

**AGENDA**  
**CITY OF ISANTI**  
**CITY COUNCIL COMMITTEE OF THE WHOLE MEETING**  
**TUESDAY, JUNE 16, 2020 – 5:00 P.M.**  
**CITY HALL**

- A. Call to Order**
- B. Pledge of Allegiance**
- C. Roll Call**
- D. Public Comment**
  
- E. Committee Meeting Items**
  - 1. PW Updates
  - 2. Housing Study Update
  - 3. Liquor Store Market Study
  - 4. Public Safety Building
  
- F. Adjournment**



## Memo for COW

**To:** Mayor Johnson and Members of the City Council  
**From:** Matt Sylvester, Public Services Director  
**Date:** June 16, 2020  
**Subject:** Public Works Updates

### **Streets:**

- Crews took advantage of an early spring and have been out patching potholes. Public Works has applied just over 36 tons of hot patch to potholes this spring.
- Street painting has begun and this year all crosswalks, stop bars and parking lots will be painted.

### **Storm:**

- Crews have completed our spring cleanup of sweeping streets and will be sweeping as needed throughout the summer.

### **Sewer:**

- The filter underdrain work at the WWTF was completed. The nozzles, media and piping from the blower building were all replaced. The filters are back in process and working great.
- We replaced one air release valve to the force main from the 8<sup>th</sup> Ave LS.
- Air release valves have also been flushed on all force mains. Air release valves are installed at the high points in the force main to allow air out when the pumps start in in when the pumps shut off to not surges in the line itself. They periodically need to be flushed of grease and grit to keep them functioning properly.

### **Water:**

- Wellhouse II had check valve that was not sealing. The leaking valve was causing our influent pressure to drop at the WTP which in turn was causing alarms when the well would start up. Public works has since replaced the valve and some piping.

### **Parks:**

- Crews have started fogging for Mosquitoes and will continue throughout the summer.
- Spraying for Dandelions was completed in our City Parks.
- Spraying for weeds in parking lots and sidewalks was completed. We will monitor them throughout the summer.
- Wood chips have been added to the playground at the parks.
- The Compost Site is open and continues to be busy.
- The Farmers Market has opened up. As of now we have 10 returning vendors and 5 new vendors with a different number that come weekly.
- The Community Garden opened up on May 21st



## Memo for COW

**To:** Mayor Johnson and Members of the City Council  
**From:** Sheila Sellman, Community Development Director  
**Date:** June 16, 2020  
**Subject:** Housing Study Update

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### **Background:**

At the 2020 goal setting the City Council directed staff to look into updating the City's housing study. Through GPS:45:93 (which we are a member of) a Humphrey School student group is researching housing in East Central MN and this includes Isanti. At the March 17, 2020 COW staff suggested waiting to do an update to our housing study until we see what they produce and if it is sufficient enough for us to use. Their study is complete and attached for your review.

This housing study encompasses East Central Minnesota and is defined as Chisago, Isanti, Kanabec, Mille Lacs and Pine counties. Some Key Findings of the report:

1. According to language in each community's comprehensive plan, there is a shared interest in providing access to adequate, safe and affordable housing. GPS:45:93 serves as a catalyst and key entity in coordinating the interests of the region's communities and moving forward with the knowledge and recommendations from this report.
2. There is a strong need for additional affordable housing in East Central Minnesota, particularly outside of the major population centers.
3. There is a growing need for senior housing and an overall diversifying of housing stock in East Central Minnesota.
4. After assessing the housing needs of East Central Minnesota, we identified and prioritized the implementation of five key housing policies at the local and regional level

According to the report affordable housing and senior housing are a growing demand in this area due to economic and growth patterns.

This study could serve as an update to our last housing study and basically reiterates what we thought the trends were for this area.

### **Request:**

Staff is requesting direction on whether or not to conduct our own housing study.

