced in 2011 and phase one was completed in June of 2013. This project has brought sewer and water to the intersection of Trunk Hwy 65 and County Road 22. Aggressive Hydraulics opened its 60,000 square foot manufacturing facility in 2013. Future phasing of the project will add city services north along State Trunk Highway 65. The second phase of the project is estimated to be completed in 2014 and future phase have been put on hold. The joint project between the City of East Bethel and the Metropolitan Council was estimated to be upwards of 27 Million Dollars. The project financing is dependent on hook ups to the city by new and existing businesses. East Bethel has reported the hookups have not occurred at the rate originally projected. It would appear as if development could become expensive in the foreseeable future for East Bethel. This project positions East Bethel as the first city North of Blaine on Hwy 65 with city services and could serve as a barrier to development moving North to Isanti. Currently Isanti has many advantages over East Bethel including: 1) education institutions, 2) an established downtown and organized business district, 3) consolidation of population and workforce, 4) freedom from Metropolitan Council control 5) a solid industrial tax base, 6) a stable City Council and lower land costs and tax assessment values. Advantages for East Bethel include: 1) population over 10,000, 2) closer proximity to Minneapolis / St. Paul and the established industry, 3) movie theatre, 4) larger city area, establishment of frontage road systems along Hwy 65.

Ham Lake does not have city utility services and there are no plans to add them. Industrial and retail development is focused along Hwy 65. Ham Lake has some advantages over

the City of Isanti that include: 1) an AmericInn on Hwy 65, 2) closer proximity to Minneapolis / St. Paul and the established industry and 3) the lowest tax rate in Anoka County for 2014. Ham Lake is primarily a competitor for smaller industrial projects.

North Branch has many strengths for economic development. The strengths include: 1) Interstate 35 access, 2) construction of new infrastructure to the west of Interstate 35, 3) Tanger outlet mall, and 4) more established commercial tax base. In 2010, this community removed an economic development position so the level of service for future prospects might not be as good as other communities that have staff dedicated to that position. Transportation corridors East of Interstate 35 could be viewed as a competitive disadvantage. North Branch has room to grow industrially in the future. The Chisago County HRA has become very active in marketing the area which makes North Branch a viable competitor for Isanti. Essby Industrial Park currently serves as a weakness for North Branch. There has been recent turnover in the City Council and this could serve as an *opportunity* for the City of Isanti. This industrial park was financed by North Branch and the holding costs have become difficult to manage.

The City of Ramsey has seen significant industrial and retail development over the past 15 years. The primary focus of that community was to grow industrial tax base and to build a Town Center project on US Highway 10. The industrial development has been very successful for the aforementioned period and the remaining industrial land owned by the city is limited to 10 acres or less. The City purchased the bankrupt Town Center project in 2010 and has been working on developing the center now called the "COR". Ramsey is competing for the same type of industrial users as Isanti and has many attributes favorable for businesses. The strengths for Ramsey include: 1) established transportation corridors, 2) educated workforce, 3) high per capita income, 4) proximity to Anoka Technical College, Anoka Ramsey Community College and other higher learning institutions, 5) available tax base dedicated to the City levy, 6) construction of a new health care facilities for residents and Veterans, 7) activity and support of the Anoka Area Chamber of Commerce for events, 8) two championship golf courses and 9) the availability of City utility services. The Ramsey City Council has given the appearance of being unstable at times which could be construed as a danger to potential developers. The City of Isanti will have a difficult time competing head to head with Ramsey. In 2014, a decision was made to not hire an economic development director and to outsource and reallocate some of those tasks to existing staff. The lack of clear direction in the economic development field and a lack of expertise serve as an *opportunity* for Isanti. Focus on developing positive relationships with business prospects and making the development process less time extensive are things Isanti can

compete with Ramsey on. Ramsey has done a lot of things successfully in terms of their industrial development and those items can be reproduced in Isanti.

Competitive advantages for Isanti include: 1) Availability of low cost sites, 2) First city North of Blaine with an established historical downtown, 4) first city North of Twin City Metro area with Sewer and water that is not under the "control" of the Metropolitan Council, 5) stable city council with some continuity, 6) direct access to rail with city owned land, 7) membership in GPS 45:93 and EDAM and the regional marketing medium it provides and 8) low tax assessment values compared to competition outside of Isanti County.

Competitive disadvantages for Isanti include: 1) distance from Minneapolis / St Paul and hub of manufacturing, 2) no direct interstate access, and 3) Sewer and Water infrastructure debt for expansion east of Hwy 65 (higher Sewer and water cost).

STRATEGY AND ACTIVITY

Isanti needs to position itself as a low cost, aggressive, progressive city that is business friendly. City staff needs to be proactive in locating prospects that are looking to save costs or are looking to move. This can be done by establishing and growing relationships with financial institutions, construction companies, real estate brokers, print media, and economic development organizations. These organizations all have similar goals to the City in that they want to see development occur and stand to gain a financially better position by doing so. Securing a medical clinic, pharmacy, hotel, restaurants, retail, manufacturers and senior housing have been identified in the past by the EDA and the City Council and remain important projects. This information needs to be communicated to the above mentioned organizations so that they can help Isanti locate and finance these prospects. Once prospects are identified a coordinated effort needs to be made by City staff to follow-up with them until the prospect is no longer viable. A Direct Mail piece and follow-up with the brokers, select members of the Minnesota Manufacturers Association and businesses along Highway 65 and northern Anoka County. Establishment of a prospect matrix in 2010 and its maintenance has helped with prospect management.

Isanti needs to continue highlight items that make it unique such as the existence of a historic downtown and its small town feel, low total development costs in comparison to Anoka County, the walk/bike trail connecting Isanti to Cambridge, lack of Metropolitan Council control, the availability of City and regional business incentive programs and staff willing to help the businesses through that process, Legacy Park, and Isanti Indoor Arena – Home of Rum River BMX.

Recruitment of businesses is helped immensely by existing businesses being ambassadors for the community. Visiting key businesses on a regular basis and showing appreciation to all existing businesses can nurture positive relationships that will result in a positive image for the city.

Northern Anoka County is the home to many manufacturing businesses. Identifying and recruiting businesses that are expanding, leasing or are unhappy with excessive tax burdens and offering Isanti as a viable low-cost alternative is another opportunity. Utilizing existing networks with business owners, realtors and banks can assist in identifying these opportunities.

A professional presence is required on the internet and site selectors are looking toward that medium more than print. A continued effort needs to be made to keep information on that medium fresh and to utilize existing media to support city efforts. The City has properties listed on LOIS, MNCAR and the State of Minnesota has added certification to the 4 "Shovel Ready Certified" lots located in Isanti Centennial Complex. It is vital for Staff to maintain current information on this site and to work with realtors to help them lease vacant properties.

Traditional marketing mediums such as signage and print need to be utilized as well. Installation of real estate signs for city owned property was completed in 2011. Expanding print and internet media coverage for successes in our community at a reasonable cost needs to be a focus. Utilizing memberships in EDAM, GPS 45:93, and relationships in print media can provide a low-cost marketing medium for the City of Isanti.

Continued revitalization of historic downtown and the development of a rail served industrial park have been a focus of the EDA for a number of years. Staff needs to be looking for funding opportunities and partner to help these projects move forward. Both projects will require substantial funding and changing economic conditions which could prove to be difficult for the next few years.

Continued Support by the City for the Isanti Family Farmer's Market, Street Dances and facilitating business meetings with area businesses downtown and throughout the community will help strengthen community in Isanti.

Economic conditions are improving and Isanti needs to position itself as a viable option for all types of development. This can be done by marketing the community and establishing a presence in the financial, real estate, construction, print media and economic development communities.

Focusing on existing industry in the City and looking vertically at the companies supply chains and customers are another method of business development. Isanti has an opportunity to try to grow green businesses and manufacturing sectors within our community.

AUDIENCE

The EDA is trying to reach an audience with this marketing plan. Each entity has different needs or methods of communication. Identifying how to communicate Isanti marketing goals with these entities is important to the success of the marketing plan.

Existing Businesses: Need information and support readily available in person, print and on website. Opportunities for training, loans, capital, assistance and other resources need to be directly communicated to businesses when applicable. Utilization of the Isanti Area Chamber of Commerce, City Webpage, Facebook and the Isantian newsletter can be an effective way to reach businesses.

Real Estate Community (brokers, agents, construction firms): Information on pricing, available land, development costs, financing tools, demographics and labor needs to be available upon request. Staff is working on an interactive map for available properties within the city which would provide information on the property and real estate contacts (reference City of Blaine's page).

Print Media (Real Estate Journal, County Star, Isanti County News, ABC Paper, and Star Tribune): Groundbreakings, local business success stories, local events and the new business arrivals to Isanti.

Online Media (GPS 45:93 and E-link (prospects), City of Isanti Website (prospects and residents), Real Estate Journal, Linked In, County Star, Facebook, Isanti County News, ABC Paper, and Star Tribune): Press releases on positive news need to be provided to these entities when appropriate for publication on the internet. City economic development web pages need to be fresh.

Financial Community (Banks, and SBA Lenders, Initiative Foundation, and ECRDC): Need information on site availability, pricing, financial tools, and timeline and process for approvals.

Business Prospects: Provide current data on labor force, site availability and cost and maps, public and private assistance programs, approval process and timelines, business subsidy policy

guidelines, attractive development brochure that answers important questions quickly. Utilization of Invest In Isanti Brochure, Welcome to our Community of Generations Brochure, DEED Labor Market Profile, LOIS and MNCAR are ways to reach this audience.

Economic Development Organizations (Positively Minnesota, Chamber of Commerce, Isanti County EDA, EDAM, GPS 45:93, Greater MSP, ECRDC, Initiative Foundation, Score, and Connexus Energy): Must be able to provide information on site availability cost, and ownership, public and private assistance programs when appropriate.

RESOURCES AND INITIATIVES – This information changes yearly and will be outdated quickly staff suggests removing dollar amounts

In 2011, the City of Isanti re-allocated \$26,000 to the EDA marketing budget from the revolving loan fund. These funds have been authorized by the Isanti City Council to supplement spending on items identified in annual budgets and plans. The following are some initiatives that are anticipated in 20202015 and others that continue from past directives: have commenced and are being continued into the future:

- 1) Mayor's Employer Appreciation Luncheon and awards (\$600)
- 2) Distribution of marketing materials (Pencils, Pins, Shirts, Dignitary items, etc.)
- 3) Direct Mail of Letter and Brochure to Members of Minnesota Manufacturers Association and Attendees of Minnesota Real Estate Journal Industrial Conference and other mailings (\$250-500)
- 4) Utilize GPS 45:93 LOIS and MNCAR to market the City of Isanti for Industrial development prospects (\$750)
- 5) Utilize various forms of media to highlight City of Isanti successes and to market (EDAM Developer, Real Estate Journal, Isantian Newsletter, County Star, Isanti New, etc.
- 6) General marketing and research - miscellaneous signage donations and sponsorships as appropriate including investment/coordination in other signs for community events. (i.e. Johnson Property). (\$300)
- 7) Minnesota Real Estate Journal: Work to craft a package that includes print advertising and attendance and sponsorship at Industrial Development Conference. (\$500)
- 8)7) Presence in other conferences (Business Expos, DEED, EDAM, i.e.) where site selectors will be present (Free to \$650)
- 9)8) Update Community Profile in LOIS.
- 10)9) Other cost effective marketing opportunities with media or economic development organizations as identified (Free to \$150).

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- ~~11)10~~ Miscellaneous Marketing Budget (\$2,000-\$5000)
- ~~12)11~~ Explore Signage on Hwy 65 to further establish an identity for the City of Isanti.
- ~~13)12~~ Continue communication with State and County jurisdictions to improve the winter driving condition for key business travel routes.
- ~~14)13~~ Utilize ~~Hotel and~~ Housing Market Studies to identify prospects and investors to help increase tax capacity in Isanti.
- ~~15)14~~ Continue to support East Central Minnesota Job Fair and encourage businesses to participate.

Other marketing items not identified above, and not currently identified in the EDA budget, but deemed necessary need to have prior approval from the EDA before expenditures can be made. Final cost estimates for items listed above will be communicated to the EDA when identified.

STRATEGIC PARTNERS

The City of Isanti has many organizations it can partner with to achieve the goals outlined in this the 2011 Plan and specifically the goal of growing tax base in Isanti. Potential roles and activities for each strategic partner are outlined below:

- 1) Isanti City Council: Consider approvals from recommendations from EDA and Revolving Loan Fund Committee relating to: project financing, level of financial assistance, awarding of business subsidies, execution of development agreements, and real estate transactions for development in Isanti.
- 2) Chamber of Commerce: Serves as a non-governmental resource for existing businesses, prospects and residents. Source of business recruitment referrals and a potential marketing partner for the City of Isanti. Pertinent economic development information can be communicated through the online Isanti Informer Newsletter and the chamber website. A new relationship will need to be established once the merger between Cambridge and Isanti Chambers is complete. Continue to be an active member and relationship development.
- 3) Anoka-Ramsey Community College (Cambridge Campus): A partner in providing training opportunities and business start-up assistance for local businesses.
- 4) Centerpoint Energy: Natural gas provider for the City of Isanti. A potential financial contributor for joint marketing efforts.
- 5) Community Organizations / Events / Partnerships: Isanti is home to many exciting events each year. From 2010-2013 the City played host to the Minnesota State Cup (Soccer Event at Isanti Soccer Complex), Rum River BMX has been selected multiple times for the State and National BMX Finals, Isanti Civic Arena is the home venue for the

Minnesota Owls and the 2012 Class C State Champions call Isanti Home. The Isanti Fireman's Rodeo – Jubilee brings thousands to Isanti in July of each year. The Farmers Market and Street dances sponsored by the EDA and operated through the newly created Park, Recreation and Culture Board. All of these events serve as an excellent opportunity for the City of Isanti to work with area businesses to showcase our community. Efforts should be made to maximize the economic impact for Isanti and the region.

- 6) Connexus Energy: Primary electric utility provider for the City of Isanti. Connexus has previously been very involved in the development of industrial parks within its service territory. Currently, economic development activities for the utility have been focused on energy cost saving programs for end users and marketing "Shovel Ready" sites. This entity provides business prospect referrals when appropriate.
- 7) Economic Development Association of Minnesota (EDAM): The City of Isanti is a marketing partner with EDAM. Representation by Economic Development Director Sullivan on the Board of Directors is an opportunity for Isanti.
- 8) East Central Arts Council (ECRAC): A financial partner for grants and art related projects in historical downtown.
- 9) East Central Regional Development Commission (ECRDC): A knowledgeable partner in identifying financing option for projects. Has funds available in its own revolving loan program to be utilized in region. Host economic development networking and marketing events and provide business prospect referrals.
- 10) GPS 45:93: This regional economic development organization is a marketing partner for the city of Isanti and the region.
- 11) Greater MSP: R m Marketing group focused on attracting development and investment to the 13 County MSA. Use of Sales Force Portal in 2014.
- 12) Initiative Foundation: A financial and educational partner. The Initiative Foundation provides leadership training, financial investment in area projects, staff assistance and business referrals to member communities in the region.
- 13) Isanti County EDA: A financial and collaborative partner for: financial assistance, marketing, business recruitment, and market analysis.
- 14) Local Financing Institutions (Community Pride Bank, Lake State Federal Credit Union, Landmark Community Bank, Minneco Credit Union): Area banks are a financial partner for the City of Isanti. Investment into the community helps both the City and Area banks. A coordinated effort by all banks to recruit business to Isanti is vital to the success of Isanti.
- 15) MNCAR: This organization is the best venue to advertise commercial properties. Staff will maintain membership as long as it's financially feasible.

- 16) Small Business Development Center: An educational partner in business development in Isanti County. The SBDC is helps start-up business develop business plans and existing businesses grow. Tom Willet is the local associate.
- 17) DEED: A financial partner through available state financing programs. LOIS site will benefit all of Minnesota to market sites to out of state prospects. Provides valuable demographic and research information and generates reports upon request. DEED provides updated Labor Market Profiles upon request for no charge.
- 18) SCORE: An educational partner in business development in Isanti County. SCORE provides free and confidential business counseling tailored to meet the needs of your small business and your personal objectives. SCORE also offers workshops, for a modest fee, for both start-up entrepreneurs and in-business small business owners. SCORE assists people in starting a new business and by providing counseling to existing small and mid-sized business owners.
- 19) Workforce Center (Cambridge office): WorkForce Centers help job seekers find employment, help businesses find workers, and help anyone at any stage explore and plan careers. Most services provided by the WorkForce center are free of charge.
- 19)20) Minnesota Marketing Partnership – the DEED run coalition works to market Minnesota as a destination for business. Community Development Director Sheila Sellman is the Isanti County Rep.

POSITIONING

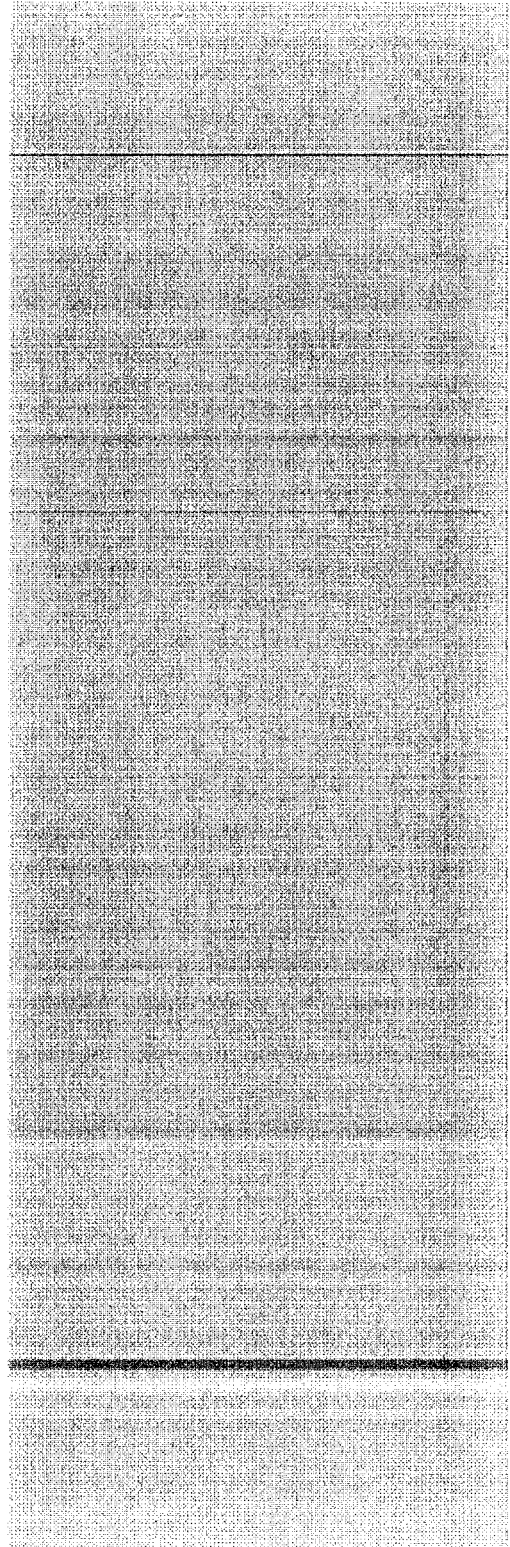
Positioning is defined as a statement crystallizing the critical difference setting a product apart. Positioning is the message that is associated with your product or place that can be built around factual, geographical or psychological characteristics.

Positioning Isanti as a low cost, aggressive, progressive city that is business friendly is an excellent draw for businesses and residents alike. This message still needs to be communicated. In order to be successful, the City of Isanti needs to deliver on its promise. In order to deliver on that promise Isanti will need to grow significantly industrially, commercially and residentially to increase its tax base to share the cost of development. In 2014, the "Welcome to your Community for Generations" brochure was developed to market the quality of life as well as some key demographics for the young and vibrant community. A marketing effort that states the message that Isanti is positioned to grow like it did in the mid 2000's, has some great amenities and that there is great investment opportunities here for a limited time needs to be communicated.

When comparing Isanti to Cambridge, North Branch and other communities to the north, the focus is on being closer to the Twin Cities and having a commitment to keeping historical

downtown viable. Celebrating the founders of the community but also embracing the new population that has moved here since 2000 is a key component to what Isanti is today. Highlighting the fact that the City of Isanti has higher median incomes than the rest of Isanti County and that the median age is 31.28.4 helps us create a vision of opportunity and excitement. Advertising that there is new, reliable city infrastructure and that we are ready for immediate development and investment and there are not huge infrastructure costs on the immediate horizon is appealing to a growing business or family.

When comparing to Anoka County and the Metro Area championing the fact the Isanti truly has local government control by not being a part of the Metropolitan Council District sparks the interest of independent business owners. Having the sewer and water capacity that is available in the Metro and "shovel ready" lots is key to companies. Large tracts of land with City Sewer and Water infrastructure, priced significantly lower than the Metro on Highway 65 is a viable option for both retail and office development. High speed internet through fiber optic and satellite connect businesses in Isanti to the Metro. Well known manufacturers located in Isanti such as Advanced Telemetry Systems, Granger Machine, Metal Coatings and Evercat Fuels serves as ambassadors for the community to show that Isanti is a place a business can be successful. Moving to Isanti isn't a gamble, it's a smart business decision.



2020 EDA Marketing/Work Plan Update Survey Results

1. Are you satisfied with this mission statement? **6 Yes 0 No**
Adopted Mission Statement: "The Economic Development Authority promotes and supports the growth of commercial and industrial development and tax base through the use of economic development methods and tools".
2. I Support redevelopment and expansion efforts in Historical Downtown/Heritage Blvd.
6 Yes 0 No
3. I support the SAC and WAC Deferral program **6 Yes 0 No**
4. I support Tax Increment Financing (TIF) **6 Yes 0 No**
5. I support Tax Abatement **5 Yes 0 No 1 no answer**
6. I would support other assistance programs **3 Yes 1 No 2 maybe**
7. I want to explore rail options in the City of Isanti **6 Yes 1 No**
8. The most important businesses to attract were ranked in the following order: 1)Restaurants, 2)Retail, 3)Office, 4)Entertainment, 5)Manufacture, 6)Industrial, 7)Multi-family, 8)single-family
9. There have been inquiries about the city owned industrial parcels, however the users have wanted to do a small building with a significant amount of outdoor storage and a minimal number of employees; this is not the highest and best use for these parcels. What type of business would you support in our industrial Park? What's the target number of employees?
Responses: manufacturing/industrial uses. 15-25+ employees. Depends on tax revenue.
10. What type of marketing efforts do you want to see? *Responses: Discussion on ideas, all and the best you can do, signage, tradeshows, in person, networking, Facebook, one on one efforts to contact interested businesses, phone calls, handouts.*
11. What does Economic Development mean to you? *Responses: Increase the tax base by recruiting in more businesses with mid-to-high employees. Selling and structure of the cities business parks or areas. A good balance of industries and good planning to make it work best for everyone. Promoting job & service creation. Business brought into the city. Value to the city & residents.*
12. Other Comments: *"I would love to see more apartments ASAP for new residents to start putting down roots in Isanti." "We need more recruiting efforts to bring in more businesses." "You know your job woman"*

City Council Chambers

Tuesday, February 18, 2020

Immediately Following the 7:30pm Planning Commission Meeting



Economic Development Authority Agenda

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
2. Approval of the Agenda
3. Public Hearing
 - a. Sale of EDA owned land located at 825 Dual Street NE PID 16.137.0010 to BP Metals Inc.
4. Adjournment



Memo for EDA Action

To: Economic Development Authority
From: Sheila Sellman, Community Development Director
Date: February 18, 2020
Subject: Sale of EDA Land to BP Metals Inc.

Background:

The EDA owns property located at 825 Dual Blvd E and has this property for sale for \$1. The subject property is a certified Shovel Reay Site. The subject site is zoned Industrial and is ready for development. BP Metals Inc, specializes in custom sheet metal fabrication. BP Metals has been in operation since 2000 and is currently located in the city of Blaine. As they continue to grow their existing space is not conducive to their needs. The owner of the business is a long time Isanti resident and is excited to move his operations here.

BP Metals will be building their facility this Spring with hopes of being operational in July. They will be start out with 20 employees with the plan to increase as their business expands.

Recommendation:

Staff recommends that EDA sell the subject site to BP Metals for \$1 and to execute the proposed purchase agreement. Once this has been executed the City Council will need to review and approve a subsidy agreement for the sale.

Proposed Action:

Approve the Resolution for the sale and enter into the Purchase Agreement.

Attachments:

- Resolution
- Purchase Agreement

RESOLUTION 2020-2

**AUTHORIZING THE SALE OF EDA-OWNED INDUSTRIAL LAND FOR
CONSTRUCTION OF A MANUFATORING FACILITY**

WHEREAS, the EDA owns certain real property at 825 Dual Blvd NE PID 16.137.0010 in the City of Isanti, County of Isanti, state of Minnesota; and

WHEREAS, the subject site is part of the Certified Shovel Ready Program; and

WHEREAS, the buyer BP Metals Inc. proposes to build a manufacturing facility and employ 20 people within the first two years of the purchase date; and

WHEREAS, the sale of the land is in the best interest of the city to expand tax and employment growth and furthers its general plan of economic development; and

WHEREAS, the City attorney has drafted the purchase agreement for the sale of the land from the EDA to BP Metals Inc for \$1.00; and

WHEREAS, said purchase is subject to a subsidy agreement through the City Council and is subject to site plan approval.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Economic Development Authority of the City of Isanti, approves the sale of said property to BP Metals Inc. and authorizes staff to execute any documents necessary for the sale.

This Resolution hereby approved by the Isanti EDA this 18th day of February 2020.

Attest:

EDA President Jeff Johnson

Sheila Sellman
EDA Secretary/Community Development Director

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Isanti Economic Development Authority**, a Minnesota public body corporate and politic (“Seller”), and **BP Metals, Inc.**, a Minnesota corporation (“Buyer”).

In consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **EFFECTIVE DATE.** The effective date of this Agreement is _____ (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer and Buyer agrees to buy from Seller the Property legally described as follows:

Lot 1, Block 1, Isanti Centennial Complex 6th Reorganization, County of Isanti, State of Minnesota

Isanti County PID Number: 16037.0010

Property Address: 825 East Park Drive, Isanti, MN 55040
3. **PURCHASE PRICE.** The purchase price for the Property is \$1.00 (the “Purchase Price”).
4. **EARNEST MONEY.** None.
5. **SURVEY.** Buyer may, at Buyer’s expense, obtain a survey (the “Survey”) from a duly licensed surveyor. If so obtained, a copy shall be provided to Seller within 30 days of receipt by Buyer.
6. **TITLE COMMITMENT.**
 - a. Seller makes no representations or warranties with respect to the status of title to the Property. Within thirty (30) business days after the Effective Date, Buyer may, at Buyer’s expense, obtain a commitment from Escrow Agent to issue an owner’s policy of title insurance insuring Buyer’s title to the Property (the “Title Commitment”) and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.

b. Buyer shall have until the date 30 days after the receipt of the Title Commitment to review Title and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller's title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a "**Title Objection Notice**"). Any defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception**." Within three business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with three business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated ("**Buyer's Title Termination Notice**"). If Buyer does not deliver a Buyer's Title Termination Notice to Seller within the three business days after Buyer's receipt of Seller's Title Notice, than Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

7. **RIGHT OF ENTRY.** Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:

- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
- b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of

Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.

- c. Buyer must comply with and shall cause its employees, agents, and contractors to comply with all applicable laws, while on the Property.
- d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.
- e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.
- f. The cost of any test or additional survey work will be borne solely by Buyer.

8. PROPERTY SOLD AS IS. Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
- d. The condition of the Property is fit for Buyer's intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the

presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

9. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have **90 days from the Effective Date** (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plat the Property) and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer’s ability to obtain governmental approvals from the City of Isanti or any other governmental entity. The City of Isanti will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.
- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer’s determination, in Buyer’s sole and absolute discretion, that the condition of the Property is not suitable for Buyer’s intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer’s intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer’s intention to proceed (a “**Notice to Proceed**”) to Seller.

10. DEFINITIONS. As used in this Agreement:

“**Claim**” or “**Claims**” means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney’s fees, consultant’s fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

“**Environmental Law**” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

“**Hazardous Substance**” or “**Hazardous Substances**” means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction,

radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

11. RELEASE. By accepting the deed to the Property, Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

12. NOTICES. Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if sent by email, upon email transmission (provided that any email transmission that occurs after 5:00 pm Pacific Time will be deemed provided on the following day). If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: Josi Wood
 City Administrator
 City of Isanti
 110 1st Ave. N.W.
 Isanti, MN 55040
 Email: jwood@cityofisanti.us

Buyer: Blake Pendzimas
 BP Metals, Inc.
 1611 99th Lane N.E.
 Blaine, MN 55449
 Email: blake@bpmetals.comcastbiz.net

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

13. CLOSING. This transaction shall close within 30 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement. The Closing shall take place at City offices or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the City to avoid the necessity for a Closing at which the Parties are present.

a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:

- i. A limited warranty deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) Building, Subdivision and Zoning Ordinances; (B) Matters that would be disclosed by an accurate survey of the Property; (C) matters that constitute Permitted Exceptions pursuant to Section 6; and (D) a covenant restricting the use of the land pursuant to Minn. Stat. § 469.105, subd. 6.
- ii. A certified copy of a duly adopted Resolution authorizing Seller's sale of the Property to Buyer; and
- iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.

b. **Buyer's Obligations at Closing.** At Closing, Buyer must:

- i. Provide the Purchase Price; and
- ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.

c. **Closing Costs.**

- i. At Closing, the following Seller closing costs and expenses must be paid from the Purchase Price or, if the Purchase Price is not sufficient, paid by Seller:
 1. Seller's own attorney's fees.
 2. The cost of real estate broker commission fees as prescribed in Section 14.
- ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
 1. Property taxes payable 2020, if any.

2. Buyer's own attorney's fees.
3. All closing fees.
4. Documentary and recording fees for the deed(s).
5. State deed tax.
6. The cost of the title commitment.
7. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.

d. **Possession.** Seller must deliver possession of the Property to Buyer at Closing.

14. **REAL ESTATE BROKERS.** Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting for their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.
15. **ASSIGNMENT.** This Agreement may not be assigned without the written consent of the non-assigning Party.
16. **THIRD PARTY BENEFICIARY.** There are no third-party beneficiaries of this Agreement, intended or otherwise.
17. **JOINT VENTURE.** Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.
18. **CAPTIONS.** The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.
19. **ENTIRE AGREEMENT / MODIFICATION.** This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties.
20. **BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.
21. **CONTROLLING LAW.** This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

22. REMEDIES.

- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, if any, unless Buyer defaults under Section 7 or 12 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Isanti County District Court to recover its actual damages arising from the default.
- b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

23. WAIVER. Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.

24. SURVIVAL OF TERMS AND CONDITIONS. The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed and shall not be deemed to have merged therein.

25. SEVERABILITY. Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.

26. CONSTRUCTION. The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.

27. COUNTERPARTS; DIGITAL COPIES. This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.

28. CONSTRUCTION DEADLINE. Buyer shall devote the Property to its intended use (industrial sheet metal business) or begin work on the improvements to the Property to

devote it to that use, within one year after closing. In the event the above deadline is not met, Seller may cancel the sale and title shall return to Seller. Title to the Property may not be transferred by Buyer within one year of purchase without consent of Seller.

29. TIME PERIODS. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Central Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

SELLER: The City of Isanti Economic Development Authority

By: _____
Jeff Johnson, Mayor

Dated: _____, 2020

By: _____
Katie Brooks, City Clerk

Dated: _____, 2020

BUYER: BP Metals, Inc.

By: _____
Blake J. Pendzimas, President

Dated: _____, 2020



Economic Development Authority Agenda

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
2. Approval of the Agenda
3. Approval of Minutes
 - a. February 4, 2020 Regular Economic Development Authority Meeting
 - b. February 18, 2020 Special EDA Meeting.
4. Business Items
 - a. Adoption Marketing/Work Plan Update
 - b. Consider Crop Lease Extension
5. Other Business / Updates / Communications
6. Adjournment

Economic Development Authority
Meeting Minutes
February 4, 2020

1. **Call to Order:** EDA President Johnson called the meeting to order at 8:11pm
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Members Present – Johnson, Bergley, Gordon, Lundeen, Collison and Reller. Staff present: Community Development Director Sheila Sellman, City Administrator Josi Wood.
 - c. **Agenda Modifications:** Call for a Public Hearing on February 18, 2020 for the sale of EDA Land.
2. **Approval of the Agenda:** Motion by Lundeen to approve the agenda with modification and calling the public hearing for February 18, 2020, second by Collison. Motion passed 6-0.
3. **Approve Minutes:** Motion by Collison to approve January 7, 2020 Regular Economic Development Authority Meeting minutes, second by Lundeen. Motion passed 6-0.
4. **Business Items**
 - a. Marketing/Work Plan Update. Sellman reviewed some of the updates to the plan and asked the board about memberships. The EDA agreed to keep the GPS:45:93 membership and have Sellman attend CVN events. The Inventors and Entrepreneurs Club is fairly new and meets the 4th Tuesday of the month in the evening. EDA Member Bergley will try to attend these meetings. The EDA would like to partner with the City for a housing study update. Discussion on Facebook. The EDA decided to post ribbon cuttings on the city's webpage but not to advertise and to share the Chambers postings to the City's page. The EDA discussed a focus on business recruitment specifically restaurants. The EDA decided to remove Clinic/medical campus from the work plan since we have Alina clinic now. Johnson brought up the property behind Minnoco gas station, that is prime real estate but has access issues, the EDA should look into purchasing. The EDA had mixed thoughts on owning that large tract of land. Johnson explained it would be a lot easier to recruit businesses if the site was development ready. Sellman will look into shovel ready program for that lot, if the city needs to own can they partner with the current owner, should they EDA buy it etc. Sellman will update the plan per the EDA's direction and will bring the final version for adoption to the March meeting.
5. **Other Business / Updates / Communications:** Sellman reviewed the tours/visits her and the mayor have conducted. Sellman updated the EDA on the recent new businesses in town, ribbon cuttings and hand written "Welcome Cards."
Lundeen announced that EDA member Reller submitted her letter of resignation and he thanked her for her service.
6. **Adjournment:** Motion by Bergley, second by Lundeen, adjourned at 8:40pm.

Respectfully Submitted – Sheila Sellman Community Development Director/EDA Secretary

Economic Development Authority
Meeting Minutes
February 18, 2020

1. **Call to Order:** Chair Johnson called the meeting to order at 7:58pm.
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Members Present – Johnson, Lundeen, Bergley, Gordon, and Collison. Staff present- Sheila Sellman Community Development Director
 - c. **Agenda Modifications:** None
2. **Approval of the Agenda:** Motion by Lundeen, second by Bergley motion passed 5-0
3. **Public Hearing**
 - a. Sale of EDA owned land located at 825 Dual Street NE PID 16.137.0010 to BP Metals Inc. Sellman gave an overview of the land for sale which is part of the Shovel Ready program advertised for \$1. The purchase agreement has been presented to the buyer, BP Metals and they agreed to the terms. The public hearing was open, no one from the public was present. Blake Pendzimas, owner of BP Metals addressed the EDA and answered questions they had about the business. Motion by Lundeen to approve the purchase agreement, 2nd by Bergley, motion passed 5-0.
4. **Adjournment:** Motion by Lundeen, second by Bergley meeting adjourned at 8:10pm.

Respectfully Submitted
Sheila Sellman Community Development Director/EDA Secretary



Memo for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: March 4, 2020

Subject: Marketing/Work Plan update

Background:

In 2015 the EDA adopted an EDA Marketing/Work plan. Now that five years have passed it is important for the EDA to review and update the plan. At the February 4, 2020 EDA meeting the EDA discussed the draft plan and directed the Community Development Director to come back to the March meeting with the changes discussed for final approval. Staff suggests revisiting this document every five years.

Recommendation:

Staff recommends adoption of the 2020 plan as presented and to update this plan every five years.

Attachments:

- 2020 Marketing/Work Plan

EDA Marketing / Work Plan

Updated March 4, 2020

MISSION

The Economic Development Authority promotes and supports the growth of commercial and industrial development and tax base through the use of economic development methods and tools.

GOALS AND OBJECTIVES

- 1) Strengthen the City of Isanti economy through the support of local business, attraction of new businesses, creation of jobs and the diversification of industries.

Objectives

- 1-1.1 Sell / deed vacant industrial land in Isanti Centennial Complex to manufacturing/warehousing businesses.
 - 1-1.2 Help promote the sale or lease of vacant space in commercial and industrial properties owned by private sector.
 - 1-1.3 Utilize all economic development tools available that support retention, expansion and attraction of industry.
 - 1-1.4 Identify industries vertically integrated to industries in Isanti and recruit.
 - 1-1.5 Support efforts to develop a rail served industrial park in Isanti.
 - 1-1.6 Maintain prospect database and contact prospects in a timely manner.
 - 1-1.7 Consider zoning changes that reflect the market conditions and will increase the tax base of the City.
 - 1-1.8 Maintain Membership in the Initiative Foundation to keep financial resource flexibility for project financing
 - 1-1.9 Maintain membership in GPS 45:93 to take advantage of regional marketing and prospect generation through Community Venture Network. Community Development Director Sheila Sellman is designated as the Isanti County Rep for the Minnesota Marketing Partnership (MMP).
 - 1-1.10 Maintain membership in Economic Development Association of Minnesota (EDAM) to increase exposure for the City of Isanti and to increase business leads.
 - 1-1.11 Maintain membership/partnership in the Chamber of Commerce
 - 1-1.12 Maintain partnership with East Central Regional Development Commission
- 2) Position Isanti as a low cost, business/developer friendly, growing, healthy community with small town feel and amenities, with a plan to grow in an orderly manner.

Objectives

- 2-1.1 Utilize city website and other marketing mediums to promote Isanti in general including low taxes for business operations growing/young community, new infrastructure, parks, small town feel.
- 2-1.2 Promote “Minnesota Shovel Ready Certification” for industrial sites with the assistance of the WEBSITE, LOIS, MNCAR, brochures and the Internet.
- 2-1.3 Market local success stories through the City Website, GPS 45:93, EDAM, Facebook and local media.
- 2-1.4 Highlight availability of City Sewer and Water Services outside of Metropolitan Council Control.
- 2-1.5 Market stability of City Council and the streamlined development process that allows for projects to be approved quickly.
- 2-1.6 Market SAC and WAC Deferral program to area developers and businesses.
- 2-1.7 Market advantages of lower tax assessed values and omission from fiscal disparities which result in lower property taxes.

3) Enhance the appeal of Isanti as a place to work and live.

4) Objectives

- 3-1.1 Support improved trail and sidewalk connectivity for residents, schools, commercial and industrial areas, and neighboring communities.
- 3-1.2 Market existing quality housing stock and new schools.
- 3-1.3 Support marketing activities that highlight community events or organizations.
- 3-1.4 Support and assist in the recruitment of the development of restaurants and other retail developments that will bring people to Isanti to live.
- 3-1.5 Work with local organizations which includes but is not limited to: Rum River BMX, Cambridge Isanti Soccer Association, ISD 911, Firefighter’s Rodeo and Chambers of Commerce to market successes and activities in Community

5) Support redevelopment and expansion efforts in Historical Downtown/Heritage Blvd.

Objectives

- 4-1.1 Utilize East Central Minnesota Regional Housing Study and Executive Summary to bring investment to Isanti for Senior and Market Rate Housing partner with City to update when necessary.
- 4-1.2 Work with existing businesses on the enhancement, maintenance, rehabilitation and renovation of property utilizing Tax Increment Financing, RLF Fund and other local economic development incentive programs.

- 4-1.3 Encourage new capital investment by brokering transactions and marketing development opportunities in Isanti.
- 4-1.4 Support connections between the Historic Downtown and Heritage Blvd retail districts.

6) Increase City of Isanti visibility and participation in business community.

Objectives

- 5-1.1 Support chamber initiatives that are consistent with City Policy and attend meetings.
- 5-1.2 Coordinate and host Mayor's Employer Appreciation Luncheon
- 5-1.3 Conduct Business Retention and Expansion visits and listen to business needs and concerns.
- 5-1.4 Keep Information on City Website current and highlight community successes.
- 5-1.5 Work with Isanti Mayor to issue proclamation for Minnesota Manufacturer's Week, visit with businesses and present Certificate of Commendation from Governor.
- 5-1.6 Continue to provide updates on city programs and services that are helpful to businesses and promote local events in the Isantian Newsletter or via the business list.
- 5-1.7 Establish new relationships and nurture existing relationships with area banks, brokers and contractors.
- 5-1.8 Update Isanti Business List semi-annually.
- 5-1.9 Attend functions as approved by the City Council that allow Isanti to express concerns regarding the creation or maintaining of an economic development friendly environment (i.e. legislative forums)
- 5-1.10 Distribute marketing items for the City of Isanti. (Pencils, pins, coffee cups, or other appropriate items as needed).
- 5-1.11 Explore Signage on Hwy 65 to increase visibility and identity for Isanti
- 5-1.12 Utilize memberships in economic development organizations (EDAM, GPS 45:93) to market the City of Isanti to a larger audience.
- 5-1.13 Continue meet and greet visits with the Mayor and tours of all businesses in town
- 5-1.14 Attend and participate in Isanti County EDA Meetings.

STRATEGY AND ACTIVITY

Isanti needs to position itself as a low cost, progressive city that is business friendly. City staff needs to be proactive in locating prospects that are looking to save costs or are looking to move. This can be done by establishing and growing relationships with financial institutions, construction companies, real estate brokers, print media, and economic development

organizations. These organizations all have similar goals to the City in that they want to see development occur and stand to gain a financially better position by doing so. Securing restaurants, retail, manufacturers and senior housing have been identified in the past by the EDA and the City Council and remain important projects. This information needs to be communicated to the above-mentioned organizations so that they can help Isanti locate and finance these prospects. Once prospects are identified a coordinated effort needs to be made by City staff to follow-up with them until the prospect is no longer viable. Follow-up with brokers, select members of the Minnesota Manufacturers Association and businesses along Highway 65 and northern Anoka County.

Isanti needs to continue to highlight items that make it unique such as the existence of a historic downtown and its small town feel, low total development costs in comparison to Anoka County, the walk/bike trail connecting Isanti to Cambridge, lack of Metropolitan Council control, the availability of City and regional business incentive programs and staff willing to help the businesses through that process, Legacy Park, and Isanti Indoor Arena – Home of Rum River BMX.

Recruitment of businesses is helped immensely by existing businesses being ambassadors for the community. Visiting key businesses on a regular basis and showing appreciation to all existing businesses can nurture positive relationships that will result in a positive image for the city.

Northern Anoka County is the home to many manufacturing businesses. Identifying and recruiting businesses that are expanding, leasing or are unhappy with excessive tax burdens and offering Isanti as a viable low-cost alternative is another opportunity. Utilizing existing networks with business owners, realtors and banks can assist in identifying these opportunities.

A professional presence is required on the internet and site selectors are looking toward that medium more than print. A continued effort needs to be made to keep information on that medium fresh and to utilize existing media to support city efforts. The City has properties listed on LOIS, MNCAR and the State of Minnesota has added certification to the 4 “Shovel Ready Certified” lots located in Isanti Centennial Complex. It is vital for Staff to maintain current information on this site and to work with realtors to help them lease vacant properties.

Traditional marketing mediums such as signage and print need to be utilized as well. Installation of real estate signs for city owned property was completed in 2011. Expanding print and internet media coverage for successes in our community at a reasonable cost needs to be a focus. Utilizing memberships in EDAM, GPS 45:93, and relationships in print media can provide a low-cost marketing medium for the City of Isanti.

Continued revitalization of historic downtown and the development of a rail served industrial park have been a focus of the EDA for a number of years. Staff needs to be looking for funding opportunities and partner to help these projects move forward. Both projects will require substantial funding and changing economic conditions which could prove to be difficult for the next few years.

Continued Support by the City for the Isanti Family Farmer's Market, Street Dances and facilitating business meetings with area businesses downtown and throughout the community will help strengthen community in Isanti.

Economic conditions are improving and Isanti needs to position itself as a viable option for all types of development. This can be done by marketing the community and establishing a presence in the financial, real estate, construction, print media and economic development communities.

Focusing on existing industry in the City and looking vertically at the companies supply chains and customers are another method of business development. Isanti has an opportunity to try to grow green businesses and manufacturing sectors within our community.

AUDIENCE

The EDA is trying to reach an audience with this marketing plan. Each entity has different needs or methods of communication. Identifying how to communicate Isanti marketing goals with these entities is important to the success of the marketing plan.

Existing Businesses: Need information and support readily available in person, print and on website. Opportunities for training, loans, capital, assistance and other resources need to be directly communicated to businesses when applicable. Utilization of the Chamber of Commerce, City Webpage, Facebook and the Isantian newsletter can be an effective way to reach businesses.

Real Estate Community (brokers, agents, construction firms): Information on pricing, available land, development costs, financing tools, demographics and labor needs to be available upon request. Staff is working on an interactive map for available properties within the city which would provide information on the property and real estate contacts (reference City of Blaine's page).

Print Media (Real Estate Journal, County Star, Isanti County News, ABC Paper, and Star Tribune): Groundbreakings, local business success stories, local events and the new business arrivals to Isanti.

Online Media (GPS 45:93), City of Isanti Website (prospects and residents), Real Estate Journal, Linked In, County Star, Facebook, Isanti County News, and Star Tribune): Press releases on positive news need to be provided to these entities when appropriate for publication on the internet. City economic development web pages need to be fresh.

Financial Community (Banks, and SBA Lenders, Initiative Foundation, and ECRDC): Need information on site availability, pricing, financial tools, and timeline and process for approvals.

Business Prospects: Provide current data on labor force, site availability, cost and maps, public and private assistance programs, approval process and timelines, business subsidy policy guidelines, attractive development brochure that answers important questions quickly. Utilization of Invest In Isanti Brochure, Welcome to our Community of Generations Brochure, DEED Labor Market Profile, LOIS and MNCAR are ways to reach this audience.

Economic Development Organizations (Positively Minnesota, Chamber of Commerce, Isanti County EDA, EDAM, GPS 45:93, Greater MSP, ECRDC, Initiative Foundation, Score, and Connexus Energy): Must be able to provide information on site availability cost, and ownership, public and private assistance programs when appropriate.

The following are some initiatives that are anticipated in 2020 and others that continue from past directives, have commenced and are being continued into the future:

- 1) Mayor's Employer Appreciation Luncheon and awards
- 2) Distribution of marketing materials (Pencils, Pins, Shirts, Dignitary items, etc.)
- 3) Direct Mail of Letter and Brochure to Members of Minnesota Manufacturers Association and Attendees of Minnesota Real Estate Journal Industrial Conference and other mailings
- 4) Utilize GPS 45:93 LOIS and MNCAR to market the City of Isanti for Industrial development prospects
- 5) Utilize various forms of media to highlight City of Isanti successes and to market (EDAM Developer, Real Estate Journal, Isantian Newsletter, County Star, Isanti New, etc.)
- 6) General marketing and research - miscellaneous signage donations and sponsorships as appropriate including investment/coordination in other signs for community events.
- 7) Presence in other conferences (Business Expos, DEED, EDAM, i.e.) where site selectors will be present
- 8) Update Community Profile in LOIS.
- 9) Other cost-effective marketing opportunities with media or economic development organizations as identified.
- 10) Miscellaneous Marketing Budget
- 11) Explore Signage on Hwy 65 to further establish an identity for the City of Isanti.

- 12) Utilize Housing Market Studies to identify prospects and investors to help increase tax capacity in Isanti.
- 13) Continue to support East Central Minnesota Job Fair and encourage businesses to participate.

Other marketing items not identified above, and not currently identified in the EDA budget, but deemed necessary will need to have prior approval from the EDA before expenditures can be made.

STRATEGIC PARTNERS

The City of Isanti has many organizations it can partner with to achieve the goals outlined in this Plan and specifically the goal of growing tax base in Isanti. Potential roles and activities for each strategic partner are outlined below:

- 1) Isanti City Council: Consider approvals from recommendations from EDA relating to: project financing, level of financial assistance, awarding of business subsidies, execution of development agreements, and real estate transactions for development in Isanti.
- 2) Chamber of Commerce: Serves as a non-governmental resource for existing businesses, prospects and residents. Source of business recruitment referrals and a potential marketing partner for the City of Isanti. Pertinent economic development information can be communicated through the chamber website. Continue to be an active member and relationship development.
- 3) Anoka-Ramsey Community College (Cambridge Campus): A partner in providing training opportunities and business start-up assistance for local businesses.
- 4) Centerpoint Energy: Natural gas provider for the City of Isanti. A potential financial contributor for joint marketing efforts.
- 5) Community Organizations / Events / Partnerships: Isanti is home to many exciting events each year. From 2010-2013 the City played host to the Minnesota State Cup (Soccer Event at Isanti Soccer Complex), Rum River BMX has been selected multiple times for the State and National BMX Finals, Isanti Civic Arena is the home venue for the Minnesota Owls and the 2012 Class C State Champions call Isanti Home. The Isanti Fireman's Rodeo – Jubilee brings thousands to Isanti in July of each year. The Farmers Market and Street dances sponsored by the EDA and operated through the Park, Recreation and Culture Board. All of these events serve as an excellent opportunity for the City of Isanti to work with area businesses to showcase our community. Efforts should be made to maximize the economic impact for Isanti and the region.
- 6) Connexus Energy: Primary electric utility provider for the City of Isanti. Connexus has previously been very involved in the development of industrial parks within its service territory. Currently, economic development activities for the utility have been focused on

energy cost saving programs for end users and marketing “Shovel Ready” sites. This entity provides business prospect referrals when appropriate.

- 7) Economic Development Association of Minnesota (EDAM): The City of Isanti is a marketing partner with EDAM. Representation by Community Development Director.
- 8) East Central Arts Council (ECRAC): A financial partner for grants and art related projects in historical downtown.
- 9) East Central Regional Development Commission (ECRDC): A knowledgeable partner in identifying financing option for projects. Has funds available in its own revolving loan program to be utilized in region. Host economic development networking and marketing events and provide business prospect referrals.
- 10) GPS 45:93: This regional economic development organization is a marketing partner for the city of Isanti and the region.
- 11) Greater MSP: Marketing group focused on attracting development and investment to the 13 County MSA.
- 12) Initiative Foundation: A financial and educational partner. The Initiative Foundation provides leadership training, financial investment in area projects, staff assistance and business referrals to member communities in the region.
- 13) Isanti County EDA: A financial and collaborative partner for: financial assistance, marketing, business recruitment, and market analysis.
- 14) Local Financing Institutions Area banks are a financial partner for the City of Isanti. Investment into the community helps both the City and Area banks. A coordinated effort by all banks to recruit business to Isanti is vital to the success of Isanti.
- 15) MNCAR: This organization is the best venue to advertise commercial properties. Staff will maintain membership as long as it’s financially feasible.
- 16) Small Business Development Center: An educational partner in business development in Isanti County. The SBDC is helps start-up business develop business plans and existing businesses grow.
- 17) DEED: A financial partner through available state financing programs. LOIS site will benefit all of Minnesota to market sites to out of state prospects. Provides valuable demographic and research information and generates reports upon request. DEED provides updated Labor Market Profiles upon request for no charge.
- 18) SCORE: An educational partner in business development in Isanti County. SCORE provides free and confidential business counseling tailored to meet the needs of your small business and your personal objectives. SCORE also offers workshops, for a modest fee, for both start-up entrepreneurs and in-business small business owners. SCORE assists people in starting a new business and by providing counseling to existing small and mid-sized business owners.
- 19) Workforce Center (Cambridge office): Workforce Centers help job seekers find employment, help businesses find workers, and help anyone at any stage explore and plan careers. Most services provided by the Workforce center are free of charge.