### **Attachments:**

- Housing Study

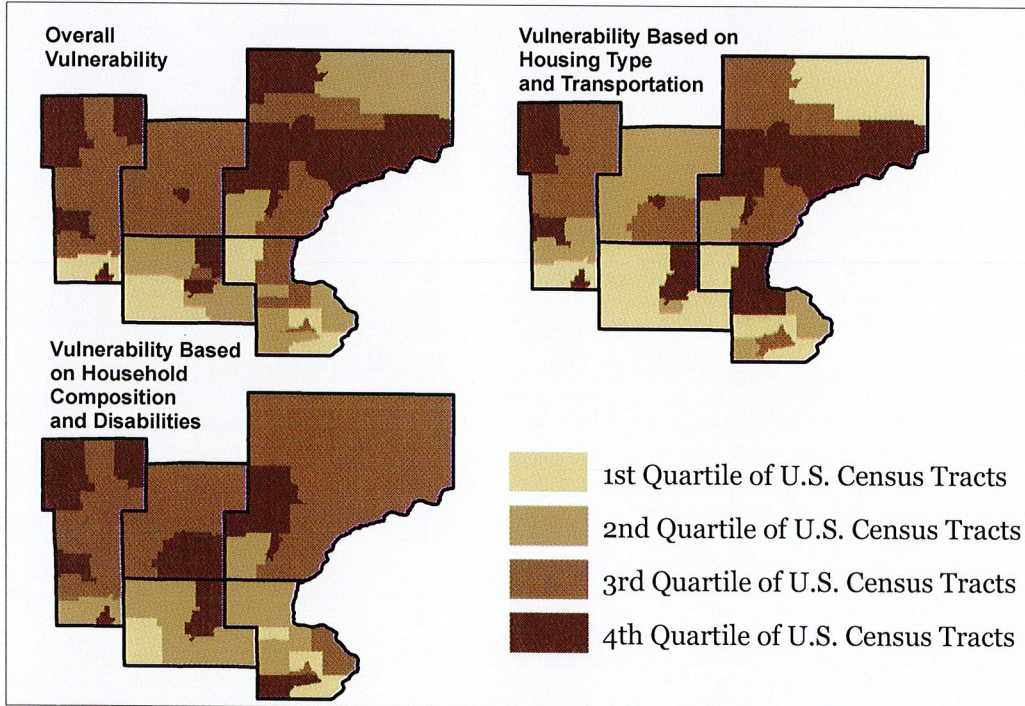
# East Central Minnesota and COVID-19

*Prepared by Hannah Burns, Ian Corder, Henry Parker, and Ben Schneider as supplement to GPS::45::93 Housing Assessment*

The COVID-19 epidemic will undoubtedly cause disruptions in housing markets across the country, including East Central Minnesota. More specifically, the economic fallout will leave many people out of work, and the financial stability of many households will be at risk. Certain sections of the population will be more vulnerable than others, which is why the Center for Disease Control developed a social vulnerability index to assess which areas are particularly vulnerable to situations like pandemics (CDC 2020). The maps below show how census tracts in East Central MN compare to the country as a whole in 3 vulnerability categories: overall vulnerability, housing type/transportation, and household composition and disabilities. Overall vulnerability is a combination of the other two categories in addition to socioeconomic status and minority and language status.

As the maps show, there is a rough north/south divide where census tracts in the northern half of the region tend to have more vulnerable populations. In fact, every tract in the northern half (with one exception) is at least in the 75th percentile in terms of vulnerability based on household composition and disabilities. Therefore, there will be a relationship between areas with high levels of social vulnerability and the capacity of an area to improve its housing market and stock. We recommend GPS::45::93 use this index as a baseline to predict where this crisis will have the worst impacts on the region.

## *CDC Social Vulnerability Index in East Central Minnesota*



## Reference

Centers for Disease Control and Prevention (CDC). (2020). CDC Social Vulnerability Index 2018 Documentation. Retrieved from [https://svi.cdc.gov/Documents/Data/2018\\_SVI\\_Data/SVI2018Documentation.pdf](https://svi.cdc.gov/Documents/Data/2018_SVI_Data/SVI2018Documentation.pdf)



## Isanti, Minnesota

Prepared for: City of Isanti, Minnesota  
By: Dakota Worldwide Corporation  
March 2020  
IML001



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## Executive Summary

The purpose of the study is to determine the feasibility of either expanding the existing Isanti Liquors to a total of 9,800 square feet with approximately 5,880 sales area square feet or replacing the existing store with a new facility containing 7,000 sales area square feet near Coborn's Supermarket.

The trade area consists of the town of Isanti and the surrounding rural area. At its widest points it is twelve miles from north to south and eighteen miles from east to west. An estimated 90% of the sales from the expanded existing facility and 85% of the sales from the new facility will come from this defined trade area.

The current population of the trade area is estimated to be 27,810 people. The population under the age of twenty-one was subtracted from this total as that group cannot lawfully purchase alcohol. The adult population of the trade area is 20,043.