20) Minnesota Marketing Partnership – the DEED run coalition works to market Minnesota as a destination for business. Community Development Director Sheila Sellman is the Isanti County Rep.

POSITIONING

Positioning is defined as a statement crystallizing the critical difference setting a product apart. Positioning is the message that is associated with your product or place that can be built around factual, geographical or psychological characteristics.

Positioning Isanti as a low cost, progressive city that is business friendly is an excellent draw for businesses and residents alike. This message still needs to be communicated. In order to be successful, the City of Isanti needs to deliver on its promise. In order to deliver on that promise Isanti will need to grow significantly industrially, commercially and residentially to increase its tax base to share the cost of development. In 2014, the “Welcome to your Community for Generations” brochure was developed to market the quality of life as well as some key demographics for the young and vibrant community. A marketing effort that states the message that Isanti is positioned to grow like it did in the mid 2000’s, has some great amenities and that there are great investment opportunities here for a limited time needs to be communicated.

When comparing Isanti to Cambridge, North Branch and other communities to the north, the focus is on being closer to the Twin Cities and having a commitment to keeping historical downtown viable. Celebrating the founders of the community but also embracing the new population that has moved here since 2000 is a key component to what Isanti is today. Highlighting the fact that the City of Isanti has higher median incomes than the rest of Isanti County and that the median age is 31 helps us create a vision of opportunity and excitement. Advertising that there is new, reliable city infrastructure and that we are ready for immediate development and investment and there are not huge infrastructure costs on the immediate horizon is appealing to a growing business or family.

When comparing to Anoka County and the Metro Area championing the fact that Isanti truly has local government control by not being a part of the Metropolitan Council District sparks the interest of independent business owners. Having the sewer and water capacity that is available in the Metro and “shovel ready” lots is key to companies. Large tracts of land with City Sewer and Water infrastructure, priced significantly lower than the Metro on Highway 65 is a viable option for both retail and office development. High speed internet through fiber optic and satellite connect businesses in Isanti to the Metro. Well known manufacturers located in Isanti such as Advanced Telemetry Systems, Granger Machine, Metal Coatings and Evercat Fuels serves as ambassadors for the community to show that Isanti is a place a business can be successful. Moving to Isanti isn’t a gamble, it’s a smart business decision.



Memo for EDA Action

To: Economic Development Authority
From: Sheila Sellman, Community Development Director
Date: March 4, 2020
Subject: Resolution 2020-XX approving crop lease extension

Background:

In July 2018 the EDA entered into a 2019 crop lease agreement with Wayne Calander, Calander Farms, lease payments are due in two increments, December 4, 2018 (\$2,780.50) and December 3, 2019 (\$2,780.50). To date the second payment has not been received.

In August 2019 the EDA entered into a 2020 crop lease agreement with Wayne Calander, Calander Farms, lease payments are due in two increments, December 4, 2019 (\$3,359.69) and December 3, 2020. To date the first payment of this agreement is outstanding.

In total the outstanding balance is \$6,140.19.

Mr. Calander has requested an extension on the payment. He indicated that he needs to get the crop out in March and then will be able to pay the city. At this time no late fees have been assessed.

Recommendation:

Due to odd weather conditions this fall staff supports and extension. Staff suggests granting the extension to April 15, 2020. If fees are not paid at that time, late fees should be assessed and not prorated, and the EDA could consider terminating the least at that time and other collection action.

Attachments:

- Resolution 2020-XXX
- Resolution 2019-3 and 2018-2

**ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION 2020-3**

RESOLUTION EXTENDING THE LEASE PAYMENT ON CROP LAND OWNED BY THE EDA

WHEREAS, in 2018 and 2019 the City of Isanti Economic Development Authority (the "EDA") entered into a lease agreement with Wayne Calander for the 2019 and 2020 growing season; and

WHEREAS, the annual rents were \$5,561/yr. for growing year 2019 and \$6,719.38/yr. growing year 2020.

WHEREAS, rents shall be due and paid to the City of Isanti Economic Development Authority according to the following schedule:

On December 4, 2018	\$2,780.50 (1 st half of first year 2019 annual fee)
On December 3, 2019	\$2,780.50 (2 nd half of year 2019 annual fee)
On December 4, 2019	\$3,359.69 (1 st half of first year 2020 annual fee)
On December 3, 2020	\$3,359.69 (2 nd half of year 2020 annual fee); and

WHEREAS, payment for December 3, 2019 and December 4, 2019 are outstanding with a balance of \$6,140.19; and

WHEREAS, Wayne Calander has requested an extension to pay the outstanding balance;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Economic Development Authority of the City of Isanti, approves the payment extension to April 15, 2020.

This resolution was duly adopted by the City of Isanti Economic Development Authority this 4th day of March 2020.

Attested:

President Jeff Johnson

Sheila Sellman
Secretary

**CITY OF ISANTI ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2019-3**

**RESOLUTION AWARDING QUOTE FOR THE LEASE OF CITY OF ISANTI EDA OWNED
CROP LAND**

WHEREAS, the City of Isanti Economic Development Authority (the "EDA") has determined that certain property currently owned by the City of Isanti EDA will not be needed in the near future for the intended public use; and

WHEREAS, the EDA has identified the property to be leased/rented for crop production on the map attached Exhibit A as Parcel A for 82.7 acres "more or less", further described as: all of Tax ID 16.090.0140 and part of 16.090.0120 located south and east of the City Wastewater Treatment Facility, located to the east of 3rd Avenue North and south of 299th Avenue; and

WHEREAS, the EDA advertised and obtained one quote from parties interested in farming the above stated property for the production of row crops for the 2020 Crop Year as follows:

Wayne Calander, Calander Farms \$6,719.38/yr.


NOW THEREFORE BE IT RESOLVED BY THE CITY OF ISANTI ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ISANTI, MINNESOTA AS FOLLOWS:

1. Hereby awards the bid as received for a period of one crop year to Wayne Calander, Calander Farms, for the amount of \$6,719.38/annual rent for the 2020 crop year for the rental of approximately 82.7 acres "more or less" of EDA property for crop farming as described above.
2. That the annual rent of \$6,719.38/yr. shall be due and paid to the City of Isanti Economic Development Authority according to the following schedule:

On December 4, 2019	\$3,359.69	(1 st half of first year 2020 annual fee)
On December 3, 2020	\$3,359.69	(2 nd half of year 2020 annual fee)
3. The EDA reserves the right to develop the property at any time through the contract period. If the EDA exercises this right, the EDA shall compensate Mr. Calander for the fair market value of the crop destroyed, valued at the average market price per bushel as of the date of initial construction activity resulting in the removal of the crop, based upon the average per acre yield as established by the records maintained by USDA pertaining to the subject field or as available for similar fields located in Isanti Township, in the event such records are not available for the specific crop field herein.
4. That Mr. Calander shall have no right to rent the land for future crop years after year 2020 unless awarded the lease by the EDA through a bid process.

This resolution was duly adopted by the City of Isanti Economic Development Authority this 7th day of August 2019.

Attested:



Sheila Sellman
Secretary



President Jeff Johnson

**CITY OF ISANTI ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2018-2**

**RESOLUTION AWARDING QUOTE FOR THE LEASE OF CITY OF ISANTI EDA OWNED
CROP LAND**

WHEREAS, the City of Isanti Economic Development Authority (the "EDA") has determined that certain property currently owned by the City of Isanti and the EDA will not be needed in the near future for the intended public use; and

WHEREAS, the EDA has identified the property to be leased/rented for crop production on the map attached Exhibit A as Parcel A for 82.7 acres "more or less", further described as: all of Tax ID 16.090.0140 and part of 16.090.0120 located south and east of the City Wastewater Treatment Facility, located to the east of 3rd Avenue North and south of 299th Avenue; and

WHEREAS, the EDA advertised and obtained two quotes from parties interested in farming the above stated property for the production of row crops for the 2019 Crop Year as follows:

Craig Bjorklund, Bjorklund Farms	\$2,915.00/yr.
Wayne Calander, Calander Farms	\$5,561.00/yr.

NOW THEREFORE BE IT RESOLVED BY THE CITY OF ISANTI ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ISANTI, MINNESOTA AS FOLLOWS:


1. Hereby awards the bid as received for a period of two crop years to Wayne Calander, Calander Farms, for the amount of \$5,561.00/annual rent for the 2019 crop year for the rental of approximately 82.7 acres "more or less" of EDA property for crop farming as described above.
2. That the annual rent of \$5,561.00/yr. shall be due and paid to the City of Isanti Economic Development Authority according to the following schedule:

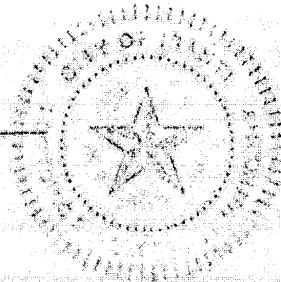
On December 4, 2018 \$2,780.50 (1st half of first year 2019 annual fee) **CL# 24403**
On December 3, 2019 \$2,780.50 (2nd half of year 2019 annual fee)

3. The EDA reserves the right to develop the property at any time through the contract period. If the EDA exercises this right, the EDA shall compensate Mr. Calander for the fair market value of the crop destroyed, valued at the average market price per bushel as of the date of initial construction activity resulting in the removal of the crop, based upon the average per acre yield as established by the records maintained by USDA pertaining to the subject field or as available for similar fields located in Isanti Township, in the event such records are not available for the specific crop field herein.
4. That Mr. Calander shall have no right to rent the land for future crop years after year 2019 unless awarded the lease by the EDA through a bid process.

This resolution was duly adopted by the City of Isanti Economic Development Authority this 3rd day of July 2019.

Attested:


Sean M. Sullivan
Secretary




President George A. Wimmer

City Council Chambers

Tuesday, June 2, 2020

Immediately Following the 7:30pm City Council Meeting



Economic Development Authority Agenda

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/863894885>

You can also dial in using your phone.

United States: +1 (312) 757-3121

Access Code: 863-894-885

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
 - d. Swear in Luke Merrill
2. Approval of the Agenda
3. Approve Minutes of March 4, 2020 Regular Economic Development Authority Meeting
4. Business Items
 - a. Consider Authorization for Advertising for Quotes for Lease of EDA/City Owned Crop Land
 - b. RLF One-Time Exception Discussion
5. Other Business / Updates / Communications
6. Adjournment

Economic Development Authority
Meeting Minutes
March 4, 2020

1. **Call to Order:** EDA President Johnson called the meeting to order at 8:21pm.
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Swore in new EDA member Justin Neilson. Members present – Johnson, Lundeen, Bergley, Gordon, Neilson. Absent: Collison. Staff present: Community Development Director Sheila Sellman, City Administrator Josi Wood, Police Chief Muires.
 - c. **Agenda Modifications:** None
2. **Approval of the Agenda:** Motion by Lundeen, second by Bergley to adopt the agenda, motion passed 5-0.
3. **Approval of Minutes:** Motion by Lundeen, second by Bergley to approve the February 4, 2020 Regular Economic Development Authority Meeting minutes and the February 18, 2020 Special EDA Meeting minutes. Motion passed 5-0.
4. **Business Items**
 - a. **Adoption Marketing/Work Plan Update:** Motion by Lundeen, Second by Bergley to adopt the 2020 Marketing/Work Plan. Motion passed 5-0.
 - b. **Consider Crop Lease Extension:** Sellman explained that Wayne Calandar is behind on lease payments. He has not paid second half 2019 or first half 2020. Mt. Calandar has requested an extension as he needs to get the crop out in order to pay. The EDA agreed to an extension to April 15, 2020. If the lease is not paid at that time late fees will be instated and will not be prorated. A discussion of lease termination will need to come back to the EDA. Neilson stated he is in favor of supporting local farmers. Motion by Lundeen, second by Gordon to approve resolution 2020-3. Motion passed 5-0.
5. **Other Business / Updates / Communications:** Sellman gave an update on prospective businesses and site visits conducted. Bergley mentioned that he is attending the Chamber of Commerce meetings and that staff doesn't need to go, we don't need two reps there. Bergley will attend and the Community Development Director will be the backup. Sellman explained that the Humphry Institute has interns doing their Thesis with GPS:45:43 and are working on a housing study in this area and Isanti will be included.
6. **Adjournment:** Motion by Lundeen, second by Bergley to adjourn. Motion passed 5-0, meeting adjourned 8:35pm

Respectfully submitted Sheila Sellman, Community Development Director



Memo for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: June 2, 2020

Subject: Consider Authorization for Advertising for Quotes for Lease of EDA/City Owned Crop Land

Background:

The current leases for EDA/City owned crop land expire at the end of the 2020 growing season. Staff is requesting permission to seek quotes for the 2021 growing season. The acreage proposed for lease at this time is the crop land behind the WWTP (82.7 acres "more or less"). Attached is the bid advertisement and specification.

Action Required:

Authorize staff to advertise for quotes for lease of EDA/City owned crop land.

Attachments:

- Bid Advertisement
- Specifications
- Location Map

CITY OF ISANTI
REQUEST FOR QUOTES FOR LEASE OF EDA/CITY OWNED CROP LAND

The EDA/City of Isanti is accepting quotes for leasing EDA/City owned property for crop farming for the 2021 crop year. Specifications are available upon request from the Community Development Director's Office at Isanti City Hall, 110 - 1st Avenue NW, PO Box 428, Isanti MN 55040. 763-444-5512. The City of Isanti Economic Development Authority reserves the authority to waive irregularities and award in the best interest of the City of Isanti. Bids shall be submitted in sealed envelopes addressed to the Community Development Director at 110 - 1st Avenue NW, PO Box 428, Isanti MN 55040. All bids submitted must be clearly marked as "Quote for Leasing EDA/City Crop Land". Bids will be accepted until 11:00 a.m. Wednesday July 15, 2020 and will be opened and read aloud at that time. The EDA/City reserves the right to accept or reject any and/or all quotes.

Sheila Sellman
Community Development Director

Posted:
Published: June

Specifications for Lease of EDA/City Owned Property for Crop Farming

Location and Description of Lease Area:

North and east of the City of Isanti Wastewater Treatment Facility and Public Works site, located to the east of 3rd Avenue North, and south of 299th Avenue. Site size 82.7 acres "more or less".

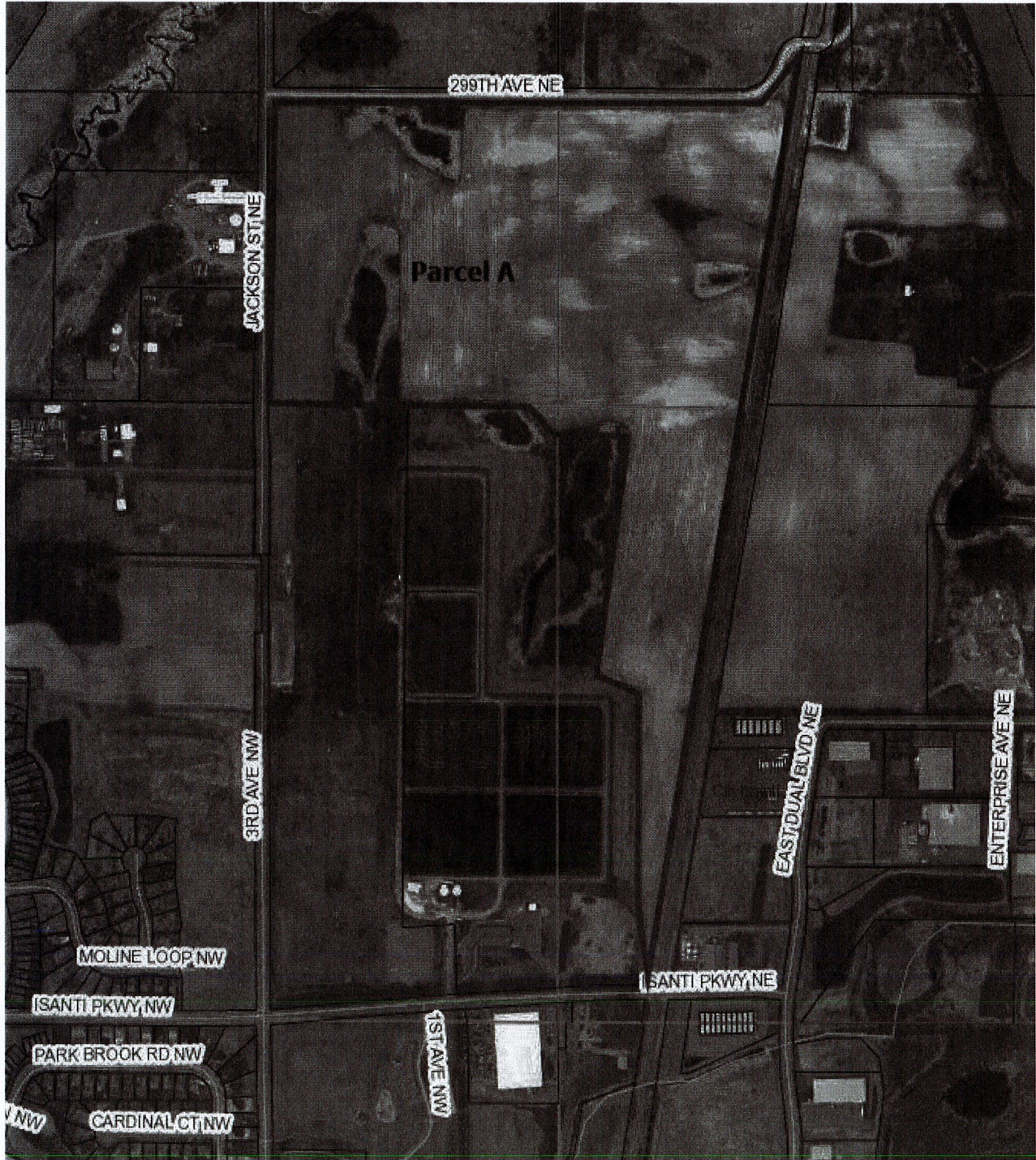
Lease Term:

Lease for this area shall be for a period of one crop season and shall run from December 1, 2020 to November 30, 2021.

Right to Develop:

The EDA/City reserves the right to develop the property at anytime through the contract period. If the EDA/City exercises this right, the EDA/City shall compensate the successful bidder for the fair market value of the crop destroyed valued at the average market price per bushel as of the date of initial construction activity resulting in the removal of the crop based upon the average per acre yield as established by the records maintained by USDA pertaining to the subject field or as available for similar fields located in Isanti Township in the event such records are not available for the specific field herein.

Exhibit A
Map of Parcel A





Memo for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: June 2, 2020

Subject: RLF One-Time Exception Discussion

Background:

The City has a Revolving Loan Fund (RLF) to provide short-term financing to assist business in the form of a loan. The purpose of such financing is to provide gap financing where conventional funding sources are not sufficient to meet the business needs for new facilities, business retention, building purchase, renovation, expansion, landscaping, machinery and equipment. The objectives of the revolving loan fund are to create or retain permanent full-time jobs in the City; to improve the overall tax base of the City; to diversify the economy; and to enhance the quality of life within the community.

The revolving loan fund is intended to complement and not to compete with private lending institutions. All loans are subject to the availability of funds. All funding is limited to the corporate limits of the City of Isanti. In addition to the loan terms and conditions set forth in this policy, the City shall have the right to impose additional terms and conditions in its sole discretion.

The RLF is funded by keeping a portion of Minnesota Investment Funds that are issued through the State.

The State is making a one-time exception for cities to transfer 20% of their RLF balance back to the State general fund and allow the remaining 80% of the funds to be used by the city as a general-purpose aid for any lawful expenditure. The City currently has a balance of \$144,885.00. If we gave 20% back to the state (\$28,977) that would leave us with a balance of \$115,908 for Economic Development purposes or other lawful expenditures. With our economic and local business future being uncertain during this pandemic, staff recommends keeping all of the balance and not returning any to the State. There is no penalization for not returning the money; it is simply an ask from the State. Finance Director Betker also recommends keeping our balance.

Action Required:

Staff seeks direction

Attachments:

- None



Economic Development Authority Agenda

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
2. Approval of the Agenda
3. Approve Minutes of June 2, 2020 Regular Economic Development Authority Meeting
4. Business Items
 - a. Resolution 2020-XXX authorizing Nagell Appraisal to do an appraisal update for EDA Land in an amount not to exceed \$800
5. Other Business / Updates / Communications
6. Adjournment

Economic Development Authority
Meeting Minutes
June 2, 2020

1. **Call to Order:** EDA President Johnson called the meeting to order at 8:35pm
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Members present: Jeff Johnson, Steve Lundeen, Dan Collins, Paul Bergley, Jimmy Gordon, Justin Nielson, Luke Merrill. Staff present: Sheila Sellman Community Development Director, Josi Wood City Administrator
 - c. **Agenda Modifications:** None
 - d. **Swear in Luke Merrill**
2. **Approval of the Agenda:** Motion by Lundeen to approve, second by Bergley motion passed 7-0
3. **Approve Minutes of March 4, 2020 Regular Economic Development Authority Meeting:** Motion to approve by Lundeen, second by Bergley motion passed 7-0.
4. Business Items
 - a. **Consider Authorization for Advertising for Quotes for Lease of EDA/City Owned Crop Land:** Sellman requested authorization to advertise quotes for lease of the EDA land north of the WWTP. Merrill asked what the income from the land is, Sellman responded that it was around \$6,000 for the year, but didn't have the exact number at this time. Johnson proposed the EDA sell the land. Nielson mentioned that a lot of businesses are looking to move north and out of the metro-area. Sellman explained that the lease has a clause that the city can sell the land at any time. Motion by Johnson to seek quotes for crop lease and to get an appraisal with a not to exceed expenditure of \$500, Second by Lundeen, motion passed 7-0.
 - b. **RLF One-Time Exception Discussion:** Sellman explained that the City has a Revolving Loan Fund (RLF) to provide short-term financing to assist business in the form of a loan. This money is typically used for gap financing and can't be used for anything else. The State is making a one-time exception to the use of this money if the City gives 20% back to the State. If the city gave 20% back to the state then the remaining balance could be used for general funds this one time. The current balance is \$144,885.00 if the city gave back 20% to the state (\$28,977) then the balance would be \$115,908. Staff recommended to keep the money and not return to the state. Merrill asked if there would be repercussions for future money or grants from the state. Sellman said there is no indication that will happen. Motion by Lundeen to keep the money, second by Merrill. Motion passed 7-0.
5. **Other Business / Updates / Communications:** Sellman gave updates.
6. **Adjournment:** Motion by Lundeen, second by Bergley to adjourn at 8:52pm motion passed 7-0 meeting adjourned.



Memo for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: July 7, 2020

Subject: Resolution 2020-XXX authorizing Nagell Appraisal to do an appraisal update for EDA Land in an amount not to exceed \$4800

Background:

At the June EDA meeting the board directed staff to obtain an appraisal update for EDA land north of the water treatment facility in an amount not to exceed \$500. After the meeting staff contacted three appraisal companies regarding the update. All three were over \$500, therefore staff needs authorization on the new amount. Nagell Appraisal was the lowest at \$800, they did the original appraisal for this property in 2017. Staff recommends going with Nagell Appraisal as they have the best price and are already familiar with the property.

Quotes:

Nagell Appraisal	\$800
CBRE	\$2,750
BRKW	\$3,500

Action Required:

Consider resolution

Attachments:

- Resolution

**ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION 2020-XX**

**RESOLUTION AUTHORIZING NAGELL APPRAISALS TO DO AN APPRAISAL UPDATE FOR
LAND OWNED BY THE EDA**

WHEREAS, in 2017 Nagell Appraisals provided an appraisal for EDA land PID 16.090.0140; and,

WHEREAS, the EDA would like an updated appraisal; and,

WHEREAS, Nagell Appraisals had the lowest quote of \$800.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Economic Development Authority of the City of Isanti, authorize Community Development Director Sellman to enter into a contract with Nagell Appraisals in an amount not to exceed \$800.

This resolution was duly adopted by the City of Isanti Economic Development Authority this 7th day of July 2020.

Attested:

President Jeff Johnson

Sheila Sellman
EDA Secretary/Community Development Director



Economic Development Authority Agenda

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
2. Approval of the Agenda
3. Approve Minutes of July 7, 2020 Regular Economic Development Authority Meeting
4. Business Items
 - a. Resolution 2020-XXX 2021 crop lease award
 - b. Discussion on subdividing a 15-acre lot the EDA owns 16.124.0020
 - c. Call a public hearing for August 18, 2020
 - d. Discussion on BP Metals
5. Other Business / Updates / Communications
6. Adjournment

Economic Development Authority
Minutes
July 7, 2020

1. **Call to Order:** Chair Johnson called the meeting to order at 8:36pm
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Members present: Jeff Johnson, Steve Lundeen, Jimmy Gordon, Paul Bergley, Dan Collison, Justin Neilson, Luke Merrill. Staff present: Community Development Director Sheila Sellman, City Administrator Josi Wood.
 - c. **Agenda Modifications:** None
2. **Approval of the Agenda:** Motion by Collison, Second by Lundeen to approve the agenda, motion passed 7-0.
3. **Approve Minutes of June 2, 2020 Regular Economic Development Authority Meeting:** Motion by Merrill, second by Bergley to approve, motion passed 7-0.
4. **Business Items**
 - a. **Resolution 2020-XXX authorizing Nagel Appraisal to do an appraisal update for EDA Land in an amount not to exceed \$800:** Sellman explained that the EDA approved an updated appraisal in the amount of \$500. After seeking three bids Nagel Appraisals bid \$800 for an update the other bids were over \$1,000. Motion by Collison, second by Merrill to approve the resolution, motion passed 7-0
5. **Other Business / Updates / Communications:** Sellman gave business updates and discussed a potential buyer for the EDA 2.5-acre lot, more information will be forthcoming.
6. **Adjournment:** Motion by Collison, second by Lundeen to adjourn, motion passed 7-0 adjourned at 8:45pm.

Respectfully Submitted
Sheila Sellman, EDA Secretary, Community Development Director

MEMO



To: Economic Development Authority
From: Sheila Sellman, Community Development Director
Date: August 5, 2020
Subject: Consider Resolutions 2020-XX Awarding Quote for the Lease of EDA Owned Crop Land

Background:

On June 2nd the EDA Directed Staff to publicly advertise for crop lease quotes for crop year 2021 for EDA owned land. City Staff opened the quotes at 11 AM on July 15, 2020 and read them aloud. The quotes were as follows:

Parcel A – 82.7 acres “more or less”
Wayne Calander, Calander Farms \$5,210/year
This is \$1,509.38 than the 2020 lease. Staff is in the process of obtaining an updated appraisal for this parcel. The lease agreement will have a clause about selling the land.

Based on the quotes received staff recommends the following awards:

Parcel A – 82.7 acres “more or less”
Wayne Calander, Calander Farms \$5,210/year

Requested Action:

Staff recommends adoption of the attached resolutions and staff to execute the lease.

Attachments:

- 1) Resolution 2020-XX

**CITY OF ISANTI ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2020-XX**

**RESOLUTION AWARDING QUOTE FOR THE LEASE OF CITY OF ISANTI EDA OWNED
CROP LAND**

WHEREAS, the City of Isanti Economic Development Authority (the "EDA") has determined that certain property currently owned by the City of Isanti EDA will not be needed in the near future for the intended public use; and

WHEREAS, the EDA has identified the property to be leased/rented for crop production on the map attached Exhibit A as Parcel A for 82.7 acres "more or less", further described as: all of Tax ID 16.090.0140 and part of 16.090.0120 located south and east of the City Wastewater Treatment Facility, located to the east of 3rd Avenue North and south of 299th Avenue; and

WHEREAS, the EDA advertised and obtained one quote from parties interested in farming the above stated property for the production of row crops for the 2021 Crop Year as follows:

Wayne Calander, Calander Farms \$5,210/yr.

NOW THEREFORE BE IT RESOLVED BY THE CITY OF ISANTI ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ISANTI, MINNESOTA AS FOLLOWS:

1. Hereby awards the bid as received for a period of one crop year to Wayne Calander, Calander Farms, for the amount of \$5,210/annual rent for the 2021 crop year for the rental of approximately 82.7 acres "more or less" of EDA property for crop farming as described above.
2. That the annual rent of \$5,210/yr. shall be due and paid to the City of Isanti Economic Development Authority according to the following schedule:

On December 1, 2020	\$2,605	(1 st half of first year 2021 annual fee)
On December 1, 2021	\$2,605	(2 nd half of year 2021 annual fee)
3. The EDA reserves the right to develop the property at any time through the contract period. If the EDA exercises this right, the EDA shall compensate Mr. Calander for the fair market value of the crop destroyed, valued at the average market price per bushel as of the date of initial construction activity resulting in the removal of the crop, based upon the average per acre yield as established by the records maintained by USDA pertaining to the subject field or as available for similar fields located in Isanti Township, in the event such records are not available for the specific crop field herein.
4. That Mr. Calander shall have no right to rent the land for future crop years after year 2021 unless awarded the lease by the EDA through a bid process.

This resolution was duly adopted by the City of Isanti Economic Development Authority this 5th day of August 2020.

Attested:

President Jeff Johnson

Sheila Sellman
Secretary/Community Development Director

**Exhibit A
Map of Parcel A**



APPROVED RENTER:

WAYNE CALANDER, CALANDER FARMS

Signature

Date



Memo for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: August 5, 2020

Subject: Discussion on Subdividing 15-acre lot EDA owns 16.124.0020

Background:

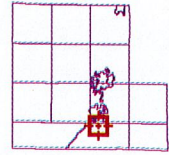
The EDA owns a 2.5-acre parcel on East Dual Blvd that is part of the Minnesota Shovel Ready Program and have it listed for sale for \$1. We have received an application to consider the sale of this parcel. In order to sell this property the EDA needs to hold a public hearing on the sale and the business subsidy that comes along with selling a property for \$1. The application was received on July 28, 2020, which was too late to advertise the public hearing, therefore staff is requesting the EDA to call a public hearing for August 18, 2020 after the Planning Commission meeting to consider the sale of the subject parcel.

Attachments:

- Location Map



Overview



Legend

- Survey Townships
- Political Township
- USPLS Sections
- Parcels
- Roads
- <all other values>
- MN Highway
- Streams
- Stream Name
- Lakes

Parcel ID	161250020	Alternate ID	n/a	Owner Address	ECONOMIC DEVELOPMENT AUTHORIT
Sec/Twp/Rng	29/035/023	Class	5E-Exempt Properties		PO BOX 428
Property Address		Acreage	2.5		ISANTI MN 55040-0428
District	ISANTI CITY/911				
Brief Tax Description	Lot 00A of ISANTI CENTENNIAL COMPLEX 3RD REARR				
	(Note: Not to be used on legal documents)				

Date created: 7/27/2020
 Last Data Uploaded: 7/24/2020 11:53:03 PM



Memo for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: August 5, 2020

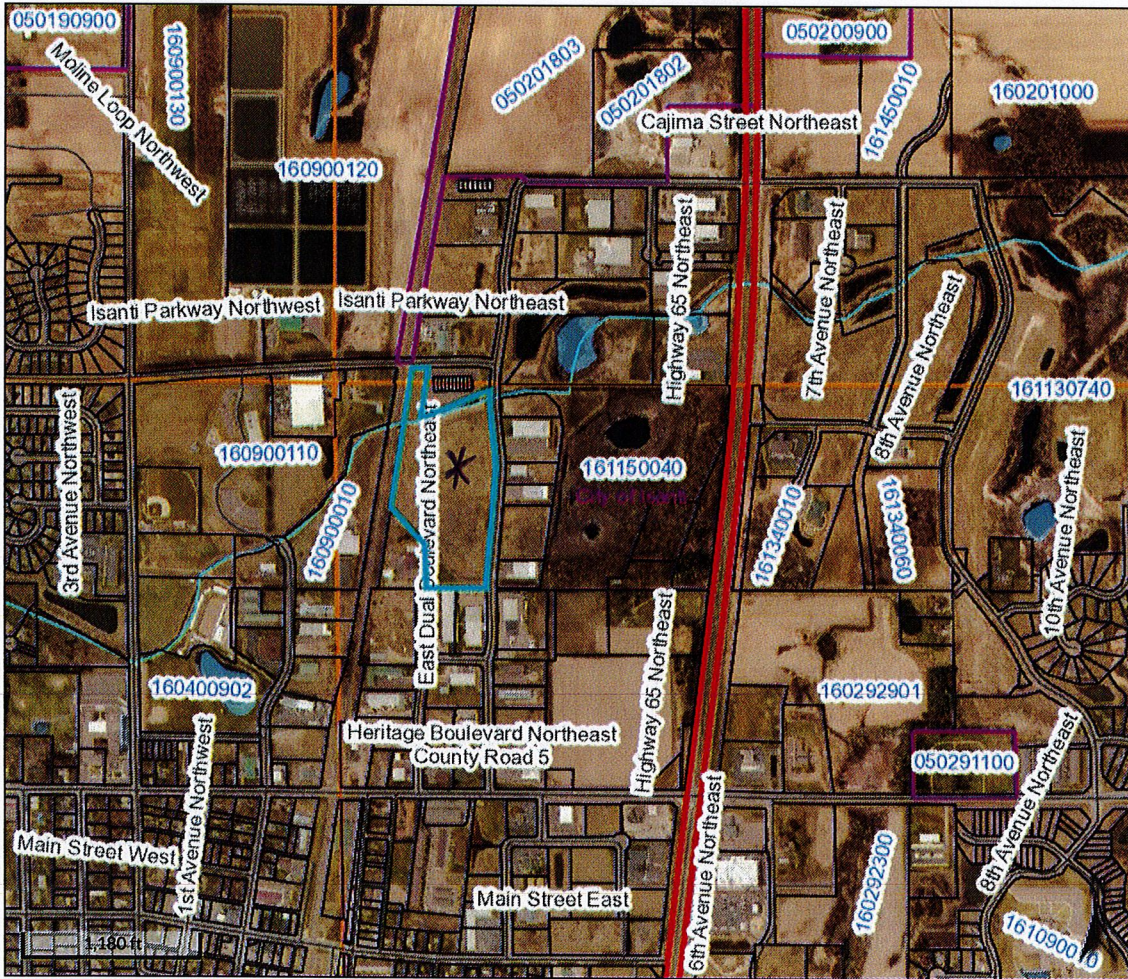
Subject: Discussion on Subdividing 15-acre lot EDA owns 16.124.0020

Background:

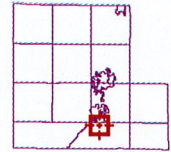
The EDA owns a 15-acre lot on East Dual Blvd PID 16.124.0020 that is part of the Minnesota Shovel Ready Program that we have listed for sale for \$1. Staff has been approached by a business that would like to relocate and they need 5+ acres. They need space for outdoor storage and a shop with office space. This type of use would need to be located in an Industrial zoning district and there isn't a 5+ acre parcel for sale in Isanti except for the EDA's 15-acre lot. Staff would like to discuss with the EDA the possibility of subdividing this parcel.

Attachments:

- Location Map



Overview



Legend

-  Survey Townships
-  Political Township
-  USPLS Sections
-  Parcels
- Roads**
-  <all other values>
-  MN Highway
-  Streams
- Stream Name**
-  Lakes

Parcel ID	161240020	Alternate ID	n/a	Owner Address	ECONOMIC DEVELOPMENT AUTHORIT
Sec/Twp/Rng	29/035/023	Class	5E-Exempt Properties		PO BOX 428
Property Address		Acreage	15.49		ISANTI MN 55040-0428
District	ISANTI CITY/911				
Brief Tax Description	Lot 00A of ISANTI CENTENNIAL COMP 5TH REARR				
	(Note: Not to be used on legal documents)				

Date created: 7/27/2020
 Last Data Uploaded: 7/24/2020 11:53:03 PM

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Economic Development Authority Agenda

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
2. Approval of the Agenda
3. Public Hearing
 - a. Sale of EDA owned land located at XXX East Dual BLVD NE PID 16.125.0020 to Swanees Trucking LLC.
4. Adjournment



Memo for EDA Action

To: Economic Development Authority
From: Sheila Sellman, Community Development Director
Date: August 18, 2020
Subject: Sale of EDA Land to Swanees Trucking LLC

Background:

The EDA owns property located at XXX West Dual Blvd (PID 16.125.0020) and has this property for sale for \$1. The subject property is a certified Shovel Reay Site. The subject site is zoned Industrial and is ready for development. Swanees Trucking LLC is a trucking company looking for space to expand their office and maintenance shop. They have been in operation since 2015 and are currently located in the city of Coon Rapids.

They will be start out with 12 employees (including contract employees) with the plan to increase 35 employees as their business expands.

Recommendation:

Staff recommends that EDA sell the subject site to Swanee Trucking LLC for \$1 and to execute the proposed purchase agreement and recommend approval of the subsidy agreement to City Council. Once this has been executed the City Council will need to review and approve a subsidy agreement for the sale.

Proposed Action:

Approve the Resolution for the sale and enter into the Purchase Agreement.

Attachments:

- Resolution
- Purchase Agreement

RESOLUTION 2020-XX

**AUTHORIZING THE SALE OF EDA-OWNED INDUSTRIAL LAND FOR
CONSTRUCTION OF A TRUCKING MAINTENANCE FACILITY**

WHEREAS, the EDA owns certain real property at xxx East Dual Blvd NE PID 16.125.0020 in the City of Isanti, County of Isanti, state of Minnesota; and

WHEREAS, the subject site is part of the Certified Shovel Ready Program; and

WHEREAS, the buyer Swanees Trucking LLC. proposes to build a trucking maintenance facility and employ 12 people within the first two years of the purchase date; and

WHEREAS, the sale of the land is in the best interest of the city to expand tax and employment growth and furthers its general plan of economic development; and

WHEREAS, the City attorney has drafted the purchase agreement for the sale of the land from the EDA to Swanees Trucking LLC for \$1.00; and

WHEREAS, said purchase is subject to a subsidy agreement through the City Council and is subject to site plan approval.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Economic Development Authority of the City of Isanti, approves the sale of said property to Swanees Trucking LLC. and authorizes staff to execute any documents necessary for the sale and recommends approval of the subsidy agreement to the City Council.

This Resolution hereby approved by the Isanti EDA this 18th day of August 2020.

Attest:

EDA President Jeff Johnson

Sheila Sellman
EDA Secretary/Community Development Director

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Isanti Economic Development Authority**, a Minnesota public body corporate and politic (“Seller”), and **Swanees Trucking LLC.**, a Minnesota limited liability company (“Buyer”).

In consideration of the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **EFFECTIVE DATE.** The effective date of this Agreement is August 18, 2020 (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller the Property legally described as follows:

Lot 00A, Isanti Centennial Complex 3rd Rearrangement, County of Isanti, State of Minnesota

Isanti County PID Number: 16.125.0020

Property Address: XXX Dual Blvd. N.E., Isanti, MN 55040
3. **PURCHASE PRICE.** The purchase price for the Property is \$1.00 (the “Purchase Price”).
4. **EARNEST MONEY.** None.
5. **SURVEY.** Buyer may, at Buyer’s expense, obtain a survey (the “Survey”) from a duly licensed surveyor. If so obtained, a copy shall be provided to Seller within 30 days of receipt by Buyer.
6. **TITLE COMMITMENT.**
 - a. Seller makes no representations or warranties with respect to the status of title to the Property. Within 30 business days after the Effective Date, Buyer may, at Buyer’s expense, obtain a commitment from Escrow Agent to issue an owner’s policy of title insurance insuring Buyer’s title to the Property (the “Title Commitment”). Buyer shall provide Seller with a copy of the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment .

b. Buyer shall have until the date 30 days after the receipt of the Title Commitment to review Title and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller's title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a "**Title Objection Notice**"). Any defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception**." Within three business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 13, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title to the Property marketable on or before the closing date established in Section 13, Buyer may, at any time with three business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated ("**Buyer's Title Termination Notice**"). If Buyer does not deliver a Buyer's Title Termination Notice to Seller within the three business days after Buyer's receipt of Seller's Title Notice, than Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

7. **RIGHT OF ENTRY.** Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:

- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
- b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of

Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.

- c. Buyer must comply with and shall cause its employees, agents, and contractors to comply with all applicable laws, while on the Property.
- d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.
- e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.
- f. The cost of any test or additional survey work will be borne solely by Buyer.

8. PROPERTY SOLD AS IS. Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
- d. The condition of the Property is fit for Buyer's intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the

presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

9. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have **90 days from the Effective Date** (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plat the Property) and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer’s ability to obtain governmental approvals from the City of Isanti or any other governmental entity. The City of Isanti will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.
- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer’s determination, in Buyer’s sole and absolute discretion, that the condition of the Property is not suitable for Buyer’s intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer’s intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer’s intention to proceed (a “**Notice to Proceed**”) to Seller.

10. DEFINITIONS. As used in this Agreement:

“**Claim**” or “**Claims**” means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney’s fees, consultant’s fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

“**Environmental Law**” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

“**Hazardous Substance**” or “**Hazardous Substances**” means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction,

radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

11. RELEASE. By accepting the deed to the Property, Buyer, for itself, its managers, members, directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

12. NOTICES. Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if sent by email, upon email transmission (provided that any email transmission that occurs after 5:00 pm Pacific Time will be deemed provided on the following day). If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: Josi Wood
 City Administrator
 City of Isanti
 110 1st Ave. N.W.
 Isanti, MN 55040
 Email: jwood@cityofisanti.us

Buyer: Gregory Swanson
 Swanees Trucking LLC
 10600 University Ave N.W., Ste 410
 Coon Rapids MN 55448
 Email: swaneestrucking@gmail.com

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

13. CLOSING. This transaction shall close within 30 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement. The Closing shall take place at City offices or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the City to avoid the necessity for a Closing at which the Parties are present.

a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:

- i. A limited warranty deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) Building, Subdivision and Zoning Ordinances; (B) Matters that would be disclosed by an accurate survey of the Property; (C) matters that constitute Permitted Exceptions pursuant to Section 6; and (D) a covenant restricting the use of the land pursuant to Minn. Stat. § 469.105, subd. 6.
- ii. A certified copy of a duly adopted Resolution authorizing Seller's sale of the Property to Buyer; and
- iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.

b. **Buyer's Obligations at Closing.** At Closing, Buyer must:

- i. Provide the Purchase Price; and
- ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.

c. **Closing Costs.**

- i. At Closing, the following Seller closing costs and expenses must be paid from the Purchase Price or, if the Purchase Price is not sufficient, paid by Seller:
 1. The cost of real estate broker commission fees as prescribed in Section 14.
- ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
 1. Property taxes payable 2020, if any.
 2. Buyer's own attorney's fees.

3. All closing fees.
4. Documentary and recording fees for the deed(s).
5. State deed tax.
6. The cost of the title commitment.
7. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.

d. **Possession**. Seller must deliver possession of the Property to Buyer at Closing.

14. **REAL ESTATE BROKERS**. Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting for their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.
15. **ASSIGNMENT**. This Agreement may not be assigned without the written consent of the non-assigning Party.
16. **THIRD PARTY BENEFICIARY**. There are no third-party beneficiaries of this Agreement, intended or otherwise.
17. **JOINT VENTURE**. Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.
18. **CAPTIONS**. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.
19. **ENTIRE AGREEMENT / MODIFICATION**. This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties.
20. **BINDING EFFECT**. This Agreement binds and benefits the Parties and their successors and assigns.
21. **CONTROLLING LAW**. This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

22. REMEDIES.

- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, if any, unless Buyer defaults under Section 7 or 12 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Isanti County District Court to recover its actual damages arising from the default.
- b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

23. WAIVER. Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.

24. SURVIVAL OF TERMS AND CONDITIONS. The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed and shall not be deemed to have merged therein.

25. SEVERABILITY. Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.

26. CONSTRUCTION. The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.

27. COUNTERPARTS; DIGITAL COPIES. This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.

28. CONSTRUCTION DEADLINE. Buyer shall devote the Property to its intended use (trucking business) or begin work on the improvements to the Property to devote it to that

use, within one year after closing. In the event the above deadline is not met, Seller may cancel the sale and title shall return to Seller. Title to the Property may not be transferred by Buyer within one year of purchase without consent of Seller.

29. TIME PERIODS. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Central Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

SELLER: The City of Isanti Economic Development Authority

By: _____
Jeff Johnson, Mayor

Dated: _____, 2020

By: _____
Katie Brooks, City Clerk

Dated: _____, 2020

BUYER: Swanees Trucking, LLC

By: _____
Gregory Swanson

Dated: _____, 2020

CITY OF ISANTI

DEVELOPMENT AND SUBSIDY AGREEMENT FOR SWANEES TRUCKING LLC

This Agreement (hereinafter the “Agreement”) is dated as of this 18th day of August, 2020 and is by and between the **City of Isanti**, a Minnesota municipal corporation (the “**City**”) and **Swanees Trucking LLC**, a limited liability company under the laws of Minnesota (the “**Developer**”).

1. Subject Property. Developer is, or will be, the owner of the Subject Property legally described as Lot 00A, Isanti Centennial Complex 3rd Rearrangement, County of Isanti, State of Minnesota, PID Number 16.125.0020, located at XXX East Dual Blvd. N.E., Isanti, MN 55040. Sale of the Subject Property by the City to Developer at a price below market value is the subsidy contemplated by this Agreement.
2. Conditions of Approval. The City has approved development of the Subject Property, as subsidized by the City, subject to satisfaction of the following conditions:
 - a. The Developer’s Execution of this Agreement. That the Developer enter into this Agreement.
 - b. Marketable Title. That the Developer obtain, and retain, title to the Subject Property.
 - c. Proof of Authority. That the Developer provide proof that the governing boards or manager of the Developer authorized the Developer’s execution of this Agreement. This proof of authority may be satisfied by providing the City with a certified copy of the minutes of the governing board that grants such authority.
 - d. Site Plan. That Developer’s site plans, as required by the Isanti City Code, be completed by Developer and reviewed and approved by the City.

3. The Plans. The term “Plans” as used in this Agreement means the Site Plans prepared by Developer. The Plans are subject to: (a) Planning Commission review; (b) approval of the City Council; and (c) such further revisions as the Developer may propose and the City approves. The Plans shall not be attached to this Agreement but are in the City’s files.
4. Required Private Improvements. The private improvements the Developer will construct or install are as follows:
 - a. Sanitary sewer
 - b. Water
 - c. Storm drainage facilities
 - d. Stormwater maintenance
 - e. Parking lot
 - f. Concrete curb and gutter
 - g. Lot grading
 - h. Landscaping
5. Financial Guaranty for Required Private Improvements. The Developer shall provide a financial guarantee to the City guaranteeing the construction of the Required Private Improvements, and their timely completion. The Developer shall be responsible for a financial guarantee in the amount of (\$_____ .00), which amount is 125% of the City Engineer’s estimated cost of the Required Private Improvements. Upon completion of Improvements (including the removal of “temporary” erosion control measures as identified in the approved Grading Plan), acceptance by the City, supported by appropriate lien waivers, the Developer may request a reduction in the amount of the financial guarantee.
6. Inspection Fees for the Required Private Improvements. The Developer shall provide an inspection fee to the City to inspect the Required Private Improvements. The Developer shall be responsible for an inspection fee in the amount of (\$_____ .00), which amount is 5% of the City Engineer’s estimated cost of the Required Private Improvements. The inspection fee must be in the form of a cash escrow. The balance in the escrow will be refunded upon completion of the Required Private Improvements, acceptance by the City.
7. Maintenance Guarantee for Landscaping. The Developer shall provide the City a maintenance guarantee to ensure the survival of the plantings. Said maintenance guarantee shall consist of cash or a Letter of Credit, approved as to form by the City, in the amount of \$_____ [# plantings (XX trees) x cost/planting (\$300/tree x 30% average non-survival rate, (XX shrubs) x cost/planting \$75/shrub x 30% average non-survival rate], which shall be in effect for a two-year period commencing on the date of the City’s acceptance of said plantings as part of the Required Private Improvements.

At the end of the two-year period, the maintenance guarantee shall be returned to the Developer. The determination that all plantings that have been planted in accordance with the Site Plan have either survived or have been replaced shall be made by the City. In the event the Developer fails to maintain the required plantings for a two-year period, the City Council may order the replacement of plantings with City day labor and/or by letting contracts and draw upon the escrow for payment. Only the City Council shall have the authority to direct replacement of the plantings and withdraw from the escrow account. The Developer hereby grants permission and a license to the City and/or its contractors and assigns to enter upon the Site for the purpose of replacing plantings in the event of the Developer's default.

8. Payment of Development Fees. The Developer must pay to the City the fees described on Exhibit A which may include, but are not limited to, Sanitary Sewer Connection (Trunk) Fees, Water Connection (Trunk) Fees.
9. Developer Defaults. If the Developer defaults in the performance of one or more of the Developer's obligations under this Contract, i) the City gives the Developer 30 days written notice of the default and ii) the Developer fails to cure the default within said 30 days, then the City may pursue any and all remedies available at law or in equity including, but not limited to, the following:
 - a. The City may, at its option, perform or engage one or more third parties to perform the Developer's obligations. If, in the reasonable judgment of the City's staff, the Developer's default creates an immediate risk to public health or safety, the City may perform or engage one or more third parties to perform the work before the City provides the notice described in the initial paragraph of this Section, but the City must use commercially reasonable efforts to notify the Developer as promptly as possible that the City is undertaking to perform the Developer's obligation or obligations. If the City performs one or more obligations of the Developer, the Developer must reimburse the City for any costs or expenses the City incurs, including costs and expenses for City staff time, to perform the work within 30 days after the City notifies the Developer, in writing, of the costs and expenses the City incurred to perform the work. If the Developer does not reimburse the City within said 30 day period, the City may pursue any remedies available to the City either at law or in equity or, in the alternative, the City may draw on the financial guaranty the Developer has provided to the City pursuant to this Agreement to reimburse itself for the expenses the City incurs to perform the work. This Agreement is a license for the City to act, and it shall not be necessary for the City to seek a Court Order for permission to enter the Developer Property. As an alternative to seeking recovery from the Developer or the financial guaranty, the City may levy special assessments against the Developer Property in accordance with Minnesota Statutes chapter 429, and the Developer, for itself and its successors in title, hereby expressly waives any and all substantive and

procedural objections or defenses the Developer may have to such special assessments;

- b. The City may commence an action in Isanti County District Court to pursue any remedy available to the City at law or in equity including, but not limited to, injunctive relief;
- c. The City may refuse to grant building permits for improvements to be constructed on the Subject Property until the Developer has cured all of its defaults; and
- d. The City may draw upon all or any portion of the financial guaranty the Developer has provided to the City and (i) use all or any portion of the proceeds from the financial guaranty to reimburse the City pursuant to subsection (a) above; (ii) use all or any portion of the proceeds from the financial guaranty to satisfy any judgment the City obtains against the Developer pursuant to subsection (b) above; (iii) use all or any portion of the proceeds to reimburse the City pursuant to Section 11 (j) below; and (iv) hold all or any portion of the proceeds for a reasonable time for the future application as described in subsections (i), (ii) and (iii) of this paragraph.

10. Business Subsidy. As a condition of developing the Subject Property, Developer and City agree to the following terms:

- a. Subsidy. Developer acknowledges and agrees that it received a business subsidy from the City in the form of a reduced purchase price for the Subject Property. Pursuant to the City's appraisal, the Subject Property is valued at \$125,000. The City sold the Subject Property to Developer for \$1. The value of the subsidy is the difference between the appraisal value and the purchase price.
- b. Public Purpose. The public purposes for granting the subsidy are to create jobs within the City of Isanti and to increase the City's tax base.
- c. Subsidy Goals. Developer shall create a minimum of 12 full-time, or full-time equivalent, jobs within two years of the date of this Agreement. All jobs shall meet or exceed State minimum wage requirements. Developer shall continue to meet or exceed said employment goals for at least five years after the date of this Agreement. In the event these requirements are not met, Developer shall pay the City the amount of the subsidy in a single lump sum payment or as otherwise agreed to in writing by the parties.
- d. Statement of Need. Developer represents that without the business subsidy contemplated by this Agreement, Developer would not relocate its existing business to the City.

- e. Reporting. Developer shall provide reports to the City as required by Minnesota Statutes section 116J.994, subdivision 7, on forms provided by the City.

11. Miscellaneous.

- a. Invalidity of Any Section. If any portion, section, subsection, sentence, clause, paragraph or phrase of this Agreement is for any reason invalid, such decision shall not affect the validity of the remaining portion of this Agreement.
- b. Written Amendments Only. The action or inaction of the City or the Developer shall not constitute a waiver or amendment to the provisions of this Agreement. To be binding, amendments or waivers shall be in writing, signed by the parties, and approved by the City Council. The City's or the Developer's failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.
- c. Compliance with Laws and Regulations. If the City determines that the site plan does not comply with all City, State and Federal laws and regulations, the City may, at its option, refuse to allow any construction or development work on the Subject Property until the Developer does comply. Upon the City's demand Developer shall cease work until there is compliance.
- d. Mailbox Locations. If the Developer desires to construct a mailbox within the public right of way, the Developer agrees that the placement of a mailbox along public streets is subject to the approval by the Postmaster. Utility locates will be necessary.
- e. Boulevard and Wetland Restoration. The Developer shall be responsible for the cost of restoring all areas disturbed by the development grading operation in accordance with the approved Grading and Erosion Control plan. The Developer shall be responsible for the cost of cleaning any soil, earth, or debris from the wetlands within and adjacent to this Subject Property resulting from grading performed in the development of the Subject Property.
- f. Construction, Hours and Entrance Signs. The City restricts construction and delivery hours to Monday through Friday 7:00 a.m. to 9:00 p.m., weekends and holidays, 8:00 a.m. to 8:00 p.m. The Developer is required to provide a sign at each entrance point stating delivery and construction operation hours. Said signs are not to exceed 80 square feet in size and must be clearly visible at all times during the construction period.
- g. Construction Site Maintenance. The Developer shall adhere to all of the City ordinances relating to, but not limited to, dumping of garbage, site development, construction debris, open burning, etc. The City reserves the

right to withhold permits, inspections, or certificates of occupancy to correct violations relating to construction site maintenance.

- h. Estimated Cost. It is understood and agreed that cost amounts set forth in this Agreement as to Required Private Improvements, unless qualified as fixed amounts, are estimated. The Developer agrees to pay the entire cost of said improvements including interest, engineering and legal fees related thereto.
- i. Plat Approval Expenses. Not applicable.
- j. Reimbursement to the City. The Developer agrees to reimburse the City for all costs incurred by the City in defense or enforcement of this Agreement, or any portion thereof, including court costs and reasonable engineering and attorney's fees.
- k. Certificate of Occupancy. The term "Certificate of Occupancy" as used in this Agreement shall be defined as a document issued by the City's Building Official, which authorizes the structure to be used for its intended purposes.
- l. Notices. Required notices shall be in writing, and shall be either hand delivered to the Parties, its employees or agents, or mailed to them by certified or registered mail at the following address:

To Developer:
Gregory Swanson
Swanees Trucking LLC
10600 University Ave N.W., Suite 410
Coon Rapids MN 55448

To The City:
Josi Wood
City Administrator
City of Isanti
110 1st Ave. N.W.
Isanti, MN 55040

[The remainder of this page is intentionally left blank.]

The Developer:

Swanees Trucking LLC

By: _____,
Gregory Swanson

Its: _____

STATE OF MINNESOTA)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020,
by Gregory Swanson, _____ of Swanees Trucking LLC., a limited liability
company under the laws of the State of Minnesota on behalf of the company.

Notary Public

EXHIBIT A

Fees Payable to the City



Economic Development Authority Agenda

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
2. Approval of the Agenda
3. Approve minutes of August 5, 2020 regular meeting and August 18, 2020 special meeting.
4. Business Items
 - a. Presentation from Retail Strategies – Retail Academy
 - b. Appraisal EDA land 16.090.0140
 - c. Purchase commercial land discussion
5. Other Business/Updates/ Communications
 - a. Isanti Business Relief Grant Program
 - b. Update on Sale to BP Metals
 - c. Update on sale to UPS
6. Closed Session
 - a. Consideration of sale of EDA land pursuant to Minnesota Statutes Section 13D.05 Subd 3(c) and Subdivision of land for PID 16.124.0020
7. Adjournment

**Economic Development Authority
Meeting Minutes
August 5, 2020**

1. **Call to Order:** President Johnson called the meeting to order at 7:47pm
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Jeff Johnson, Steve Lundeen, Dan Collison, Paul Bergley, Jimmy Gordon, Luke Merrill. Absent: Justin Neilson. Staff present: Community Development Director Sheila Sellman, City Administrator Josi Wood, Finance Director Mike Betker, Assistant Finance Director Pam Dahlheimer, and Chief Muyres.
 - c. **Agenda Modifications:** None
2. **Approval of the Agenda:** Motion by Lundeen, second by Collison to approve. Motion passed 6-0
3. Approve Minutes of July 7, 2020 Regular Economic Development Authority Meeting: Motion by Merrill to approve, second by Collison to approve. Motion passed 6-0.
4. Business Items
 - a. **Resolution 2020-XXX 2021 crop lease award:** Sellman presented the bids, there was one bid, Calander Farms bid \$5,210 for the 2021 crop year. The board discussed that this is the parcel they would like to sell. Sellman indicated that the appraisal has been ordered and should be available at the next meeting. Motion by Lundeen, second by Collison to approve, motion passed 6-0.
 - b. **Discussion on subdividing a 15-acre lot the EDA owns 16.124.0020:** Sellman was seeking direction from the EDA on the possibility of subdividing this parcel into 5-acre lots. She mentioned there is a potential buyer if it is subdivided into smaller lots. The EDA agreed it would be good to subdivide if people are looking for smaller lots. Sellman suggested they can advertise “lots can be subdivided” and then the option is there but not to actually subdivide until there is a user. Motion by Lundeen, second by Collison to advertise “lots can be subdivided” motion approved 6-0. Sellman will reach out to the potential user.
 - c. **Call a public hearing for August 18, 2020:** Sellman explained there is a proposed buyer for the 2.5 acre EDA lot on East Dual, however the applicant wasn’t submitted in time to advertise for a public hearing therefore the request is for the EDA to call a public hearing to consider the sale. Motion by Lundeen, second by Collison to call for the public hearing, motion passed 6-0.
 - d. **Discussion on BP Metals:** Sellman explained that the owner of BP Metals has indicated due to Covid-19 he has laid off staff and therefore can’t meet the minimum job requirement of 20 employees as required by the subsidy agreement. The Board discussed that he will still bring 15 new jobs to the city and it will get the property back on the tax rolls. Collison stated that 15 jobs is still a good number. Merrill had concerns that everyone will want to make changes and he doesn’t want to see that happen with other agreements. The consensus was to allow the change and to bring the amended agreement to City Council.

5. Other Business / Updates / Communications
6. **Adjournment:** Motion by Bergley, second my Lundeen to adjourn. Motion passed 6-0 meeting adjourned at 8:01pm

Respectfully submitted

Sheila Sellman Community Development Director/EDA Secretary

**Economic Development Authority
Minutes August 18, 2020**

1. **Call to Order:** Chair Johnson opened the meeting at 8:07pm.
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** EDA Members present: Jeff Johnson, Jimmy Gordon, Steve Lundeen, Dan Collison, Paul Bergley, Luke Merrill, Justin Neilson. Staff present: Community Development Director Sheila Sellman.
 - c. **Agenda Modifications:** None
2. **Approval of the Agenda:** Motion by:
3. **Public Hearing**
 - a. Sale of EDA owned land located at XXX East Dual BLVD NE PID 16.125.0020 to Swanees Trucking LLC: Sellman reviewed the proposed development of Swanee Trucking who proposes to locate their trucking operations to Isanti. The request is to buy the shovel ready site for this development. Motion by Lundeen second by Collison to approve the sale of EDA owned land PID 16.125.0020, motion passed 7-0.
4. **Adjournment:** Motion by Lundeen, second by Bergley to adjourn, motion passed 7-0, meeting adjourned at 8:20pm.

Respectfully submitted EDA Secretary/Community Development Director Sheila Sellman.



Request for EDA Action

To: Mayor Johnson and Members of City Council
From: Sheila Sellman, Community Development Director
Date: October 6, 2020
Subject: Retail Strategies presentation -Retail Academy

Background:

Retail Academy is an award-winning service that was formed to provide tools, education, and guidance to communities seeking economic growth. Their aim at Retail Academy is to help each community identify their potential and provide the resources to achieve it.

Their process analyzes thousands of variables to identify immediate, short-term, and long-term opportunities. Through our analysis we generate a 50+ page market overview with specific executable strategies to enable the community to turn information in to results.

At the Retail Academy session, we deliver your community's analysis and strategy along with an informative educational course. The education covers topics and situations relevant to attracting new businesses. When you leave Retail Academy you will be armed with the information and knowledge to position your market as a primary destination for new retail and restaurants.

Request:

Staff is requesting consideration for this program.

Attachments:

None



Request for EDA Action

To: Mayor Johnson and Members of City Council
From: Sheila Sellman, Community Development Director
Date: October 6, 2020
Subject: Appraisal EDA Land 16.090.0140

Background:

The EDA requested an appraisal for EDA owned land located at Jackson Street NE and 299th Avenue PID 16.090.0140, the parcel is 66 acres and zoned Industrial. Nagell Appraisal Inc provided an update to the 2017 appraisal that was done. According to Nagell the property appraises at \$725,000. That is about \$10,984/acre. According to the report demand in more outlying locations are the periphery of the cities is still in oversupply.

Request:

Staff is seeking direction on what the EDA would like to do with this property

Attachments:

None

Report Type
Appraisal Report

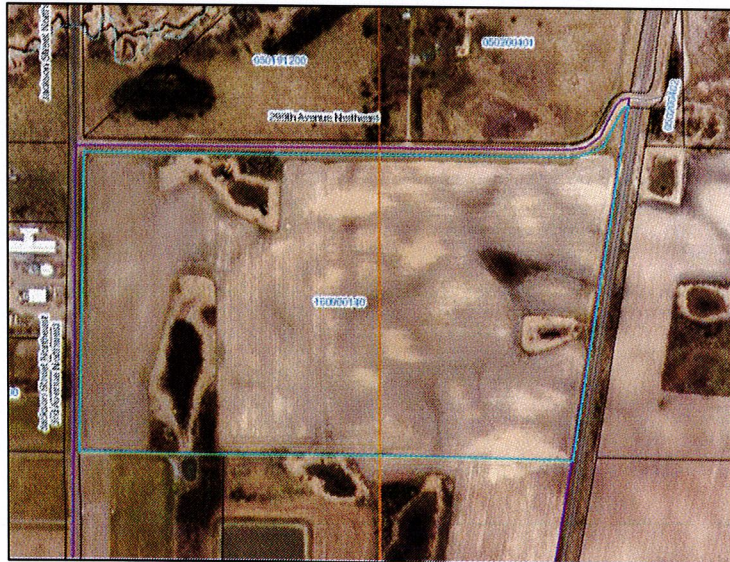
Effective Date
August 3, 2020

Client

City of Isanti EDA
Attn: Sheila Sellman, Community Developer Director
110 – 1st Avenue Northwest, PO Box 428
Isanti, MN 55040

Subject Property

Vacant Industrial Land
SEC Jackson Street NE & 299th Avenue NE
Isanti, Isanti County, MN 55040
Owner: Economic Development Authority & City of Isanti



File #L2007002

Prepared By:
Elizabeth Waytas, Appraiser
William R. Waytas, Appraiser

Nagell Appraisal Incorporated
12805 Highway 55, Suite 300
Plymouth, Minnesota 55441
Tel: 952.544.8966 | Fax: 952.544.8969

NAGELL APPRAISAL INCORPORATED

12805 Highway 55, #300
Plymouth, MN 55441
Established in 1968

Minneapolis: 952-544-8966
St. Paul: 651-209-6159
Central Fax: 952-544-8969

City of Isanti EDA
Attn: Sheila Sellman, Community Developer Director
110 – 1st Avenue Northwest, PO Box 428
Isanti, MN 55040

August 5, 2020

To Sheila Sellman:

In accordance with your request, an **appraisal report** has been made on the following described property:

Subject Property: Vacant Industrial Property
SEC Jackson Street NE & 299th Avenue NE
Isanti, MN 55040

Described below is a summary of the appraisal report contained herein.

Property Overview

This report reflects the data found and the opinions concluded from an appraisal of vacant industrial land located in Isanti.

The subject site consists of 66.06 acres, with approximately 60.41 useable acres. The highest and best use for the subject is considered to be speculation for a future industrial related development.

Note: The current economic situation has increased uncertainty due to risk of COVID-19. The stock market has experienced significant declines in recent weeks. Buyers could start to hold off on purchasing until more is known. In addition, COVID - 19 could start off a recession. The user of this report is reminded the conclusions are based on the effective date of the report. Future impacts to conclusions are unknown, uncertain, or unclear.

The appraiser has spoken with brokers, buyers, sellers, bankers, etc. It appears that most market participants are considering rent loss to provide tenants a break to stay in business. The extent of rent loss varies from 0 months to 9+ months. Owners are split on giving net rent breaks or gross rent breaks, however, buyers are more inclined to consider gross rent breaks. For this appraisal a total of **0 month's** mortgage payments will be deducted due to the subject being land and owned by the city. Going forward the impact of COVID-19 is unknown.

Report Use

Decision making regarding potential sale

Intended User(s)

City of Isanti EDA
Attn: Sheila Sellman, Community Developer Director

Extraordinary Assumptions

Appraised value assumes utilities can be connected to the site at reasonable costs.

Soil conditions assumed to be stable and can be built on; appraised value assumes no site contamination of any kind, if found to be otherwise appraised value could differ.

Hypothetical Conditions

None

Property Rights Appraised

- *Fee Simple*: The property is vacant land, as such, the appraised value reflects the fee simple interest.

Property Components Appraised

- *Real Estate*: The appraised value includes the real estate value opinion.
- *Furniture, Fixtures, & Equipment (FF&E)*: The appraised value does not include any values of fixtures, furnishings and equipment. The appraised value reflects real estate only.
- *Business Value*: The appraised value does not include business value.

Highest and Best Use Conclusions

- *As Vacant*: Industrial related use
- *As Improved*: Not applicable as the subject is vacant land.

Valuation Methodology

The highest and best use of the subject is the existing use with speculation for future residential development.

Given the highest and best use, the following approaches are used:

- *Cost Approach*: Not applied due to no building improvements.
- *Sales Comparison Approach*: Similar industrial land property sales.
- *Income Approach*: Not applicable as land like the subject is very rarely rented, which limits the reliability of this approach.

Letter of Transmittal – Continued

The property is legally described herein. The appraisal assumes that the property meets all current environmental standards. The appraisal analysis and conclusions are subject to certain limiting conditions and assumptions described herein. The final value opinion, as of **August 3, 2020**, is:

FINAL VALUE OPINION – Fee Simple Interest	\$725,000
--	------------------


Exposure Time / Marketing Time

Exposure Time:	Final values reflect "market exposure" time of under 1 year <u>before</u> the effective date of the appraisal. Changes in the market, use, lease and/or building subsequent to the effective appraisal date could impact value.
Marketing Time:	Marketing times for appropriately priced properties is generally 12 months +/-.

Our company has 11 employees, has been in business since 1968 and has sufficient knowledge, education, experience, resources and/or contacts to competently complete this assignment. The accompanying report contains data secured from my personal investigation and from sources considered to be reliable; however, correctness is not guaranteed. To the best of my knowledge and belief, the statements contained in this report are true and correct. Neither my employment to make this appraisal, nor the compensation, is contingent upon the value reported. This report has been prepared in conformity with the code of professional ethics and standards of professional appraisal practice of the Appraisal Institute and appraisal standards set forth by Uniform Standards of Professional Appraisal Practice.

Please contact us if you have further questions.

Sincerely,



Elizabeth Waytas
Trainee Appraiser MN 40672995



William R. Waytas
Certified General MN 4000813

www.nagellmn.com

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SUMMARY OF IMPORTANT FACTS & CONCLUSIONS



General Description:	Vacant industrial land
Appraisal Report:	Appraisal Report
Current Use:	Vacant land
Extraordinary Assumptions:	None
Hypothetical Assumptions:	None
Site Size:	66.06 acres
Year Built:	n/a, the subject is not improved
GBA:	n/a, the subject is not improved
Zoning:	I-1, Industrial Park District
Highest and Best Use:	Industrial related development
Property Rights Appraised:	Fee Simple
Business Value / FF&E:	No business value or FF&E included
Cost Approach:	Not Applicable
Sales Comparison Approach:	\$725,000
Income Approach:	Not Applicable
Final Value Opinion (as is):	\$725,000

VALUE TYPE, CONDITION & STABILITY OF PROPERTY

Type of Value:	This report provides an opinion of <u>Market Value</u> .
Condition of Value:	This report provides an opinion of the <u>as-is</u> value.
Occupancy:	The property is currently vacant land.

INTENDED USE OF THE APPRAISAL

Intended Use:	<p>The client intends to use the appraisal <u>for decision making purposes regarding a potential sale</u>.</p> <p>No party, other than the named client and listed intended users, may use or rely upon any part of this report without the prior written authorization of both the named client and the appraiser. This report is not valid unless it contains the original signatures in blue ink. Any unauthorized third party relying upon any portion of this report does so at its own risk.</p>
Intended User(s):	City of Isanti EDA Attn: Sheila Sellman, Community Developer Director

DATE OF APPRAISAL

Effective Date:	August 3, 2020
Inspection Date:	August 3, 2020
Date of Report:	August 4, 2020

SCOPE OF THE APPRAISAL REPORT

USPAP defines Scope of Work as: The type and extent of research and analyses in an assignment.

For each appraisal, appraisal review and appraisal consulting assignment, an appraiser must:

- 1) Identify the problem to be solved,
- 2) Determine and perform the scope of work necessary to develop credible assignment results; and
- 3) Disclose the scope of work in the report.

1) Provide a reasonably supported value opinion as it relates to the intended use & scope.

2) Per assignment request (see addenda for engagement letter), the following degree of research and analysis has been made. The narrative format used is an **Appraisal Report**, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2a of USPAP. See individual approaches for further detail.

The scope of work for this appraisal includes:

- **a) Property Identification:** Public record, plat maps, zoning maps and aerial photographs were used to identify the subject property.
- **b) Property Inspection:** A viewing of the subject property and neighborhood by the appraiser. *Physical factors:* Based on property viewing and conversations with the client, city and county officials. Lot size is based on county information. *Economic Factors:* Consisted of gathering of information from market experts, city and/or county offices, and internet about the region, community, neighborhood, zoning, utilities, and any pending projects in the area that may affect the subject property.
- 3) • **c) Extent of Data Researched:** Sales data of competing properties within the subject market area were given primary consideration. The most relevant data is used in this report. Sources include, appraiser data files, assessor, internet, developers, agents, MLS, periodicals, in-office library, etc. In addition, during the course of appraisal practice and of this appraisal process, the appraiser has had ongoing discussions with market participants (buyers, sellers, property managers, real estate agents/brokers, appraisers, etc.) and/or viewed market data in relation to how the current real estate market may impact the subject value. The appraiser has not researched the title or ownership records.
- **d) Type and Extent of Analysis Applied at Opinions or Conclusions:** An extensive review of market data was performed. The most recent, similar and proximate data has been used. The data used will be adjusted on a grid. Reasonable and appropriate collection, verification, analysis and viewing has been performed in the valuation approaches, given the purpose and intended use of the report. A final value opinion will be discussed and correlated.

The data used was obtained from sources considered credible, yet its accuracy is not guaranteed. If found otherwise, value could differ.

PROPERTY RIGHTS APPRAISED

Real property ownership consists of a group of distinct rights. There are two primary property rights, Fee Simple and Leased Fee (as defined by The Appraisal of Real Estate, 13th Edition, Appraisal Institute).

Fee Simple Interest: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Note: This would typically reflect an owner-occupied property. When the property rights appraised are the unencumbered fee simple interest of the real estate, the appraised value is subject to normal easements for drainage, public streets and utilities, if any. The effect of any existing mortgage or delinquent taxes on the subject property has not been considered in this appraisal.

Leased Fee Interest: The ownership interest held by a lessor (landlord), which includes the right to the contract rent specified in the lease plus reversionary right when the lease expires. The lessor's interest in a property is considered a leased fee interest regardless of the duration of the lease, specified rent, the parties to the lease, or any of the terms in the lease contract.

A leased property, even one with rent that is consistent with market rent, is appraised as a leased fee interest, not as a fee simple interest. Even if the rent of the lease terms are not consistent with market terms, the lease fee interest must be given special consideration and is appraised as a leased fee interest. (The Appraisal of Real Estate, 13th Edition, Page 114)

The subject is currently vacant land. Given the scope of the assignment and use of the report, the **Fee Simple** interest will be appraised.

PROPERTY COMPONENTS APPRAISED

Real Estate: The appraised value includes the real estate value opinion. The methods utilized for the real estate valuation include:

- Sales Comparison Approach

FF&E: The appraised value does not include personal property, FF&E, or inventory.

Business Value: There is no business value included in the appraised value.

IDENTIFICATION

Address:	SEC Jackson Street NE & 299 th Avenue NE, Isanti, MN 55040
County PID:	16.090.0140
Legal:	ISANTI CENTENNIAL COMPLEX OUTLOT H
Fee Owner:	Economic Development Authority & City of Isanti
Census Tract #:	1305.02

REAL ESTATE TAXES

Taxes, per County Records		
	Payable 2020	Payable 2021
Tax	\$0.00	n/a
<i>Tax ratio (includes special assessments)</i>	--	n/a
Special Assessments / Solid Waste Fee / Other	<u>\$0.00</u>	n/a
Total Tax & Assessments:	\$0.00	n/a
Delinquent taxes:	None noted, county records indicate taxes are current	

COUNTY ASSESSOR'S VALUE		
	Payable 2020	Payable 2021
Land	\$1,437,500	\$1,437,500
Building	<u>\$0</u>	<u>\$0</u>
TOTAL	\$1,437,500	\$1,437,500

Typical Tax Ratios by Property Type	
Commercial (retail, office, industrial, hotel, other, etc.)	1.5% – 4.0%
Residential (multi-family, apartment, etc.)	0.9% – 1.5%
Single-family dwellings	0.8% – 1.5%

The appraised value given in this report assumes any/all special assessments, and/or liens are paid in full and that there are no delinquent taxes, fees, payments, association dues, etc. Should it be found that any of these exist the amount should be deducted from the appraised value. Appraiser did not research these items; typically, a title search would reveal any of these.

Note: Assessed values for exempt properties can vary significantly.

SUBJECT SALES & BUILDING HISTORY

Listing History:	The subject is not currently listed for sale.	
Sales History:	Sale Price:	n/a
	Sale Date:	n/a
	Buyer:	n/a
	Seller:	n/a
	Terms:	n/a
	Source:	Public records, MLS
There are no known or reported sales of the subject property within the past 3 years.		
Pending Sale:	None apparent	
Building History:	None, the site is vacant.	
Lease History:	Per client, the land is leased to a farmer; however, the lease is year-to-year and can be terminated at any time if there is a sale. No lease documents provided.	
Leasehold Interest:	None apparent.	
Association Dues:	The subject is reportedly not part of an association or common interest community (CIC).	

REGIONAL DATA

Metro Area

Minneapolis-Saint Paul is the most populous urban area in Minnesota, and is composed of 186 cities and townships. Built around the Mississippi, Minnesota and St. Croix rivers, the area is also nicknamed The Twin Cities for its two largest cities, Minneapolis and Saint Paul. Saint Paul is the second largest city in Minnesota, as well as the state capital.

The area is part of a larger U.S. Census division named Minneapolis-St. Paul-Bloomington, MN-WI, the country's 16th-largest metropolitan area, composed of eleven counties in Minnesota and two counties in Wisconsin. This larger area, in turn, is enveloped in the U.S. Census combined statistical area called Minneapolis-St. Paul-St. Cloud, MN-WI with an estimated population of 3.5 million people in 2006, ranked the 13th most populous in the U.S.

In both of the fully developed central cities—Minneapolis and St. Paul—the population has declined due to smaller household sizes, yet growth in other areas of their counties has been more than offsetting. Below is detailed where this growth has occurred:

POPULATION							
County	Census 2000	Census 2010	Forecast 2018	Growth 2000 - 2010		Growth 2010 - 2018	
				total	annual	total	annual
Hennepin	1,116,200	1,152,425	1,259,428	3.25%	0.32%	9.29%	1.16%
Ramsey	511,035	508,640	550,210	-0.47%	-0.05%	8.17%	1.02%
Dakota	355,904	398,552	425,423	11.98%	1.20%	6.74%	0.84%
Anoka	298,084	330,844	353,813	10.99%	1.10%	6.94%	0.87%
Washington	201,130	238,136	259,201	18.4%	1.84%	8.85%	1.11%
Scott	89,498	129,928	147,381	45.17%	4.52%	13.43%	1.68%
Wright	89,986	124,700	136,349	38.58%	3.86%	9.34%	1.17%
Carver	70,205	91,042	103,551	29.68%	2.97%	13.74%	1.72%
Sherburne	64,417	88,499	96,036	37.38%	3.74%	8.52%	1.06%
Chisago	41,101	53,887	55,922	31.11%	3.11%	3.78%	0.47%
Total	2,837,560	3,116,653	3,387,314	9.84%	0.98%	6.35%	1.06%
Isanti	31,497	37,854	39,582	20.2%	2.0%	4.56%	0.6%

Source: US Census Bureau

Overall, the area has experienced moderate to good income growth. Annualized income growth of 2.5% to 3.5% is consistent with national averages.

MEDIAN HOUSEHOLD INCOME				
County	Census 2010	Estimate 2017	Growth 2010 - 2017	
			total	annual
Hennepin	59,236	71,154	20.12%	2.87%
Ramsey	50,136	60,301	20.27%	2.90%
Dakota	69,508	79,995	15.09%	2.16%
Anoka	65,771	76,796	16.76%	2.39%
Washington	77,239	89,598	16.00%	2.29%
Scott	77,314	93,151	20.48%	2.93%
Wright	66,833	77,953	16.64%	2.38%
Carver	80,173	93,095	16.12%	2.30%
Sherburne	69,971	83,895	19.90%	2.84%
Chisago	63,810	76,747	20.27%	2.90%
Isanti	57,260	67,565	18.00	2.57%

Source: US Census Bureau

Regional Data – continued

Economic Trends

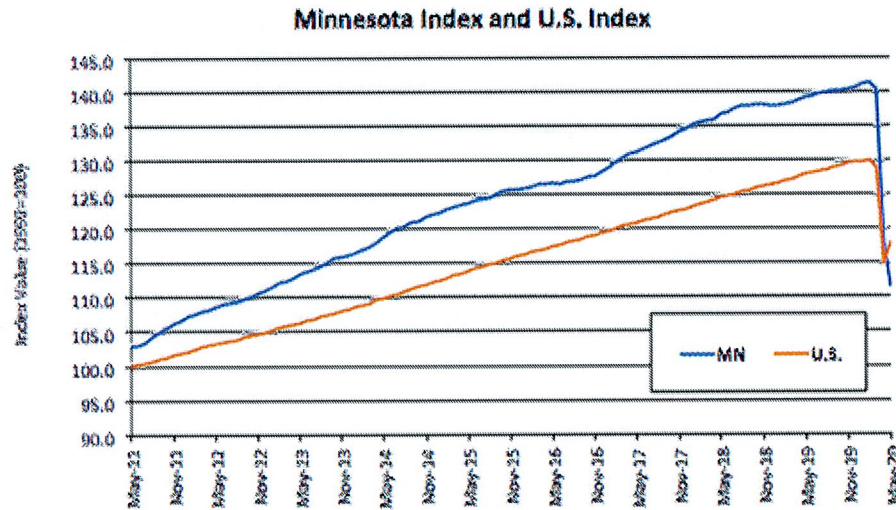
The current residential interest rates for a typical 30-year mortgage are approximately 3.25% to 4.75%. Commercial rates are approximately 4.0% to 5.25%. Rates are expected to be relatively stable for the foreseeable future.

The state of the macro economy (national, state, etc.) declined from its peak in 2006, but in 2010 began showing signs of recovery. Many economists are terming 2007 through 2009 as **“The Great Recession”**.

New construction labor costs have steadily increased, along with material costs as well. Overall, construction costs are less competitive to what they were 5 to 6 years ago. Generally, when vacancy is over 10%, new commercial/industrial construction is slow.

Listing prices have been increasing steadily since 2012 +/- and are starting to approach peak levels similar to the market in 2006, which was a period of high seller expectations. However, recent buyer and seller expectations regarding value and list prices appear to be trending towards equilibrium.

Although well diversified, the TCMA and surrounding Minnesota economy is not immune to the recent soft/declining trends of the overall economy.

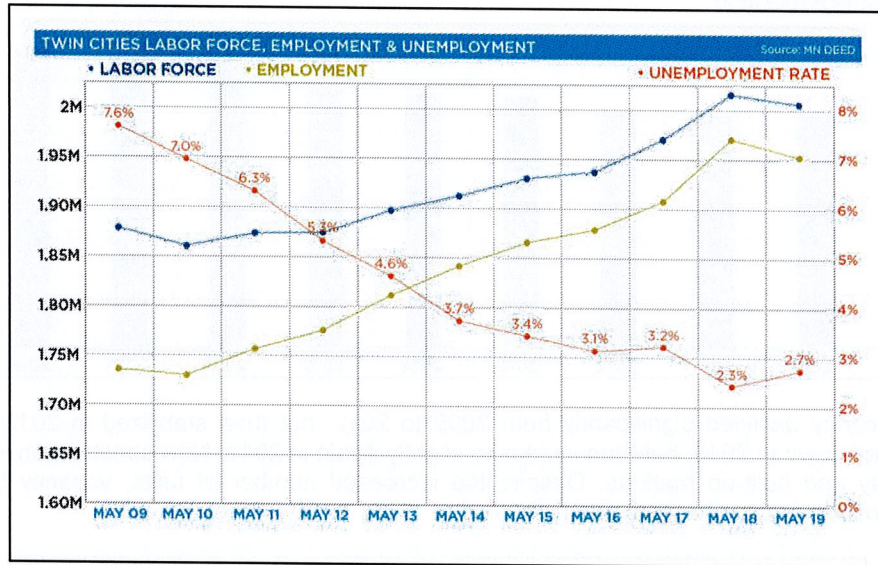


Source: Minnesota DEED

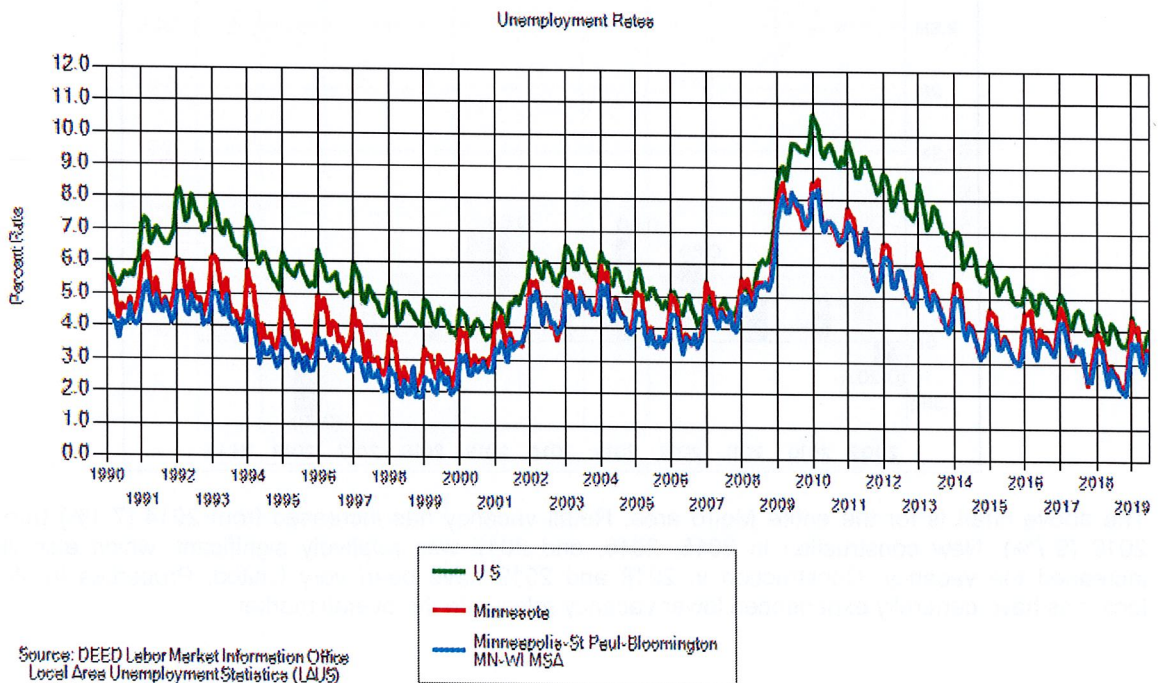
After plunging 15.7 percent in April, the Minnesota Index declined another 5.6 percent in May even though business restrictions to fight the spread of COVID-19 were gradually being lifted. While wage and salary employment increased in May other components of the index retreated. The state’s unemployment rate increase to a record high of 9.9 percent and average weekly manufacturing hours set a record low. The U.S. index increased 2.5 percent in May as other states started to reopen earlier than Minnesota.

Regional Data – continued

EMPLOYMENT & LABOR



Over the past ten years, unemployment rates have gone from a peak of around 7.2% to near historical lows of around 2% in 2018. Currently, unemployment is below pre-recession values. Low unemployment tends to reflect a healthy economy.

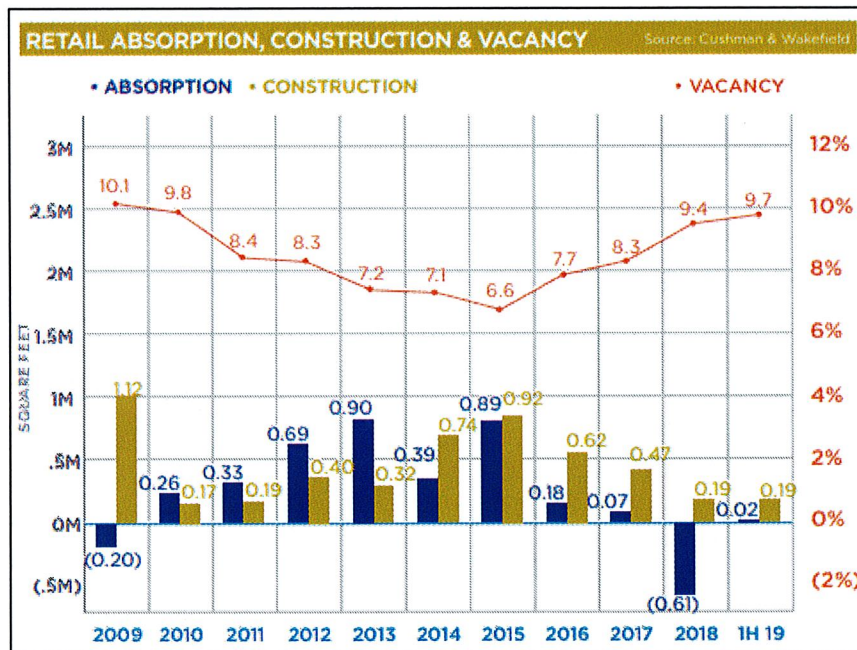


Regional Data – continued

COMMERCIAL REAL ESTATE - Vacancy Rates for Major Building Types

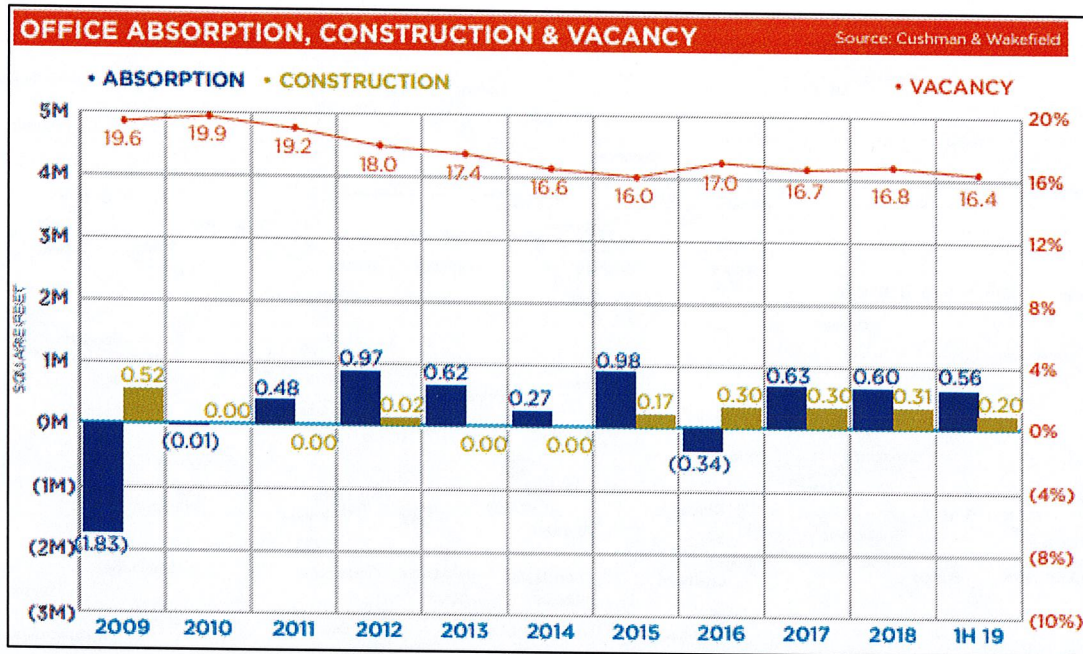


Apartment vacancy declined significantly from 2009 to 2012, but then stabilized in 2013 and onward. Vacancy dipped down in 2016, but then increased slightly again in 2017. New construction is taking place in good quality and built-up markets. Despite the increased number of units, vacancy has remained at/near historic lows and rental rates are increasing.

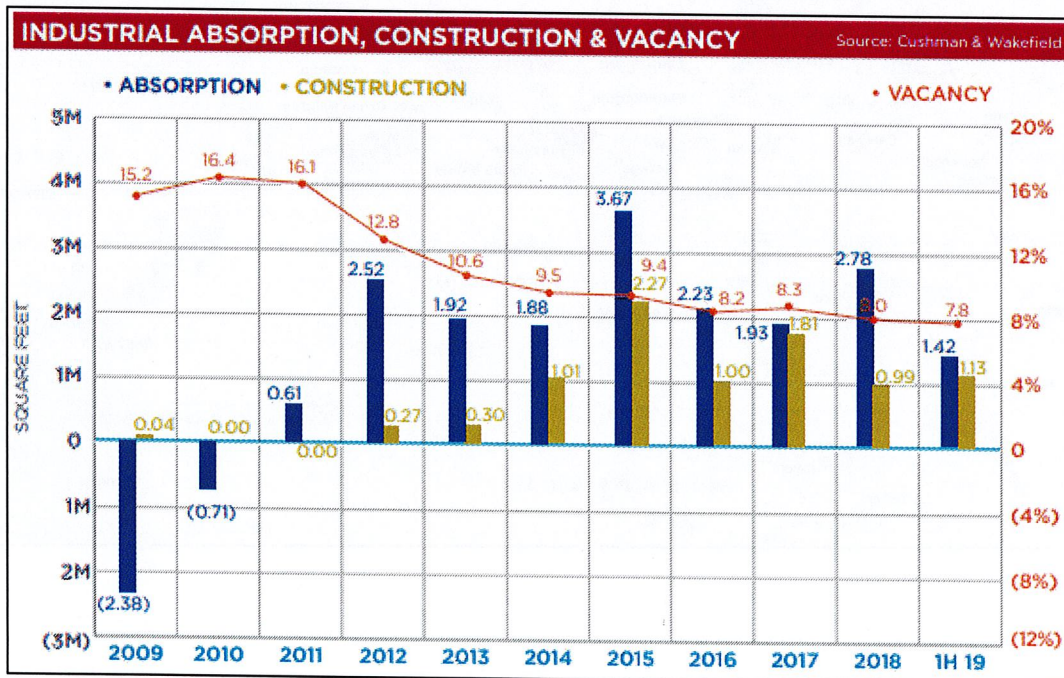


The above chart is for the entire Metro area. Retail vacancy has increased from 2014 (7.1%) through 2019 (9.7%). New construction in 2015, 2016, and 2017 was relatively significant, which also likely increased the vacancy. Construction in 2018 and 2019 have been very limited. Properties in strong locations have generally experienced lower vacancy relative to the overall market.

Regional Data – continued

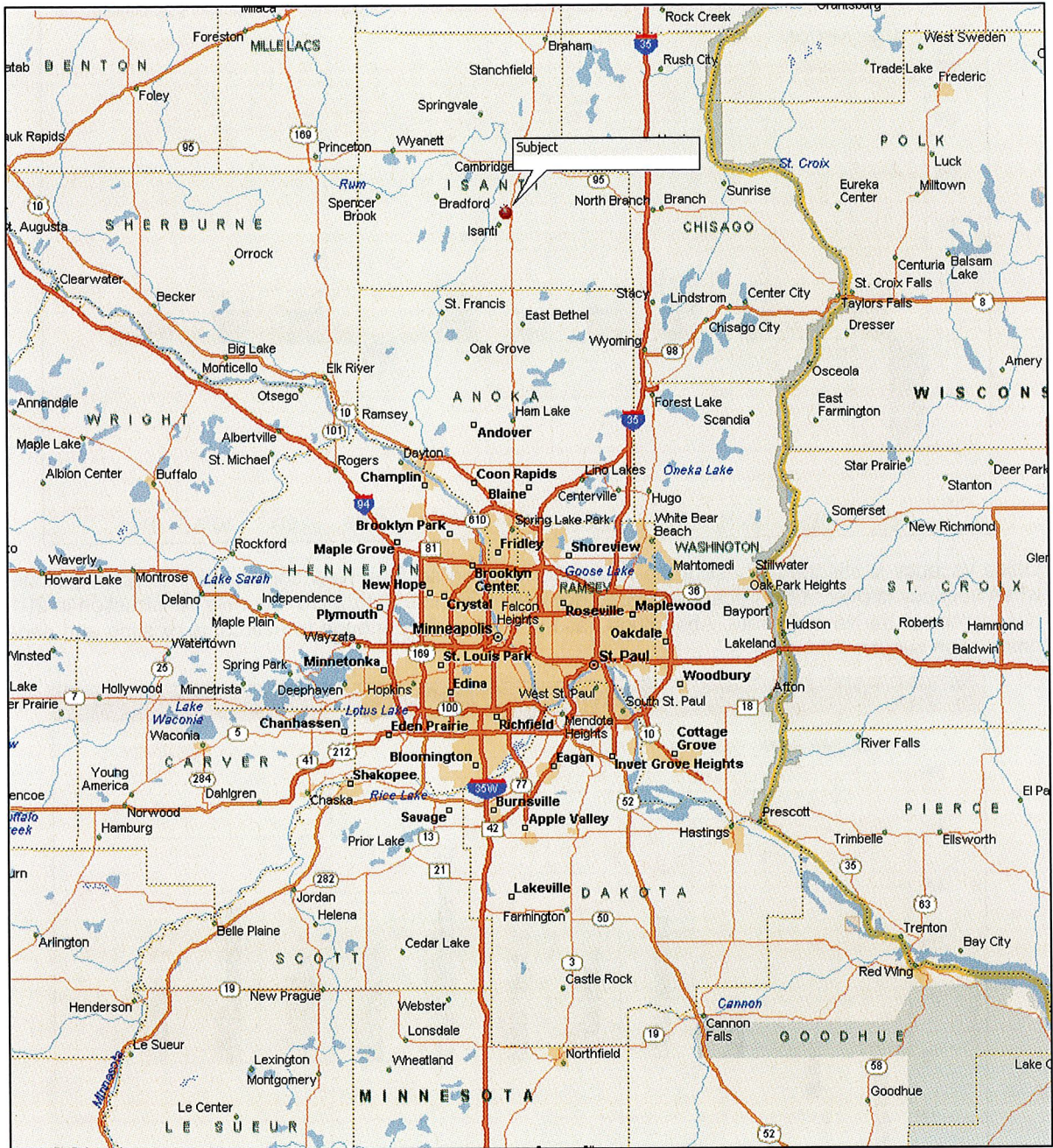


Office vacancy is still the highest of the four major building sectors. New construction is typically limited when vacancy is over 10%. Vacancy trended downward from 2010 to 2016, but new construction in 2016 has increased the vacancy rate. Absorption has not been strong enough to overcome existing and under construction supply.



Vacancy has been trending downward since a peak in 2010. Buildings with high clear height (24' +) tend to have stronger demand in the current market. Absorption has been positive since 2011. As construction has increased, this has led to a strong demand for industrial development land, which in turn has led to an increase in land prices.

REGIONAL MAP



CITY & NEIGHBORHOOD DESCRIPTION

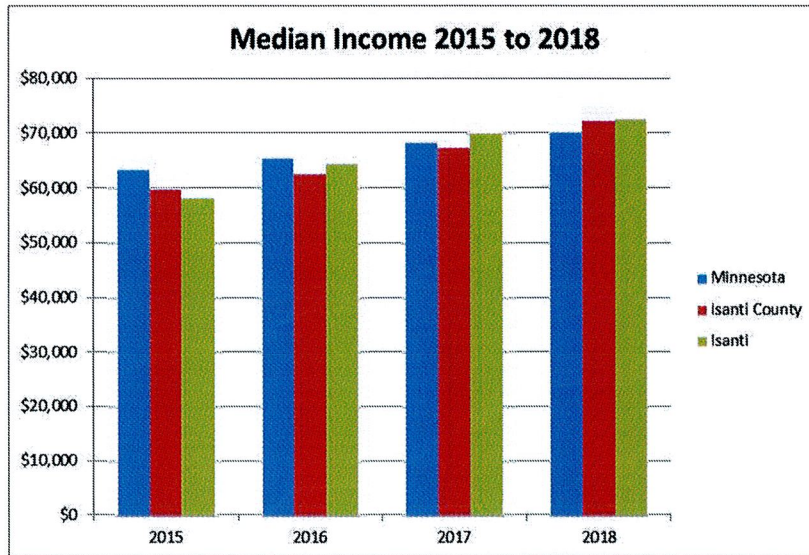
Type of neighborhood:	Outlying Suburban (subject location is rural, information reflects Isanti)	
Percent built-up:	55% developed	
Stage of Development:	Stable	
Redevelopment:	Limited to nil	
Neighborhood boundaries:	City Limits	
Major Transportation:	Highway 65	
Predominant type & conformity:	<i>Single Family Residential</i>	40%
	<i>Two- & Multi-Family</i>	5%
	<i>Commercial/Industrial</i>	10%
	<i>Other/Vacant Land/Public</i>	<u>45%</u>
	<i>Total:</i>	100%
	Average conformity.	
Reputation of the area:	Average	
Typical property age:	New to 90+ years, predominantly under 30 years	
Single-Family Home Sales:	\$100,000 to \$400,000+	
Apartment Sales:	\$30,000 to \$100,000+ per Unit	
Office Property Sales:	\$40 to \$150+ per SF	
Retail Property Sales:	\$40 to \$150 + per SF	
Industrial Property Sales:	\$10 to \$60+ per SF	
Capitalization Rates:	7-11% Historic	
Subject Market:	Stable	
Neighborhood Trend:	Stable	
Detrimental influences:	No major apparent	

The subject is located in Isanti, an outlying northern suburban community located about 45 minutes north of Downtown Minneapolis. Access to the area and surrounding communities is considered average as State Highway 65 runs through the city. Major shopping and commerce are within 15 miles and convenient. There are no apparent adverse influences.

City & Neighborhood Description – continued

Subject City:

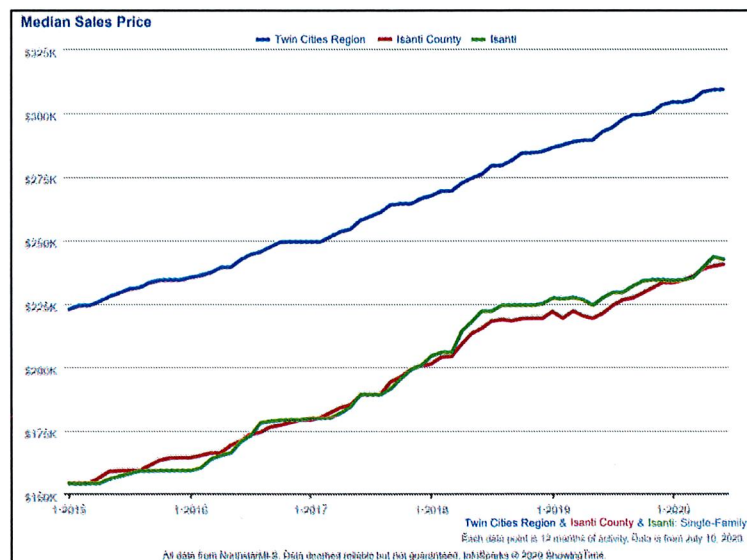
As of the 2010 census the population of Isanti was 5,251 in 2000 it was 2,324. This represents a net increase of **125.9%** from 2000 to 2010. Population in 2018 was 5,901, this represents a net increase of **12.4%** from 2010.



The median income for the city is above both state and county levels (per Census Bureau). Income has fluctuated over the time frame.

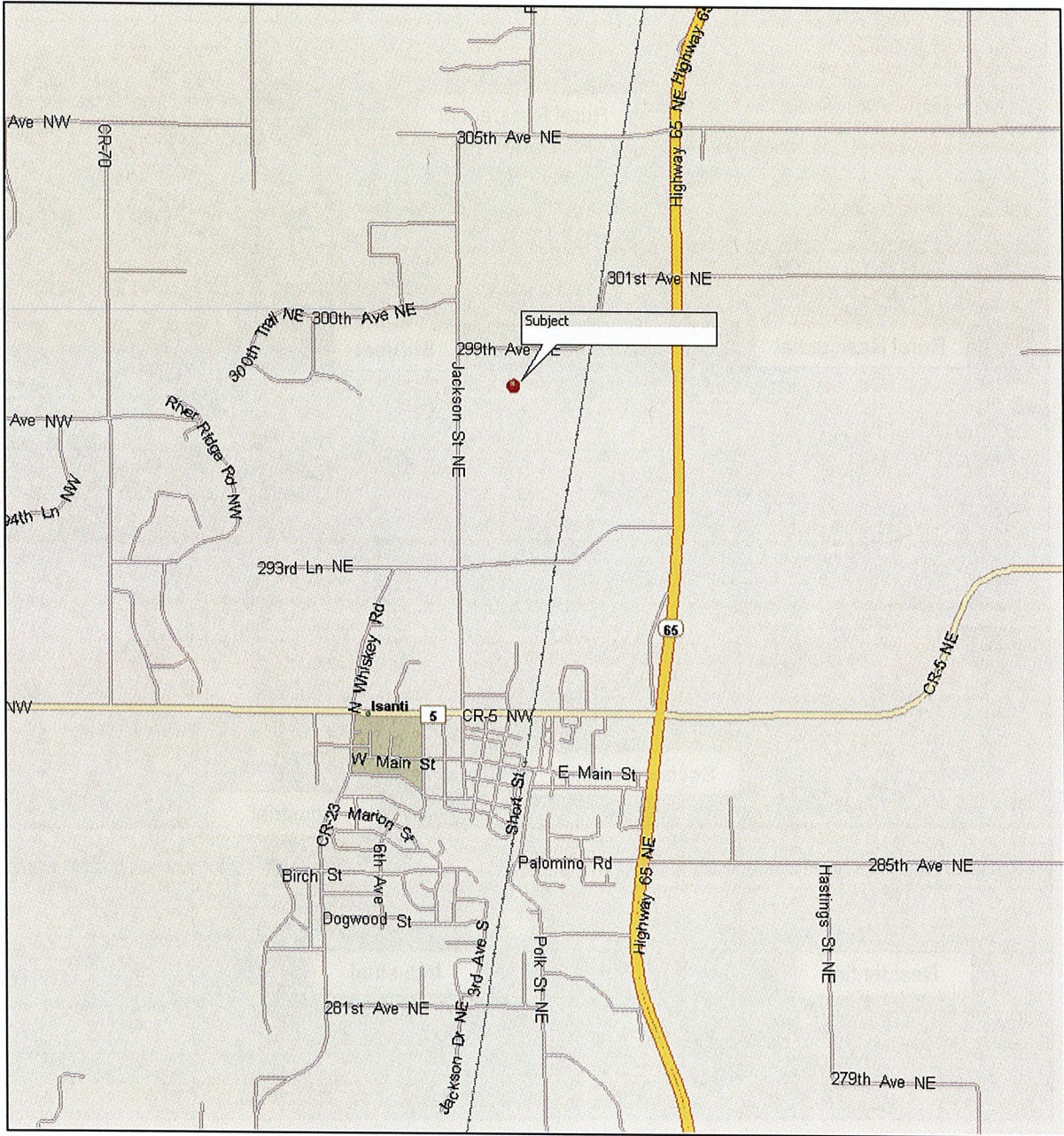
Median Home Prices: City of Isanti

Source: NorthstarMLS Stats

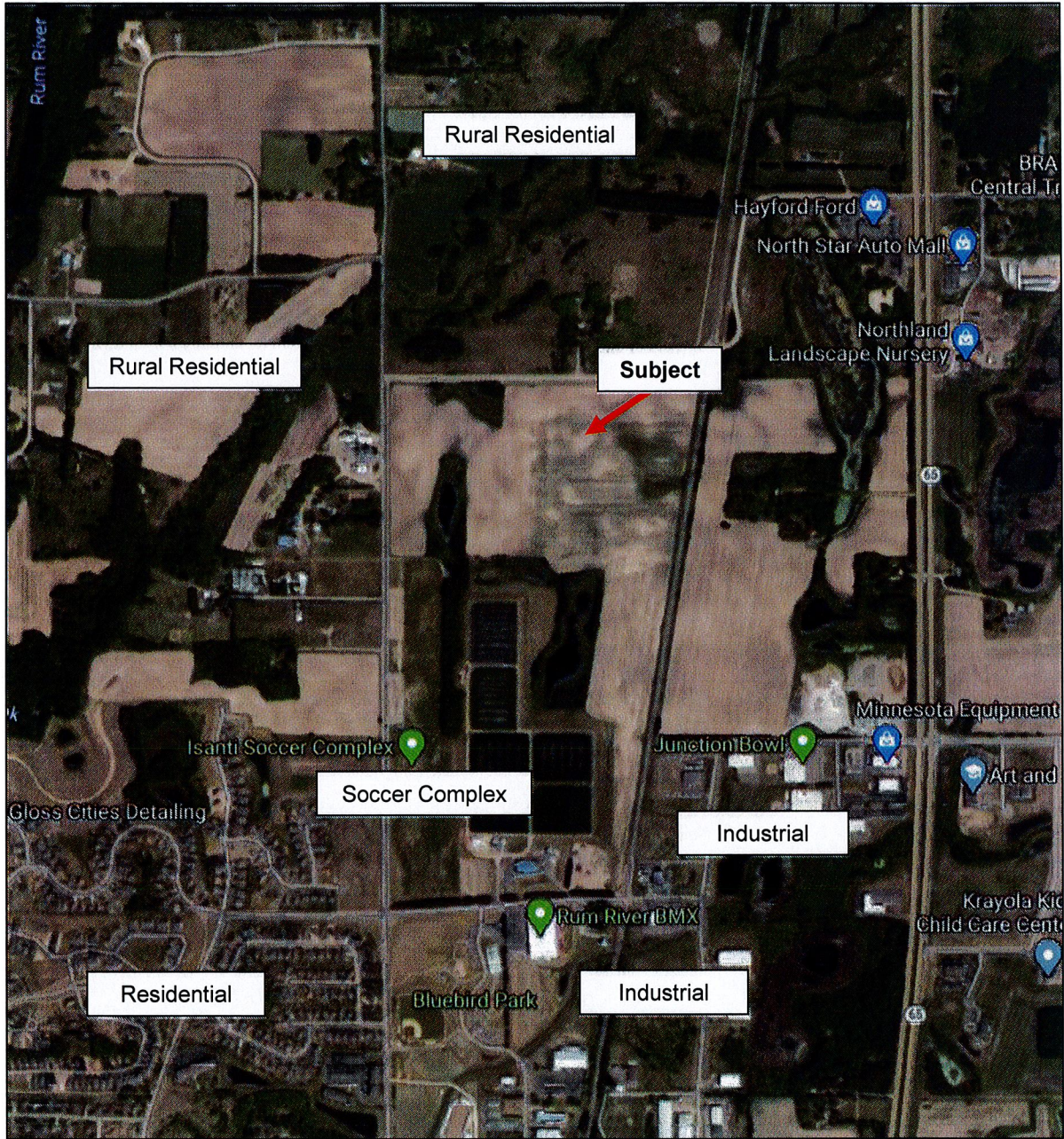


The median sale price for a single-family home in Isanti appears to be increasing over the years. It is fairly similar to Isanti County levels.

NEIGHBORHOOD MAP




SURROUNDING USES



Immediate surrounding uses consist primarily of industrial and rural residential.

SUBJECT MARKET CONDITIONS OVERVIEW

Market Conditions Overview is based on conversations with market participants, articles, publications and data. Listed below are pertinent conditions of the subject market.

Current Market						
	Location	Land Area	Home	List Date	Current List Price	\$/acre
	291 – 5 th Avenue NE, Isanti (owned by the city)	1.5 acres	Comm/Ind	Current	\$199,000	\$132,666 /acre
<p>Comments: Listing used due to being located in Isanti. The listing appears to be strong given it has been listed for 687 days. Limited listings of large industrial acreage in the subject's immediate area. See note below.</p>						

Industrial Raw Land Sales	\$10,000 to \$25,000+ per acre (depending on location, available utilities, etc.)
Market Supply	<p>Search Parameters: <i>Source: MLS Location: Minnesota Property Type: Industrial 30+ acres</i></p> <p>Search Results: Currently, there are 15 +/- offerings/available properties</p>
Market Absorption	<p>Search Parameters: <i>Source: MLS Location: Minnesota Property Type: Industrial 30+ acres</i></p> <p>Search Results: 3 +/- sales in the past year</p>
Supply & Demand:	Considering the above market data/statistics, and based on market observations, the <i>subject market is rated to be relatively stable.</i>
Marketing Time:	Market exposure times can vary based on seller motivations. Typically, 6-24 months.
Market participant comments/ observations:	Demand for land in appealing close-in locations such as Minneapolis, St. Paul, St. Louis Park, Edina, and numerous other Minneapolis areas is generally good. However, demand in more outlying locations around the periphery is still in oversupply. As residential development begins to return to said areas, development land should experience increased demand. NOTE: City is proposing to sell some of their inventory of existing industrial lots for \$1 each per city. While this pricing can attract buyers it limits the marketability of other industrial land in the area.
Overall Market Condition:	Stable , economists are talking about a potential recession occurring within the next 12 to 24 months.

SITE DESCRIPTION

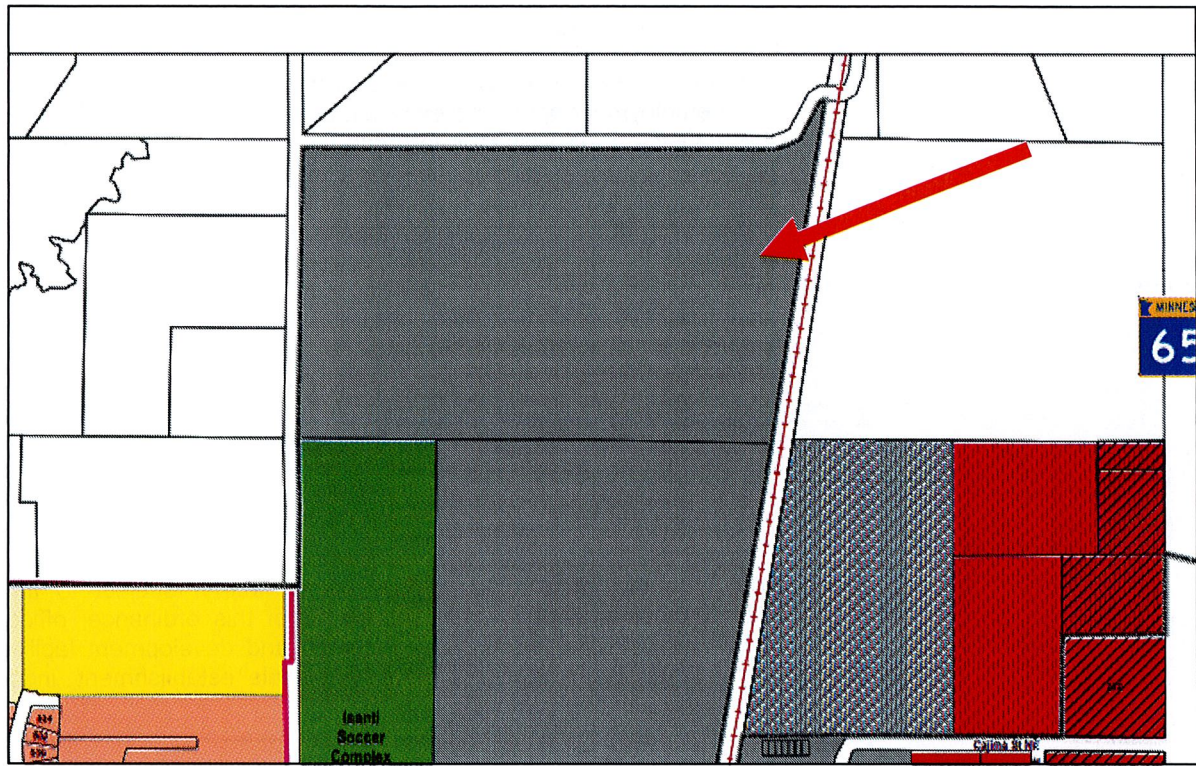
Dimensions:	Mostly rectangular, see plat map	
Gross Site Area:	66.06 acres, per County 5.65 acres, per National Wetlands Map DNR 60.41 acres, total useable acres	
Topography / Shape / Low:	Mostly level / Mostly rectangular / Approximately 5.65 acres	
Soil conditions / Drainage:	Assumed stable / Appears average	
Utilities:		
Electricity/Gas	Available	
Water/Sanitary Sewer	Nearby	
Off-Site Improvements:		
Street/Curb/Gutter:	Bituminous / Surface	
Sidewalk/Alley:	Yes, asphalt / None	
Visual Road Condition:	Average	
Street Lights/Storm Sewer:	Standard / Surface	
Access to site (#) / Frontage:	Jackson Street Northeast, 299 th Avenue Northeast	
Visibility/Exposure:	Average / Average	
Flood hazard zone:	Appears no, see following flood map	
Bus Line:	None	
Apparent Easements:	Typical utility and drainage apparent	
Encroachments/Conditions:	None noted	
Surplus/Excess Land:	None noted	
Land to Building Ratio:	n/a	
Use / Functional Adequacy:	Vacant land / Average	
Surrounding Uses:	N – Rural Residential	S – Public works
	E – Rural residential	W – Rural residential
Distance to Major Road:	Less than a mile west of Highway 65 access	

Comments: The subject is located at the corner of Jackson Street Northeast and 299th Avenue Northeast. Immediate surrounding uses consist primarily of rural residential and industrial. There are railroad tracks that run along the eastern border of the subject, there appears to be no spurs leading to the site. No apparent unusual conditions, adverse easements or encroachments are noted.

ZONING

Subject Zoning:	I-1, Industrial Park District
Intent (city code):	The I-1, Industrial Park District is established, in an effort to expand upon employment opportunities within the community, The purpose of the Industrial Park District is to group industrial uses in locations that have adequate and convenient access to major streets, highways and the railroad line. While the City is predominantly residential in character, industrial uses are an important part of the City's land use pattern. Regulations encourage the development of industrial uses that are compatible with surrounding and abutting land uses. In order to accomplish this compatibility, development within the district is intended for administrative, wholesaling, manufacturing, warehousing, office, and related uses which can maintain high standards of appearance, through building design, site design, and landscaping / screening, and not require a high level of public services. With proper control, these areas should be compatible with commercial or residential areas.
Permitted Uses:	Building maintenance service; contractors shop; essential services; light manufacturing; motor vehicle repair facility, subject to those standards as provided within section 13 of this ordinance; office – showroom; office – warehouse; research and development facilities; warehouse; water treatment plant; wholesale establishment, indoor; adult establishments; etc.
Conditional Uses:	Ambulance service; broadcasting and recording studio; commercial recreation (indoor only); contractors yard; ground transportation service; heavy manufacturing; household maintenance and small engine repair facility, subject to those standards as provided within section 13 of this ordinance; medium manufacturing; motor vehicle body shop; outside storage (permanent); public buildings / uses; recycling collection centers; scrap operations (indoor only); self-storage facilities; telecommunication facilities; truck freight terminal; wholesale establishment (outdoor); wind energy conversion systems; distillery; micro distillery; etc.
Major Building Restriction/ Requirements in this district:	Minimum lot size: 0.5 acres Minimum front yard setback: 30 feet Minimum side yard setback: 15 feet Minimum rear yard setback: 30 feet
Parking:	Varies depending on use.
Use:	The subject is vacant land.
Future Land Use:	Public/Semi-Public
Source:	<i>Zoning map, city code</i>

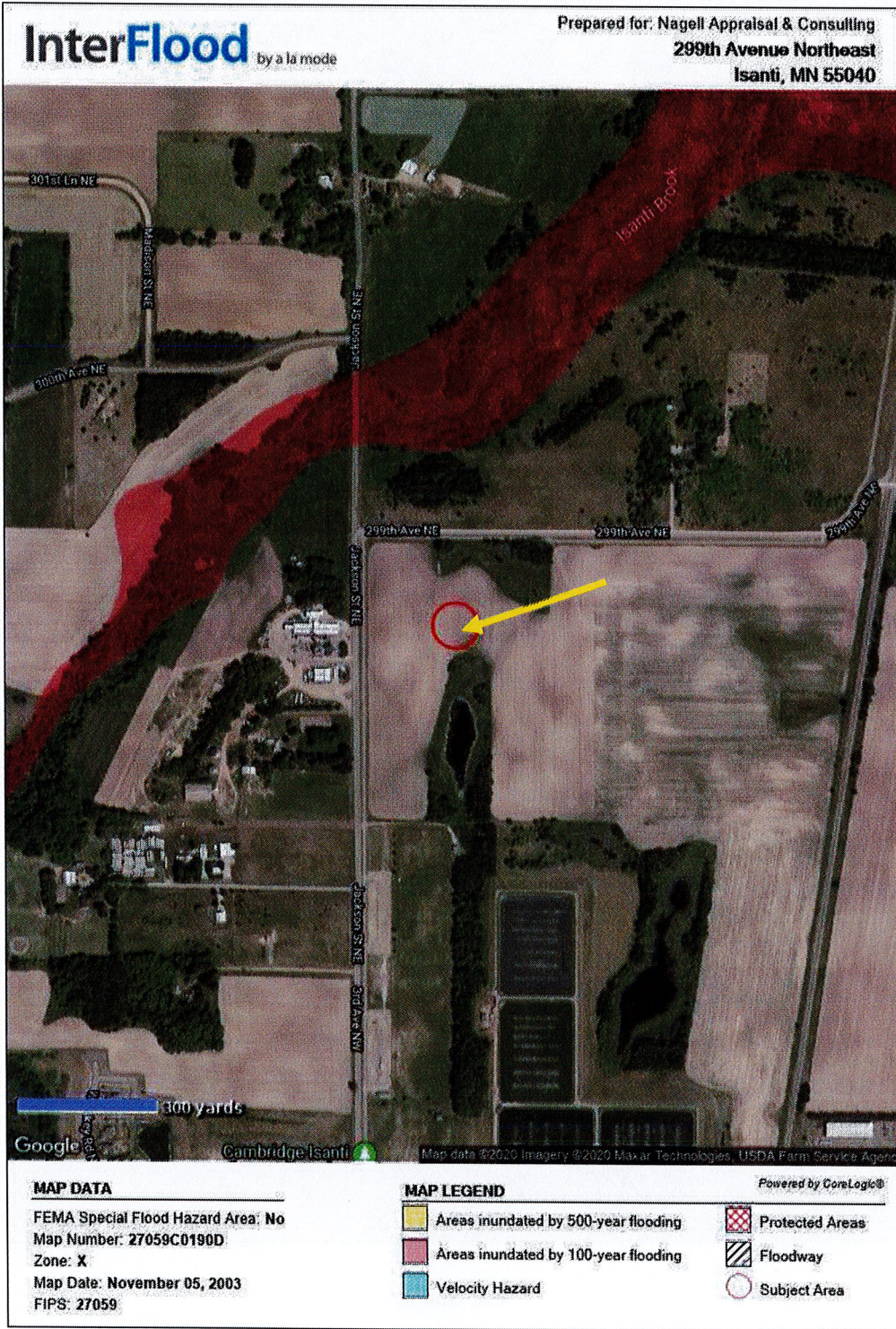
ZONING MAP



- "R-1" Single-Family Residential
 - "R-2" Single-Family Residential
 - "R-3A" Low Density Multiple-Family Residential
 - "R-3B" Medium Density Multiple-Family Residential
 - "R-4" Multiple-Family Residential
 - "B-1" Central Business District
 - "B-2" General Business District
 - "B-3" Neighborhood Business District
 - "CBT-1" Central Business Transitional District
 - "CBT-2" Central Business Transitional District
 - "RC" Recreational Commercial
 - "I-1" Industrial Park District
 - Park/Open Space
 - MN DNR Land
 - Storm Water Pond
 - B-2 Tier 1
 - I-1 Tier 1
 - R-1 Tier 1
- Overlay Districts**
- Planned Unit Development
 - D-1 Downtown Overlay
 - S-1 Rum River Scenic Overlay
 - TH 65 Overlay



FLOOD MAP



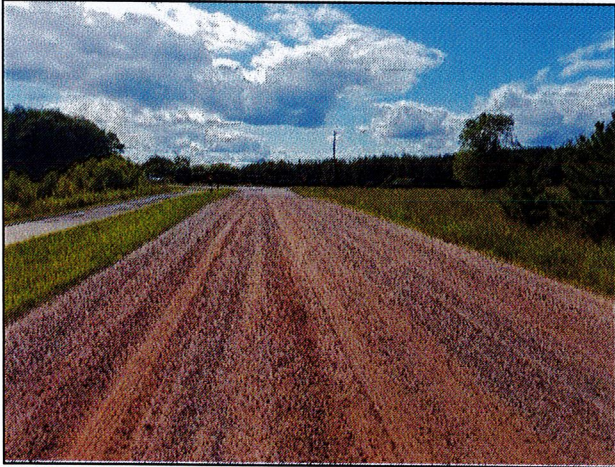
The subject is not located within a flood zone.

AERIAL / PLAT MAP



Per County

SUBJECT PHOTOGRAPHS



Looking west on 299th Avenue Northeast



Looking east on 299th Avenue Northeast



Looking south on Jackson Street Northeast



Looking north Jackson Street Northeast

Subject Photographs – Continued



Site view



Site view



Site view



Site view

Subject Photographs – Continued



Site view



Site view



Site view



Site view

HIGHEST AND BEST USE

Highest and best use as defined in The Appraisal of Real Estate, Thirteenth Edition, by the Appraisal Institute, is: "The reasonably probable and legal use of vacant land or an improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value." Highest and best use is analyzed in two ways, site as vacant and site as improved.

Typically, there are four criteria in highest and best use analysis	
Legally permissible uses	<i>What uses are allowed by zoning?</i>
Physically possible uses	<i>What uses are physically possible on the site?</i>
Financially feasible use	<i>Which possible and permissible uses will produce a positive return?</i>
Maximally productive use	<i>Of the financially feasible uses, which use produces the highest return warranted by the market (the ideal improvements)?</i>

Site as Vacant: Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. *The Dictionary of Real Estate Appraisal, Fifth Edition, by the Appraisal Institute.*

Legally Permissible Uses: The subject is zoned I-1, Industrial Park District, which allows for a variety of industrial related uses.

Physically Possible Uses: The physical characteristics of the site appear suitable for an industrial related use.

Financially Feasible Uses: Typically, surrounding uses, market demand, and availability of financing drive financially feasible uses.

Surrounding Uses: Immediate surrounding uses consist primarily of rural residential and industrial related uses. The surrounding uses would support an industrial related use.

Financing: Over the past 3+ years, financing has loosened up since the "Great Recession". However, borrowers typically must be well qualified with 20% to 30% down. SBA loans are popular for owner-occupied buildings. Also 5-year balloons with 20-year amortizations are very popular with interest rates around 4.0% to 5.5%.

Market Demand: Demand for industrial land is rated to be fair as supply exceeds demand. As such, the city is currently selling some of their industrial lots for a \$1 each. Per Shella at the city adm. will be proposing to sell a 2.5 acre industrial lot for \$1; a 4.86 acre lot which is in negotiations with BP Metals for \$1. Also, there is a 1.21 acre site being proposed to sell at \$1. There is going to be a proposal to the Council to split a 15.49 acre parcel into 3 lots, which would be at a \$1 each.

Financially Feasible Uses: An industrial related use with affordable land prices.

Highest and Best Use – Continued

Maximally Productive Use:

A typical market participant might consider the following options:

- 1) **Split off lots:** This option is possible (as allowed by zoning); however, limited development occurring within the immediate area and lot splits could lessen the appeal for potential outdoor storage. Holding costs could be costly.

- 2) **Current agriculture use:** This option is considered to be an interim use and to speculate for industrial related development as market demand warrants and zoning allows. The site is considered to have limited marketability at this time with the current \$1 price of city lots. As noted above there is about 6 lots of inventory. Given the city lots for sale and outlying location, development timing could be in the 3-7+ years for the subject.

Given the above, option 2 appears to be the most probable. As such, the highest and best use of the subject is to speculate for an industrial related use as market demand warrants and zoning allows.

Site as Improved: The use that should be made of a property as it exists. An existing improvement should be renovated or retained as so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. *The Dictionary of Real Estate Appraisal, Fifth Edition, by the Appraisal Institute.*

This analysis is not applicable as the subject is vacant land.

Most Likely Buyer: Investor/developer (mid to long term speculation)

COST APPROACH

The subject is vacant land, the Cost Approach is not considered an applicable indicator of value and therefore was not applied.

INCOME APPROACH

Vacant residential land is typically not rented in the market. Given the lack of applicable data, the Income Approach was considered less reliable and was therefore not applied.

SALES COMPARISON APPROACH

The Sales Comparison Approach to Value is predicated upon sales of properties with similar characteristics as the subject. The primary premise of this approach is that the market value of the subject is directly related to the prices of competing properties after adjustment. Adjustments are made in an effort to account for significant differences.

Supply and Demand: Sales in the market result from negotiations between buyers, sellers and lenders. Buyers reflect market demand and sellers supply. If demand is high, prices tend to increase, if it is low, prices usually decrease.

Substitution: The principle of substitution holds that the value of a property tends to be set by the price paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time (The Appraisal of Real Estate, 14th Edition). The Sales Comparison Approach is less reliable if substitute properties are not available in the market. There are adequate sales to apply the sales comparison approach and formulate a reliable indication of market value.

Balance: The market tends to force a balance between supply and demand. Balance can change due to shifts in population, variations in purchasing power, consumer tastes and preference and time.

Externalities: When possible, select comparables with similar location, economic conditions and support facilities.

The Following Outline Is Used In The Sales Comparison Approach:

- A location map of the comparable sales.
- Comparable sales are listed.
- An adjustment grid using the comparable sales.
- A discussion of adjustment and conclusion of value.

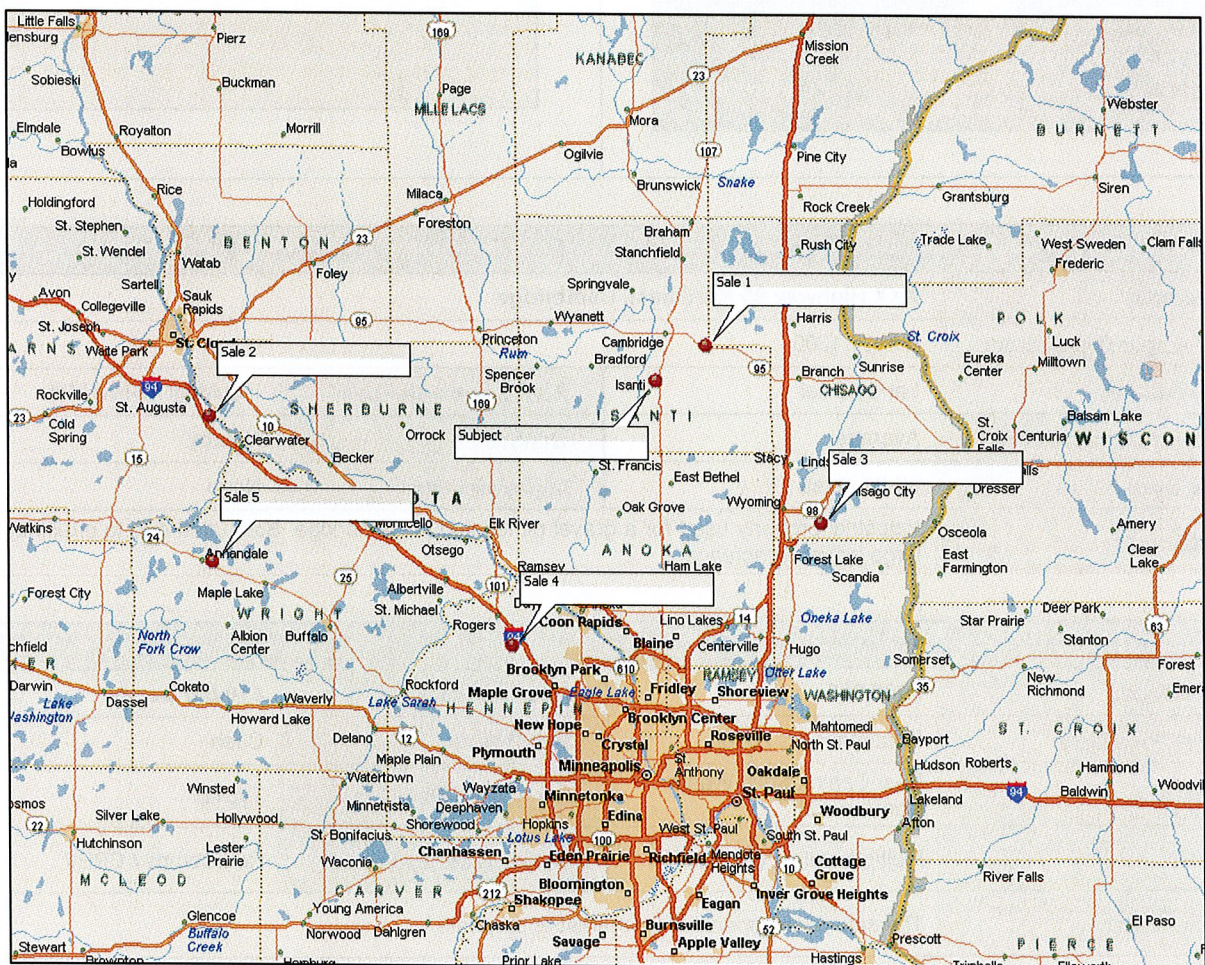
Valuation Methodology:

Vacant industrial land.

Comparable Location Map

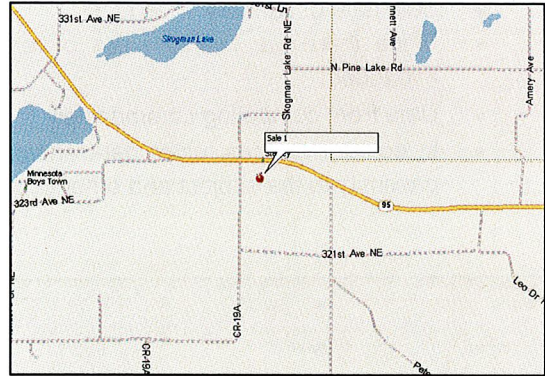
Primary Comparable Selection/Search Criteria:

- Vacant industrial land sales
- Sale date of January 1, 2017 +
- Since there are limited sales of large industrial acreage sites, the scope of search area is expanded.
- Data from competing communities
- In some instances, older data and/or data from competing communities will be utilized due to proximity to the subject and other characteristics similar to the subject.



Sales Comparison Approach -- continued

Land Sale Comparable #1

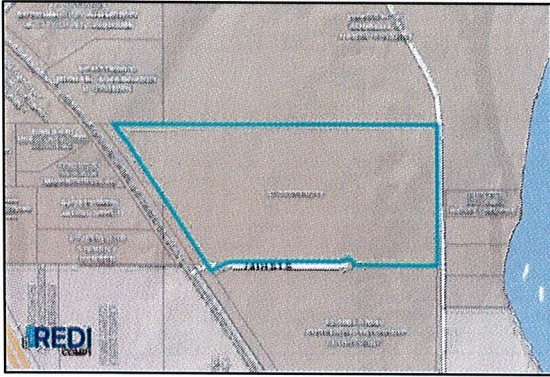


<u>Property Data</u>			
Address:	XXX Highway 95 Northeast, Cambridge		
PID/Legal Description:	05.001.1300		
Description:	Land parcel	Zoning/Intended Use:	Industrial / Gravel Pit
Physical Characteristics:	Average	Utilities:	Nearby
Site Size:	36.91 acres	Improvements:	None
Comments:	Industrial property used for a gravel pit located in Cambridge. Sale used due to proximity and large industrial acreage.		

<u>Sale Data</u>			
Sale Price:	\$400,000	Price / Useable Ac:	\$10,837 per Ac
Sale/Close Date:	December 31, 2018	Sale Terms:	Cash
Buyer:	East Central Solid Waste Commission	Sale Conditions:	Typical
Seller:	Multiple sellers (in file)	Source/Verification:	RediComps / CREV
Comments:	The sale price appears to be market appropriate.		

Sales Comparison Approach -- continued

Land Sale Comparable #2



Property Data

Address:	XXX 74th Street South, St. Augusta		
PID/Legal Description:	82.50617.0248		
Description:	Land parcel	Zoning/Intended Use:	Industrial
Physical Characteristics:	Average	Utilities:	Available
Site Size:	79.72 acres	Improvements:	None
Comments:	Vacant industrial land located in St. August. The lot has since been split and is to be developed with an industrial property.		

Sale Data

Sale Price:	\$2,178,000	Price / Useable Ac:	\$27,321 per Ac
Sale/Close Date:	December 13, 2017	Sale Terms:	Cash
Buyer:	Mark & Chris Coborn Real Property Family Partnership	Sale Conditions:	Typical
Seller:	Multiple sellers (in file)	Source/Verification:	RediComps / CREV
Comments:	The sale price appears to be market appropriate.		

Sales Comparison Approach -- continued

Land Sale Comparable #3

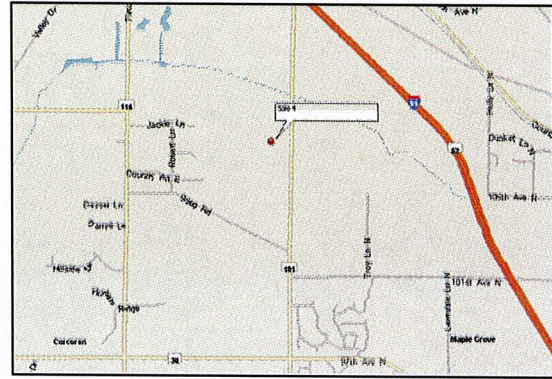
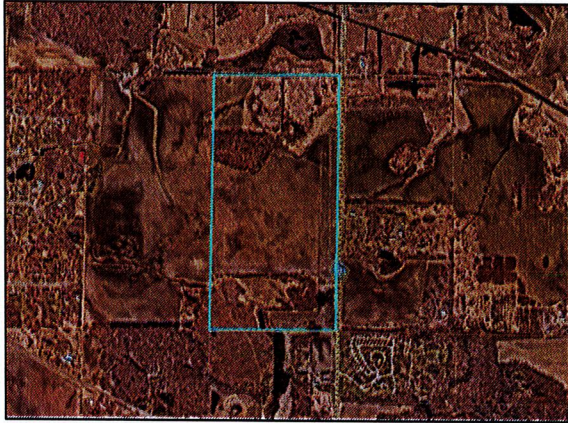


<u>Property Data</u>			
Address:	8785 Green Lake Trail, Forest Lake		
PID/Legal Description:	13.10458.00		
Description:	Land parcel	Zoning/Intended Use:	Industrial
Physical Characteristics:	Average	Utilities:	Private
Site Size:	41.36 acres	Improvements:	Nominal
Comments:	Industrial land located in Forest Lake. There are building improvements which are considered to have nominal value.		

<u>Sale Data</u>			
Sale Price:	\$565,000	Price / Useable Ac:	\$13,661 per Ac
Sale/Close Date:	December 26, 2019	Sale Terms:	Cash
Buyer:	CLH, LLC	Sale Conditions:	Typical
Seller:	Estate of Elizabeth J Pliscott	Source/Verification:	RediComps / CREV
Comments:	The property was listed on the open market.		

Sales Comparison Approach -- continued

Land Sale Comparable #4



Property Data

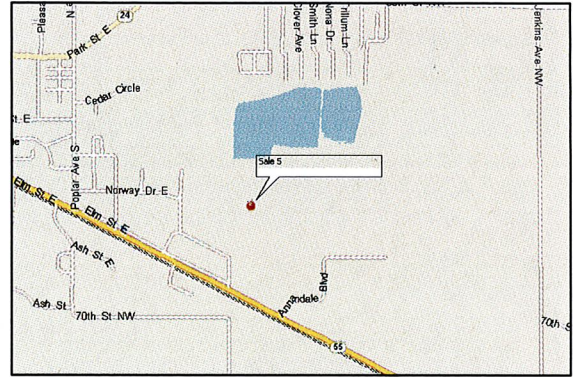
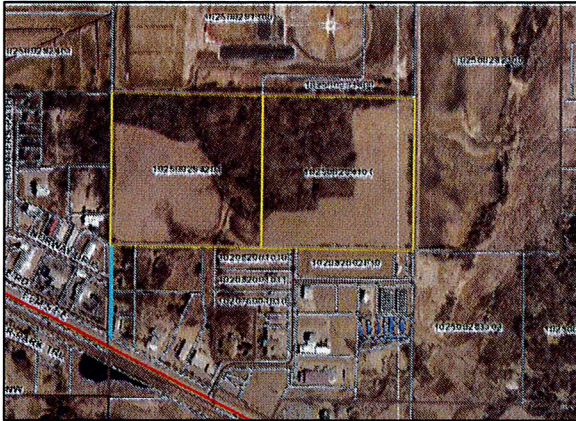
Address:	10585 County Road 101, Corcoran		
PID/Legal Description:	01-119-23-11-0001		
Description:	Land parcel	Zoning/Intended Use:	Industrial
Physical Characteristics:	Average	Utilities:	Available
Site Size:	65 acres	Improvements:	None
Comments:	Vacant industrial land located in Corcoran. The site has approximately 78.85 total acres; however, approximately 65 are useable.		

Sale Data

Sale Price:	\$1,500,000	Price / Useable Ac:	\$23,077 per Ac
Sale/Close Date:	July 31, 2019	Sale Terms:	Cash
Buyer:	Craig Scherber & Associates, Inc.	Sale Conditions:	Typical
Seller:	Multiple sellers (in file)	Source/Verification:	MLS / CREV
Comments:	The property was listed on the open market.		

Sales Comparison Approach -- continued

Land Sale Comparable #5



<u>Property Data</u>			
Address:	100 Annandale Boulevard, Annandale		
PID/Legal Description:	102-500-294101, 102-500-94201, 102-500-294309		
Description:	Land parcel	Zoning/Intended Use:	Ind/Comm/Ag/Res
Physical Characteristics:	Narrow driveway	Utilities:	Available
Site Size:	77 acres	Improvements:	None
Comments:	Vacant industrial/commercial/agricultural/residential land located in Annandale. Immediate surrounding uses are primarily industrial, an industrial related use would be supported. The site has 80 total acres; however, approximately 77 are useable.		

<u>Sale Data</u>			
Sale Price:	\$961,500	Price / Useable Ac:	\$12,487 per Ac
Sale/Close Date:	April 5, 2019	Sale Terms:	Cash
Buyer:	Independent School District 876	Sale Conditions:	Typical
Seller:	Trace Developers LLC	Source/Verification:	MLS / CREV
Comments:	The property was listed on the open market.		

Sales Comparison Approach – Continued

Listed below is the adjustment grid for the comparables listed on the previous pages. Comparable items of significant difference are adjusted for:

Description	Subject	1	2	3	4	5
Address	Jackson Street NE 299th Avenue NE Isanti	XXX Highway 95 NE Cambridge	XXX 74th Street S St. Augusta	8785 Green Lake Trail Forest Lake	10585 County Road 101 Corcoran	100 Annandale Blvd Annandale
Proximity	Subject	5.57 mi SW	42.09 mi W	20.51 mi SE	28.35 mi SW	44.95 mi SW
Financing	Market	Cash	Cash	Cash	Cash	Cash
Conditions	Typical	Typical	Typical	Typical	Typical	Typical
Market Conditions	--	Dec-18	Dec-17	Dec-19	Jul-19	Apr-19
Location	Average	Average	St. Cloud market	Closer in	Closer in	Average
Zoning/Use	Industrial	Industrial / Gravel Pit	Industrial	Industrial	Industrial	Ind/Comm/Ag/Res
Phys Char	Average	Average	Average	Average	Average	Narrow driveway
Improvements	None	None	None	Nominal	None	None
Size		--	--	--	--	--
Age	--	--	--	--	--	--
Condition	--	--	--	--	--	--
Utilities	Nearby	Nearby	Available	Private	Available	Available
Sale Price	Current	\$400,000	\$2,178,000	\$565,000	\$1,500,000	\$961,500
Site Size (Useable Ac)	60.41	36.91	79.72	41.36	65.00	77.00
Price per SF - Site Size		\$10,837	\$27,321	\$13,661	\$23,077	\$12,487
Cond. Adj.	+/-					
Financing	Market					
Conditions	Typical					
Market Conditions	--					
Net Cond. Adj.		0%	0%	0%	0%	0%
Effective \$/SF - Site Size		\$10,837	\$27,321	\$13,661	\$23,077	\$12,487
Adjustments	+/-					
Location	Average		-20%	-10%	-25%	
Zoning/Use	Industrial	10%				
Phys Char	Average					10%
Improvements	None					
Utilities	Nearby		-10%	10%	-10%	-10%
Site Size (Useable Ac)	60.41					
Net Adjustment		10%	-30%	0%	-35%	0%
Adjusted Price per SF - Site Size		\$11,921	\$19,124	\$13,661	\$15,000	\$12,487

Sales Comparison Approach – Continued

Discussion of Adjustments

Property Rights: Refers to the ownership interest conveyed at the time of sale. Properties with leases or other encumbrances in place can sell for more or less than comparable properties that sell fee simple interest. The sale prices of the comparable properties were not impacted by existing lease terms (if any).

Financing: The impact financing may have had on the sale price, favorable interest rate or term. All sales were cash or estimated to be near or at market rates.

Conditions of sale: Reflects non-market conditions, which may or may not have impacted the sale price, such as differing motivations of buyer or seller (related parties, distressed or liquidation sale, listings, pending, occupancy, assemblage, etc.), impending eminent domain proceedings, influence due to tax ramifications, or lack of market exposure.

Market Conditions: The market did not indicate a time adjustment, therefore no adjustment.

Location: This adjustment is based on the appraiser's judgment. It takes into consideration surrounding land uses, intended use, neighborhood characteristics, traffic, exposure and access. Comparables 2, 3, and 4 adjusted for superior/closer-in locations.

Zoning/Use: Comparable 1 adjusted for gravel pit use.

Physical Characteristics: Shape and topography adjustments reflect the market preference for rectangular and level parcels, which optimize development potential. Comparable 5 adjusted for narrow driveway.

Improvements: Comparables considered to be competing.

Utilities: Comparables 2, 4, and 5 adjusted for having utilities available on the site. Comparable 3 adjusted for private utilities.

Site Size: Adjustments recognize larger parcels of land typically sell for less per acre than smaller sites. Comparables adjusted accordingly.

Sales Comparison Approach – Continued

Conclusion: The comparables used are rated to be the most indicative of data analyzed and bracket the subject value. Other sales reviewed were older, further and/or needed more adjustment. Adjustments are made on a per useable acre basis. The comparables utilized in this analysis each have several similar characteristics in common with the subject. While none are totally identical to the subject, each represents a viable alternative to a prospective buyer of the subject property and, after adjustment, can be utilized as an indicator of market value for the subject property.

Indicator	Un-Adjusted Price per SF	Adjusted Price per SF
Range	\$10,837 - \$27,321	\$11,291 - \$19,124
Average	\$17,476	\$14,439
Median	\$13,661	\$13,661

More weight to Comparable 1 due to proximity. Overall the comparables considered to have competing development timing appeal as the subject, However the subject faces competition from the city pricing of their industrial lots, therefore a rate just below the average and median is considered appropriate.

Site Size (Useable Ac)	Value per Acre	Total
60.41	\$12,000	\$724,920

Opinion of Value (as is)	\$725,000 (rnd.)
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RECONCILIATION

Indicated Value by Cost Approach	Not Applied
Indicated Value by Sales Comparison Approach	\$725,000
Indicated Value by Income Approach	Not Applied

The **Cost Approach** to value was not applied as the subject is being appraised as vacant land.

The Direct **Sales Comparison Approach** to value analyzed recent sales of properties as compared with the characteristics of the subject property. Adjustments were made to the comparables to make them as similar to the subject as possible. This results in an indication of market value at which a typical buyer would be willing to pay for the subject property. Quantity and quality of data for the subject was rated to be fair.

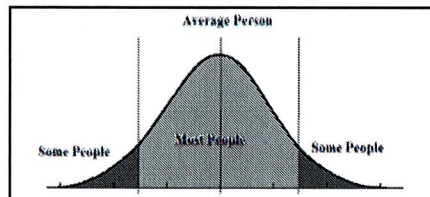
The **Income Approach** was not utilized due to limited/ rents of properties similar to the subject.

Conclusion: The Sales Comparison Approach is given the most weight.

Final Value Opinion	
The value opinion is:	\$725,000

NOTE: *Changes in the economy, market, building, use, lease, and/or management, foreclosure, etc., subsequent to the effective appraisal date could impact market value. Typically, unstable and/or distressed properties with unusual conditions and/or motivated sellers tend to sell below market value. Based on market observations and discussions with various market experts, bank owned discounts can range from 10%-50%+.*

The appraised value opinion is considered to be indicative of the most probable price within the subject market (see Market Value Definition in rear of report). The actions of buyers and sellers operating in said market generally reflects a bell curve, with most participants and prices in the middle of the curve. However, there are right and left tail market participants that may have a different perception of value than most buyers/sellers resulting in a willingness to pay more or less than the appraised value opinion. Seller may be fortunate and find a buyer who needs this property and is willing to pay more, conversely there could only be buyers that are towards the left, that are willing to pay less.



EXPOSURE TIME / MARKETING TIME

Reasonable Exposure Time: *Typically 12 months before the effective date of the appraisal.*

Marketing Time Opinion: *12 months or less after the effective date of the appraisal.*

DEFINITIONS

MARKET VALUE - The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(A) buyer and seller are typically motivated;

(B) both parties are well informed or well advised, and each acting in what they consider their own best interest;

(C) a reasonable time is allowed for exposure in the open market;

(D) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

(E) the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute

ENVIRONMENTAL & STRUCTURAL ISSUES

Regarding any adverse environmental and/or improvement structural conditions (such as, but not limited to, hazardous wastes, toxic substances, mold, construction defects or inadequacies, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property: **None are apparent**, however, appraiser is not an expert in this field. Value assumes no hazardous or structural conditions exist. Value assumes any abandoned wells will be properly sealed. If any of these conditions exist the appraised value could differ significantly.

EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS

As stated by USPAP;

Extraordinary Assumption: An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions of conclusions.

Appraised value assumes utilities can be connected to the site at typical costs.

Soil conditions assumed to be stable and can be built on; appraised value assumes no site contamination of any kind, if found to be otherwise appraised value could differ.

Hypothetical Condition: That which is contrary to what exists but is supposed for the purpose of analysis.

None

ASSUMPTIONS AND LIMITING CONDITIONS

1. The appraisers assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor do the appraisers render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership and good management.
2. The furnished legal description is assumed to be correct.
3. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraisers have made no survey of the property. It is assumed unless otherwise noted that no survey has been viewed and that all improvements are located within the legally described property.
4. The appraisers are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefore.
5. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
6. The appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraisers assume no responsibility for such conditions, or for engineering, which might be required to discover such factors.
7. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, radon gas, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
8. Information, estimates, and opinions furnished to the appraisers, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, the appraisers can assume no responsibility for accuracy of such items furnished the appraisers.
9. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the appraisers are affiliated. No part of the contents of this report, or copy thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the appraiser is connected), shall be disseminated to the public through advertising, public relations, news, sales, or any other public means of communications without the prior written consent and approval of the appraisers.

Assumptions & Limiting Conditions – continued

10. The appraisers have no present or contemplated future interest in the property appraised; and neither the employment to make the appraisal, nor the compensation for it, is contingent upon the appraised value of the property. The appraisers have no personal interest or bias with respect to the parties involved.

11. The appraiser has personally inspected the subject site (unless noted otherwise). The comparable sales data has been viewed via aerial maps, photographs and/or online street views along with file pictures, when available. To the best of the appraiser's knowledge and belief, all statements and information in this report are true and correct, and the appraisers have not knowingly withheld any significant information.

12. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice. The appraisal is for the sole use of the named client.

13. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of the property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

14. To the best of our knowledge and belief, the reported analysis, opinions, and conclusions were developed, and this report was prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

15. The appraised value opinion assumes all leases (if any) are current and paid in full as of the effective date of the appraisal.

16. Excel grids and tables may have slight deviations due to rounding, which may have a nominal impact on value.

17. The appraised value opinion assumes all formulas used in the Excel grids throughout the report are accurate.

18. Unless noted, value assumes no apparent adverse site, building or zoning issues or conditions.

19. Site and building sizes are based on public record, data services, client and/or appraiser measurement at the time of appraisal and are considered reliable, but not guaranteed. Actual sizes herein could vary if made by an engineer/surveyor/contractor.

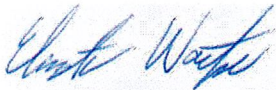
20. Because market and property conditions may change rapidly, the named client should exercise caution in relying on the appraised value subsequent to the appraisal date with the passage of time.

21. If any of the above if found to be different, value could change.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analysis, opinions, and conclusions.
- 3) I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- 4) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 5) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 6) My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 7) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- 8) The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which includes the Uniform Standards of Appraisal Practice.
- 9) **Elizabeth Waytas** made a personal inspection of the property that is the subject of this report. **William R. Waytas** has not inspected the subject property.
- 10) No one provided significant professional assistance to the person signing this report.
- 11) In accordance with the competency provision USPAP, I have verified that my knowledge, experience and education are sufficient to allow me to competently complete this appraisal. See attached qualifications.
- 12) As of the date of this report, William R. Waytas has completed the requirements of the continuing education program of the Appraisal Institute.
- 13) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.
- 14) We **have not** provided services as an appraiser, regarding the subject property within the 3-year period immediately preceding acceptance to this assignment.



Elizabeth Waytas
Trainee Appraiser MN 40672995
Date: see report



William R. Waytas
Certified General MN 4000813
Date: see report

QUALIFICATIONS

Appraisal Experience

Presently and since 2015, **Elizabeth Waytas** has been employed as an employee of Nagell Appraisal Incorporated, an independent appraisal firm (11 employees) who annually prepares 1,500 +/- appraisal reports of all types. She is currently a full-time licensed trainee real estate appraiser, as well as data support for Nagell.

Properties Appraised

- **Commercial** – low and high-density multi-family, retail, office, office condos, storage units, mixed-use, industrial, restaurant, strip-centers, convenience stores, auto- service and repair, greenhouse/landscaping properties, dog kennels, mini-storage complexes, redevelopment land, food production and distribution, churches, bed & breakfasts, numerous special use properties, and subdivision analysis.
- **Residential** – single-family residences, residential with water frontage, hobby farms, townhouses, relocation properties (Relo's) and land
- **Eminent Domain** – assisted with extensive partial and total acquisition appraisal services provided to numerous government agencies and private owners.
- **Special Assessment** – assisted with numerous street improvement and utilities projects for both government and private owners
- **Clients** – served include banks, trust companies, corporations, governmental bodies, attorneys, and private individuals
- **Area of Service** – most appraisal experience is in the greater Twin Cities Metro Area (typically an hour from downtown metro). Also, numerous assignments throughout Minnesota and Wisconsin.

Professional Membership, Associations & Affiliations

License: Trainee Real Property Appraiser, MN License #40672995

Education

- Bemidji State University, Bemidji, MN
B.S. Degree in Business Adm., Management Emphasis

- **General & Professional Practice Courses & Seminars**
- Basic Appraisal Procedures
- Basic Appraisal Principles
- 2018-2019 15-Hour National Uniform Standards of Professional Appraisal Practice
- Supervisory Appraiser/Trainee Appraiser Course

Curriculum Vitae -- continued

Appraisal Experience

Presently and since 1985, **William R. Waytas** has been employed as a full-time real estate appraiser. Currently a partner and President of Nagell Appraisal Incorporated, an independent appraisal firm (11 employees) who annually prepare 1,500 +/- appraisal reports of all types. Mr. Waytas was employed with Iver C. Johnson & Company, Ltd., Phoenix, AZ from 1985 to 1987.

Properties appraised:

- **Commercial** - low and high-density multi-family, retail, office, industrial, restaurant, church, strip-mall, fast-food, convenience stores, auto-service and repair, hotel, hotel water park, bed & breakfast, cinema, marina, numerous special use properties, and subdivision analysis.
- **Residential** – single-family residences, hobby farms, lakeshore, condominiums, townhouses, REO and land.
- **Eminent Domain** – extensive partial and total acquisition appraisal services provided to numerous governmental agencies and private owners.
- **Special Assessment** – numerous street improvement and utilities projects for both governmental and private owners.
- **Review** – residential, commercial and land development.
- **Clients** - served include banks, savings and loan associations, trust companies, corporations, governmental bodies, relocation companies, attorneys, REO companies, accountants and private individuals.
- **Area of Service** - most appraisal experience is in the greater Twin Cities Metro Area (typically an hour from downtown metro). Numerous assignments throughout Minnesota.

Professional Membership, Associations & Affiliations

License: Certified General Real Property Appraiser, MN License #4000813.
Appraisal Institute: SRA, Senior Residential Appraiser Designation,
General Associate Member
Employee Relocation Council: CRP Certified Relocation Professional Designation.
International Right-Of-Way Association: Member
HUD/FHA: On Lender Selection Roster and Review Appraiser
DNR: Approved appraiser for Department of Natural Resources

Testimony

-- Court, deposition, commission, arbitration & administrative testimony given.

Mediator

-- Court appointed in Wright County.

Committees

- President of Metro/Minnesota Chapter, 2002, Appraisal Institute.
- Chairman of Residential Admissions, Metro/MN Chapter, AI.
- Chairman Residential Candidate Guidance, Metro/Minnesota Chapter, AI.
- Elm Creek Watershed Commission, Medina representative 3 years.
- Medina Park Commission, 3 years.

Curriculum Vitae -- continued

Education

- Graduate of Bemidji State University, Minnesota. B.S. degree in Bus. Ad.
- During college, summer employment in building trades (residential and commercial).
- Graduate of Cecil Lawter Real Estate School. Past Arizona Real Estate License.

- **General & Professional Practice Courses & Seminars**
- Course 101-Introduction to Appraising Real Property.
- Numerous Standards of Professional Practice Seminar.
- Fair Lending Seminar.
- Eminent Domain & Condemnation Appraising.
- Eminent Domain (An In-Depth Analysis)
- Property Tax Appeal
- Eminent Domain
- Business Practices and Ethics
- Scope of Work
- Construction Disturbances and Temporary Loss of Going Concern
- Uniform Standards for Federal Land Acquisitions (Yellow Book Seminar)
- Partial Interest Valuation Divided (conservation easements, historic preservation easements, life estates, subsurface rights, access easements, air rights, water rights, transferable development rights)

- **Commercial/Industrial/Subdivision Courses & Seminars**
- Capitalization Theory & Techniques
- Highest & Best Use Seminar
- General & Residential State Certification Review Seminar
- Subdivision Analysis Seminar.
- Narrative Report Writing Seminar (general)
- Advanced Income Capitalization Seminar
- Advanced Industrial Valuation
- Appraisal of Local Retail Properties
- Appraising Convenience Stores
- Analyzing Distressed Real Estate
- Evaluating Commercial Construction
- Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets

- **Residential Courses & Seminars**
- Course 102-Applied Residential Appraising
- Narrative Report Writing Seminar (residential)
- HUD Training session local office for FHA appraisals
- Familiar with HUD Handbook 4150.1 REV-1 & other material from local FHA office.
- Appraiser/Underwriter FHA Training
- Residential Property Construction and Inspection
- Numerous other continuing education seminars for state licensing & AI

Speaking Engagements

- Bankers
- Auditors
- Assessors
- Relocation (Panel Discussion)

Publications

- Real Estate Appraisal Practice (book): Acknowledgement
- Articles for Finance & Commerce and Minnesota Real Estate Journal

ADDENDA TO APPRAISAL REPORT



Economic Development Authority Agenda

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
2. Approval of the Agenda
3. Approve minutes of August 5, 2020 regular meeting and August 18, 2020 special meeting.
4. Business Items
 - a. Presentation from Retail Strategies – Retail Academy
 - b. Appraisal EDA land 16.090.0140
 - c. Purchase commercial land discussion
5. Other Business/Updates/ Communications
 - a. Isanti Business Relief Grant Program
 - b. Update on Sale to BP Metals
 - c. Update on sale to UPS
6. Closed Session
 - a. Consideration of sale of EDA land pursuant to Minnesota Statutes Section 13D.05 Subd 3(c) and Subdivision of land for PID 16.124.0020
7. Adjournment

**Economic Development Authority
Meeting Minutes
August 5, 2020**

1. **Call to Order:** President Johnson called the meeting to order at 7:47pm
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Jeff Johnson, Steve Lundeen, Dan Collison, Paul Bergley, Jimmy Gordon, Luke Merrill. Absent: Justin Neilson. Staff present: Community Development Director Sheila Sellman, City Administrator Josi Wood, Finance Director Mike Betker, Assistant Finance Director Pam Dahlheimer, and Chief Muyres.
 - c. **Agenda Modifications:** None
2. **Approval of the Agenda:** Motion by Lundeen, second by Collison to approve. Motion passed 6-0
3. Approve Minutes of July 7, 2020 Regular Economic Development Authority Meeting: Motion by Merrill to approve, second by Collison to approve. Motion passed 6-0.
4. Business Items
 - a. **Resolution 2020-XXX 2021 crop lease award:** Sellman presented the bids, there was one bid, Calander Farms bid \$5,210 for the 2021 crop year. The board discussed that this is the parcel they would like to sell. Sellman indicated that the appraisal has been ordered and should be available at the next meeting. Motion by Lundeen, second by Collison to approve, motion passed 6-0.
 - b. **Discussion on subdividing a 15-acre lot the EDA owns 16.124.0020:** Sellman was seeking direction from the EDA on the possibility of subdividing this parcel into 5-acre lots. She mentioned there is a potential buyer if it is subdivided into smaller lots. The EDA agreed it would be good to subdivide if people are looking for smaller lots. Sellman suggested they can advertise “lots can be subdivided” and then the option is there but not to actually subdivide until there is a user. Motion by Lundeen, second by Collison to advertise “lots can be subdivided” motion approved 6-0. Sellman will reach out to the potential user.
 - c. **Call a public hearing for August 18, 2020:** Sellman explained there is a proposed buyer for the 2.5 acre EDA lot on East Dual, however the applicant wasn’t submitted in time to advertise for a public hearing therefore the request is for the EDA to call a public hearing to consider the sale. Motion by Lundeen, second by Collison to call for the public hearing, motion passed 6-0.
 - d. **Discussion on BP Metals:** Sellman explained that the owner of BP Metals has indicated due to Covid-19 he has laid off staff and therefore can’t meet the minimum job requirement of 20 employees as required by the subsidy agreement. The Board discussed that he will still bring 15 new jobs to the city and it will get the property back on the tax rolls. Collison stated that 15 jobs is still a good number. Merrill had concerns that everyone will want to make changes and he doesn’t want to see that happen with other agreements. The consensus was to allow the change and to bring the amended agreement to City Council.

5. Other Business / Updates / Communications
6. **Adjournment:** Motion by Bergley, second my Lundeen to adjourn. Motion passed 6-0 meeting adjourned at 8:01pm

Respectfully submitted

Sheila Sellman Community Development Director/EDA Secretary

**Economic Development Authority
Minutes August 18, 2020**

1. **Call to Order:** Chair Johnson opened the meeting at 8:07pm.
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** EDA Members present: Jeff Johnson, Jimmy Gordon, Steve Lundeen, Dan Collison, Paul Bergley, Luke Merrill, Justin Neilson. Staff present: Community Development Director Sheila Sellman.
 - c. **Agenda Modifications:** None
2. **Approval of the Agenda:** Motion by:
3. **Public Hearing**
 - a. Sale of EDA owned land located at XXX East Dual BLVD NE PID 16.125.0020 to Swanees Trucking LLC: Sellman reviewed the proposed development of Swanee Trucking who proposes to locate their trucking operations to Isanti. The request is to buy the shovel ready site for this development. Motion by Lundeen second by Collison to approve the sale of EDA owned land PID 16.125.0020, motion passed 7-0.
4. **Adjournment:** Motion by Lundeen, second by Bergley to adjourn, motion passed 7-0, meeting adjourned at 8:20pm.

Respectfully submitted EDA Secretary/Community Development Director Sheila Sellman.



Request for EDA Action

To: Mayor Johnson and Members of City Council
From: Sheila Sellman, Community Development Director
Date: October 6, 2020
Subject: Retail Strategies presentation -Retail Academy

Background:

Retail Academy is an award-winning service that was formed to provide tools, education, and guidance to communities seeking economic growth. Their aim at Retail Academy is to help each community identify their potential and provide the resources to achieve it.

Their process analyzes thousands of variables to identify immediate, short-term, and long-term opportunities. Through our analysis we generate a 50+ page market overview with specific executable strategies to enable the community to turn information in to results.

At the Retail Academy session, we deliver your community's analysis and strategy along with an informative educational course. The education covers topics and situations relevant to attracting new businesses. When you leave Retail Academy you will be armed with the information and knowledge to position your market as a primary destination for new retail and restaurants.

Request:

Staff is requesting consideration for this program.

Attachments:

None



Request for EDA Action

To: Mayor Johnson and Members of City Council
From: Sheila Sellman, Community Development Director
Date: October 6, 2020
Subject: Appraisal EDA Land 16.090.0140

Background:

The EDA requested an appraisal for EDA owned land located at Jackson Street NE and 299th Avenue PID 16.090.0140, the parcel is 66 acres and zoned Industrial. Nagell Appraisal Inc provided an update to the 2017 appraisal that was done. According to Nagell the property appraises at \$725,000. That is about \$10,984/acre. According to the report demand in more outlying locations are the periphery of the cities is still in oversupply.

Request:

Staff is seeking direction on what the EDA would like to do with this property

Attachments:

None

Report Type
Appraisal Report

Effective Date
August 3, 2020

Client

City of Isanti EDA
Attn: Sheila Sellman, Community Developer Director
110 – 1st Avenue Northwest, PO Box 428
Isanti, MN 55040

Subject Property

Vacant Industrial Land
SEC Jackson Street NE & 299th Avenue NE
Isanti, Isanti County, MN 55040
Owner: Economic Development Authority & City of Isanti



File #L2007002

Prepared By:

Elizabeth Waytas, Appraiser
William R. Waytas, Appraiser

Nagell Appraisal Incorporated

12805 Highway 55, Suite 300
Plymouth, Minnesota 55441
Tel: 952.544.8966 | Fax: 952.544.8969

NAGELL APPRAISAL INCORPORATED

12805 Highway 55, #300
Plymouth, MN 55441
Established in 1968

Minneapolis: 952-544-8966
St. Paul: 651-209-6159
Central Fax: 952-544-8969

City of Isanti EDA
Attn: Sheila Sellman, Community Developer Director
110 – 1st Avenue Northwest, PO Box 428
Isanti, MN 55040

August 5, 2020

To Sheila Sellman:

In accordance with your request, an **appraisal report** has been made on the following described property:

Subject Property: Vacant Industrial Property
SEC Jackson Street NE & 299th Avenue NE
Isanti, MN 55040

Described below is a summary of the appraisal report contained herein.

Property Overview

This report reflects the data found and the opinions concluded from an appraisal of vacant industrial land located in Isanti.

The subject site consists of 66.06 acres, with approximately 60.41 useable acres. The highest and best use for the subject is considered to be speculation for a future industrial related development.

Note: The current economic situation has increased uncertainty due to risk of COVID-19. The stock market has experienced significant declines in recent weeks. Buyers could start to hold off on purchasing until more is known. In addition, COVID - 19 could start off a recession. The user of this report is reminded the conclusions are based on the effective date of the report. Future impacts to conclusions are unknown, uncertain, or unclear.

The appraiser has spoken with brokers, buyers, sellers, bankers, etc. It appears that most market participants are considering rent loss to provide tenants a break to stay in business. The extent of rent loss varies from 0 months to 9+ months. Owners are split on giving net rent breaks or gross rent breaks, however, buyers are more inclined to consider gross rent breaks. For this appraisal a total of **0 month's** mortgage payments will be deducted due to the subject being land and owned by the city. Going forward the impact of COVID-19 is unknown.

Report Use

Decision making regarding potential sale

Intended User(s)

City of Isanti EDA
Attn: Sheila Sellman, Community Developer Director

Extraordinary Assumptions

Appraised value assumes utilities can be connected to the site at reasonable costs.

Soil conditions assumed to be stable and can be built on; appraised value assumes no site contamination of any kind, if found to be otherwise appraised value could differ.

Hypothetical Conditions

None

Property Rights Appraised

- *Fee Simple*: The property is vacant land, as such, the appraised value reflects the fee simple interest.

Property Components Appraised

- *Real Estate*: The appraised value includes the real estate value opinion.
- *Furniture, Fixtures, & Equipment (FF&E)*: The appraised value does not include any values of fixtures, furnishings and equipment. The appraised value reflects real estate only.
- *Business Value*: The appraised value does not include business value.

Highest and Best Use Conclusions

- *As Vacant*: Industrial related use
- *As Improved*: Not applicable as the subject is vacant land.

Valuation Methodology

The highest and best use of the subject is the existing use with speculation for future residential development.

Given the highest and best use, the following approaches are used:

- *Cost Approach*: Not applied due to no building improvements.
- *Sales Comparison Approach*: Similar industrial land property sales.
- *Income Approach*: Not applicable as land like the subject is very rarely rented, which limits the reliability of this approach.

Letter of Transmittal – Continued

The property is legally described herein. The appraisal assumes that the property meets all current environmental standards. The appraisal analysis and conclusions are subject to certain limiting conditions and assumptions described herein. The final value opinion, as of **August 3, 2020**, is:

FINAL VALUE OPINION – Fee Simple Interest	\$725,000
--	------------------

Exposure Time / Marketing Time

Exposure Time:	Final values reflect "market exposure" time of under 1 year <u>before</u> the effective date of the appraisal. Changes in the market, use, lease and/or building subsequent to the effective appraisal date could impact value.
Marketing Time:	Marketing times for appropriately priced properties is generally 12 months +/-.

Our company has 11 employees, has been in business since 1968 and has sufficient knowledge, education, experience, resources and/or contacts to competently complete this assignment. The accompanying report contains data secured from my personal investigation and from sources considered to be reliable; however, correctness is not guaranteed. To the best of my knowledge and belief, the statements contained in this report are true and correct. Neither my employment to make this appraisal, nor the compensation, is contingent upon the value reported. This report has been prepared in conformity with the code of professional ethics and standards of professional appraisal practice of the Appraisal Institute and appraisal standards set forth by Uniform Standards of Professional Appraisal Practice.

Please contact us if you have further questions.

Sincerely,



Elizabeth Waytas
Trainee Appraiser MN 40672995



William R. Waytas
Certified General MN 4000813

www.nagellmn.com

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SUMMARY OF IMPORTANT FACTS & CONCLUSIONS



General Description:	Vacant industrial land
Appraisal Report:	Appraisal Report
Current Use:	Vacant land
Extraordinary Assumptions:	None
Hypothetical Assumptions:	None
Site Size:	66.06 acres
Year Built:	n/a, the subject is not improved
GBA:	n/a, the subject is not improved
Zoning:	I-1, Industrial Park District
Highest and Best Use:	Industrial related development
Property Rights Appraised:	Fee Simple
Business Value / FF&E:	No business value or FF&E included
Cost Approach:	Not Applicable
Sales Comparison Approach:	\$725,000
Income Approach:	Not Applicable
Final Value Opinion (as is):	\$725,000

VALUE TYPE, CONDITION & STABILITY OF PROPERTY

Type of Value:	This report provides an opinion of <u>Market Value</u> .
Condition of Value:	This report provides an opinion of the <u>as-is</u> value.
Occupancy:	The property is currently vacant land.

INTENDED USE OF THE APPRAISAL

Intended Use:	<p>The client intends to use the appraisal <u>for decision making purposes regarding a potential sale</u>.</p> <p>No party, other than the named client and listed intended users, may use or rely upon any part of this report without the prior written authorization of both the named client and the appraiser. This report is not valid unless it contains the original signatures in blue ink. Any unauthorized third party relying upon any portion of this report does so at its own risk.</p>
Intended User(s):	City of Isanti EDA Attn: Sheila Sellman, Community Developer Director

DATE OF APPRAISAL

Effective Date:	August 3, 2020
Inspection Date:	August 3, 2020
Date of Report:	August 4, 2020

SCOPE OF THE APPRAISAL REPORT

USPAP defines Scope of Work as: The type and extent of research and analyses in an assignment.

For each appraisal, appraisal review and appraisal consulting assignment, an appraiser must:

- 1) Identify the problem to be solved,
- 2) Determine and perform the scope of work necessary to develop credible assignment results; and
- 3) Disclose the scope of work in the report.

1) Provide a reasonably supported value opinion as it relates to the intended use & scope.

2) Per assignment request (see addenda for engagement letter), the following degree of research and analysis has been made. The narrative format used is an **Appraisal Report**, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2a of USPAP. See individual approaches for further detail.

The scope of work for this appraisal includes:

- a) **Property Identification:** Public record, plat maps, zoning maps and aerial photographs were used to identify the subject property.
- b) **Property Inspection:** A viewing of the subject property and neighborhood by the appraiser. *Physical factors:* Based on property viewing and conversations with the client, city and county officials. Lot size is based on county information. *Economic Factors:* Consisted of gathering of information from market experts, city and/or county offices, and internet about the region, community, neighborhood, zoning, utilities, and any pending projects in the area that may affect the subject property.
- 3) • c) **Extent of Data Researched:** Sales data of competing properties within the subject market area were given primary consideration. The most relevant data is used in this report. Sources include, appraiser data files, assessor, internet, developers, agents, MLS, periodicals, in-office library, etc. In addition, during the course of appraisal practice and of this appraisal process, the appraiser has had ongoing discussions with market participants (buyers, sellers, property managers, real estate agents/brokers, appraisers, etc.) and/or viewed market data in relation to how the current real estate market may impact the subject value. The appraiser has not researched the title or ownership records.
- d) **Type and Extent of Analysis Applied at Opinions or Conclusions:** An extensive review of market data was performed. The most recent, similar and proximate data has been used. The data used will be adjusted on a grid. Reasonable and appropriate collection, verification, analysis and viewing has been performed in the valuation approaches, given the purpose and intended use of the report. A final value opinion will be discussed and correlated.

The data used was obtained from sources considered credible, yet its accuracy is not guaranteed. If found otherwise, value could differ.

PROPERTY RIGHTS APPRAISED

Real property ownership consists of a group of distinct rights. There are two primary property rights, Fee Simple and Leased Fee (as defined by The Appraisal of Real Estate, 13th Edition, Appraisal Institute).

Fee Simple Interest: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Note: This would typically reflect an owner-occupied property. When the property rights appraised are the unencumbered fee simple interest of the real estate, the appraised value is subject to normal easements for drainage, public streets and utilities, if any. The effect of any existing mortgage or delinquent taxes on the subject property has not been considered in this appraisal.

Leased Fee Interest: The ownership interest held by a lessor (landlord), which includes the right to the contract rent specified in the lease plus reversionary right when the lease expires. The lessor's interest in a property is considered a leased fee interest regardless of the duration of the lease, specified rent, the parties to the lease, or any of the terms in the lease contract.

A leased property, even one with rent that is consistent with market rent, is appraised as a leased fee interest, not as a fee simple interest. Even if the rent of the lease terms are not consistent with market terms, the lease fee interest must be given special consideration and is appraised as a leased fee interest. (The Appraisal of Real Estate, 13th Edition, Page 114)

The subject is currently vacant land. Given the scope of the assignment and use of the report, the **Fee Simple** interest will be appraised.

PROPERTY COMPONENTS APPRAISED

Real Estate: The appraised value includes the real estate value opinion. The methods utilized for the real estate valuation include:

- Sales Comparison Approach

FF&E: The appraised value does not include personal property, FF&E, or inventory.

Business Value: There is no business value included in the appraised value.

IDENTIFICATION

Address:	SEC Jackson Street NE & 299 th Avenue NE, Isanti, MN 55040
County PID:	16.090.0140
Legal:	ISANTI CENTENNIAL COMPLEX OUTLOT H
Fee Owner:	Economic Development Authority & City of Isanti
Census Tract #:	1305.02

REAL ESTATE TAXES

Taxes, per County Records		
	Payable 2020	Payable 2021
Tax	\$0.00	n/a
<i>Tax ratio (includes special assessments)</i>	--	n/a
Special Assessments / Solid Waste Fee / Other	<u>\$0.00</u>	n/a
Total Tax & Assessments:	\$0.00	n/a
Delinquent taxes:	None noted, county records indicate taxes are current	
COUNTY ASSESSOR'S VALUE		
	Payable 2020	Payable 2021
Land	\$1,437,500	\$1,437,500
Building	<u>\$0</u>	<u>\$0</u>
TOTAL	\$1,437,500	\$1,437,500

Typical Tax Ratios by Property Type	
Commercial (retail, office, industrial, hotel, other, etc.)	1.5% – 4.0%
Residential (multi-family, apartment, etc.)	0.9% – 1.5%
Single-family dwellings	0.8% – 1.5%

The appraised value given in this report assumes any/all special assessments, and/or liens are paid in full and that there are no delinquent taxes, fees, payments, association dues, etc. Should it be found that any of these exist the amount should be deducted from the appraised value. Appraiser did not research these items; typically, a title search would reveal any of these.

Note: Assessed values for exempt properties can vary significantly.

SUBJECT SALES & BUILDING HISTORY

Listing History:	The subject is not currently listed for sale.	
Sales History:	Sale Price:	n/a
	Sale Date:	n/a
	Buyer:	n/a
	Seller:	n/a
	Terms:	n/a
	Source:	Public records, MLS
There are no known or reported sales of the subject property within the past 3 years.		
Pending Sale:	None apparent	
Building History:	None, the site is vacant.	
Lease History:	Per client, the land is leased to a farmer; however, the lease is year-to-year and can be terminated at any time if there is a sale. No lease documents provided.	
Leasehold Interest:	None apparent.	
Association Dues:	The subject is reportedly not part of an association or common interest community (CIC).	

REGIONAL DATA

Metro Area

Minneapolis-Saint Paul is the most populous urban area in Minnesota, and is composed of 186 cities and townships. Built around the Mississippi, Minnesota and St. Croix rivers, the area is also nicknamed The Twin Cities for its two largest cities, Minneapolis and Saint Paul. Saint Paul is the second largest city in Minnesota, as well as the state capital.

The area is part of a larger U.S. Census division named Minneapolis-St. Paul-Bloomington, MN-WI, the country's 16th-largest metropolitan area, composed of eleven counties in Minnesota and two counties in Wisconsin. This larger area, in turn, is enveloped in the U.S. Census combined statistical area called Minneapolis-St. Paul-St. Cloud, MN-WI with an estimated population of 3.5 million people in 2006, ranked the 13th most populous in the U.S.

In both of the fully developed central cities—Minneapolis and St. Paul—the population has declined due to smaller household sizes, yet growth in other areas of their counties has been more than offsetting. Below is detailed where this growth has occurred:

POPULATION							
County	Census 2000	Census 2010	Forecast 2018	Growth 2000 - 2010		Growth 2010 - 2018	
				total	annual	total	annual
Hennepin	1,116,200	1,152,425	1,259,428	3.25%	0.32%	9.29%	1.16%
Ramsey	511,035	508,640	550,210	-0.47%	-0.05%	8.17%	1.02%
Dakota	355,904	398,552	425,423	11.98%	1.20%	6.74%	0.84%
Anoka	298,084	330,844	353,813	10.99%	1.10%	6.94%	0.87%
Washington	201,130	238,136	259,201	18.4%	1.84%	8.85%	1.11%
Scott	89,498	129,928	147,381	45.17%	4.52%	13.43%	1.68%
Wright	89,986	124,700	136,349	38.58%	3.86%	9.34%	1.17%
Carver	70,205	91,042	103,551	29.68%	2.97%	13.74%	1.72%
Sherburne	64,417	88,499	96,036	37.38%	3.74%	8.52%	1.06%
Chisago	41,101	53,887	55,922	31.11%	3.11%	3.78%	0.47%
Total	2,837,560	3,116,653	3,387,314	9.84%	0.98%	6.35%	1.06%
Isanti	31,497	37,854	39,582	20.2%	2.0%	4.56%	0.6%

Source: US Census Bureau

Overall, the area has experienced moderate to good income growth. Annualized income growth of 2.5% to 3.5% is consistent with national averages.

MEDIAN HOUSEHOLD INCOME				
County	Census 2010	Estimate 2017	Growth 2010 - 2017	
			total	annual
Hennepin	59,236	71,154	20.12%	2.87%
Ramsey	50,136	60,301	20.27%	2.90%
Dakota	69,508	79,995	15.09%	2.16%
Anoka	65,771	76,796	16.76%	2.39%
Washington	77,239	89,598	16.00%	2.29%
Scott	77,314	93,151	20.48%	2.93%
Wright	66,833	77,953	16.64%	2.38%
Carver	80,173	93,095	16.12%	2.30%
Sherburne	69,971	83,895	19.90%	2.84%
Chisago	63,810	76,747	20.27%	2.90%
Isanti	57,260	67,565	18.00	2.57%

Source: US Census Bureau

Regional Data – continued

Economic Trends

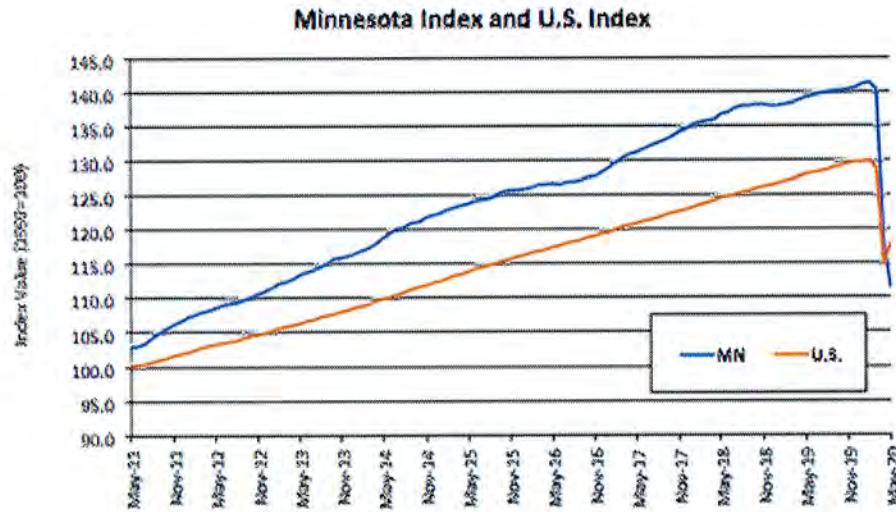
The current residential interest rates for a typical 30-year mortgage are approximately 3.25% to 4.75%. Commercial rates are approximately 4.0% to 5.25%. Rates are expected to be relatively stable for the foreseeable future.

The state of the macro economy (national, state, etc.) declined from its peak in 2006, but in 2010 began showing signs of recovery. Many economists are terming 2007 through 2009 as **“The Great Recession”**.

New construction labor costs have steadily increased, along with material costs as well. Overall, construction costs are less competitive to what they were 5 to 6 years ago. Generally, when vacancy is over 10%, new commercial/industrial construction is slow.

Listing prices have been increasing steadily since 2012 +/- and are starting to approach peak levels similar to the market in 2006, which was a period of high seller expectations. However, recent buyer and seller expectations regarding value and list prices appear to be trending towards equilibrium.

Although well diversified, the TCMA and surrounding Minnesota economy is not immune to the recent soft/declining trends of the overall economy.

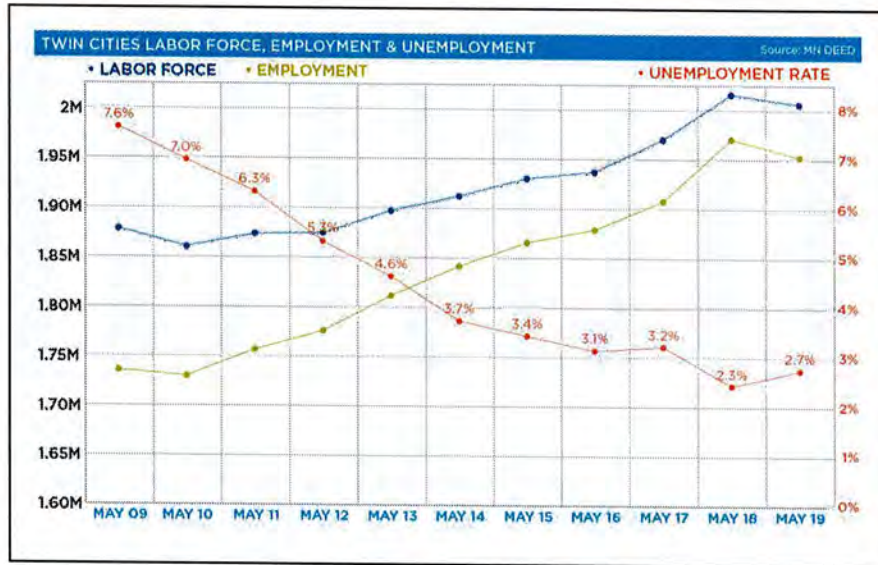


Source: Minnesota DEED

After plunging 15.7 percent in April, the Minnesota Index declined another 5.6 percent in May even though business restrictions to fight the spread of COVIC-19 were gradually being lifted. While wage and salary employment increased in May other components of the index retreated. The state’s unemployment rate increase to a record high of 9.9 percent and average weekly manufacturing hours set a record low. The U.S. index increased 2.5 percent in May as other states started to reopen earlier than Minnesota.

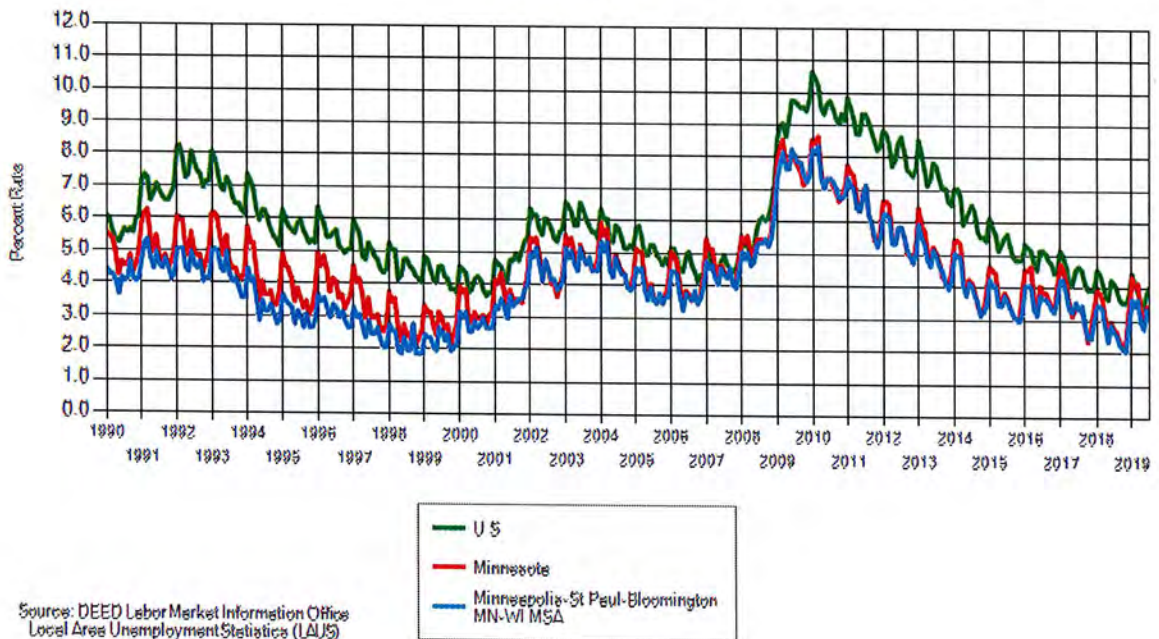
Regional Data – continued

EMPLOYMENT & LABOR



Over the past ten years, unemployment rates have gone from a peak of around 7.2% to near historical lows of around 2% in 2018. Currently, unemployment is below pre-recession values. Low unemployment tends to reflect a healthy economy.

Unemployment Rates

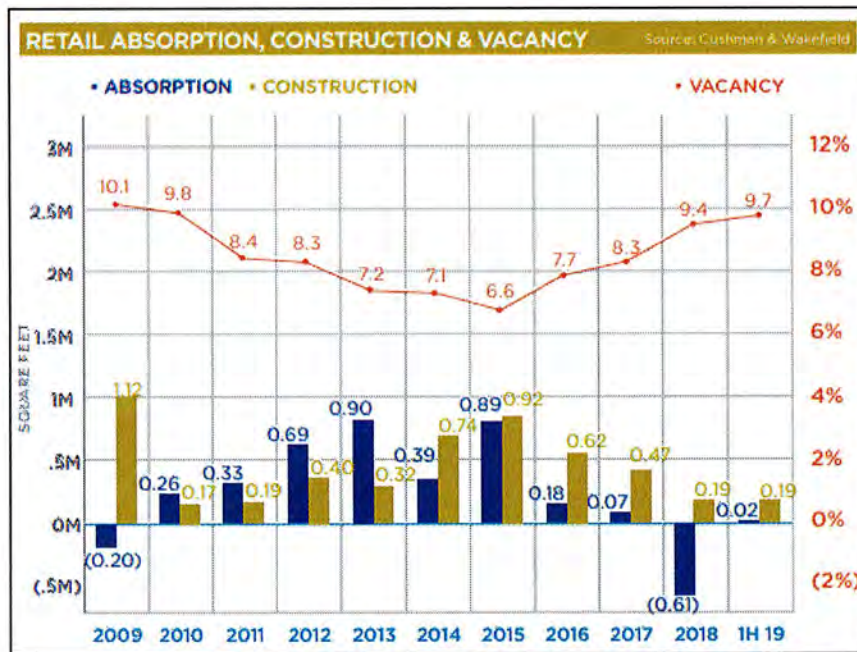


Regional Data – continued

COMMERCIAL REAL ESTATE - Vacancy Rates for Major Building Types

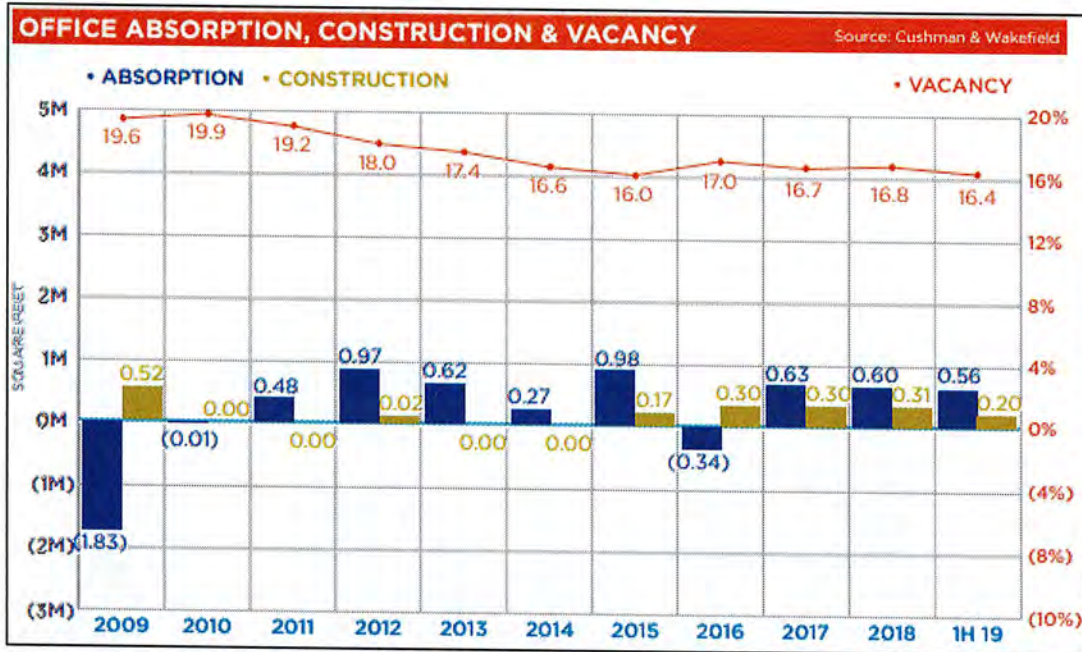


Apartment vacancy declined significantly from 2009 to 2012, but then stabilized in 2013 and onward. Vacancy dipped down in 2016, but then increased slightly again in 2017. New construction is taking place in good quality and built-up markets. Despite the increased number of units, vacancy has remained at/near historic lows and rental rates are increasing.



The above chart is for the entire Metro area. Retail vacancy has increased from 2014 (7.1%) through 2019 (9.7%). New construction in 2015, 2016, and 2017 was relatively significant, which also likely increased the vacancy. Construction in 2018 and 2019 have been very limited. Properties in strong locations have generally experienced lower vacancy relative to the overall market.

Regional Data – continued

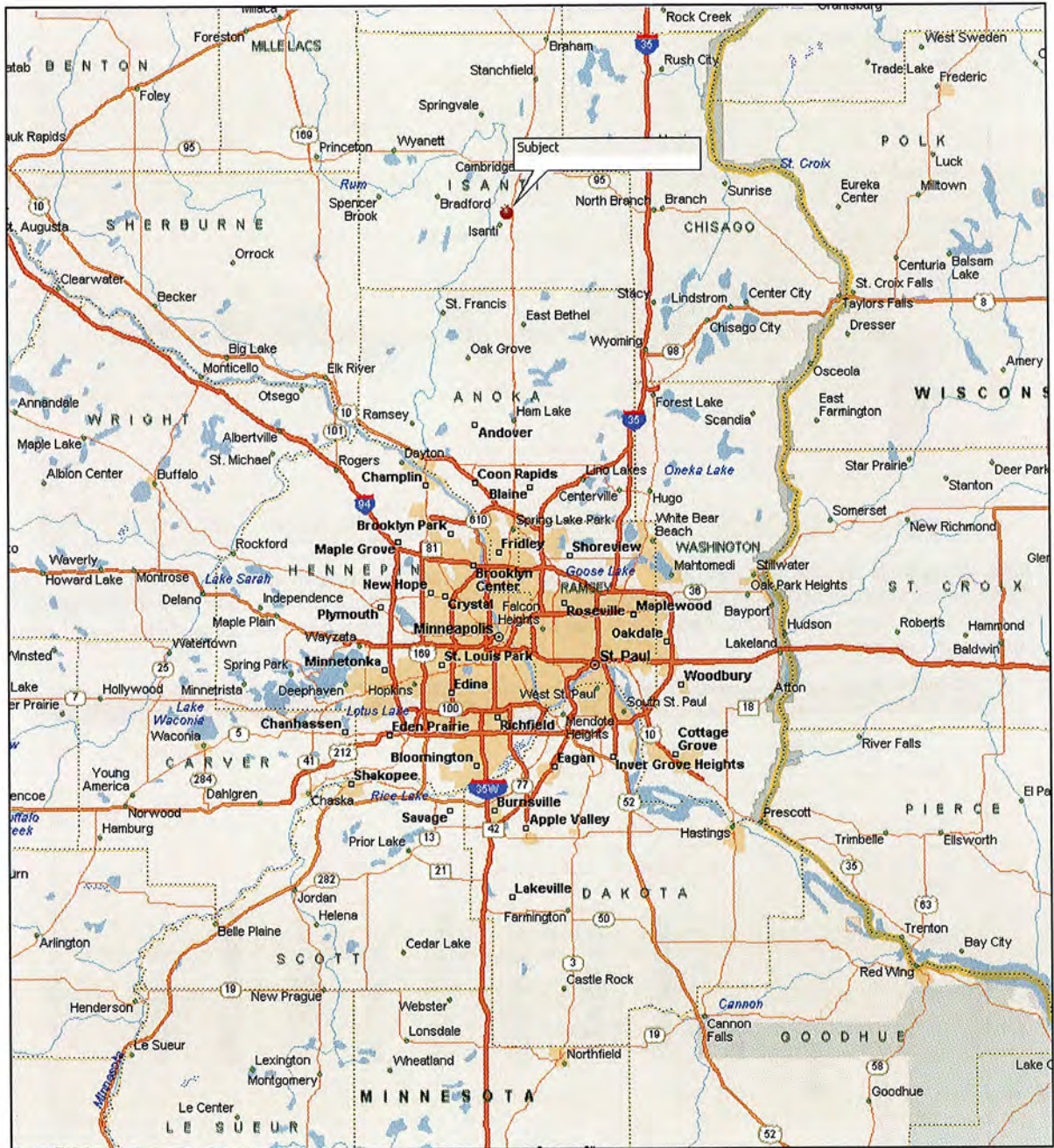


Office vacancy is still the highest of the four major building sectors. New construction is typically limited when vacancy is over 10%. Vacancy trended downward from 2010 to 2016, but new construction in 2016 has increased the vacancy rate. Absorption has not been strong enough to overcome existing and under construction supply.



Vacancy has been trending downward since a peak in 2010. Buildings with high clear height (24' +) tend to have stronger demand in the current market. Absorption has been positive since 2011. As construction has increased, this has led to a strong demand for industrial development land, which in turn has led to an increase in land prices.

REGIONAL MAP



CITY & NEIGHBORHOOD DESCRIPTION

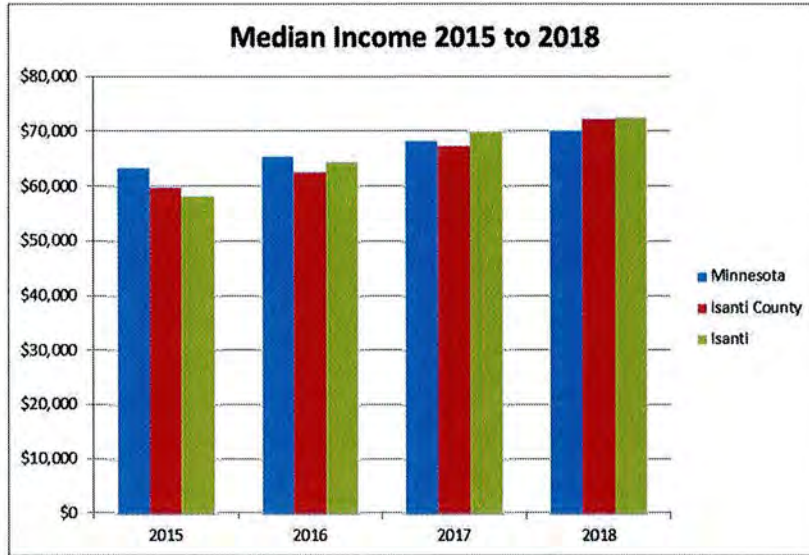
Type of neighborhood:	Outlying Suburban (subject location is rural, information reflects Isanti)	
Percent built-up:	55% developed	
Stage of Development:	Stable	
Redevelopment:	Limited to nil	
Neighborhood boundaries:	City Limits	
Major Transportation:	Highway 65	
Predominant type & conformity:	<i>Single Family Residential</i>	40%
	<i>Two- & Multi-Family</i>	5%
	<i>Commercial/Industrial</i>	10%
	<i>Other/Vacant Land/Public</i>	<u>45%</u>
	<i>Total:</i>	100%
	Average conformity.	
Reputation of the area:	Average	
Typical property age:	New to 90+ years, predominantly under 30 years	
Single-Family Home Sales:	\$100,000 to \$400,000+	
Apartment Sales:	\$30,000 to \$100,000+ per Unit	
Office Property Sales:	\$40 to \$150+ per SF	
Retail Property Sales:	\$40 to \$150 + per SF	
Industrial Property Sales:	\$10 to \$60+ per SF	
Capitalization Rates:	7-11% Historic	
Subject Market:	Stable	
Neighborhood Trend:	Stable	
Detrimental influences:	No major apparent	

The subject is located in Isanti, an outlying northern suburban community located about 45 minutes north of Downtown Minneapolis. Access to the area and surrounding communities is considered average as State Highway 65 runs through the city. Major shopping and commerce are within 15 miles and convenient. There are no apparent adverse influences.

City & Neighborhood Description – continued

Subject City:

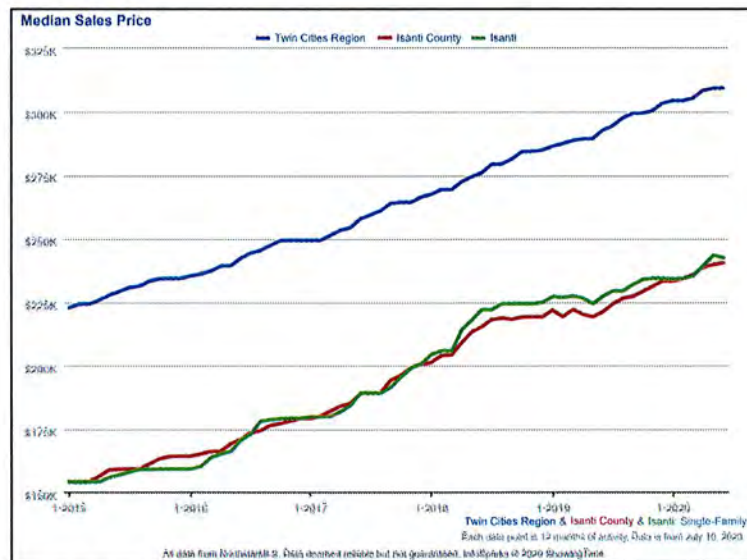
As of the 2010 census the population of **Isanti** was 5,251 in 2000 it was 2,324. This represents a net increase of **125.9%** from 2000 to 2010. Population in 2018 was 5,901, this represents a net increase of **12.4%** from 2010.



The median income for the city is above both state and county levels (per Census Bureau). Income has fluctuated over the time frame.

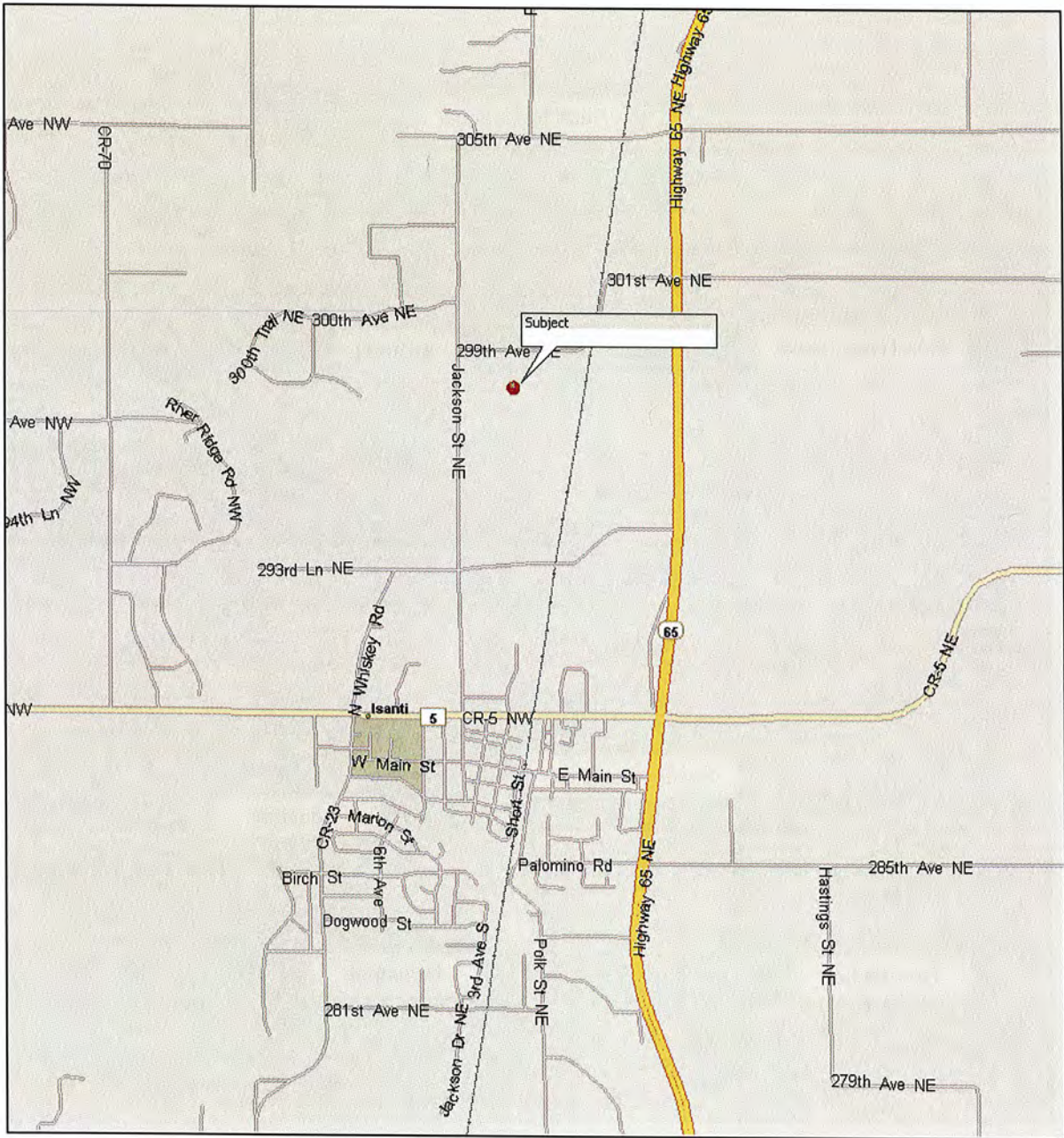
Median Home Prices: City of Isanti

Source: NorthstarMLS Stats

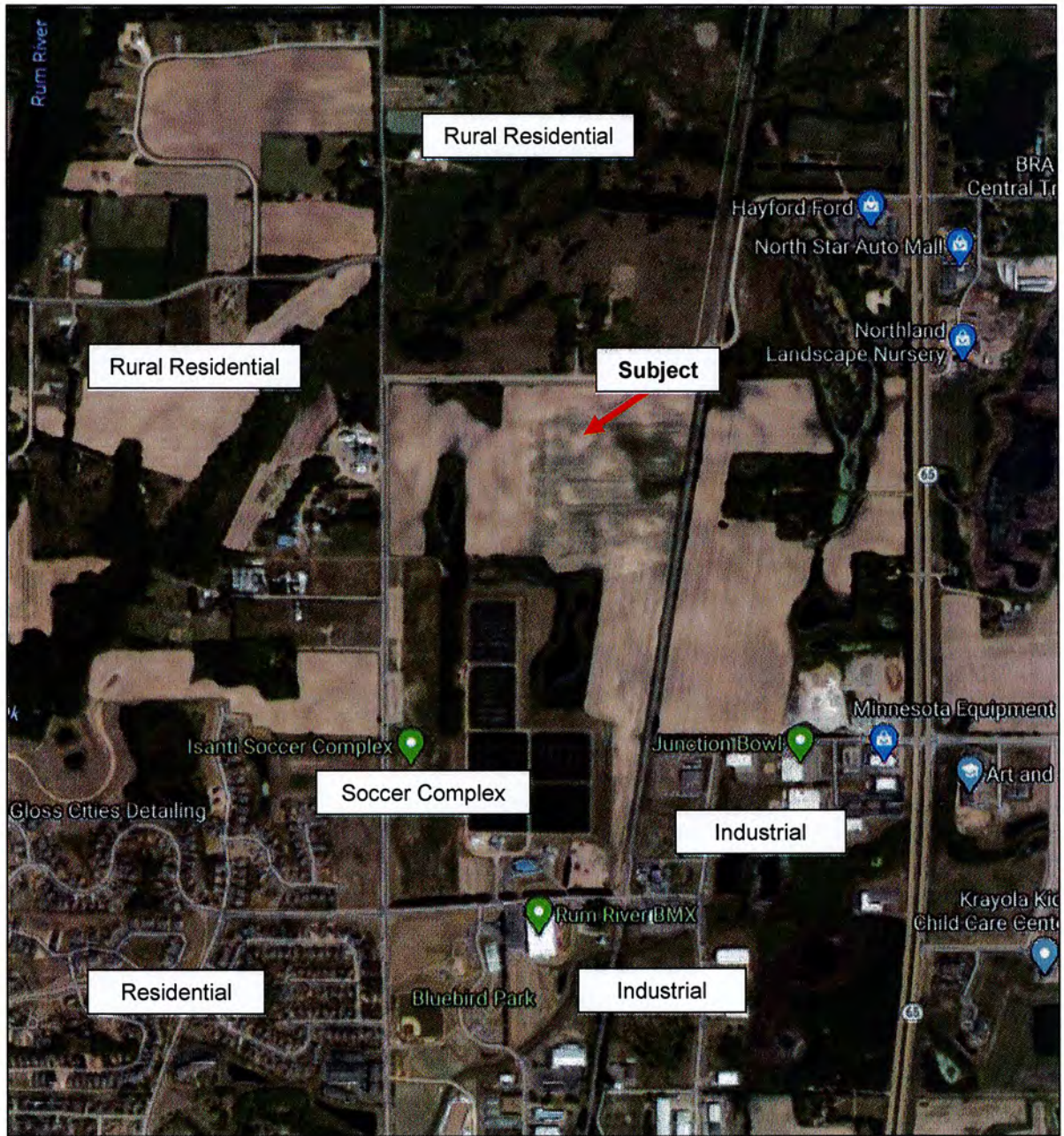


The median sale price for a single-family home in Isanti appears to be increasing over the years. It is fairly similar to Isanti County levels.

NEIGHBORHOOD MAP



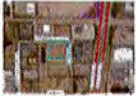
SURROUNDING USES



Immediate surrounding uses consist primarily of industrial and rural residential.

SUBJECT MARKET CONDITIONS OVERVIEW

Market Conditions Overview is based on conversations with market participants, articles, publications and data. Listed below are pertinent conditions of the subject market.

Current Market						
	Location	Land Area	Home	List Date	Current List Price	\$/acre
	291 – 5 th Avenue NE, Isanti (owned by the city)	1.5 acres	Comm/Ind	Current	\$199,000	\$132,666 /acre
<p>Comments: Listing used due to being located in Isanti. The listing appears to be strong given it has been listed for 687 days. Limited listings of large industrial acreage in the subject's immediate area. See note below.</p>						

Industrial Raw Land Sales	\$10,000 to \$25,000+ per acre (depending on location, available utilities, etc.)
Market Supply	<p>Search Parameters: <i>Source: MLS Location: Minnesota Property Type: Industrial 30+ acres</i></p> <p>Search Results: Currently, there are 15 +/- offerings/available properties</p>
Market Absorption	<p>Search Parameters: <i>Source: MLS Location: Minnesota Property Type: Industrial 30+ acres</i></p> <p>Search Results: 3 +/- sales in the past year</p>
Supply & Demand:	Considering the above market data/statistics, and based on market observations, the subject market is rated to be relatively stable.
Marketing Time:	Market exposure times can vary based on seller motivations. Typically, 6-24 months.
Market participant comments/ observations:	Demand for land in appealing close-in locations such as Minneapolis, St. Paul, St. Louis Park, Edina, and numerous other Minneapolis areas is generally good. However, demand in more outlying locations around the periphery is still in oversupply. As residential development begins to return to said areas, development land should experience increased demand. NOTE: City is proposing to sell some of their inventory of existing industrial lots for \$1 each per city. While this pricing can attract buyers it limits the marketability of other industrial land in the area.
Overall Market Condition:	Stable , economists are talking about a potential recession occurring within the next 12 to 24 months.

SITE DESCRIPTION

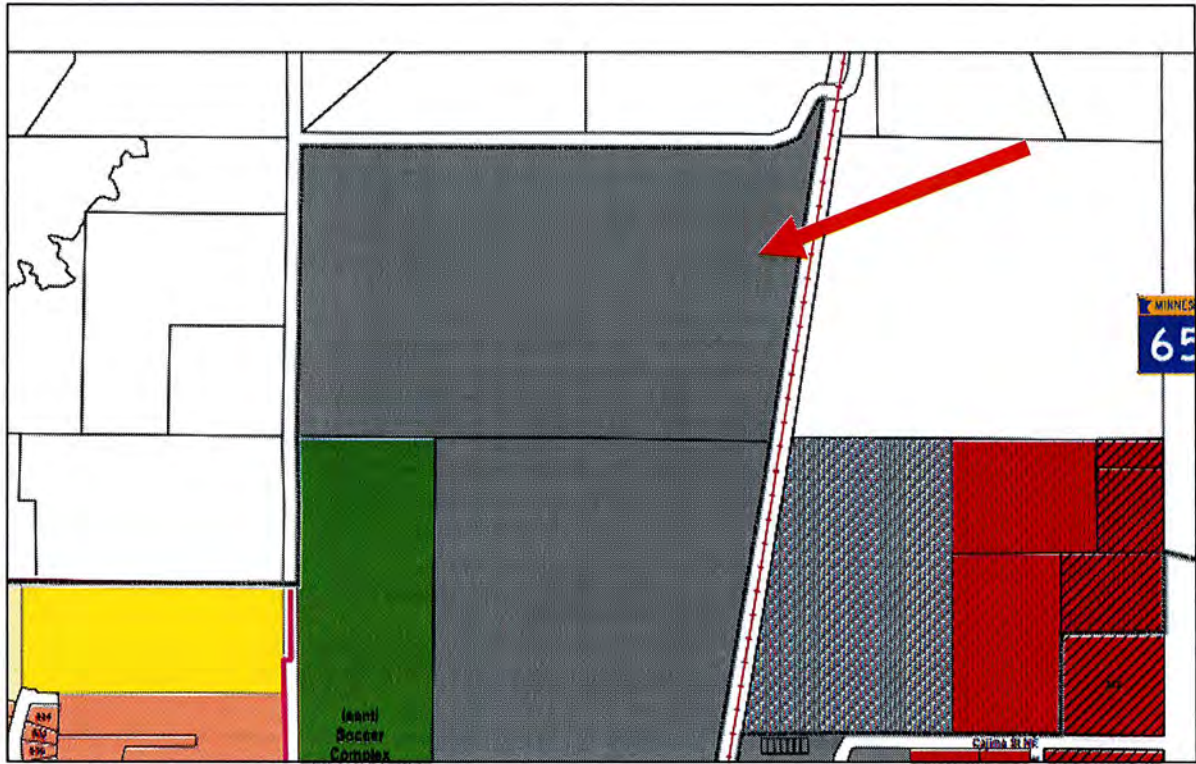
Dimensions:	Mostly rectangular, see plat map	
Gross Site Area:	66.06 acres, per County 5.65 acres, per National Wetlands Map DNR 60.41 acres, total useable acres	
Topography / Shape / Low:	Mostly level / Mostly rectangular / Approximately 5.65 acres	
Soil conditions / Drainage:	Assumed stable / Appears average	
Utilities:		
Electricity/Gas	Available	
Water/Sanitary Sewer	Nearby	
Off-Site Improvements:		
Street/Curb/Gutter:	Bituminous / Surface	
Sidewalk/Alley:	Yes, asphalt / None	
Visual Road Condition:	Average	
Street Lights/Storm Sewer:	Standard / Surface	
Access to site (#) / Frontage:	Jackson Street Northeast, 299 th Avenue Northeast	
Visibility/Exposure:	Average / Average	
Flood hazard zone:	Appears no, see following flood map	
Bus Line:	None	
Apparent Easements:	Typical utility and drainage apparent	
Encroachments/Conditions:	None noted	
Surplus/Excess Land:	None noted	
Land to Building Ratio:	n/a	
Use / Functional Adequacy:	Vacant land / Average	
Surrounding Uses:	N – Rural Residential	S – Public works
	E – Rural residential	W – Rural residential
Distance to Major Road:	Less than a mile west of Highway 65 access	

Comments: The subject is located at the corner of Jackson Street Northeast and 299th Avenue Northeast. Immediate surrounding uses consist primarily of rural residential and industrial. There are railroad tracks that run along the eastern border of the subject, there appears to be no spurs leading to the site. No apparent unusual conditions, adverse easements or encroachments are noted.

ZONING

Subject Zoning:	I-1, Industrial Park District
Intent (city code):	The I-1, Industrial Park District is established, in an effort to expand upon employment opportunities within the community. The purpose of the Industrial Park District is to group industrial uses in locations that have adequate and convenient access to major streets, highways and the railroad line. While the City is predominantly residential in character, industrial uses are an important part of the City's land use pattern. Regulations encourage the development of industrial uses that are compatible with surrounding and abutting land uses. In order to accomplish this compatibility, development within the district is intended for administrative, wholesaling, manufacturing, warehousing, office, and related uses which can maintain high standards of appearance, through building design, site design, and landscaping / screening, and not require a high level of public services. With proper control, these areas should be compatible with commercial or residential areas.
Permitted Uses:	Building maintenance service; contractors shop; essential services; light manufacturing; motor vehicle repair facility, subject to those standards as provided within section 13 of this ordinance; office – showroom; office – warehouse; research and development facilities; warehouse; water treatment plant; wholesale establishment, indoor; adult establishments; etc.
Conditional Uses:	Ambulance service; broadcasting and recording studio; commercial recreation (indoor only); contractors yard; ground transportation service; heavy manufacturing; household maintenance and small engine repair facility, subject to those standards as provided within section 13 of this ordinance; medium manufacturing; motor vehicle body shop; outside storage (permanent); public buildings / uses; recycling collection centers; scrap operations (indoor only); self-storage facilities; telecommunication facilities; truck freight terminal; wholesale establishment (outdoor); wind energy conversion systems; distillery; micro distillery; etc.
Major Building Restriction/ Requirements in this district:	Minimum lot size: 0.5 acres Minimum front yard setback: 30 feet Minimum side yard setback: 15 feet Minimum rear yard setback: 30 feet
Parking:	Varies depending on use.
Use:	The subject is vacant land.
Future Land Use:	Public/Semi-Public
Source:	<i>Zoning map, city code</i>

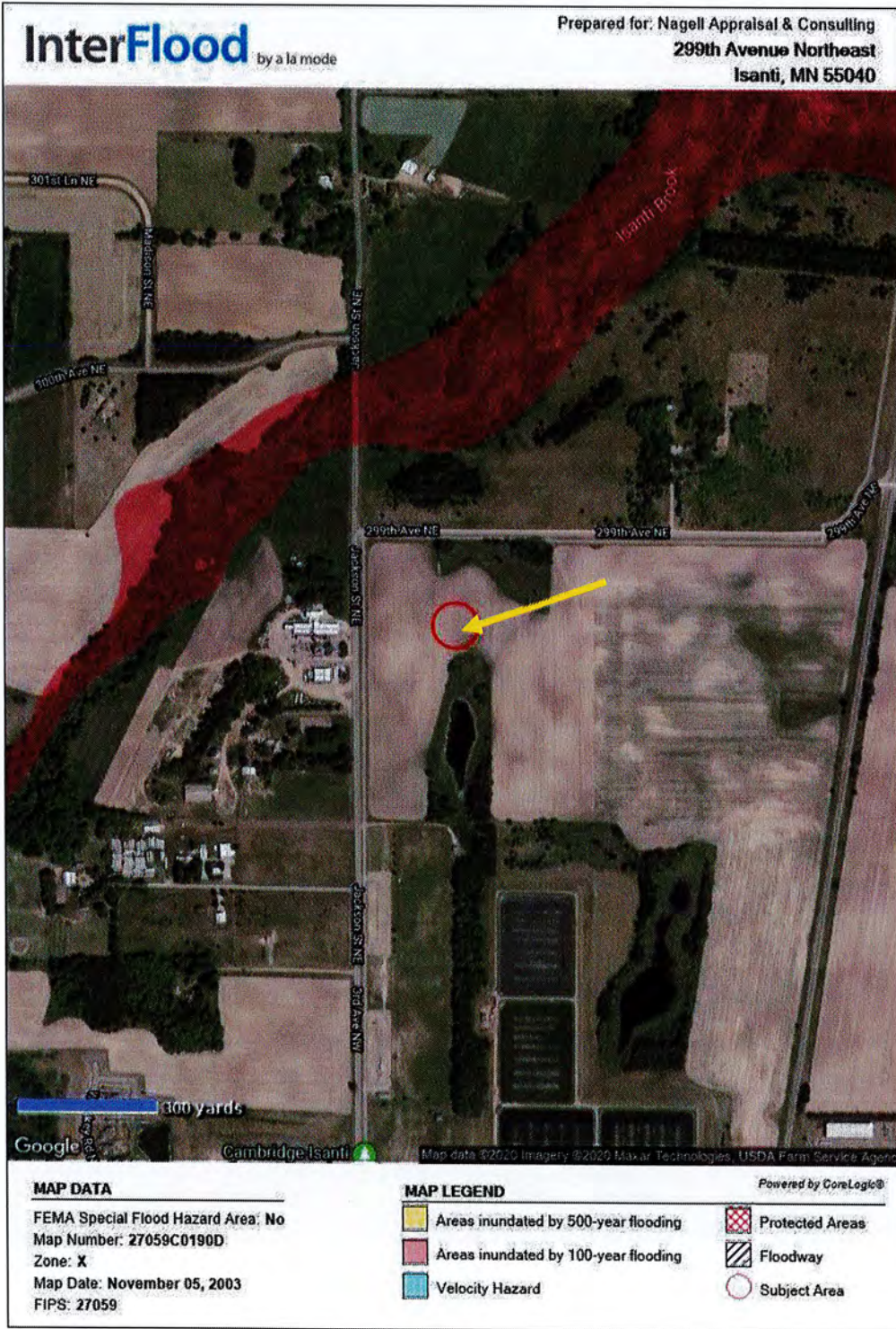
ZONING MAP



- "R-1" Single-Family Residential
 - "R-2" Single-Family Residential
 - "R-3A" Low Density Multiple-Family Residential
 - "R-3B" Medium Density Multiple-Family Residential
 - "R-4" Multiple-Family Residential
 - "B-1" Central Business District
 - "B-2" General Business District
 - "B-3" Neighborhood Business District
 - "CBT-1" Central Business Transitional District
 - "CBT-2" Central Business Transitional District
 - "RC" Recreational Commercial
 - "I-1" Industrial Park District
 - Park/Open Space
 - MN DNR Land
 - Storm Water Pond
 - B-2 Tier 1
 - I-1 Tier 1
 - R-1 Tier 1
- Overlay Districts
- Planned Unit Development
 - D-1 Downtown Overlay
 - S-1 Rum River Scenic Overlay
 - TH 65 Overlay



FLOOD MAP



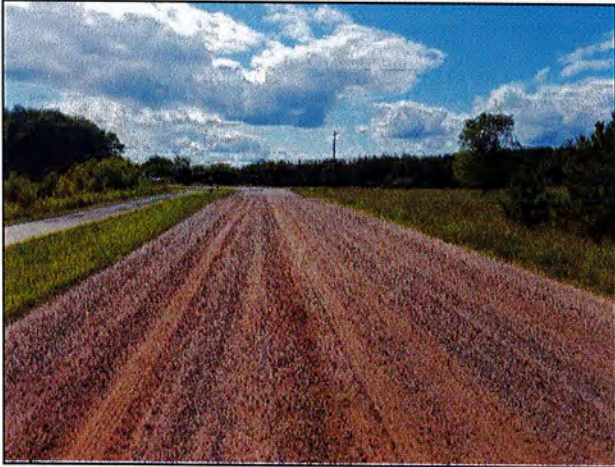
The subject is not located within a flood zone.

AERIAL / PLAT MAP



Per County

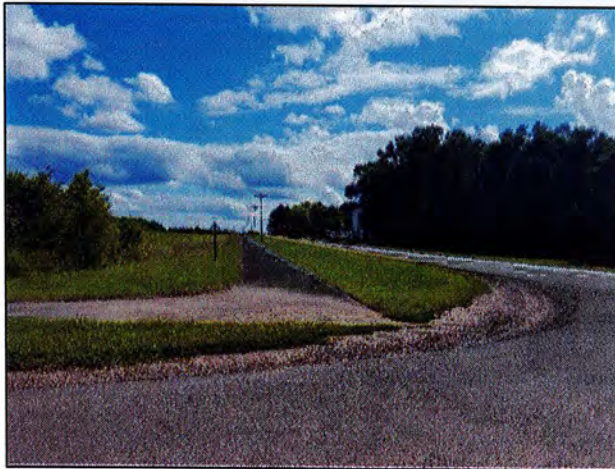
SUBJECT PHOTOGRAPHS



Looking west on 299th Avenue Northeast



Looking east on 299th Avenue Northeast

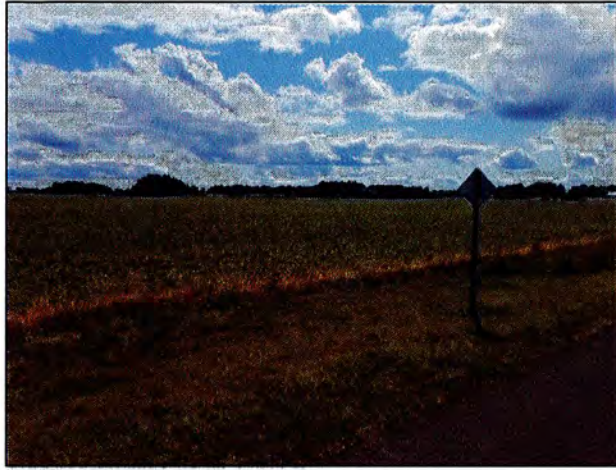


Looking south on Jackson Street Northeast



Looking north Jackson Street Northeast

Subject Photographs – Continued



Site view



Site view



Site view

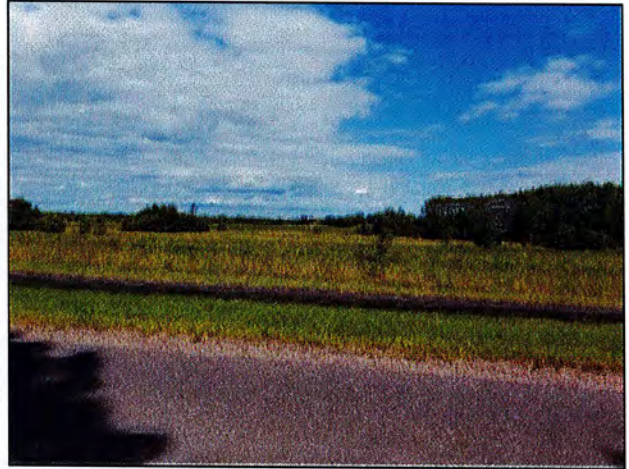


Site view

Subject Photographs – Continued



Site view



Site view



Site view



Site view

HIGHEST AND BEST USE

Highest and best use as defined in The Appraisal of Real Estate, Thirteenth Edition, by the Appraisal Institute, is: "The reasonably probable and legal use of vacant land or an improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value." Highest and best use is analyzed in two ways, site as vacant and site as improved.

<i>Typically, there are four criteria in highest and best use analysis</i>	
<i>Legally permissible uses</i>	<i>What uses are allowed by zoning?</i>
<i>Physically possible uses</i>	<i>What uses are physically possible on the site?</i>
<i>Financially feasible use</i>	<i>Which possible and permissible uses will produce a positive return?</i>
<i>Maximally productive use</i>	<i>Of the financially feasible uses, which use produces the highest return warranted by the market (the ideal improvements)?</i>

Site as Vacant: Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. *The Dictionary of Real Estate Appraisal, Fifth Edition, by the Appraisal Institute.*

Legally Permissible Uses: The subject is zoned I-1, Industrial Park District, which allows for a variety of industrial related uses.

Physically Possible Uses: The physical characteristics of the site appear suitable for an industrial related use.

Financially Feasible Uses: Typically, surrounding uses, market demand, and availability of financing drive financially feasible uses.

Surrounding Uses: Immediate surrounding uses consist primarily of rural residential and industrial related uses. The surrounding uses would support an industrial related use.

Financing: Over the past 3+ years, financing has loosened up since the "Great Recession". However, borrowers typically must be well qualified with 20% to 30% down. SBA loans are popular for owner-occupied buildings. Also 5-year balloons with 20-year amortizations are very popular with interest rates around 4.0% to 5.5%.

Market Demand: Demand for industrial land is rated to be fair as supply exceeds demand. As such, the city is currently selling some of their industrial lots for a \$1 each. Per Shella at the city adm. will be proposing to sell a 2.5 acre industrial lot for \$1; a 4.86 acre lot which is in negotiations with BP Metals for \$1. Also, there is a 1.21 acre site being proposed to sell at \$1. There is going to be a proposal to the Council to split a 15.49 acre parcel into 3 lots, which would be at a \$1 each.

Financially Feasible Uses: An industrial related use with affordable land prices.

Highest and Best Use – Continued

Maximally Productive Use:

A typical market participant might consider the following options:

- 1) **Split off lots:** This option is possible (as allowed by zoning); however, limited development occurring within the immediate area and lot splits could lessen the appeal for potential outdoor storage. Holding costs could be costly.

- 2) **Current agriculture use:** This option is considered to be an interim use and to speculate for industrial related development as market demand warrants and zoning allows. The site is considered to have limited marketability at this time with the current \$1 price of city lots. As noted above there is about 6 lots of inventory. Given the city lots for sale and outlying location, development timing could be in the 3-7+ years for the subject.

Given the above, option 2 appears to be the most probable. As such, the highest and best use of the subject is to speculate for an industrial related use as market demand warrants and zoning allows.

Site as Improved: The use that should be made of a property as it exists. An existing improvement should be renovated or retained as so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. *The Dictionary of Real Estate Appraisal, Fifth Edition, by the Appraisal Institute.*

This analysis is not applicable as the subject is vacant land.

Most Likely Buyer: Investor/developer (mid to long term speculation)

COST APPROACH

The subject is vacant land, the Cost Approach is not considered an applicable indicator of value and therefore was not applied.

INCOME APPROACH

Vacant residential land is typically not rented in the market. Given the lack of applicable data, the Income Approach was considered less reliable and was therefore not applied.

SALES COMPARISON APPROACH

The Sales Comparison Approach to Value is predicated upon sales of properties with similar characteristics as the subject. The primary premise of this approach is that the market value of the subject is directly related to the prices of competing properties after adjustment. Adjustments are made in an effort to account for significant differences.

Supply and Demand: Sales in the market result from negotiations between buyers, sellers and lenders. Buyers reflect market demand and sellers supply. If demand is high, prices tend to increase, if it is low, prices usually decrease.

Substitution: The principle of substitution holds that the value of a property tends to be set by the price paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time (The Appraisal of Real Estate, 14th Edition). The Sales Comparison Approach is less reliable if substitute properties are not available in the market. There are adequate sales to apply the sales comparison approach and formulate a reliable indication of market value.

Balance: The market tends to force a balance between supply and demand. Balance can change due to shifts in population, variations in purchasing power, consumer tastes and preference and time.

Externalities: When possible, select comparables with similar location, economic conditions and support facilities.

The Following Outline Is Used In The Sales Comparison Approach:

- A location map of the comparable sales.
- Comparable sales are listed.
- An adjustment grid using the comparable sales.
- A discussion of adjustment and conclusion of value.

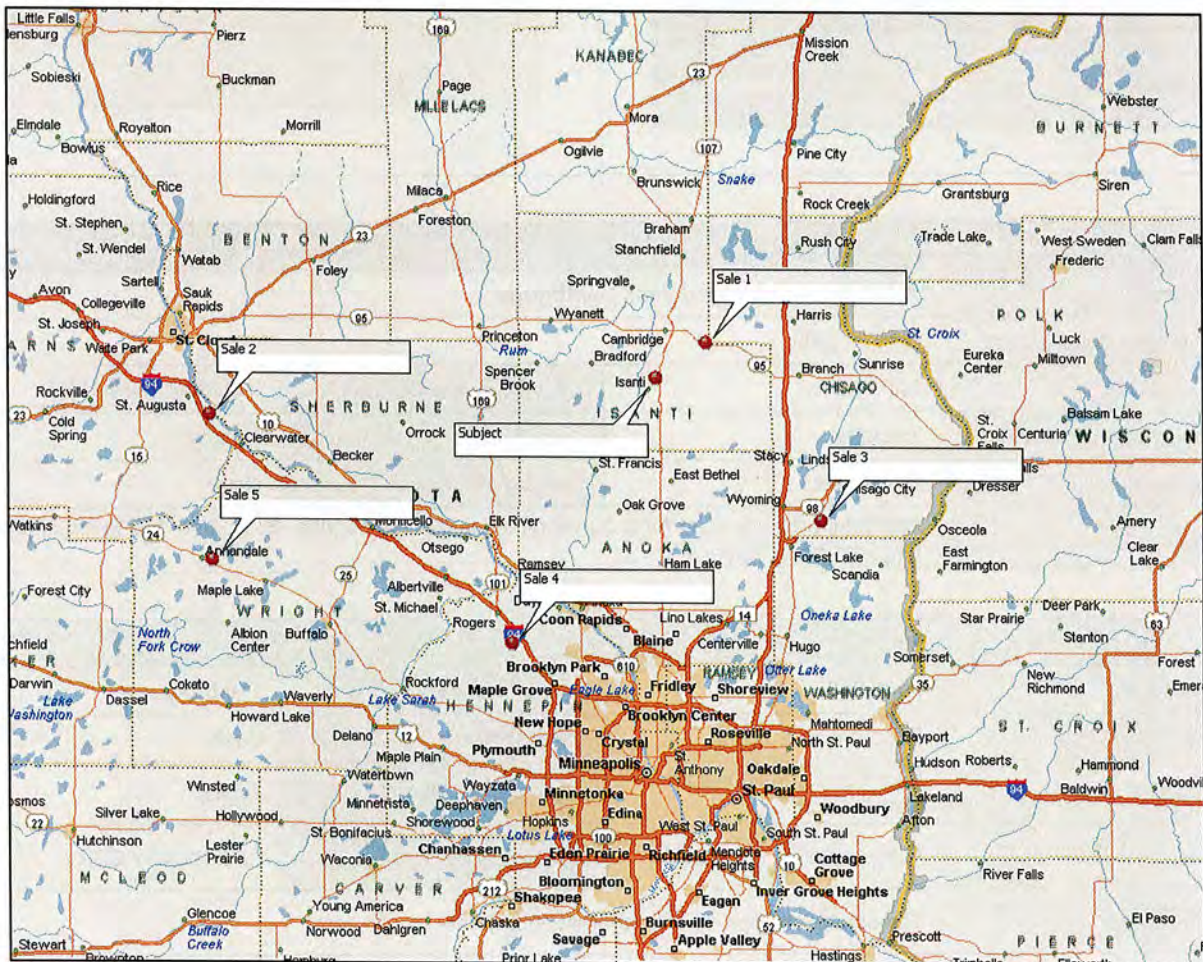
Valuation Methodology:

Vacant industrial land.

Comparable Location Map

Primary Comparable Selection/Search Criteria:

- Vacant industrial land sales
- Sale date of January 1, 2017 +
- Since there are limited sales of large industrial acreage sites, the scope of search area is expanded.
- Data from competing communities
- In some instances, older data and/or data from competing communities will be utilized due to proximity to the subject and other characteristics similar to the subject.



Sales Comparison Approach -- continued

Land Sale Comparable #1



Property Data

Address:	XXX Highway 95 Northeast, Cambridge		
PID/Legal Description:	05.001.1300		
Description:	Land parcel	Zoning/Intended Use:	Industrial / Gravel Pit
Physical Characteristics:	Average	Utilities:	Nearby
Site Size:	36.91 acres	Improvements:	None
Comments:	Industrial property used for a gravel pit located in Cambridge. Sale used due to proximity and large industrial acreage.		

Sale Data

Sale Price:	\$400,000	Price / Useable Ac:	\$10,837 per Ac
Sale/Close Date:	December 31, 2018	Sale Terms:	Cash
Buyer:	East Central Solid Waste Commission	Sale Conditions:	Typical
Seller:	Multiple sellers (in file)	Source/Verification:	RediComps / CREV
Comments:	The sale price appears to be market appropriate.		

Sales Comparison Approach -- continued

Land Sale Comparable #2



Property Data

Address:	XXX 74th Street South, St. Augusta		
PID/Legal Description:	82.50617.0248		
Description:	Land parcel	Zoning/Intended Use:	Industrial
Physical Characteristics:	Average	Utilities:	Available
Site Size:	79.72 acres	Improvements:	None
Comments:	Vacant industrial land located in St. August. The lot has since been split and is to be developed with an industrial property.		

Sale Data

Sale Price:	\$2,178,000	Price / Useable Ac:	\$27,321 per Ac
Sale/Close Date:	December 13, 2017	Sale Terms:	Cash
Buyer:	Mark & Chris Coborn Real Property Family Partnership	Sale Conditions:	Typical
Seller:	Multiple sellers (in file)	Source/Verification:	RediComps / CREV
Comments:	The sale price appears to be market appropriate.		

Sales Comparison Approach -- continued

Land Sale Comparable #3



Property Data

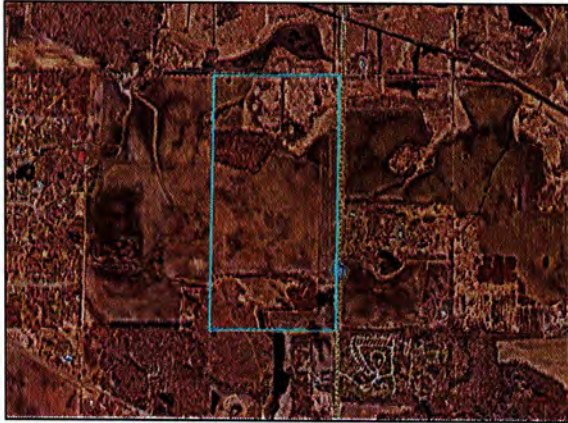
Address:	8785 Green Lake Trail, Forest Lake		
PID/Legal Description:	13.10458.00		
Description:	Land parcel	Zoning/Intended Use:	Industrial
Physical Characteristics:	Average	Utilities:	Private
Site Size:	41.36 acres	Improvements:	Nominal
Comments:	Industrial land located in Forest Lake. There are building improvements which are considered to have nominal value.		

Sale Data

Sale Price:	\$565,000	Price / Useable Ac:	\$13,661 per Ac
Sale/Close Date:	December 26, 2019	Sale Terms:	Cash
Buyer:	CLH, LLC	Sale Conditions:	Typical
Seller:	Estate of Elizabeth J Pliscott	Source/Verification:	RediComps / CREV
Comments:	The property was listed on the open market.		

Sales Comparison Approach -- continued

Land Sale Comparable #4



Property Data

Address:	10585 County Road 101, Corcoran		
PID/Legal Description:	01-119-23-11-0001		
Description:	Land parcel	Zoning/Intended Use:	Industrial
Physical Characteristics:	Average	Utilities:	Available
Site Size:	65 acres	Improvements:	None
Comments:	Vacant industrial land located in Corcoran. The site has approximately 78.85 total acres; however, approximately 65 are useable.		

Sale Data

Sale Price:	\$1,500,000	Price / Useable Ac:	\$23,077 per Ac
Sale/Close Date:	July 31, 2019	Sale Terms:	Cash
Buyer:	Craig Scherber & Associates, Inc.	Sale Conditions:	Typical
Seller:	Multiple sellers (in file)	Source/Verification:	MLS / CREV
Comments:	The property was listed on the open market.		

Sales Comparison Approach -- continued

Land Sale Comparable #5



<u>Property Data</u>			
Address:	100 Annandale Boulevard, Annandale		
PID/Legal Description:	102-500-294101, 102-500-94201, 102-500-294309		
Description:	Land parcel	Zoning/Intended Use:	Ind/Comm/Ag/Res
Physical Characteristics:	Narrow driveway	Utilities:	Available
Site Size:	77 acres	Improvements:	None
Comments:	Vacant industrial/commercial/agricultural/residential land located in Annandale. Immediate surrounding uses are primarily industrial, an industrial related use would be supported. The site has 80 total acres; however, approximately 77 are useable.		

<u>Sale Data</u>			
Sale Price:	\$961,500	Price / Useable Ac:	\$12,487 per Ac
Sale/Close Date:	April 5, 2019	Sale Terms:	Cash
Buyer:	Independent School District 876	Sale Conditions:	Typical
Seller:	Trace Developers LLC	Source/Verification:	MLS / CREV
Comments:	The property was listed on the open market.		

Sales Comparison Approach – Continued

Listed below is the adjustment grid for the comparables listed on the previous pages. Comparable items of significant difference are adjusted for:

Description	Subject	1	2	3	4	5
Address	Jackson Street NE 299th Avenue NE Isanti	XXX Highway 95 NE Cambridge	XXX 74th Street S St. Augusta	8785 Green Lake Trail Forest Lake	10585 County Road 101 Corcoran	100 Annandale Blvd Annandale
Proximity	Subject	5.57 mi SW	42.09 mi W	20.51 mi SE	28.35 mi SW	44.95 mi SW
Financing	Market	Cash	Cash	Cash	Cash	Cash
Conditions	Typical	Typical	Typical	Typical	Typical	Typical
Market Conditions	--	Dec-18	Dec-17	Dec-19	Jul-19	Apr-19
Location	Average	Average	St. Cloud market	Closer in	Closer in	Average
Zoning/Use	Industrial	Industrial / Gravel Pit	Industrial	Industrial	Industrial	Ind/Comm/Ag/Res
Phys Char	Average	Average	Average	Average	Average	Narrow driveway
Improvements	None	None	None	Nominal	None	None
Size		--	--	--	--	--
Age	--	--	--	--	--	--
Condition	--	--	--	--	--	--
Utilities	Nearby	Nearby	Available	Private	Available	Available
Sale Price	Current	\$400,000	\$2,178,000	\$565,000	\$1,500,000	\$961,500
Site Size (Useable Ac)	60.41	36.91	79.72	41.36	65.00	77.00
Price per SF - Site Size		\$10,837	\$27,321	\$13,661	\$23,077	\$12,487
Cond. Adj.	+/-					
Financing	Market					
Conditions	Typical					
Market Conditions	--					
Net Cond. Adj.		0%	0%	0%	0%	0%
Effective \$/SF - Site Size		\$10,837	\$27,321	\$13,661	\$23,077	\$12,487
Adjustments	+/-					
Location	Average		-20%	-10%	-25%	
Zoning/Use	Industrial	10%				
Phys Char	Average					10%
Improvements	None					
Utilities	Nearby		-10%	10%	-10%	-10%
Site Size (Useable Ac)	60.41					
Net Adjustment		10%	-30%	0%	-35%	0%
Adjusted Price per SF - Site Size		\$11,921	\$19,124	\$13,661	\$15,000	\$12,487

Sales Comparison Approach – Continued

Discussion of Adjustments

Property Rights: Refers to the ownership interest conveyed at the time of sale. Properties with leases or other encumbrances in place can sell for more or less than comparable properties that sell fee simple interest. The sale prices of the comparable properties were not impacted by existing lease terms (if any).

Financing: The impact financing may have had on the sale price, favorable interest rate or term. All sales were cash or estimated to be near or at market rates.

Conditions of sale: Reflects non-market conditions, which may or may not have impacted the sale price, such as differing motivations of buyer or seller (related parties, distressed or liquidation sale, listings, pending, occupancy, assemblage, etc.), impending eminent domain proceedings, influence due to tax ramifications, or lack of market exposure.

Market Conditions: The market did not indicate a time adjustment, therefore no adjustment.

Location: This adjustment is based on the appraiser's judgment. It takes into consideration surrounding land uses, intended use, neighborhood characteristics, traffic, exposure and access. Comparables 2, 3, and 4 adjusted for superior/closer-in locations.

Zoning/Use: Comparable 1 adjusted for gravel pit use.

Physical Characteristics: Shape and topography adjustments reflect the market preference for rectangular and level parcels, which optimize development potential. Comparable 5 adjusted for narrow driveway.

Improvements: Comparables considered to be competing.

Utilities: Comparables 2, 4, and 5 adjusted for having utilities available on the site. Comparable 3 adjusted for private utilities.

Site Size: Adjustments recognize larger parcels of land typically sell for less per acre than smaller sites. Comparables adjusted accordingly.

Sales Comparison Approach – Continued

Conclusion: The comparables used are rated to be the most indicative of data analyzed and bracket the subject value. Other sales reviewed were older, further and/or needed more adjustment. Adjustments are made on a per useable acre basis. The comparables utilized in this analysis each have several similar characteristics in common with the subject. While none are totally identical to the subject, each represents a viable alternative to a prospective buyer of the subject property and, after adjustment, can be utilized as an indicator of market value for the subject property.

Indicator	Un-Adjusted Price per SF	Adjusted Price per SF
Range	\$10,837 - \$27,321	\$11,291 - \$19,124
Average	\$17,476	\$14,439
Median	\$13,661	\$13,661

More weight to Comparable 1 due to proximity. Overall the comparables considered to have competing development timing appeal as the subject, However the subject faces competition from the city pricing of their industrial lots, therefore a rate just below the average and median is considered appropriate.

Site Size (Useable Ac)	Value per Acre	Total
60.41	\$12,000	\$724,920

Opinion of Value (as is)	\$725,000 (rnd.)
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RECONCILIATION

Indicated Value by Cost Approach	Not Applied
Indicated Value by Sales Comparison Approach	\$725,000
Indicated Value by Income Approach	Not Applied

The **Cost Approach** to value was not applied as the subject is being appraised as vacant land.

The Direct **Sales Comparison Approach** to value analyzed recent sales of properties as compared with the characteristics of the subject property. Adjustments were made to the comparables to make them as similar to the subject as possible. This results in an indication of market value at which a typical buyer would be willing to pay for the subject property. Quantity and quality of data for the subject was rated to be fair.

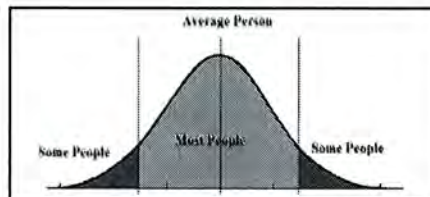
The **Income Approach** was not utilized due to limited/ rents of properties similar to the subject.

Conclusion: The Sales Comparison Approach is given the most weight.

Final Value Opinion	
The value opinion is:	\$725,000

NOTE: Changes in the economy, market, building, use, lease, and/or management, foreclosure, etc., subsequent to the effective appraisal date could impact market value. Typically, unstable and/or distressed properties with unusual conditions and/or motivated sellers tend to sell below market value. Based on market observations and discussions with various market experts, bank owned discounts can range from 10%-50%+.

The appraised value opinion is considered to be indicative of the most probable price within the subject market (see Market Value Definition in rear of report). The actions of buyers and sellers operating in said market generally reflects a bell curve, with most participants and prices in the middle of the curve. However, there are right and left tail market participants that may have a different perception of value than most buyers/sellers resulting in a willingness to pay more or less than the appraised value opinion. Seller may be fortunate and find a buyer who needs this property and is willing to pay more, conversely there could only be buyers that are towards the left, that are willing to pay less.



EXPOSURE TIME / MARKETING TIME

Reasonable Exposure Time: Typically 12 months before the effective date of the appraisal.

Marketing Time Opinion: 12 months or less after the effective date of the appraisal.

DEFINITIONS

MARKET VALUE - The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(A) buyer and seller are typically motivated;

(B) both parties are well informed or well advised, and each acting in what they consider their own best interest;

(C) a reasonable time is allowed for exposure in the open market;

(D) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

(E) the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: [Dictionary of Real Estate Appraisal, Fifth Edition](#), Appraisal Institute

ENVIRONMENTAL & STRUCTURAL ISSUES

Regarding any adverse environmental and/or improvement structural conditions (such as, but not limited to, hazardous wastes, toxic substances, mold, construction defects or inadequacies, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property: **None are apparent**, however, appraiser is not an expert in this field. Value assumes no hazardous or structural conditions exist. Value assumes any abandoned wells will be properly sealed. If any of these conditions exist the appraised value could differ significantly.

EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS

As stated by USPAP;

Extraordinary Assumption: An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions of conclusions.

Appraised value assumes utilities can be connected to the site at typical costs.

Soil conditions assumed to be stable and can be built on; appraised value assumes no site contamination of any kind, if found to be otherwise appraised value could differ.

Hypothetical Condition: That which is contrary to what exists but is supposed for the purpose of analysis.

None

ASSUMPTIONS AND LIMITING CONDITIONS

1. The appraisers assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor do the appraisers render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership and good management.
2. The furnished legal description is assumed to be correct.
3. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraisers have made no survey of the property. It is assumed unless otherwise noted that no survey has been viewed and that all improvements are located within the legally described property.
4. The appraisers are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefore.
5. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
6. The appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraisers assume no responsibility for such conditions, or for engineering, which might be required to discover such factors.
7. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, radon gas, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
8. Information, estimates, and opinions furnished to the appraisers, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, the appraisers can assume no responsibility for accuracy of such items furnished the appraisers.
9. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the appraisers are affiliated. No part of the contents of this report, or copy thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the appraiser is connected), shall be disseminated to the public through advertising, public relations, news, sales, or any other public means of communications without the prior written consent and approval of the appraisers.

Assumptions & Limiting Conditions – continued

10. The appraisers have no present or contemplated future interest in the property appraised; and neither the employment to make the appraisal, nor the compensation for it, is contingent upon the appraised value of the property. The appraisers have no personal interest or bias with respect to the parties involved.

11. The appraiser has personally inspected the subject site (unless noted otherwise). The comparable sales data has been viewed via aerial maps, photographs and/or online street views along with file pictures, when available. To the best of the appraiser's knowledge and belief, all statements and information in this report are true and correct, and the appraisers have not knowingly withheld any significant information.

12. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice. The appraisal is for the sole use of the named client.

13. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of the property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

14. To the best of our knowledge and belief, the reported analysis, opinions, and conclusions were developed, and this report was prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

15. The appraised value opinion assumes all leases (if any) are current and paid in full as of the effective date of the appraisal.

16. Excel grids and tables may have slight deviations due to rounding, which may have a nominal impact on value.

17. The appraised value opinion assumes all formulas used in the Excel grids throughout the report are accurate.

18. Unless noted, value assumes no apparent adverse site, building or zoning issues or conditions.

19. Site and building sizes are based on public record, data services, client and/or appraiser measurement at the time of appraisal and are considered reliable, but not guaranteed. Actual sizes herein could vary if made by an engineer/surveyor/contractor.

20. Because market and property conditions may change rapidly, the named client should exercise caution in relying on the appraised value subsequent to the appraisal date with the passage of time.

21. If any of the above is found to be different, value could change.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analysis, opinions, and conclusions.
- 3) I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- 4) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 5) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 6) My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 7) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- 8) The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which includes the Uniform Standards of Appraisal Practice.
- 9) **Elizabeth Waytas** made a personal inspection of the property that is the subject of this report. **William R. Waytas** has not inspected the subject property.
- 10) No one provided significant professional assistance to the person signing this report.
- 11) In accordance with the competency provision USPAP, I have verified that my knowledge, experience and education are sufficient to allow me to competently complete this appraisal. See attached qualifications.
- 12) As of the date of this report, William R. Waytas has completed the requirements of the continuing education program of the Appraisal Institute.
- 13) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.
- 14) We **have not** provided services as an appraiser, regarding the subject property within the 3-year period immediately preceding acceptance to this assignment.



Elizabeth Waytas
Trainee Appraiser MN 40672995
Date: see report



William R. Waytas
Certified General MN 4000813
Date: see report

QUALIFICATIONS

Appraisal Experience

Presently and since 2015, **Elizabeth Waytas** has been employed as an employee of Nagell Appraisal Incorporated, an independent appraisal firm (11 employees) who annually prepares 1,500 +/- appraisal reports of all types. She is currently a full-time licensed trainee real estate appraiser, as well as data support for Nagell.

Properties Appraised

- **Commercial** – low and high-density multi-family, retail, office, office condos, storage units, mixed-use, industrial, restaurant, strip-centers, convenience stores, auto- service and repair, greenhouse/landscaping properties, dog kennels, mini-storage complexes, redevelopment land, food production and distribution, churches, bed & breakfasts, numerous special use properties, and subdivision analysis.
- **Residential** – single-family residences, residential with water frontage, hobby farms, townhouses, relocation properties (Relo's) and land
- **Eminent Domain** – assisted with extensive partial and total acquisition appraisal services provided to numerous government agencies and private owners.
- **Special Assessment** – assisted with numerous street improvement and utilities projects for both government and private owners
- **Clients** – served include banks, trust companies, corporations, governmental bodies, attorneys, and private individuals
- **Area of Service** – most appraisal experience is in the greater Twin Cities Metro Area (typically an hour from downtown metro). Also, numerous assignments throughout Minnesota and Wisconsin.

Professional Membership, Associations & Affiliations

License: Trainee Real Property Appraiser, MN License #40672995

Education

- Bemidji State University, Bemidji, MN
B.S. Degree in Business Adm., Management Emphasis

- **General & Professional Practice Courses & Seminars**
- Basic Appraisal Procedures
- Basic Appraisal Principles
- 2018-2019 15-Hour National Uniform Standards of Professional Appraisal Practice
- Supervisory Appraiser/Trainee Appraiser Course

Curriculum Vitae -- continued

Appraisal Experience

Presently and since 1985, **William R. Waytas** has been employed as a full-time real estate appraiser. Currently a partner and President of Nagell Appraisal Incorporated, an independent appraisal firm (11 employees) who annually prepare 1,500 +/- appraisal reports of all types. Mr. Waytas was employed with Iver C. Johnson & Company, Ltd., Phoenix, AZ from 1985 to 1987.

Properties appraised:

- **Commercial** - low and high-density multi-family, retail, office, industrial, restaurant, church, strip-mall, fast-food, convenience stores, auto-service and repair, hotel, hotel water park, bed & breakfast, cinema, marina, numerous special use properties, and subdivision analysis.
- **Residential** – single-family residences, hobby farms, lakeshore, condominiums, townhouses, REO and land.
- **Eminent Domain** – extensive partial and total acquisition appraisal services provided to numerous governmental agencies and private owners.
- **Special Assessment** – numerous street improvement and utilities projects for both governmental and private owners.
- **Review** – residential, commercial and land development.
- **Clients** - served include banks, savings and loan associations, trust companies, corporations, governmental bodies, relocation companies, attorneys, REO companies, accountants and private individuals.
- **Area of Service** - most appraisal experience is in the greater Twin Cities Metro Area (typically an hour from downtown metro). Numerous assignments throughout Minnesota.

Professional Membership, Associations & Affiliations

License: Certified General Real Property Appraiser, MN License #4000813.
Appraisal Institute: SRA, Senior Residential Appraiser Designation,
General Associate Member
Employee Relocation Council: CRP Certified Relocation Professional Designation.
International Right-Of-Way Association: Member
HUD/FHA: On Lender Selection Roster and Review Appraiser
DNR: Approved appraiser for Department of Natural Resources

Testimony

-- Court, deposition, commission, arbitration & administrative testimony given.

Mediator

-- Court appointed in Wright County.

Committees

- President of Metro/Minnesota Chapter, 2002, Appraisal Institute.
- Chairman of Residential Admissions, Metro/MN Chapter, AI.
- Chairman Residential Candidate Guidance, Metro/Minnesota Chapter, AI.
- Elm Creek Watershed Commission, Medina representative 3 years.
- Medina Park Commission, 3 years.

Curriculum Vitae -- continued

Education

- Graduate of Bemidji State University, Minnesota. B.S. degree in Bus. Ad.
- During college, summer employment in building trades (residential and commercial).
- Graduate of Cecil Lawter Real Estate School. Past Arizona Real Estate License.

- **General & Professional Practice Courses & Seminars**
- Course 101-Introduction to Appraising Real Property.
- Numerous Standards of Professional Practice Seminar.
- Fair Lending Seminar.
- Eminent Domain & Condemnation Appraising.
- Eminent Domain (An In-Depth Analysis)
- Property Tax Appeal
- Eminent Domain
- Business Practices and Ethics
- Scope of Work
- Construction Disturbances and Temporary Loss of Going Concern
- Uniform Standards for Federal Land Acquisitions (Yellow Book Seminar)
- Partial Interest Valuation Divided (conservation easements, historic preservation easements, life estates, subsurface rights, access easements, air rights, water rights, transferable development rights)

- **Commercial/Industrial/Subdivision Courses & Seminars**
- Capitalization Theory & Techniques
- Highest & Best Use Seminar
- General & Residential State Certification Review Seminar
- Subdivision Analysis Seminar.
- Narrative Report Writing Seminar (general)
- Advanced Income Capitalization Seminar
- Advanced Industrial Valuation
- Appraisal of Local Retail Properties
- Appraising Convenience Stores
- Analyzing Distressed Real Estate
- Evaluating Commercial Construction
- Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets

- **Residential Courses & Seminars**
- Course 102-Applied Residential Appraising
- Narrative Report Writing Seminar (residential)
- HUD Training session local office for FHA appraisals
- Familiar with HUD Handbook 4150.1 REV-1 & other material from local FHA office.
- Appraiser/Underwriter FHA Training
- Residential Property Construction and Inspection
- Numerous other continuing education seminars for state licensing & AI

Speaking Engagements

- Bankers
- Auditors
- Assessors
- Relocation (Panel Discussion)

Publications

- Real Estate Appraisal Practice (book): Acknowledgement
- Articles for Finance & Commerce and Minnesota Real Estate Journal

ADDENDA TO APPRAISAL REPORT



Economic Development Authority Agenda

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
2. Approval of the Agenda
3. Approve minutes of October 6, 2020 regular meeting.
4. Public Hearing
 - a. Sale of EDA land PID 16.029.1400
5. Business Items
 - a. Contract for Retail Academy Services
 - b. Commercial land discussion
6. Other Business/Updates/ Communications
7. Adjournment

Economic Development Authority
Meeting Minutes October 6, 2020

1. **Call to Order:** EDA President Johnson called the meeting to order at 9:10pm
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Jeff Johnson, Steve Lundeen, Dan Collison, Paul Bergley, Jimmy Gordon, Luke Merrill, Justin Nielson. Staff present: Community Development Director Sheila Sellman, City Administrator Josi Wood.
 - c. **Agenda Modifications:** None
2. **Approval of the Agenda:** Motion by Collison, second by Bergley to approve the agenda, motion passed 7-0.
3. **Approve minutes of August 5, 2020 regular meeting and August 18, 2020 special meeting:** Motion by Merrill, second by Collison to approve, motion passed 7-0.
4. **Business Items**
 - a. **Presentation from Retail Strategies – Retail Academy:** A presentation was given by Retail Strategies for their Retail Academy program. This program provides a real estate education course tailored to your community which covers retail trends, retail expansion, site selection, development process and best practices for retail recruitment. They will provide a custom marketing guide, market analysis, demographic reports, peer analysis and identify retailers for the community to target. The EDA discussed sending Community Development Director Sellman to the academy. The consensus was for Sellman to reach out to communities similar in size to Isanti and get testimony on the program, bring back to the next meeting with that information and how this will be funded.
 - b. **Appraisal EDA land 16.090.0140:** Sellman reviewed the appraisal with the board. The Board would like to actively list this property for sale.
 - c. **Purchase commercial land discussion:** The board had general discussion about buying commercial land. Gordon was not in favor of buying land and to let the market play out. Collison stated the land is an incentive for development. The consensus was to have staff reach out and see if the owners are willing to sell and at what price.
5. **Other Business/Updates/ Communications**
 - a. **Isanti Business Relief Grant Program:** Sellman reported the City has given out 17 grants in the amount of \$77,377.00.
 - b. **Update on Sale to BP Metals:** The sale should close by the end of the month.
 - c. **Update on sale to UPS:** Sellman updated the board that negotiations have started up with UPS again and a public hearing to sell the land will likely be at the next meeting.
6. **Closed Session**
 - a. **Consideration of sale of EDA land pursuant to Minnesota Statutes Section 13D.05 Subd 3(c) and Subdivision of land for PID 16.124.0020:** EDA Member Neilson excused himself from the room.

7. **Adjournment:** The EDA resumed after closed session. Lundeen motioned staff to start negotiations as discussed in closed session, second by Collision, motion passed 6-0 with Neilson abstaining. Motion by Collision, second by Lundeen to adjourn, motion passed 7-0 meeting adjourned at 10:17pm

Respectfully submitted Sheila Sellman Community Development Director/EDA Secretary

A Community For Generations.



Request for EDA Action

To: Economic Development Authority
From: Sheila Sellman, Community Development Director
Date: November 4, 2020
Subject: Public Hearing sale of EDA land PID 16.029.1400

Background:

In May 2019, the EDA directed staff to start negotiations with UPS to sell the EDA owned land east of UPS (PID 16.029.1400). UPS plans to expand their existing facility. The city attorney and UPS are negotiating the details of the sale and land combination with a sales price of \$165,000.00 The city attorney has recommended that the EDA DEED this land to the City and the City will work out the subdivision/land combination with UPS.

Recommendation:

Staff recommends approving the development agreement and resolution for the sale.

Attachments:

- Resolution
- Purchase Agreement

RESOLUTION 2020-XX

AUTHORIZING THE SALE OF EDA-OWNED INDUSTRIAL LAND TO UPS

WHEREAS, the EDA owns certain real property at xxx East Dual Blvd NE PID 16.029.1400 in the City of Isanti, County of Isanti, state of Minnesota; and,

WHEREAS, the EDA agreed to start negotiations for the sale at their May 7, 2019 meeting and directed staff to draft the purchase agreement; and,

WHEREAS, UPS plans to expand their existing facility; and

WHEREAS, the sale of the land is in the best interest of the city to expand tax and employment growth and furthers its general plan of economic development; and

WHEREAS, the City attorney and UPS are negotiating the terms of the purchase agreement with a sale price of \$165,000.00; and,

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Economic Development Authority of the City of Isanti, approves the transfer of said property to the City for purposes of facilitating the sale to UPS and authorizes the City Administrator to execute any documents necessary for the sale and recommends approval to the City Council.

This Resolution hereby approved by the Isanti EDA this 4th day of November 2020.

Attest:

EDA President Jeff Johnson

Sheila Sellman
EDA Secretary/Community Development Director

AGREEMENT FOR PURCHASE AND SALE

THIS AGREEMENT FOR PURCHASE AND SALE (this “Agreement”) is made and entered into as of the ____ day of November, 2020, (the “Effective Date”) by the City of Isanti Economic Development Authority, Minnesota, a public body corporate and politic and political subdivision of the State of Minnesota (“Authority”), and the City of Isanti, a municipal corporation of the State of Minnesota (“City”), both with an address at 110 1st Avenue NW, Isanti, Minnesota 55040, Attn: Ms. Sheila Sellman, email: ssellman@cityofisanti.us (collectively hereinafter, Authority and City are referred to as “Seller”), and BT Property, LLC, a Delaware limited liability company, having a business address at 55 Glenlake Parkway, NE, Atlanta, GA 30328, Attn: Real Estate Dept./Contract Administrator, emails: bharder@ups.com and rrubin@ups.com (“Buyer”).

RECITALS:

- A. Buyer owns that certain real property consisting of approximately 2.46+/- acres of land with the improvements thereon, with an address of 500 East Dual Boulevard NE, in the City of Isanti, Isanti County, Minnesota (Parcel I.D. #16.053.0130) (the “Buyer Property”).
- B. Authority owns that certain unimproved land, the “EDA Parcel” (Parcel I.D. #16.029.1400) in fee simple located nearby the Buyer Property (which is adjacent to and contiguous with the City Parcel defined immediately below), and as more particularly described on Exhibit “A” which is attached hereto and made a part hereof. Seller has agreed to convey the EDA Parcel to Buyer in accordance with the terms and conditions set forth herein below. The EDA Parcel includes approximately 4.0 acres of land as described and shown on Exhibit “A”.
- C. This purchase shall also include certain other real property owned by City consisting of an approximately .45 acre portion of the tract of land labeled as the “City Parcel” which is contiguous with the Buyer Property and the EDA Parcel, is shown on Exhibit “A”, which Seller has also agreed to convey to Buyer (the City Parcel is a portion of Parcel I.D. #16.053.0151) in accordance with the terms and conditions set forth herein below. The EDA Parcel and the City Parcel are sometimes collectively hereinafter referred to as the “City Property”).
- D. City has agreed to file a re-plat in the real estate records of Isanti County, Minnesota, combining the City Parcel and the EDA Parcel (as described on Exhibit “A”) on or before closing.
- E. Buyer desires to purchase the City Property from the Seller, and Seller desires to sell the City Property to Buyer in accordance with the terms and conditions contained in this Agreement.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the sum of Eight Thousand Two Hundred Fifty Dollars (\$8,250.00) to be paid by Buyer to Stewart Title Guaranty Company as “Escrow Agent” as earnest money and deposited into an interest bearing account as set forth in Section 2 below (the “Deposit”), and in further consideration of the premises, the mutual promises, covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. AGREEMENT TO SELL AND PURCHASE. Seller agrees to sell, transfer and convey to Buyer, and Buyer agrees to purchase from Seller, the City Property, for the “Purchase Price,” as such term is defined in Section 2 hereof, and in accordance with the terms and subject to the conditions hereinafter set forth. The City Property shall include the real property as described in Exhibit “A” together with all buildings and

other improvements located on and all easements, rights and privileges appurtenant to the foregoing (the "Real Property"); all of Seller's right, title and interest in and to all fixtures attached to the City Property, plus all of Seller's personal property located thereon except that listed on Exhibit "B" attached hereto (the fixtures and the specific personal property are herein called the "Personal Property"); all of Seller's interest as landlord in all leases, subleases and other occupancy agreements for any portion of the Real Property, and all guaranties thereof, if any (the "Leases"); all of Seller's right, title and interest in and to all contracts and agreements relating to the ownership, operation or maintenance of the Real Property that Buyer notifies Seller in writing prior to the Closing, as herein defined, that Buyer desires that Seller not terminate (the "Contracts"); and all certificates of occupancy, zoning variances, building, use or other permits, approvals, authorizations, licenses and consents obtained from any governmental authority or other person in connection with the development, use, operation or management of the Real Property, including, without limitation, any of the foregoing relating to the undeveloped portion of the Real Property (the "Permits"); all land development plans, as-built plans, surveys, drawings and other plans and specifications relating to the land or buildings comprising the Real Property (the "Plans"); and all payment and performance bonds or warranties or guarantees relating to the Real Property in favor of Seller, including, without limitation, warranties on all of the buildings in the Real Property (the "Warranties"). Notwithstanding the foregoing, Seller shall only be required to transfer Contracts, Permits and Warranties that are transferable without the consent of any third party and those for which any required consents to transfer are obtained by Buyer.

Seller agrees to sell, transfer and convey to Buyer, and Buyer agrees to purchase from Seller, the City Property, for the "Purchase Price," as such term is defined in Section 2 hereof, and in accordance with the terms and subject to the conditions hereinafter set forth.

2. PURCHASE PRICE. Buyer shall pay as the purchase price (the "Purchase Price") to Seller for the City Property the sum of One Hundred Sixty-Five Thousand Dollars (\$165,000.00):

(a) Within five (5) business days after the full execution of this Agreement by Buyer and Seller and the delivery of the fully executed Agreement to Buyer (the "Effective Date"), Buyer shall wire transfer the Deposit to Escrow Agent (hereafter identified), to be held in an interest bearing account as earnest money. If this Agreement is terminated herein for any reason other than as a result of Buyer's default pursuant to Section 11.2 herein, the Deposit and all interest earned thereon shall be returned to Buyer. If the Escrow closes, the Deposit and the interest earned thereon, shall be credited against the total Purchase Price, and the Deposit, and any interest earned thereon, shall be paid to Seller. If Buyer is entitled at any time to the return of the Deposit as provided in this Agreement, any interest thereon shall be paid to Buyer. If Seller is entitled to the Deposit due to a Buyer default hereunder, any interest thereon shall be paid to Seller.

(b) The Purchase Price less the Deposit (and any interest earned thereon) and less all other credits due Buyer shall be paid by Buyer to Seller by wire transfer of federal funds at the closing of the sale of the City Property to Buyer (the "Closing").

(c) Notwithstanding anything to the contrary, One Hundred and No/100 Dollars (\$100.00) of the Deposit shall be independent consideration ("Independent Consideration") for Seller's execution and delivery of this Contract and shall be non-refundable under all circumstances.

3. ENTRY UPON PROPERTY. Seller agrees that Buyer and its agents and employees shall have the right to enter upon the City Property after the date hereof for the purposes of making inspections of the City Property, obtaining surveys of the City Property, performing soil and environmental testing, or for any other purposes as are deemed necessary or appropriate by Buyer. Buyer shall provide Seller with written notice

prior to commencing any Phase II environmental assessment and shall provide Seller with a copy of all reports generated from such testing. Buyer will indemnify and hold Seller harmless from and against any loss, claim, cause of action or actions to the City Property, that result from Buyer's negligent acts, or those of Buyer's agents, on the City Property prior to the Closing. Buyer shall not be responsible for any loss, claim, cause of action or actions resulting, directly or indirectly, from a pre-existing condition on or about the City Property. In the event that the Closing does not occur, Buyer shall repair any damage to the City Property caused by Buyer's acts as may be practicable to place the City Property in a substantially similar condition as it was prior to such inspections and testing.

Within five (5) days of the date of this Agreement, Seller will provide Buyer with copies of any environmental studies and reports, plans, specifications, drawings, surveys, documents and other information pertaining to the City Property in the possession of Seller or available to Seller. In the event that this Agreement is terminated for any reason, Buyer shall promptly return such information to Seller or destroy the same.

4. CLOSING. 4.1. The Closing shall take place no later than thirty (30) days after the end of the "Investigation Period" (as defined in Section 9.2 hereof, and please see Section 9.2(a) with regard to Buyer's right to accelerate Closing) on a date (the "Closing Date") selected by Buyer. The Closing shall take place in escrow at the offices of the Escrow Agent. Unless otherwise agreed in writing between the parties, the Closing shall take place in escrow. It is agreed that time is of the essence.

4.2 Seller shall deliver to Escrow Agent on or before the Closing Date the following documents duly executed and acknowledged where required by Seller:

(A) Warranty Deed (the "Deed") in proper form for recording in substantially the same form as Exhibit "C" which is attached hereto and made a part hereof conveying good and marketable fee simple title to the City Property to Buyer or to Buyer's nominee subject only to the Permitted Exceptions;

(B) Non-foreign Certification by Seller reasonably acceptable to Buyer and the title company and/or Escrow Agent (the "FIRPTA");

(C) Evidence reasonably satisfactory to Buyer and Escrow Agent that the person executing the documents is duly authorized by Seller to act on its behalf and a certified copy of the ordinances and/or resolutions authorizing the transactions that Seller is obligated for under this Agreement;

(D) Seller's Affidavit in the standard form required by the Escrow Agent;

(E) A Closing Statement as prepared by the Escrow Agent consistent with the terms of this Agreement;

(F) A termination of the farm lease or license, if any, affecting the City Property.

(G) Such other documents as may be reasonably required by Buyer or the Escrow Agent.

4.3 Buyer shall deliver to Escrow Agent on or before the Closing Date, the Purchase Price and the following documents duly executed and acknowledged where required by Buyer:

(A) A Closing Statement as prepared by the Escrow Agent consistent with the terms of this Agreement; and

(B) Such other documents as may be reasonably required by the Escrow Agent.

The delivery to the Escrow Agent by the Buyer of the Purchase Price, and by Seller of the duly executed Deed conveying title to Buyer or its nominee in the condition as required herein together with all other documents and instruments required to be delivered and signed by the terms of this Agreement shall be deemed to be a good and sufficient tender of performance of the terms hereof.

5. TITLE TO THE CITY PROPERTY; RE-PLATTING .

(a) Fee simple title to the City Property shall be conveyed at the time of Closing by the Deed from Seller to Buyer, free of liens, encumbrances, judgments, tenancies, covenants, conditions, restrictions, easements and rights-of-way, whether recorded or unrecorded; subject, however, to (i) those matters (if any) which are not Impermissible Exceptions and which Seller is not required to clear from its title pursuant to the terms of this Section 5 (collectively, the "Permitted Exceptions"). At the Closing, title is to be marketable, good of record and insurable without exception, other than the Permitted Exceptions, at standard market rates by the Title Company.

(b) Buyer shall order a title commitment for the City Property. The cost of such commitment and a standard coverage owner's policy of title insurance in the amount of the Purchase Price shall be at Buyer's expense. Prior to the expiration of the Investigation Period, Buyer shall give notice to Seller of any limitations upon, or defects in, the City Property which Buyer, in Buyer's sole discretion, finds unacceptable (collectively, the "Impermissible Exceptions"). Within ten (10) days after Buyer delivers said list to the Seller, Seller shall deliver to Buyer a written response designating those Impermissible Exceptions (except deeds of trust, mortgages, security interests, judgments, fines, violations, liens and other monetary encumbrances or matters which by their terms can be cured solely by the payment of money, all of which must be cleared and removed from the record by Seller at Seller's expense prior to or at Closing) that Seller elects not to, or is not able to, clear from its title to the City Property on or before the Closing. If any of the Impermissible Exceptions which Seller elects not to cure are unacceptable to Buyer, Buyer in its sole discretion shall be entitled to terminate this Agreement within the fifteen (15) day period following Buyer's receipt of written notice from Seller that Seller elects not to cure such Impermissible Exceptions. If Buyer chooses to terminate this Agreement, Buyer shall be entitled to receive a full refund of the Deposit plus any interest earned thereon. If Buyer does not elect to terminate this Agreement within the time period provided herein, the Impermissible Exceptions that Seller elected not to cure shall become Permitted Exceptions. Notwithstanding anything to the contrary herein, by or at the Closing, Seller shall at Seller's own cost and expense clear title to the City Property of and from all Impermissible Exceptions which consist of deeds of trust, mortgages, security interests, judgments, fines, violations, liens, and other monetary encumbrances or other matters which by their terms may be cured solely by the payment of money and those items which Seller elects to cure.

(c) Seller hereby agrees to cause the EDA Parcel to be deeded to the City, obtain an administrative split of the property constituting Parcel I.D. #16.053.0151 to enable the conveyance of the vertical portion of the City Parcel, as contemplated herein, and as described on Exhibit "A", and obtain all necessary governmental approvals for and prepare a preliminary draft of a plat combining and re-platting

the City Parcel and the EDA Parcel on or before the end of the Investigation Period, for Buyer's approval, such approval not to be unreasonably withheld.

6. REPRESENTATIONS AND WARRANTIES AND OTHER OBLIGATIONS OF SELLER. Seller hereby represents and warrants to Buyer in connection with the City Property, which representations and warranties shall be automatically deemed to be restated on and as of the Closing, and all of which shall survive the Closing:

6.1 Title, Authority and Conflict Matters, Condition.

(a) Seller has, and at the Closing will have, good, fee simple marketable title to the City Property, free and clear of all covenants, conditions, restrictions, easements, liens, charges, mortgages, deeds of trust or other security interests and encumbrances of every nature, kind or character whatsoever, subject only to the Permitted Exceptions.

(b) There are no condemnation or similar proceedings which are pending or, to Seller's actual knowledge, threatened against the City Property or any part thereof, nor to Seller's actual knowledge are there any governmental plans to appropriate or purchase any portion of the City Property.

(c) There are no leases affecting any portion of the City Property, nor are there any parties entitled to be in possession of the City Property.

(d) Seller has not received any written notification from any governmental agency, authority or instrumentality of any pending or threatened assessments on or against the City Property to secure or pay the cost of public improvements to be made with respect to the City Property or any part thereof nor has the Seller issued any such notification nor does Seller have any knowledge of the issuance of any such notification by any other governmental agency.

(e) Seller has all requisite power and authority to execute, deliver and perform this Agreement and all documents and instruments referred to herein to be executed, delivered and performed by Seller, and all necessary or appropriate consents, authorizations or approvals required in connection with the execution, delivery and performance by Seller of this Agreement and the other documents and instruments referred to herein have been duly obtained by Seller.

(f) The conveyance of the City Property to Buyer pursuant hereto will not violate any applicable statute, ordinance, resolution, governmental restriction or regulation, or any private restriction or agreement binding upon or otherwise applicable to Seller or the City Property.

(g) Seller has not received any written notice of nor has any actual knowledge of any contemplated or actual reassessment of the value of the City Property for ad valorem real estate tax purposes, other than any such reassessment which may occur by virtue of the sale of the City Property to Buyer and recordation of the Deed to the City Property, and the City Property will be separately assessed with the Buyer Property for ad valorem real estate tax assessment purposes and shall not be combined with any other real property for such tax assessment purposes.

(h) Seller has not granted or entered into any commitments or other agreements, including, without limitation, any right of first refusal or option to purchase, with or in favor of any third party, which would or could prevent the Seller from consummating the sale of the City Property to Buyer pursuant to

this Agreement or which would bind Buyer subsequent to the consummation of the purchase of the City Property by Buyer.

(i) Improvements. To the best of Seller's knowledge, the improvements on the City Property, if any, are in good repair.

(j) The present zoning classification of the EDA Parcel is I-1, Industrial Park District, and the City Parcel is not zoned. The City Parcel shall be rezoned by the City to the following zoning classification such that Buyer's use of the City Property as a parcel distribution center and for all related and ancillary purposes shall be permitted as of right thereon: I-1, Industrial Park District.

(k) Seller has disclosed to the Buyer the existence of a drainage ditch located on the City Parcel. In the event that Buyer elects to close on the City Property, Seller hereby represents, warrants and agrees that Seller will reasonably cooperate with Buyer with respect to the approval of plans, providing and obtaining governmental approvals, modifying any existing easements, and as otherwise may reasonably be necessary, if the Buyer elects to relocate the drainage ditch. Seller's obligation to cooperate with any election by Buyer to relocate the drainage ditch shall survive Closing.

6.2 Environmental Matters. To Seller's actual knowledge:

(a) No portion of the City Property constitutes "wetlands" under the Clean Water Act, applicable regulations or other state or federal law.

(b) The City Property, including, but not limited to, the soil, groundwater and soil vapor of the City Property does not contain a Hazardous or Toxic Substance (as defined below).

(c) During the time which Seller has owned the City Property, neither Seller nor any third party, has used, generated, manufactured, stored or disposed of on, under, or about the City Property or transported to or from the City Property nor has there been or is there on the City Property, any Hazardous or Toxic Substances.

(d) Neither Seller nor the City Property is subject to any existing, pending or threatened investigation by any governmental authority under any applicable federal, state or local law, regulation or ordinance pertaining to air and water quality, the handling, transportation, storage, treatment, usage, or disposal of Hazardous or Toxic Substances, air emissions, and other environmental matters.

(e) No leak, spill, release, discharge, emission, or disposal of Hazardous or Toxic Substances has occurred on the City Property.

(f) No conditions exist on the City Property which would necessitate remedial action by Seller under any environmental law.

(g) No liens have been asserted against the City Property or the buildings, improvements or fixtures located thereon, for all or any portion of the costs or expenses associated with the reclamation or clean-up of any waste disposal site or other City Property under any environmental laws.

(h) No restrictions or covenants have been placed on the City Property or which restrictions or covenants are threatened to be imposed on the City Property which arise from or are attributable to any Hazardous Substances or any environmental agency having jurisdiction over the City Property.

For the purposes of this Agreement, “Hazardous or Toxic Substances” shall be interpreted broadly to include, but not be limited to, any material or substance that is defined or classified under federal, state, or local laws as: (a) a “hazardous substance” pursuant to section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601(14), section 311 of the Federal Water Pollution Control Act, 33 U.S.C. §1321, as now or hereafter amended; (b) a “hazardous waste” pursuant to section 1004 or section 3001 of the Resource Conservation and Recovery Act, 42 U.S.C. §§6903, 6921, as now or hereafter amended; (c) a toxic pollutant under section 307(a)(1) of the Federal Water Pollution Control Act, 33 U.S.C. §1317(a)(1); (d) a “hazardous air pollutant” under section 112 of the Clean Air Act, 42 U.S.C. §7412, as now or hereafter amended; (e) a “hazardous material” under the Hazardous Materials Transportation Uniform Safety Act of 1990, 49 U.S.C. App. §1802(4), as now or hereafter amended; (f) toxic or hazardous pursuant to regulations promulgated now or hereafter under the aforementioned laws; or (g) presenting a risk to human health or the environment under other applicable federal, state or local laws, ordinances, or regulations, as now or as may be passed or promulgated in the future. “Hazardous Substances” shall also include all garbage fill material and waste, whether or not hazardous, and shall also mean any substance that after release into the environment and upon exposure, ingestion, inhalation, or assimilation, either directly from the environment or directly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer, or genetic abnormalities. “Hazardous or Toxic Substances” specifically includes, but is not limited to, asbestos, polychlorinated biphenyl’s (“PCBs”), petroleum and petroleum-based derivatives, and urea formaldehyde.

All representations, warranties, covenants and obligations in this Agreement, and any other certificate or document delivered pursuant to this Agreement, shall survive the date of the Agreement and the delivery of the deed to Buyer. To the extent allowed by law, Seller shall indemnify Buyer, its successors and assigns against, defend, and hold all of them harmless from, all damages and liabilities arising, directly or indirectly, from or in connection with (a) any breach by Seller of any representation or warranty, covenant, agreement or obligation made by Seller in this Agreement, or (b) the ownership, operation, or condition at any time on or prior to Buyer’s original occupancy of the City Property.

If this transaction closes and Buyer purchases the City Property from Seller, the fact that Buyer has purchased the City Property shall not be deemed evidence or an indication that the City Property purchased at the time of Closing, was free from all Hazardous Substances, debris or waste, or that Buyer has waived any of Seller’s representations in that regard.

7. COVENANTS OF SELLER. In addition to the other covenants and agreements contained in this Agreement, Seller hereby covenants with Buyer that from and after the date of this Agreement and through the date of Closing, Seller:

(a) shall not sell, grant, convey, mortgage, lease, encumber or dispose of the City Property or any part thereof or the improvements located thereon or the appurtenances thereunto belonging;

(b) shall not allow any lien, claim, demand or encumbrance of any nature, kind or character to be asserted against the City Property or any part thereof, other than the lien of City Property taxes and assessments not yet then delinquent;

(c) shall not grant any easement, license or right-of-way in, to or through the City Property or any part thereof, or any leases with respect to the City Property;

(d) shall not create, nor allow to be created, any condition, restriction or covenant of any kind, character or nature whatsoever with respect to the City Property;

(e) shall not seek any change in the zoning of, or conditional use for, the City Property, except as may be requested by Buyer or as otherwise set forth in this Agreement;

(f) until the date of the Closing, at its sole cost and expense shall maintain the City Property and the improvements thereon in good and proper repair; and

(g) during the Investigation Period, Seller has agreed to re-plat the City Parcel and the EDA Parcel, as described in Exhibit A, at Seller's sole cost and expense, in accordance with Section 5(c) and to the satisfaction of Buyer, and in compliance with all applicable legal requirements.

8. INTENTIONALLY OMITTED

9. CONTINGENCIES.

9.1 Buyer's Contingencies. Buyer's obligations to purchase the City Property under this Agreement are expressly made subject to the conditions precedent hereinafter enumerated (all of which are for the sole benefit of Buyer and not of Seller) (the "Buyer's Contingencies"), which must have either been met or expressly waived in writing by Buyer on or before the Closing:

(a) Buyer shall have obtained a commitment from Stewart Title Guaranty Company (the "Title Insurance Company") for an Owner's Policy of Title Insurance with respect to the City Property, in the amount of the Purchase Price, which shall be subject only to the Permitted Exceptions. Such commitment may also show mortgages, deeds of trusts, security interests, judgments, fines, violations, liens or other monetary encumbrances, all of which shall be deemed Impermissible Exceptions, and must be removed from the record and the Owner's Policy of Title Insurance by Seller at its expense at Closing.

(b) The survey obtained by Buyer herein shall be satisfactory to Buyer in Buyer's sole discretion and the re-plat to be prepared and filed by Seller in accordance with the terms and conditions of Section 5(c) above shall also be satisfactory to Buyer in Buyer's sole discretion.

(c) Buyer shall have determined to its complete satisfaction that no portion of any of the City Property constitutes "wetlands" under the Clean Water Act.

(d) Buyer shall have verified to its complete satisfaction the truthfulness and accuracy of all the representations and warranties contained in Section 6 hereof.

(e) Buyer shall have verified to its complete satisfaction that all necessary utilities, water rights, fire, police protection and access are or will be available for Buyer's intended use of the City Property.

(f) Buyer shall be satisfied with the zoning of the City Property in Buyer's sole discretion.

(g) Buyer shall have determined to its complete satisfaction that there are no easements, ordinances, codes, covenants, restrictions, rules, or regulations, either existing or proposed, that would preclude or interfere with Buyer's intended use of the City Property.

(h) Buyer received any approvals necessary for its use of the City Property and all appeal periods shall have expired and any appeals shall have been resolved in favor of Buyer.

(i) Buyer has performed to its satisfaction any and all testing Buyer desires to undertake on the City Property including but not limited to environmental testing and Buyer elects not to terminate the Agreement.

(j) Intentionally deleted.

(k) The City Property shall be otherwise acceptable to Buyer in Buyer's sole discretion.

9.2 Investigation Period.

(a) Buyer shall have the period of ninety (90) days after the Effective Date of this Agreement within which to satisfy the foregoing contingencies and to perform any tests on the City Property that Buyer believes, in its sole discretion, are appropriate or which Buyer desires. If Buyer has been unable to satisfy any of the contingencies set forth herein above within such time period, upon giving Seller written notice of such prior to the expiration of said 90 day period or prior to the end of any of the following extension periods, Buyer shall have three (3) additional thirty (30) day periods within which to satisfy the foregoing contingencies (collectively referred to herein as the "Investigation Period"). During the Investigation Period, Seller shall complete the re-zoning of the Middle Property. Notwithstanding anything to the contrary contained herein, from and after the 60th day of the Effective Date, Buyer shall have the right on no less than fifteen (15) days advance written notice to Seller to cause the Closing of the City Property to occur in accordance with the terms and conditions of this Agreement.

(b) In the event any of the Buyer's Contingencies have not been met on or before the last day of the Investigation Period or Buyer is not satisfied, in its own discretion, with the results of its due diligence with respect to the City Property, at Buyer's sole option, this Agreement shall become null and void, neither party hereto shall have any liability to or recourse against the other pursuant to this Agreement, except with respect to obligations that expressly survive the termination of this Agreement, and the Escrow Agent shall return the Deposit and all interest earned thereon to Buyer.

10. OBLIGATIONS AT CLOSING; PRORATIONS.

10.1 Obligations at Closing. At the Closing, the following shall occur:

(a) Buyer shall deliver the Purchase Price to Escrow Agent, in immediately available funds, provided, however, Seller hereby irrevocably authorizes Escrow Agent and the closing attorney, if any, to apply (by paying such amount directly to the holder of such lien) so much of the Purchase Price as is necessary to pay off and discharge of record all mortgages, liens and encumbrances on the City Property.

(b) Seller shall execute, acknowledge and deliver to Buyer the Deed in substantially the same form as Exhibit "C" which is attached hereto and made a part hereof, conveying good and marketable, fee

simple title to the City Property, free and clear of all liens, encumbrances and defects other than City Property taxes and assessments not yet then due and payable and the Permitted Exceptions.

(c) Seller shall pay all assessments and real estate taxes due and owing against the City Property, its attorneys' fees, all costs and fees to prepare and file the re-plat described in Section 5(c) above, costs to record any documents to satisfy title matters, transfer tax and state documentary fee, if any, all title search and examination fees, and all deed preparation costs. Buyer shall pay the recording fees for the Deed, Buyer's attorney's fees, the cost of the survey of the City Property, if so ordered by Buyer and the cost of the title commitment (unless there is no separate charge for the commitment and/or the charge therefore is for the title search and examination fees, which shall be borne by City) and Buyer shall bear the cost of Buyer's title policy and State deed tax. The parties shall split equally any escrow and closing fees. All other costs shall be paid by the party as is customary in the jurisdiction in which the City Property is located.

(d) Seller shall deliver complete and unconditional releases of any and all mortgages or other encumbrances creating liens on the City Property.

(e) Seller shall also execute and deliver the FIRPTA and a form W-9 setting forth Seller's social security number and address.

(f) Seller shall deliver possession of the City Property to Buyer at the Closing, free of the possession of all persons or entities and of all debris and trash.

(g) Seller shall execute and deliver to the Title Insurance Company such affidavits, consents, resolutions or other agreements as may be required to delete all Impermissible Exceptions to title as may be set forth in the title commitment.

(h) Seller will file the plat described in Section 5(c) above in the real estate records of Isanti County, Minnesota.

(i) Seller shall deliver all other documents duly executed and acknowledged by Seller which are required to be delivered by Seller at Closing pursuant to this Agreement including but not limited to those required to be delivered and duly executed in Section 4 herein.

10.2 Prorations. The parties shall prorate, on the basis of a three hundred sixty-five (365) day year, and in the manner customarily followed in Isanti County, Minnesota through the actual date of the Closing, all rent, taxes and assessments on the City Property that are due and payable in the calendar year in which the Closing occurs.

11. DEFAULT.

11.1 In the event that Seller fails to carry out the terms of this Agreement or refuses to perform any Seller's obligations hereunder, Buyer may, at Buyer's option, treat this Agreement as null and void. If Buyer terminates this Agreement, Buyer shall be entitled to receive a prompt refund of the entire Deposit and any interest thereon. Further, Seller hereby acknowledges that the legal remedy for breach by Seller of this Agreement shall be inadequate and that Buyer shall be entitled to a decree of specific performance

compelling the sale and conveyance of the City Property, or any portion thereof, to Buyer. In addition to all of the foregoing remedies, in the event of a breach of this Agreement by Seller, Buyer shall have all other rights and remedies against Seller as permitted by law or equity.

11.2 . In the event Buyer materially breaches this Agreement, Seller's sole remedy as a consequence thereof shall be to retain the Deposit, and Buyer shall have no further liability, responsibility or obligation to Seller under this Agreement or in connection with the subject matter hereof, except for its indemnification obligations described in Section 3 hereof and any other obligations of Buyer under this Agreement that expressly survive any termination of this Agreement.

12. RISK OF LOSS. All risks of loss of any kind with respect to the City Property, including, but not limited to, damage or destruction of the City Property and improvements thereon and condemnation of the City Property, shall remain upon Seller until the Closing. In the event any portion of the City Property is damaged by fire or other casualty at any time after the date hereof and prior to the Closing, Buyer may, at its sole election, either: (i) terminate this Agreement, whereupon the Deposit shall be returned to Buyer; or (ii) elect to purchase the City Property, whereupon Seller shall assign, transfer and set over unto Buyer at the Closing all of Seller's right, title and interest in and to all insurance proceeds payable in connection with such casualty and shall pay over to Buyer all such proceeds that already have been paid to Seller or on Seller's behalf and Buyer shall receive a credit equal to the deductible amount under Seller's insurance policy. In the event that, prior to the Closing Date, a governmental entity shall commence, or give written notice of its intent to commence, any condemnation proceeding to take any portion of the City Property, Buyer shall have the option either to (a) elect to terminate this Agreement, in which case the Deposit will be returned to Buyer within three (3) days, or (b) complete the acquisition of the City Property, in which case Buyer shall be entitled to the proceeds of such taking, and shall have the right to negotiate and/or litigate the award and Seller shall take such further actions as reasonably may be requested by Buyer in connection therewith. Seller shall promptly notify Buyer of any condemnation proceedings that Seller becomes aware of during the pendency of this Agreement.

13. INTENTIONALLY DELETED.

14. COMMISSIONS. Seller and Buyer each represent and warrant to the other that no real estate commission, broker's fee or other similar fee or commission is now or shall at any time be due with respect to this Agreement except for a brokerage fee due Jupiter Realty Services, LLC ("Buyer's Broker"), the commission of which will be paid for by Seller pursuant to a separate agreement. If any claims for such fees or commissions are made against any of the parties in connection with this transaction (other than the commission due Buyer's Broker), all such claims shall be handled and paid by the party whose actions or alleged commitments formed the basis of such claim, and such party further agrees to indemnify and hold harmless the other party from and against any and all such claims or demands.

15. MISCELLANEOUS.

(a) Assignment of Agreement. Buyer may assign this Agreement to an entity owned in whole or in part by Buyer or an owner of Buyer without the prior written consent of Seller.

(b) Binding Effect. This Agreement shall run to the benefit of Buyer, its successors and assigns, and shall be binding upon Seller and Seller's successors and assigns. All representations, covenants and warranties herein shall survive the Closing and delivery of the Deed.

(c) Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be effective upon receipt whether delivered by personal delivery, email or UPS Next Day Air® delivery or sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the respective parties as follows:

If to Buyer:

-See address at top of Page 1-

AND:

If to Seller:

-See address at top of Page 1-

Notices shall be deemed received upon the (a) the date of delivery if personally delivered or delivered via UPS Next Day Air® delivery, or (b) when sent, as shown on the sent receipt, if sent by email, or (c) if mailed, upon the date of receipt as disclosed on the return receipt. Notice of change of address shall be given by written notice in the manner detailed in this paragraph. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

(d) Headings. Descriptive headings herein are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

(e) Time of Essence. Time shall be of the essence with respect to the performance of all obligations of the parties hereunder.

(f) Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Minnesota.

(g) Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Pdf copies of the executed signature pages transmitted by email shall be effective and binding upon the parties as if such signatures were original signatures.

(h) Severability. If any part of this Agreement should be determined to be invalid, unenforceable, or contrary to law, that part shall be amended, if possible, to conform to law, and if amendment is not possible, that part shall be deleted and other parts of this Agreement shall remain fully effective, but only if, and to the extent, such modification or deletion would not materially and adversely frustrate the parties' essential objectives as expressed in this Agreement.

(i) Entire Agreement; Exhibits. This Agreement and all Exhibits attached hereto constitute the entire agreement among the parties as it relates to the subject matter hereof, and no amendment, alteration or modification of this Agreement shall be valid unless in each instance such amendment, alteration or modification is expressed in a written instrument duly executed by all of the parties to this Agreement. All Exhibits to this Agreement shall constitute part of this Agreement and shall be deemed to be incorporated in this Agreement by reference and made a part of this Agreement as if set out in full at the point where first mentioned.

(j) 1031 Exchange. Either party may desire to exchange its fee title interest in the City Property for other City Property of like kind and qualifying use within the meaning of Section 1031 of the Internal Revenue Code of 1986, as amended and the regulations, promulgated thereunder. Each party expressly reserves their right to assign its rights under this Agreement to a Qualified Intermediary as provided in Internal Revenue Code Reg. 1.1031(k) - 1(g)(4) on or before the Closing Date. Each party agrees to cooperate reasonably with the other and to execute any documents reasonably necessary to effectuate such an exchange provided such documents do not in any manner increase the liabilities of the other party. For instance, Buyer shall not be required to execute any documents whereby Buyer enters into the chain of title of any City Property other than the City Property.

(k) Waiver of Jury Trial. To the extent permitted by law, each of Seller and Buyer hereby expressly waives any right to trial by jury of any action, cause of action, claim, demand, or proceeding arising under or with respect to this Agreement, or in any way connected with, related to, or incidental to the dealings of Seller and Buyer with respect to this Agreement and in each case, whether or not existing or hereafter arising, and whether sounding in contract, tort or otherwise. To the extent permitted by law, each of Buyer and Seller hereby agrees that any such action, cause of action, claim, demand, or proceeding shall be decided by a court trial without jury and that Seller or Buyer may file a copy of this Agreement with any court other tribunal as written evidence of the consent of each of Seller and Tenant to the waiver of its right to trial by jury.

(l) Performance. When the last day prescribed for performance hereunder falls on Saturday, Sunday, or a legal holiday, the performance of such act shall be considered timely if it is performed on the next succeeding day which is not a Saturday, Sunday, or a legal holiday.

16. ACCEPTANCE. This Purchase Agreement shall be binding on Buyer only if a fully-executed copy is delivered to Buyer on or before 5:00 p.m. on _____, 2020. Unless such delivery is made, this document shall be null and void.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

(“Seller”)

City of Isanti Economic Development Authority

By: _____
Its: _____
Date: _____, 2020

City of Isanti

By: _____
Its: _____

By: _____
Its: _____

Date: _____, 2020

(“Buyer”)

BT Property, LLC

By: _____
Its: _____
Date: _____, 2020

EXHIBIT "A"
LEGAL DESCRIPTION

EDA Parcel – PID 16.029.1400

The West 410 feet of the following described tract of land to-wit: All that part of the Southeast Quarter of the Northwest Quarter (SE ¼ of NW ¼) of Section Twenty-nine (29), Township Thirty-five (35), Range Twenty-three (23), described as follows, to-wit:

Commencing at the intersection of the North line of said forty acres and the Westerly right-of-way line of Minnesota Trunk Highway No. 65 as presently existing and laid out, thence west and along said North line a distance of 1036 feet, thence South and parallel with the East line of said forty acres a distance of 425 feet, thence East and parallel with the North line of said forty acres a distance of 977 feet, more or less, and to the Westerly right-of-way line of Minnesota Trunk Highway No. 65 as presently existing and laid out, thence Northeasterly and along said Westerly right-of-way line of Minnesota Trunk Highway No. 65 to the point of beginning and there to terminate.

Excepting the South 33' of the above described parcel.

City Parcel – PID: portion of 16.053.0151

The East 48 feet (E 48') of Lot One (1), Block Five (5), Dual Industrial Park, as measured at right angles to the East line of said Lot One (1), Isanti County, excepting therefrom the South 66 feet of said East 48 feet of said Lot One (1).

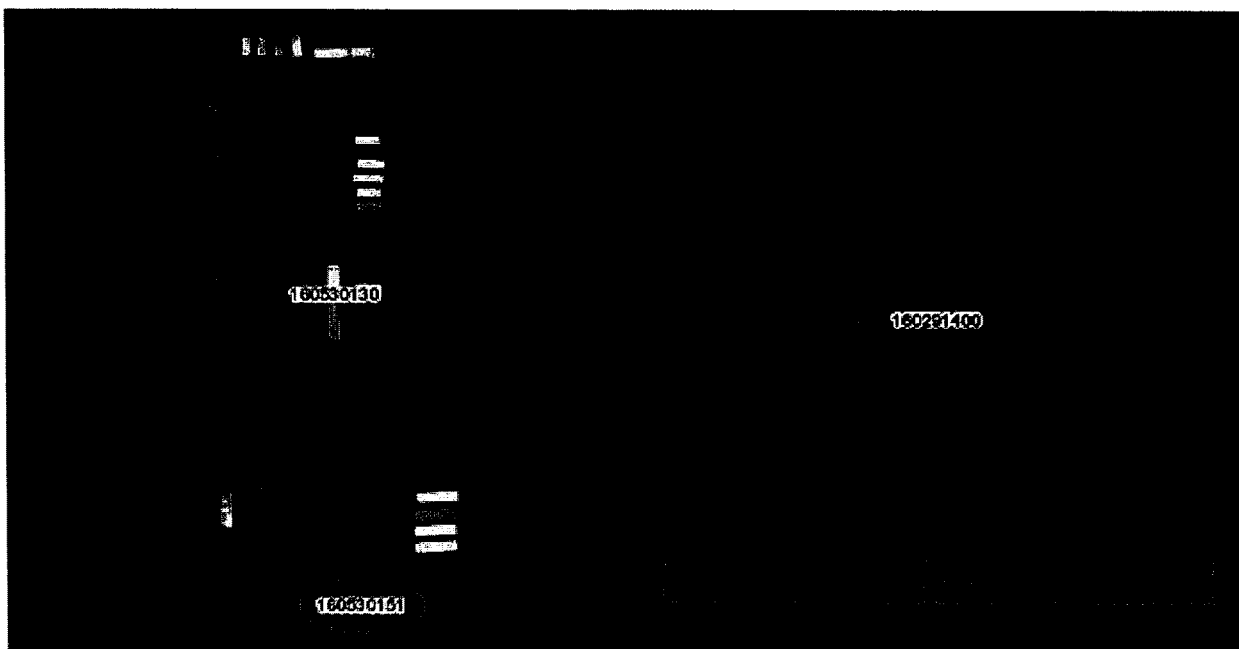


EXHIBIT "B"

SELLER'S PERSONAL PROPERTY

NONE

EXHIBIT “C”

[To be provided.]



Memo for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: November 4, 2020

Subject: Contract for Retail Academy Services

Background:

Retail Academy is a service that was formed to provide tools, education, and guidance to communities seeking economic growth. They provide help to communities to identify their potential and provide the resources to achieve it. Their process analyzes thousands of variables to identify immediate, short-term, and long-term opportunities. The Retail academy provides a community analysis and strategy along with an informative educational course. The academy will provide the following:

A. Research

1. Custom demographic research – historical, current, and projected demographics – to include market trade areas by radius, drive times, and custom trade area.
2. Custom Trade Area identified using Mobile Tracking Data.
3. Retail Gap Analysis for trade area (i.e. leakage and surplus).
4. Peer Market Identification.
5. Trade Area Comparison Analysis.
6. Tapestry Lifestyle Segmentation Analysis – psychographic profile of trade
7. Identification of priority retail categories for recruitment.
8. Retail prospect identification of at minimum 10 retail prospects to be targeted for recruitment with discussion of site selection criteria.

B. Real Estate Analysis

1. Retail Real Estate Analysis performed by licensed retail real estate professionals
2. Create Aerial imagery of trade area(s)
3. Identify Target Zones for short and long term retail development

C. Marketing Materials

1. Development of Customized Marketing Guide

D. Retail Academy

1. Education on Retail Recruitment Implementation.
2. One (1) Retail Academy Workshop, totaling six (6) hours.
3. Cost \$10,000

Staff has reached out to cities of similar size to Isanti that have gone through this program. These cities include Ayden NC (Marketing Guide included in packet and full materials sent in EDA e-mail), LoveJoy GA, Asheville AL. All three of these contacts said the research, analysis and information Retail Strategies provides through the academy are invaluable. The information provided would not be able to be done at the staff level. The City of Rosemount has used the information and marketing materials from the Academy on their Economic Development page.

Recommendation:

Staff recommends sending Community Development Director Sellman to the Retail Academy and to update the city’s webpage and other marketing materials based on the information and resources provided by the academy. Due to Covid-19 staff has not attended any training/conferences, networking events or miscellaneous EDA lunches in 2020 and has money in the current budget for this item. After discussing the budget with the Finance Director staff recommends paying for the program out of the following funds:

Account Number	Title	Funding Amount
108-46500-208	Training and Instruction	\$ 2,400.00
108-46500-300	Professional Svcs (GENERAL)	\$ 4,600.00
108-46500-495	Marketing	\$ 3,000.00
	TOTAL	\$ 10,000.00

Action Required:

Consider contract for Retail Academy

Attachments:

- Proposal
- Contract
- Ayden NC Marketing Guide as a live example



retail academy

Retail Education Services

Isanti, MN

Strictly Private and Confidential

Pricing Valid for 90 Days



Who We Are

Retail Academy is an award-winning service that was formed to provide tools, education, and guidance to communities seeking economic growth. Our aim at Retail Academy is to help each community identify their potential and provide the resources to achieve it.

Our process analyzes thousands of variables to identify immediate, short-term, and long-term opportunities. Through our analysis we generate a 50+ page market overview with specific executable strategies to enable the community to turn information in to results.

At the Retail Academy session, we deliver your community's analysis and strategy along with an informative educational course. The education covers topics and situations relevant to attracting new businesses. When you leave Retail Academy you will be armed with the information and knowledge to position your market as a primary destination for new retail and restaurants.





Our Service



Discover: Research

Retail Academy provides a complete market analysis to empower your community and give you credibility when speaking with the retail industry. Whether you are fielding interest, assisting a current business, or making outreach to prospective businesses, the data, tools, and analytics provided through Retail Academy will enable you to stand out and have answers.

Trade Area Identification

By utilizing mobile data collection, data and analytics, and real estate acumen, our team will identify shopping patterns within your community that will answer key questions for retailers.

Retailer Void Analysis

Identifying businesses that have entered similar communities but have not yet entered your market. This provides an initial list of realistic retail prospects that should be considering your market for expansion.

Psychographic Analysis

Defines the type of consumers in your market by breaking down consumers demographic characteristics, consumer preferences, consumer expenditures, and cultural ideals.

Real Estate Assets

An in-market study which identifies within the community various opportunities: strategic focus properties, underutilized assets, development zones, and redevelopment zones.

GAP Analysis

Examining the market supply and market demand within the trade area to uncover the categories of retail being desired by your community.

Peer Community Analysis

Identification and comparison of similar communities to measure your retail base and identify opportunities from a categorical perspective.

Mobile Data Collection

An industry leading report which utilizes cell phone data to identify the home and work location of consumers that visit a defined shopping area within the community.

Consumer Expenditures

Drilling down in to each retail segment to identify and understand what your consumers spending patterns are.



Our Service



Discover: Real Estate Analysis

Real estate is the key to every business expansion. Our team features over 150+ years of retail real estate experience and we utilize our collective experience to provide the most thorough, and creative assessment of your community.

We spend time analyzing your community to uncover your strategic and underutilized real estate assets. The sites we identify for leasing, development, redevelopment and higher and best use are presented during Retail Academy so they can be used by your team during the recruitment process.

Community Input

The Retail Academy Team engages each community in a meaningful dialogue to identify past efforts, interests, and desired goals for retail. Each Retail Academy is tailored to the community in attendance, and the community input piece allows us to craft the tools and education to provide the greatest experience, impact, and outcome.





Our Service



Retail Academy Education

The education provided at Retail Academy lays the foundation for your retail recruitment efforts. By providing a thorough understanding of the tools, vocabulary, retail landscape, and process for retail expansion so you will be ready to promote your market to expanding businesses.

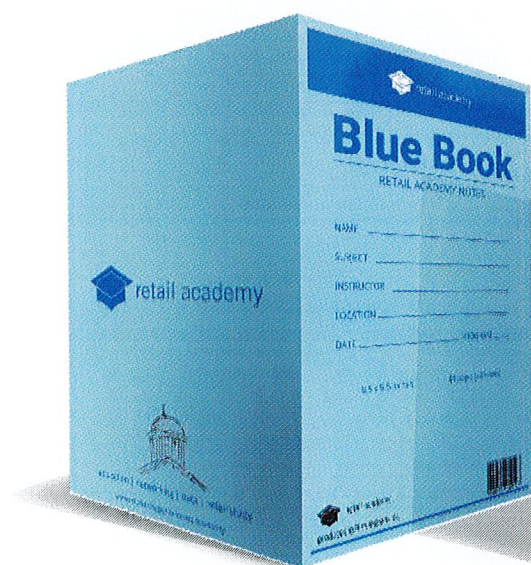
Our one-day training will:

- Teach you how to use the tools (data/analytics/strategy)
- Show you how retailers view your market
- Provide best practices for ICSC & Retail Live conferences
- Write emails to expanding businesses
- Give you a script for outbound phone calls
- Provide knowledge on the retail expansion process
- Share best practices for Retail Recruitment
- Keep you in the know on Retail Trends
- Go over the Site Selection process in full detail
- Explain the development process

Retail Academy Blue Book

Along with our award-winning education, we deliver our Retail Academy Blue Book.

The Blue Book is a step-by-step recap of Retail Academy and features the highlights of learnings from Retail Academy.



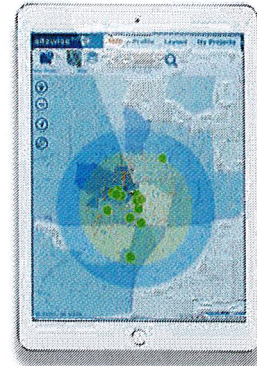


Our Deliverables



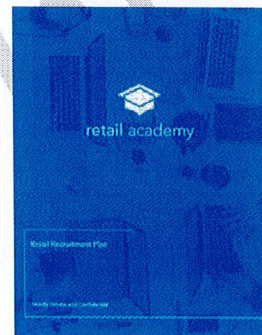
Data & Analytics

A complete market analysis that will empower your community and give you credibility when speaking with the retail industry.



Retail Recruitment Plan

A thorough analysis of your community that showcases your trade area, real estate assets, and defines the prospective businesses that will thrive in your market.



Real Estate Analysis

Retail Strategies licensed real estate professionals will conduct a building and business inventory to help create a plan of action for available retail sites in your market.



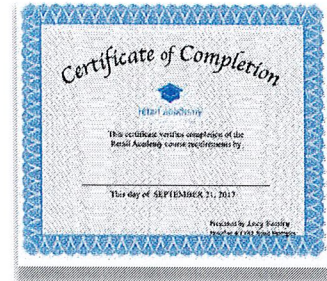


Our Deliverables



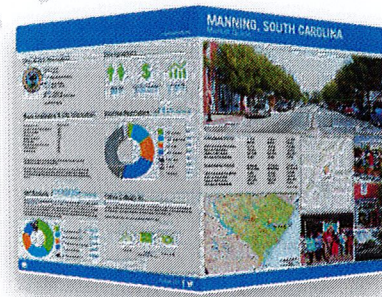
Education

Leveraging over 150+ years of experience, our team of instructors walks you through your market and the retail recruitment process providing best practices and critical knowledge to position you for success.



Marketing Guide

Retail Strategies has applied our collective experiences to develop impactful custom marketing guides. These customized marketing guides showcase critical market intelligence, data, real estate information, and advanced analytics to position your community for economic growth.



Retail Prospects

Retail Academy will provide a list of expanding businesses that fit your community. The prospect list will provide the site selection criteria and nearest locations so you are prepared when you speak with these expanding businesses.





RETAIL ACADEMY

Retail Academy Instructors

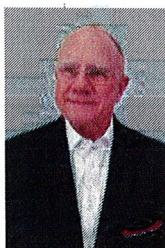
The education at Retail Academy is delivered by retail real estate experts that have worked with over 200 communities throughout the country. The efforts of our instructors have generated millions in collectable tax revenues, created thousands of jobs, and improved the overall quality of life within communities across the Country.



Lacy Beasley



Matt Petro



Jeff Rouzie



Robert Jolly



Scott vonCannon



Madeline Farr

Honors

- ICSC AL Government Relations Co-Chair
- ICSC Southeastern Conference Co-Chair
- At-Large member of the ICSC National Advisory Committee for P3 Retail
- "Top 40 under 40" by the Birmingham Business Journal
- Nationwide "Top 100 Influencers in Commercial Real Estate"
- Birmingham's "Eight emerging Influencers"
- Published in Shopping Centers Today, Site Selection Magazine and Alabama Retail Federation
- Birmingham's Rising Star
- Who's Who of Commercial Real Estate
- CCIM Designations

Speaking Engagements

- ICSC RECon Education Sessions
- American Assoc. of Retirement Communities
- Southeast Economic Development Council
- Economic Development Alabama Alliance
- Louisiana Municipal Assoc.
- CCIM Birmingham Market Symposium
- TVA Economic Development Forum
- Tennessee Municipal League
- Mississippi Municipal League
- Auburn University Retail Training
- Mississippi Central Electric Power Assoc.
- Kentucky Assoc. of Economic Dev.
- East Tennessee Alliance
- American Assoc. of Retired Communities
- TN Governor's Conference
- TN Economic Development Council
- TN/KY Idea Exchange
- Alliance Program
- Alabama Certified Municipal
- Official Training
- American Public Power
- West Tennessee Retail Alliance
- Golden Shovel
- ICSC Canada
- Great States Summit
- ICSC Gulf South



RETAIL ACADEMY

Success in the Program

MANNING, SOUTH CAROLINA



Utilizing the information and education from Retail Academy, their diligent efforts have now yielded six new businesses – Tractor Supply, Taco Bell, Cook Out, Dollar Tree, Hibbett Sports, and Domino’s Pizza - in their community providing additional jobs, quality of life, and an increased tax base.



“We now have the tools to talk professionally with retailers and share with them all the great things about Manning, SC.”

- Mayor Julia Nelson, May 2016

YOAKUM, TEXAS



“As the EDC Director in a small rural, city (pop. 6,000), I found traditional retail marketing companies too expensive. Retail Academy provided a greater value, allowing me to focus on identified retailers with the greatest potential fit. The first year resulted in two new retail franchises and one national chain filling 25,000 square feet of existing space, and 10,000 square feet of new construction.



Anytime Fitness had already purchased land in a nearby city for a new store. When I presented the franchisee, Chip Bubela, with the demographic marketing materials from Retail Academy and aligned them with available space, ‘we knew Yoakum would be a home run for an Anytime Fitness’. They opened their new store in December 2018.

The education and marketing materials I received from Retail Academy were a huge help in speeding up the recruitment process.”





Success in the Program

State of Tennessee Economic & Community Development



The Tennessee Department of Economic & Community Development identified that in rural Tennessee retail was a key piece to enhancing the quality of life and economic development efforts. Since 2016 the State of Tennessee has partnered with Retail Academy annually to put communities through the Retail Academy Program.

The Partnership includes conducting research, business prospects, walking communities through the real estate process, helping communities make connections, and educating them on best practices in retail recruitment. Retail Academy attendees received information on 120 restaurants and retailers brands that would be strong prospects for recruitment.



As of July 2019, the Retail Academy program has partnered with more than 85 Tennessee communities.



Since the Retail Academy and TNECD partnership began, the estimated economic impact for 2019 has created 74 new businesses, 1,016 jobs, \$4M in new local tax revenue, and a total of \$14.2M in total tax local and state revenue.



Scope of Services

Community Retail Recruitment Plan & Education

Online Program **\$10,000**

Individual Training in Isanti **\$20,000**

Education

Retail Academy will perform a 4-6 hour Retail Real Estate Educational Course tailored to the community. At minimum, the course will cover Retail Trends, Retail Expansion, Site Selection, Development Process, and Best Practices for Retail Recruitment.

Deliverables

Research

- Custom demographic research – historical, current, and projected demographics – to include market trade areas by radius, drive times, and custom trade area
- Custom Trade Area identified using Mobile Tracking Data
- Retail Gap Analysis for trade area (i.e. leakage and surplus)
- Peer Market Identification
- Trade Area Comparison Analysis
- Tapestry Lifestyle Segmentation Analysis – psychographic profile of trade
- Identification of priority retail categories for recruitment
- Retail prospect identification of at minimum 10 retail prospects to be targeted for recruitment with discussion of site selection criteria

Real Estate Analysis

- Retail Real Estate Analysis performed by licensed retail real estate professionals
- Create Aerial imagery of trade area(s)
- Identify Target Zones for short and long term retail development

Marketing Materials

- Development of Customized Marketing Guide

Ongoing Data & Analytics

- On-Demand Research, Data, and Analytics for a Calendar Year



RETAIL STRATEGIES

References



“I was very impressed with the depth of knowledge, professionalism, focus on the client, and the sincere desire to help our community. The deliverables and training exceeded our expectations. I would recommend Retail Academy to any community leader who is looking to attract retail to their community.”

-Jenny Mizelle, CEcD, Rolesville, North Carolina



“Retail Academy afforded us the opportunity to take an in-depth look at New Boston from a retailer’s standpoint. Through the program, we were able to analyze and understand the data and analysis and help focus our efforts on property and land that are best suited for retail development. With the education that we received, we now have the necessary tools and industry connections to effectively recruit retailers to our community.”

-Joe Dike, New Boston, Texas



“Our communities will benefit greatly from experiencing the Retail Academy process. Data, process, introductions to developers and specific targets were provided to each participant in a customized format. Invaluable.”

-Michael Philpot, Executive Director, West Tennessee Industrial Association



“My team and I had an incredible experience at Retail Academy. There was so much information that was pertinent to what we were trying to accomplish . The Retail Academy team tailored everything to meet our needs and were more than willing to work with us to accomplish our goals. I would highly recommend Retail Academy to any community seeking to grow their retail and restaurant base.”

- Amanda Witt-Cox, Chamber of Commerce Martinsville, Virginia



“The Retail Academy experience provided us with the data, knowledge base and tools to take our retail recruitment game to the next level. We were very impressed with their highly experienced, knowledgeable and professional team and with the information provided specifically tailored to and focused on our community. They delivered it in a manner that was not only clear and concise but also very interactive. It was both informative and inspiring. We look forward to building upon the partnership we have forged with their team to collaboratively achieve excellent results in retail recruitment for our community.”

- Bob Tweedie, Economic Development Director, Tavares, Florida



retail academy

Retail Education Services

Thank You!

Strictly Private and Confidential

Pricing Valid for 90 Days

**PROFESSIONAL SERVICES AGREEMENT TO PROVIDE
CONSULTING AND RELATED SERVICES**

THIS AGREEMENT is entered into by and between Retail Strategies, LLC, an Alabama limited liability company (hereinafter referred to as “Consultant”) and the City of Isanti, Minnesota (hereinafter referred to as “Client”) on this the _____ day of _____, 2020, (the “Effective Date”) as follows:

WHEREAS, the Client desires to have performed those consultation services identified on Exhibit A attached hereto by Consultant (the “Project”); and,

WHEREAS, Consultant has agreed to provide professional consulting services for the Project to Client as further set forth below.

W-I-T-N-E-S-S-E-T-H:

NOW, THEREFORE, this agreement is made and entered into on the date first above written by and between the Client and Consultant, by which Consultant will provide professional consulting and related services to the Client as hereinafter specified:

3. SCOPE OF SERVICES

Consultant hereby agrees to provide professional services for Client in the form of consulting and related services for the Project as set out in Exhibit A. These professional services are consulting services and not that of a contractor or other provider.

2. TERM

The Term of this Agreement shall commence upon the Effective Date and terminate immediately following the Client’s completion of the Retail Academy Workshop as set forth in Exhibit A or Twelve (12) months after the Effective Date, whichever occurs first.

3. COMPENSATION

As compensation for the consultation services provided herein by Consultant, Client agrees to pay Consultant a total of \$10,000. Consultant will invoice Client immediately upon execution

of the contract. Client must remit payment within fifteen (15) days of receipt of invoice. Compensation shall be fully earned when paid and as such is nonrefundable.

4. CLIENT RESPONSIBILITIES

(a) **Information and Access**. In addition to paying Consultant for services according to the preceding paragraph, the Client shall also provide for Consultant: Access to its relevant personnel, facilities, and materials including, but not necessarily limited to, those items specified in Consultant's proposal to Client, and such records, reports, and information as reasonably requested by Consultant and in Client's possession.

(b) **Scheduling of Workshop**. The Parties understand and agree that the Retail Academy Workshop will take place online, Alabama and the time must be agreed upon by Consultant and Client a minimum of thirty (30) days prior to Workshop taking place.

5. INTELLECTUAL PROPERTY

The Client and Consultant, jointly and separately, acknowledge and agree that the intellectual property of both parties shall remain owned by the respective party. With the exception of Consultant's periodic and final reports generated for performance of this agreement to or for the Client (which shall belong to Client), reports, memorandums, electronic mail, facsimile transmissions and other written and prepared documents shall be owned by the party who authored, generated or who originally possessed the same and nothing in this agreement shall contravene said rights. The Client acknowledges that all intellectual property developed during the course of this agreement by Consultant shall belong exclusively to Consultant. However, the Client may utilize any of the foregoing for and on behalf of its internal operations, but will take steps reasonably necessary with its employees with respect to the use, copying, protection and security of the foregoing. All strategic plans and other materials delivered by Consultant to Client shall belong to Client.

6. APPLICABLE LAWS

Consultant, in its role as a professional service provider of consulting services, shall abide by all laws, rules and regulations applicable to such services.

7. **INSURANCE**

Consultant shall carry all appropriate and necessary insurance to be in compliance with state and federal laws regarding the insurance coverage of its employees.

8. **DEFAULT AND TERMINATION**

(a) **Default Termination.** In the event Consultant should violate any of the terms of this Agreement, Client shall provide Consultant with written notice of such default. Consultant shall have a period of thirty (30) days following such notice to cure any alleged deficiencies. Should Consultant fail to cure such default in the time period provided, Client shall be permitted to terminate this Agreement. All fees previously paid by Client to Consultant are understood to be fully earned when paid and are not subject to refund following any termination hereunder.

(b) **Automatic Termination.** This Agreement shall automatically terminate upon the completion of the Retail Academy Workshop but no later than twelve (12) months after the Execution Date.

9. **NOTICES/PARTIES REPRESENTATIVES**

All notices, bills, invoices and reports required by this agreement shall be sufficient if sent by the parties hereto in the United States Mail, postage prepaid thereon to the addresses noted below:

Client: The City of Isanti, MN
 110 1st Avenue NW
 P.O. Box 428 Isanti, MN 55040
 Sheila Sellman – Community Development Director
 Email: ssellman@cityofisanti.us
 Phone: (763)444-5512
 Attention: Sheila Sellman

Consultant: Retail Strategies, LLC
 2200 Magnolia Ave. South, Suite 100
 Birmingham, AL 35205
 Email: sleara@retailstrategies.com
 Fax: (205) 313-3677
 Attention: Steve Leara

10. **INDEPENDENT CONTRACTOR**

While Consultant's role will be that of consultant to the Client, Consultant shall be and remain an independent contractor and not act in the role of an agent or legal representative on behalf of the Client. Consultant shall not have the authority to bind or obligate the Client, its officers, agents or employees.

11. **MISCELLANEOUS**

Third Party Beneficiaries: It is the intent of the parties hereto that there shall be no third party beneficiaries to this agreement.

Final Integration: This agreement, together with any exhibits or amendments hereto, constitutes the entire agreement of the parties, as a complete and final integration thereof with respect to its subject matter. All written or oral understandings and agreements heretofore had between and among the parties are merged into this agreement, which alone fully and completely expresses their understandings. No representation, warranty, or covenant made by any party which is not contained in this agreement or expressly referred to herein have been relied on by any party in entering into this agreement.

Force Majeure: Neither party to this agreement shall hold the other party responsible for damages or delay in performance caused by acts of God, strikes, lockouts or other circumstances beyond the reasonable control of the other or the other party's employees, agents or contractors.

Amendment in Writing: This agreement may not be amended, modified, altered, changed, terminated, or waived in any respect whatsoever, except by a further agreement in writing, properly executed by all of the parties.

Binding Effect: This Agreement shall bind the parties and their respective personal representatives, heirs, next of kin, legatee, distributees, successors, and assigns. If any provision in this agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Captions: The captions of this agreement are for convenience and reference only, are not a part of this agreement, and in no way define, describe, extend, or limit the scope or intent of this agreement.

Construction: This agreement shall be construed in its entirety according to its plain meaning and shall not be construed against the party who provided or drafted it.

Governing Law: This Agreement shall be construed under the laws of the State of Missouri.

Prohibition on Assignment and Delegation: No party to this agreement may assign or delegate its interests or obligations hereunder without the written consent of all other parties hereto obtained in advance of any such assignment or delegation. No such assignment or delegation shall in any manner whatsoever relieve any party from its obligations and duties hereunder and such assigning or delegating party shall in all respects remain liable hereunder irrespective of such assignment or delegation.

Waiver: Non-enforcement of any provision of this agreement by either party shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remaining terms and conditions of the agreement.

Agreement Date/Counterparts: The date of this agreement is intended as and for a date for the convenient identification of this agreement and is not intended to indicate that this agreement was necessarily executed and delivered on said date. This instrument may be

executed in any number of counterparts, each of which so executed shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

Brokerage Rights: Client acknowledges that affiliates of Consultant act in the capacity of a real estate brokerage service business and may earn fees for services including brokerage, development, leasing and management fees in the performance of such affiliates services which may encompass a portion of the Project. In no event will the Client be responsible for any such fees, to the extent they are earned pursuant to this paragraph.

CLIENT:

THE CITY OF ISANTI, MN

By _____

Title _____

Date _____

CONSULTANT:

RETAIL STRATEGIES, LLC

By _____

Title _____

Date _____

EXHIBIT A

This section outlines the Services which Retail Strategies (the “consultant”) will provide to the City of Isanti, Minnesota (the “client”).

A. Research

1. Custom demographic research – historical, current, and projected demographics – to include market trade areas by radius, drive times, and custom trade area.
2. Custom Trade Area identified using Mobile Tracking Data.
3. Retail Gap Analysis for trade area (i.e. leakage and surplus).
4. Peer Market Identification.
5. Trade Area Comparison Analysis.
6. Tapestry Lifestyle Segmentation Analysis – psychographic profile of trade
7. Identification of priority retail categories for recruitment.
8. Retail prospect identification of at minimum 10 retail prospects to be targeted for recruitment with discussion of site selection criteria.

B. Real Estate Analysis

1. Retail Real Estate Analysis performed by licensed retail real estate professionals
2. Create Aerial imagery of trade area(s)
3. Identify Target Zones for short and long term retail development

C. Marketing Materials

1. Development of Customized Marketing Guide

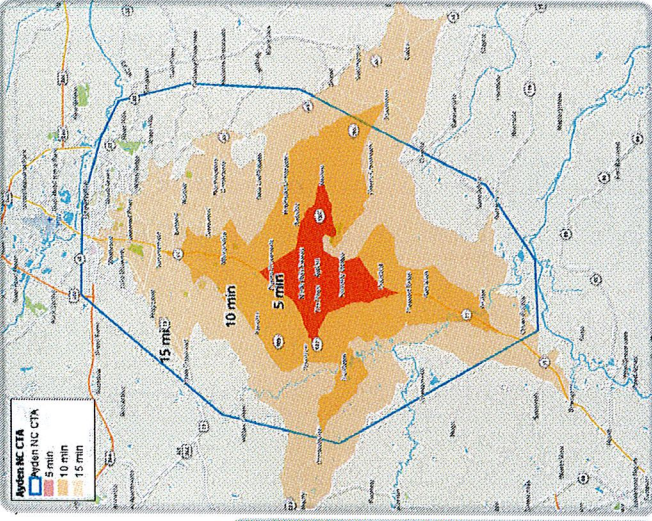
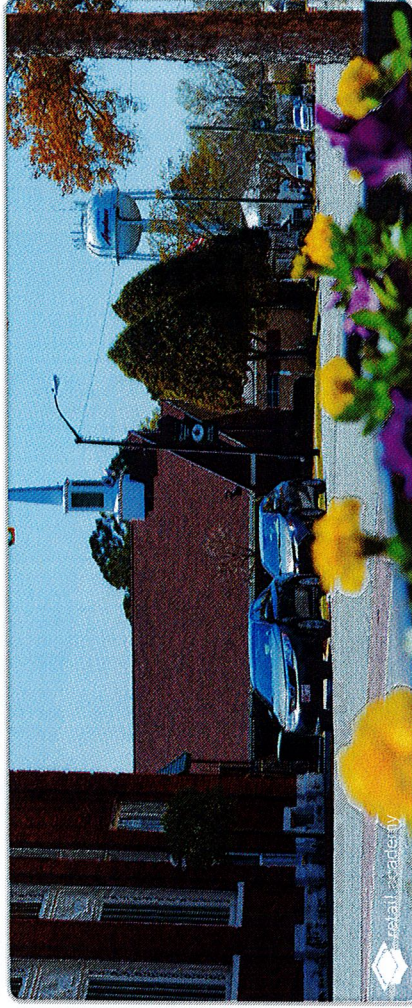
D. Retail Academy

1. Education on Retail Recruitment Implementation.
2. One (1) Retail Academy Workshop, totaling six (6) hours.

AYDEN, NORTH CAROLINA

Market Guide

ayden.com



DEMOGRAPHIC PROFILE

	3 Mile Radius	5 Mile Radius	10 Mile Radius
2019 Estimated Population	7,603	21,374	128,203
Daytime Population	7,084	19,001	157,407
Median HH Income	\$43,580	\$46,342	\$47,767
Number of Households	3,142	8,346	51,633

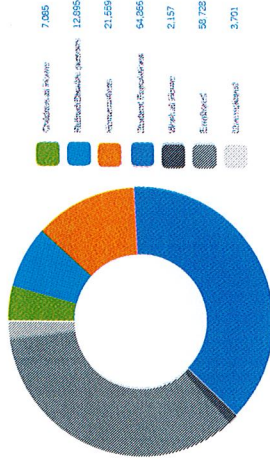
	5 Minute DT	10 Minute DT	15 Minute DT
2019 Estimated Population	7,122	35,332	107,299
Daytime Population	7,248	31,296	141,298
Median HH Income	\$41,644	\$42,387	\$48,028
Number of Households	2,975	14,464	43,991



Demographics



Daytime Population 170,991 (Custom Trade Area)



Focus Categories

The top categories for business growth in this municipality are based upon a combination of package reports, prior analysis, retail trends and retail location. Although there are job opportunity categories, retail-related trends are not included in this analysis.



Let us know how we can help your town grow!

City Contact Information

Mallory Denham
Economic Development Director
mdenham@ayden.com
(606) 375-5690 mobile

Steven Harrell
Town Manager
sharrell@ayden.com
(252) 481-5826 office



Peer Analysis

The Peer Analysis, built by Regal Strategists along with our analytics partner (Metso), identifies multiple retail nodes within similar demographic and geographic areas. The analysis is based on a comparison of retail sales and population across multiple geographic areas. The variables used are population, income, average education, market history and gross taxable area. The following are retail areas that most resemble this case only.

Market	Address
Marion, NC	204 E. 5th St.
Camden, NC	602 E. 6th St.
Chapel Hill, NC	403 S. 1st St.
Chapel Hill, NC	1166 S. 1st St.
McDonough, NC	1336 Old Mill Farm Hwy
Burkeville, NC	403 S. 1st St.

GAP Analysis \$66,577,802

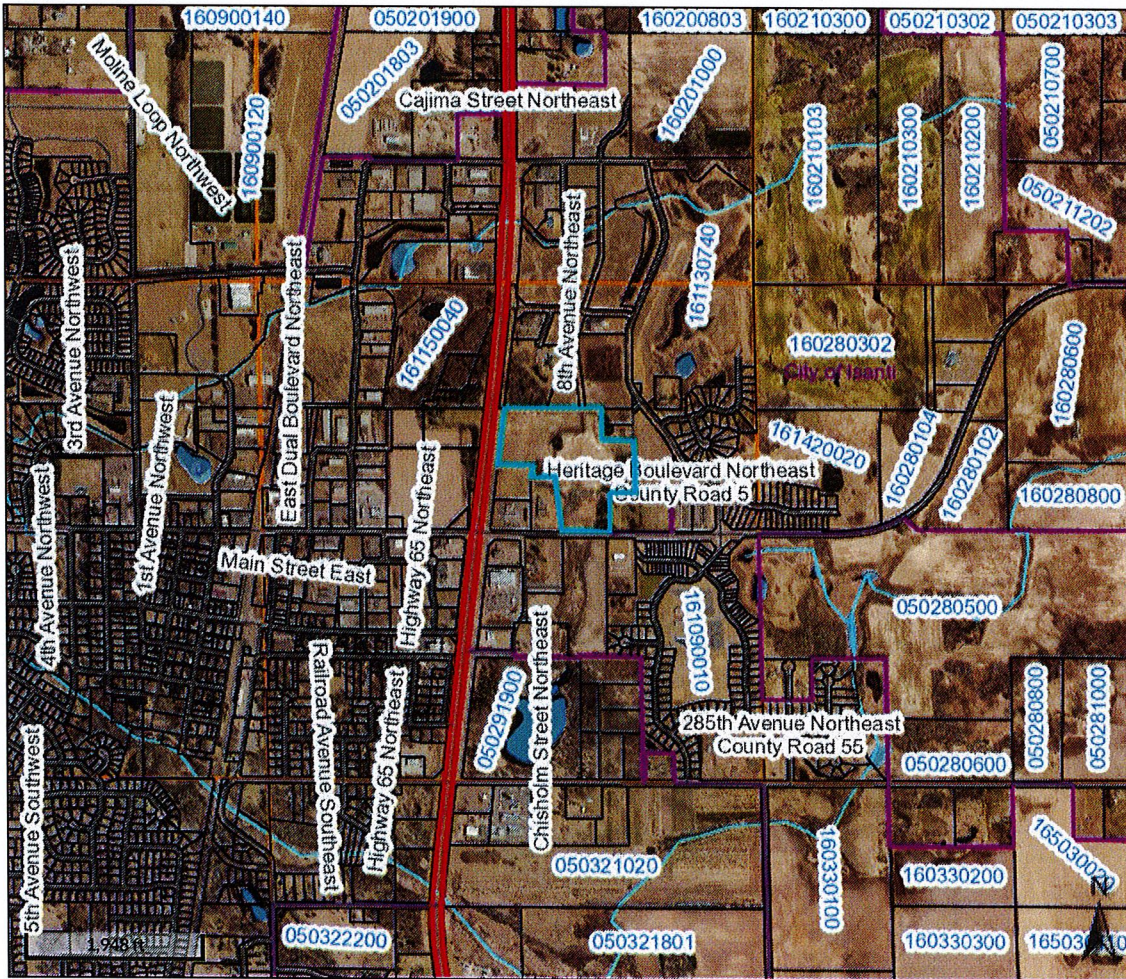
The Gap Analysis is a summary of the primary retailing gaps segmented by retail category. It measures annual consumer expenditures within the City's trade area and compares it to the surrounding retail nodes. The analysis is based on a comparison of retail sales and population across multiple geographic areas. The variables used are population, income, average education, market history and gross taxable area. The following are retail areas that most resemble this case only.

Category	Value
Gas Station	222,150,750
Building Materials	153,102,311
Restaurants	142,136,429
Grocery Stores	14,100,700
Retail	12,202,467

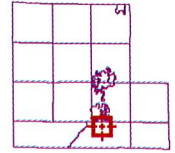


Follow us!  





Overview



Legend

- Survey Townships
- Political Township
- USPLS Sections
- Parcels
- Roads**
- <all other values>
- MN Highway
- Streams
- Stream Name
- Lakes

Parcel ID	160292901	Alternate ID	n/a	Owner	JOHN HENDRICKSON
Sec/Twp/Rng	29/035/023	Class	2B-Rural Vacant Land/Non-Productive - Non Homestead	Address	643 154TH AVE NE HAM LAKE MN 55304
Property Address	703 HERITAGE BLVD NE ISANTI	Acreage	28.52		

District ISANTI CITY/911

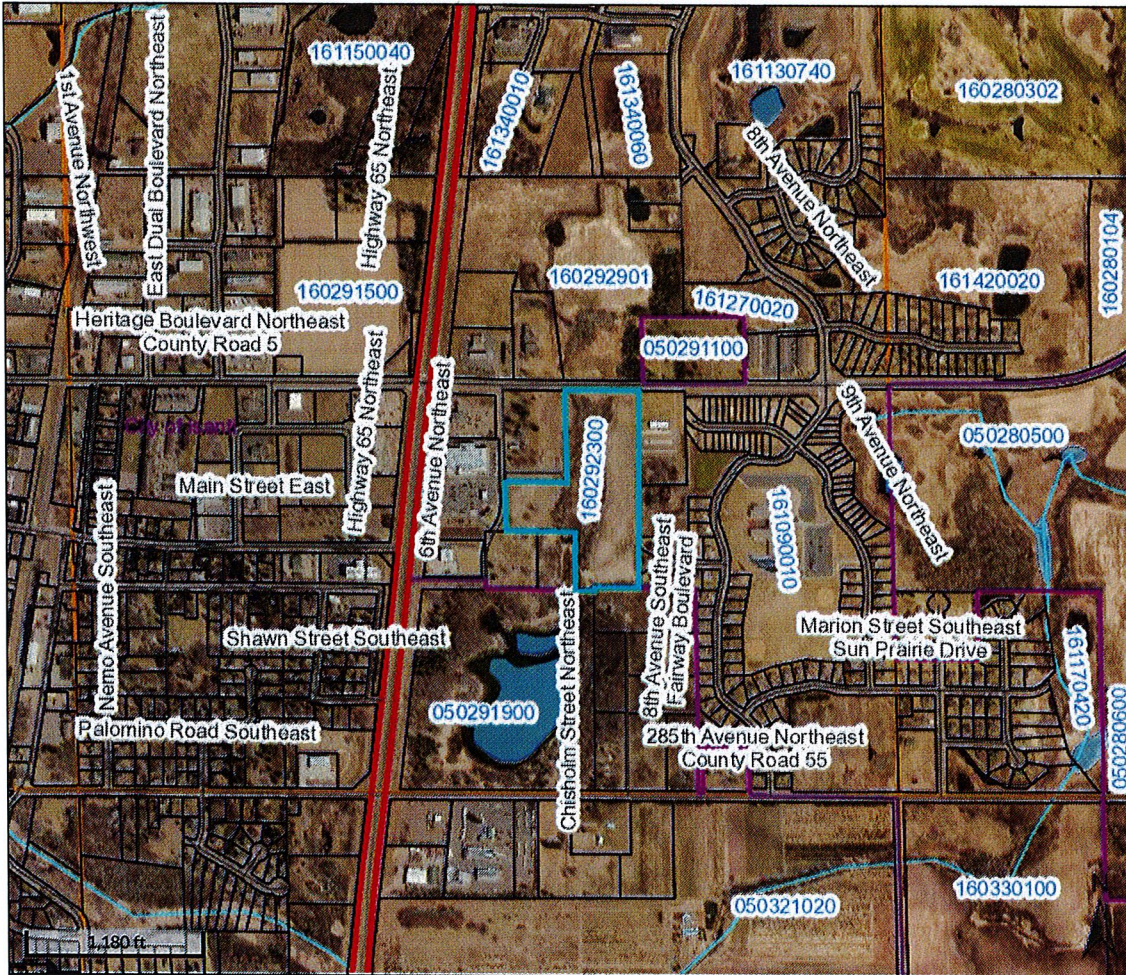
Brief Tax Description OF NW/4 & LOTS 3-4-5-6 EASTVIEW TERRACE DESC AS: COMM AT SW CNR OF SW/4 OF NE/4; THEN S89.5925E (216.67'); N01.1613W (330.59'); POB; N01.1613W (229.41'); N13.2758E (134.94') N89.5925W (365.36') TO E ROFW LINE OF HWY 65; THEN S ALONG ROFW (363.05'); S89.5925E (381.22'); POB; & EXCEPT N 175' OF E 340' OF SW/4 NE/4; & EXCEPT: S 175' OF N 350' OF E 340' OF SW/4 OF NE/4.

PT SW/4 OF NE/4 & PT OF SE/4 OF NW/4 LYING E OF HWY 65 EXCEPT: PT SW/4 OF NE/4, BEG AT SE CNR THEREOF; W 18 RDS; N 27 RDS; E 18 RDS; S 27 RDS TO POB; & EXCEPT: PT SW/4 OF NE/4 DESC AS: COMM AT SW CNR OF SW/4 NE/4 THEN S89.5925E (216.67') TO POB; N01.1613W (560'); S89.5925E (262'); S01.1613E (560') TO S LINE OF SW/4 NE/4; THEN W ALONG S LINE N89.5925W (262') TO POB; & EXCEPT: PT SW/4 OF NE/4 & SE/4 OF NW/4 & LOTS 1-2-3 EASTVIEW TERRACE DESC AS: BEG AT SW CNR OF SW/4 OF NE/4; S89.5925E (216.67'); N01.1613W (330.59'); N89.5925W (381.33') TO E ROFW OF HWY 65; THEN S (332.77') TO S LINE OF SE/4 OF NW/4; S89.5925E (210.76') TO POB; & EXCEPT: PT SW/4 OF NE/4 & SE/4

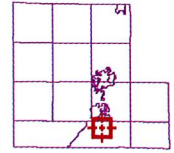
(Note: Not to be used on legal documents)

Sale Price \$ 375K
County Value \$ 113,200

Date created: 10/29/2020
Last Data Uploaded: 10/29/2020 12:26:26 AM



Overview



Legend

- Survey Townships
- Political Township
- USPLS Sections
- Parcels
- Roads**
- <all other values>
- MN Highway
- Streams
- Stream Name**
- Lakes

Parcel ID	160292300	Alternate ID	n/a	Owner	DUANE M HALVORSON
Sec/Twp/Rng	29/035/023	Class	2ANHGA-Agricultural Non-homestead - Non	Address	230180TH ST E
Property Address	702 HERITAGE BLVD NE ISANTI	Acreage	16.8		HUGO MN 55038-9348

District ISANTI CITY/911
 Brief Tax Description NW/4 OF SE/4 EXCEPT: E 330' OF NW/4 OF SE/4. & EXCEPT: N 577.5' OF E 400' OF W 535' OF SAID QTR. & EXCEPT: THAT PT OF W 135' OF SAID QTR LYING N OF S 375'. & EXCEPT: BEG AT SW CNR OF SAID QTR N 375.1'; E 580.8'; S 375.10'; W 580.8' 05.029.2205

(Note: Not to be used on legal documents)

Date created: 10/29/2020
 Last Data Uploaded: 10/29/2020 12:26:26 AM

Developed by Schneider GEOSPATIAL

*For sale \$129K
 County Land Value \$315K*

ECRDC COVID-19 Relief Loan Fund

*CARES Act assistance for
businesses impacted by the
Coronavirus—providing the help
you need*



Designed to respond to disruption caused by the Coronavirus, this loan program will assist businesses with critical funding, provide permanent resources to support economic resiliency, and further the long-term growth of our region.

- **Rates as low as 0%**
- **Flexible terms**
- **Borrow \$10,000 - \$100,000**
- **The ECRDC can function as the sole lender for this COVID relief loan**

Application is available online. Funds available for a limited time. Call with questions or for assistance.



EAST CENTRAL

Regional Development Commission

ECRDC.org • (320) 679-4065
100 Park St S, Mora, MN 55051



Economic Development Authority Agenda*

* VIA Zoom

Topic: EDA

Time: Dec 1, 2020 07:30 PM Central Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/92761361370?pwd=bFI4RENwVVlobHBqaVJ5RkZ6YmhSQT09>

Meeting ID: 927 6136 1370

Passcode: 654453

Dial by your location

+1 312 626 6799 US (Chicago)

Meeting ID: 927 6136 1370

Passcode: 654453

Find your local number: <https://zoom.us/j/92761361370?pwd=bFI4RENwVVlobHBqaVJ5RkZ6YmhSQT09>

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
2. Approval of the Agenda
3. Approve minutes of November 4, 2020 regular meeting.
4. Public Hearing
 - a. Sale and Subdivision of Shovel Ready site PID 16.124.0020
5. Business Items
 - a. Commercial land discussion
6. Other Business/Updates/ Communications
7. Adjournment

Economic Development Authority Meeting Minutes
November 4, 2020

1. **Call to Order:** President Johnson called the meeting to order at 9:11 am.
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** EDA Members present: Jeff Johnson, Steve Lundeen, Dan Collison, Jimmy Gordon, Justin Nielson. Staff present Community Development Director Sheila Sellman, City Administrator Josi Wood. Absent Luke Merrill.
 - c. **Agenda Modifications:** None
2. **Approval of the Agenda:** Motion by Lundeen, Second by Nielson to approve, motion passed 6-0.
3. **Approve minutes of October 6, 2020 regular meeting:** Motion by Bergley, Second by Lundeen, motion passed 6-0.
4. **Public Hearing**
 - a. Sale of EDA land PID 16.029.1400: Sellman explained that in May 2019 the EDA voted to sell EDA owned land to UPS for an expansion. The public hearing was held and no one from the public was present to speak on this item. The sales price of \$165,000 was agreed upon and the purchase agreement was presented. The City Attorney and UPS' counsel is working out the details. Motion by Collins to approve the resolution of approval, second by Nielson motion passed 6-0.
5. **Business Items**
 - a. Contract for Retail Academy Services: Sellman reviewed the proposed services indicating the following items will be included: Research-Custom demographic research – historical, current, and projected demographics – to include market trade areas by radius, drive times, and custom trade area. Custom Trade Area identified using Mobile Tracking Data. Retail Gap Analysis for trade area (i.e. leakage and surplus). Peer Market Identification. Trade Area Comparison Analysis. Tapestry Lifestyle Segmentation Analysis – psychographic profile of trade. Identification of priority retail categories for recruitment. Retail prospect identification of at minimum 10 retail prospects to be targeted for recruitment with discussion of site selection criteria. **Real Estate Analysis:** Retail Real Estate Analysis performed by licensed retail real estate professionals. Create Aerial imagery of trade area(s). Identify Target Zones for short- and long-term retail development **Marketing Materials:** Development of Customized Marketing Guide **Retail Academy:** Education on Retail Recruitment Implementation. And one Retail Academy Workshop, totaling six hours. Motion by Collins to approve the contract, second by Lundeen motion passed 5-1, Gordon Nay.
 - b. Commercial land discussion: The EDA directed Sellman to come back with sales prices for some commercial land in town, specifically east of TH 65. The EDA discussed if they should own land to offer incentives, the land being the incentive like the Shovel Ready program. Gordon said that is not our place. Johnson asked what do we have to offer, land is a great incentive. Collins asked what it would cost

to make lots shovel ready. The board directed Sellman to discuss land purchase with the Finance director to see if there are even any funds and to find out what it takes to make a property shovel ready.

6. **Other Business/Updates/ Communications:** Sellman provided information on East Central Regional Development Commission COVID relief grant, a flyer was in the packet. The closing on BP metals happened on October 28th.
7. **Adjournment:** Motion by Bergley, second by Lundeen to adjourn, motion passed 6-0 meeting adjourned at 9:56pm



Memo for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: December 1, 2020

Subject: Sale of EDA Land to Light the Lamp LED.

Background:

The EDA owns property located on Dual Blvd E PID 16.124.0020 and has this property for sale for \$1. The subject property is a certified Shovel Reay Site. The subject site is zoned Industrial and is ready for development. Light the Lamp LED specializes in commercial lighting and Wolf River Electric is a commercial contractor both companies will operate in the proposed building. Both companies are housed in one space at 101 Isanti Parkway. As they continue to grow their existing space is not conducive to their needs. They propose to buy the 15-acre shovel ready site for their new facility however they only need 10-acres. At the October EDA meeting the board discussed this sale in closed session and agreed to subdivide the subject parcel into 3 five-acre parcels and sell two of them to Light the Lamp LED/Wolf River Electric. The development agreement will stipulate time frames and a turnback clause if they don't build on both parcels.

They currently have 35 employees and plan to increase to 55 within the first 3 months after the new building is up and running.

Recommendation:

Staff recommends that EDA sell the 10 acres of the subject site to Light the Lamp LED for \$1 and to execute the proposed purchase agreement. Once this has been executed the City Council will need to review and approve a subsidy agreement for the sale.

Proposed Action:

Approve the Resolution for the sale and enter into the Purchase Agreement.

Attachments:

- Resolution
- Purchase Agreement

RESOLUTION 2020-08

**AUTHORIZING THE SALE OF EDA-OWNED INDUSTRIAL LAND FOR
CONSTRUCTION OF OFFICE/WAREHOUSE**

WHEREAS, the EDA owns certain real property on Dual Blvd NE PID 16.124.0020 in the City of Isanti, County of Isanti, state of Minnesota; and

WHEREAS, the subject site is part of the Certified Shovel Ready Program; and

WHEREAS, the buyer Light the Lamp LED. proposes to build an office/warehouse and employ an additional 20 people within the first year of the purchase date; and

WHEREAS, the sale of the land is in the best interest of the city to expand tax and employment growth and furthers its general plan of economic development; and

WHEREAS, the City attorney has drafted the purchase agreement for the sale 10-acres (two five-acre parcels) to Light the Lamp LED for \$1.00; and

WHEREAS, the city will process the subdivision at the expense of Light the Lamp LED; and

WHEREAS, said purchase is subject to a subsidy agreement through the City Council and is subject to site plan approval.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Economic Development Authority of the City of Isanti, approves the sale of 10-acres to Light the Lamp LED. and authorizes the City Administrator to execute any documents necessary for the sale.

This Resolution hereby approved by the Isanti EDA this 1st day of December 2020.

Attest:

EDA President Jeff Johnson

Sheila Sellman
EDA Secretary/Community Development Director

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Isanti Economic Development Authority**, a public body corporate and politic and political subdivision of the State of Minnesota (“Seller”), and **Light the Lamp LED** a Minnesota limited liability corporation (“Buyer”).

In consideration of the Earnest Money, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **EFFECTIVE DATE.** The effective date of this Agreement is _____ (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller the southern 10 acres of vacant land contained within the property with PID Number 16.124.0020, which is to be platted as: _____

T.B.D. Isanti County, Minnesota (“Property”).
3. **PURCHASE PRICE.** The purchase price for the Property is \$1.00 (the “Purchase Price”).

4. TITLE COMMITMENT.

- a. Seller makes no representations or warranties with respect to the status of title to the Property. Within 30 business days after the Effective Date, Seller shall, at Seller’s expense, obtain a commitment from Escrow Agent to issue an owner’s policy of title insurance insuring Buyer’s title to the Property (the “Title Commitment”) and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
- b. Buyer shall have until the date 30 days after the receipt of the Title Commitment and the Survey (collectively, “**Title/Survey**”) to review Title/Survey and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller’s title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a “**Title Objection Notice**”). Any defects in or encumbrances on Seller’s title that Buyer does not identify in a timely Title Objection Notice are each a “**Permitted Exception.**” Within three business days after Seller’s receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions (“**Seller’s Title Notice**”). If Seller’s Title Notice indicates that Seller agrees to take action in response to Buyer’s Title Objection Notice on or before the closing date established pursuant

to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not agree to take action in response to Buyer's Title Objection Notice on or before the closing date established in Section 10, Buyer may, at any time with three business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated and Escrow Agent must disburse any Earnest Money to Buyer ("**Buyer's Title Termination Notice**"). If Buyer does not deliver a Buyer's Title Termination Notice to Seller within the three business days after Buyer's receipt of Seller's Title Notice, then Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

- 5. RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and prior to any termination of this Agreement, Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and survey work, subject to the following conditions:
- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
 - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property; provided Buyer will have no liability or obligation for incidental or consequential damages or damages relating to pre-existing conditions on the Property, including without limitation Hazardous Substances located on, within or under the Property and discovered by Buyer during its due diligence investigations.
 - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.

- d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.
- e. If this Agreement is terminated, Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.
- f. The cost of any test or survey work will be borne solely by Buyer.

The payment and indemnification provisions of this Section 7 shall survive any termination or cancellation of this Agreement.

- 6. PROPERTY SOLD AS IS.** Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:
- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
 - b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
 - c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
 - d. The condition of the Property is fit for Buyer's intended use.
 - e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

7. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer signs this agreement until February 1, 2021 (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to obtain all governmental approvals and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer’s ability to obtain governmental approvals from the City or any other governmental entity. The City will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.
- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer’s determination, in Buyer’s sole and absolute discretion, that the condition of the Property is not suitable for Buyer’s intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer’s intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer’s intention to proceed (a “**Notice to Proceed**”) to Seller.
- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds.
- d. Within ten days after the Effective Date, Seller shall provide Buyer with all copies of all reports and other studies involving the Property which are in the possession or control of Seller, including but not limited to all environmental reports, soils reports, surveys and planning studies, flood plain analyses, evaluations or exploration reports, all engineering studies and plans pertaining to the Property and all other documents or instruments which relate to the condition or developability of all or any portion of the Property.

8. DEFINITIONS. As used in this Agreement:

“**Claim**” or “**Claims**” means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney’s fees, consultant’s fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

“**Environmental Law**” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution

Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

“**Hazardous Substance**” or “**Hazardous Substances**” means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

9. **RELEASE.** By accepting the deed to the Property, Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

10. **NOTICES.** Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if sent by email, upon email transmission (provided that any email transmission that occurs after 5:00 pm Central Time will be deemed provided on the following day). If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: Josi Wood
 City Administrator
 City of Isanti
 110 1st Ave. N.W.
 Isanti, MN 55040
 Email: jwood@cityofisanti.us

Buyer: Light the Lamp LED
Justin Nielson
2422 Arnold Palmer Drive
Blaine MN 55449

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

11. CLOSING. This transaction shall close within 30 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement. The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the Escrow Agent and disbursed by the Escrow Agent pursuant to avoid the necessity for a Closing at which the Parties are present.

a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:

- i. A limited warranty deed, duly executed and acknowledged on behalf of the Seller, conveying title to the Property, subject to (A) the lien of real estate taxes, if any, not yet due and payable and any installments of special assessments certified for payment therewith; (B) Building, Subdivision and Zoning Ordinances; (C) Matters that would be disclosed by an accurate survey of the Property; (D) matters that constitute Permitted Exceptions pursuant to Section 6; (E) a covenant restricting the use of the land pursuant to Minn. Stat. § 469.105, subd. 6; and (F) a reverter clause consistent with the requirements of Section 30.
- ii. A certified copy of a duly adopted Resolution authorizing Seller's sale of the Property to Buyer; and
- iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.

b. **Buyer's Obligations at Closing.** At Closing, Buyer must:

- i. Wire Transfer (or deliver a certified check in) an amount equal to the amount of the Purchase Price adjusted for to reflect Buyer's prior payment of the Earnest Money and to reflect amounts Buyer must pay or will receive pursuant to Section 14(c), to Escrow Agent for disbursement to Seller and others pursuant to this Agreement and the Settlement Statement;

- ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.

c. **Closing Costs.**

- i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:

1. Seller shall pay all outstanding property taxes, including but not limited to, Payable 2020-21 for the Property.
2. Seller's own attorney's fees.
3. One-half the cost of any closing fees.
4. The costs of abstracting, title examination, preparation and issuance of the Title Commitment including any updates.
5. Any recording fees and taxes for title clearance documents.
6. State Deed Tax and Conservation fee.

- ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:

1. Buyer's portion of prorated property taxes, if any.
2. Buyer's own attorney's fees.
3. One-half the cost of any closing fees.
4. Documentary and recording fees for the deed(s).
5. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.
6. All special assessments levied or pending against the Property as of the Closing Date, if any.
7. The cost of platting the Property, including all professional fees and recording costs.

- d. **Possession.** Seller must deliver possession of the Property to Buyer at Closing.

12. REAL ESTATE BROKERS. Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

13. ASSIGNMENT. This Agreement may not be assigned without the written consent of the non-assigning Party.

- 14. THIRD PARTY BENEFICIARY.** There are no third-party beneficiaries of this Agreement, intended or otherwise.
- 15. JOINT VENTURE.** Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.
- 16. CAPTIONS.** The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.
- 17. ENTIRE AGREEMENT / MODIFICATION.** This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties.
- 18. BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.
- 19. CONTROLLING LAW.** This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.
- 20. REMEDIES.**
- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, if any, unless Buyer defaults under Section 7 or 11 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Isanti County District Court to recover its actual damages arising from the default.
 - b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.
- 21. WAIVER.** Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.

- 22. SURVIVAL OF TERMS AND CONDITIONS.** The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed and shall not be deemed to have merged therein.
- 23. SEVERABILITY.** Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.
- 24. CONSTRUCTION.** The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.
- 25. COUNTERPARTS; DIGITAL COPIES.** This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.
- 26. TIME PERIODS.** The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Central Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.
- 27. PLATTING.** Following execution of this Purchase Agreement, Seller shall plat the entire existing parcel, PID Number 16.124.0020, into three approximately five-acre parcels. The description in Section 2 shall be updated accordingly. The southern two five-acre parcels shall constitute the Property. The cost of the platting process shall be paid for by Buyer at or before Closing.
- 28. REVERTER.** The parties acknowledge that Seller agrees to sell two five-acre parcels to Buyer with the express understanding that Buyer's initial development will be contained entirely on one parcel and the other parcel will be used for future expansion. Notwithstanding any other terms of this Agreement, in the event Buyer does not expand its business to the second parcel within ____ years of the Closing (the Reversion Date), title to the second parcel shall be transferred back to the Seller within 30 days following the Reversion Date without return of any portion of the Purchase Price. This Purchase Agreement is made expressly contingent upon this condition, and without it the Seller would not have entered into this Agreement. For purposes of this paragraph, "expansion" means [REDACTED]. This terms of this section 29 shall survive Closing and termination of this Agreement.

[Remainder of page left blank intentionally.]

SELLER: The City of Isanti Economic Development Authority

By: _____
Jeff Johnson, Mayor

Dated: _____, 2020

By: _____
Katie Brooks, City Clerk

Dated: _____, 2020

BUYER: Light the Lamp LED

By: _____

Dated: _____, 2020

By: _____

Dated: _____, 2020

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