Currently Isanti Liquors has a market share of 24 %. Of the fourteen liquor stores that were identified as competition to Isanti Liquors in this marketplace, Northbound Liquors in Elk River has the largest market share with 31%. EC's Liquor follows with 7%. Third is the St. Francis Bottle Shop with 6%, Fourth is Cooper's Corner Liquors in East Bethel with 5%. Next is Princeton Liquors with a 4% market share. Sixth is Wayne's Liquor with 3%, followed by Northbound Liquors in Cambridge with 2%. The remaining liquor stores have a market share of 1.5% or less. In descending market share order, they are Stacy Liquors, P&L Liquors in Zimmerman, North Branch Liquors, Tower Liquor in North Branch, Uptown Off Sale in Zimmerman, Burns Bottle Shop in Nowthen and lastly Frontier Liquor in Zimmerman.

Float is defined as that portion of the total liquor sales potential that is not captured by the identified competitors. In this study float is 12% of the total potential. Float makers are liquor stores located well beyond the trade area such as destination stores like Total Wine, Costco and Sam's Club.

The projected sales volume for the expanded Isanti Liquors and the relocated store assume that the stores will have a much larger assortment, an attractive décor and competitive pricing. A lit pylon sign that is visible from both directions on Highway 65 will be erected for the new store.

The current site has more drawbacks than attributes. It is not visible from Highway 65 so it has very little transient exposure, parking will be limited and there will be somewhat of a business interruption while expanding and remerchandising as customers do not like to shop in stores that are under construction or being radically remerchandised. These factors were considered when forecasting sales for the expanded store.

The new site has far more attributes and no consequential drawbacks. It has excellent transient exposure, visibility and abundant parking, it is adjacent to a supermarket, and it will be ground-up new construction. Further, there will be no business interruption.

During the field work one market change was discovered. The St. Francis Bottle Shop plans to add approximately 2,300 total square feet. This market change was not included in the forecast because it is so far away from Isanti that has no effect on the sales of Isanti Liquors.

### Scenarios:

**Scenario 1:** The existing Isanti Liquors located at 400 West Dual Boulevard Northeast is expanded to 5,880 sales area square feet (Map Key 14.1).

**Scenario 2:** A new 7,000 sales area square foot Isanti Liquors opens at map key 1000 near the intersection of 6<sup>th</sup> Avenue Northeast and Heritage Boulevard replacing the existing Isanti Liquors at Map Key 14.

<b>Scenario 1</b>			
<b>Annual Sales</b>	\$3,712,030	\$3,809,587	\$3,904,968
<b>\$/SSF</b>	\$631.30	\$647.89	\$664.11
<b>Scenario 2</b>			
<b>Annual Sales</b>	\$4,360,788	\$4,471,423	\$4,579,444
<b>\$/SSF</b>	\$622.97	\$638.77	\$654.21



## Trade Area Delineation

The trade area is determined by the existing road network, natural boundaries, shopping patterns, and the site's relationship to competition. The trade area contains all of the city of Isanti and the surrounding rural area. At its widest points it is approximately twelve miles from north to south and eighteen miles east to west. This marketplace is bordered on the north by State Highway 95, on the west and south by the Isanti County borders and on the east by Tucker Street Northeast. An estimated 85% or 90% of the sales from the proposed facilities will come from within this defined trade area.

## Population/Demographics

Potential	\$11,149,549
P.C.E.	\$556.28
2010 Census Population	18,181
2020 Estimated Population	20,043
2025 Estimated Population	20,930
All Populations exclude under-age residents	

The current *adult* population in the trade area is 20,043 people and the average annual expenditure on liquor is \$556.28, ranging from a high of \$590.54 in Sector 28 to a low of \$509.57 in Sector 12. The total potential is \$11,149,549 and the 15 facilities identified are receiving \$9,817,500 or an 88.05% market share. Total float, which consists of minor facilities and leakage, is \$1,332,049 or 11.95%.

The 2020 estimated median income for the trade area is \$73,918 with an average household size of 2.71 people. The demographic makeup is 94.4% white, 0.6% black, 1.8% Hispanic and 1.0% Asian. Additionally, 15.1% are over the age of 65.

## Competition

Number of Facilities - Total		15
Potential		\$11,149,549
Facility Sales Within Trade Area		\$9,817,500
Facility Percent		88.05%
Float		\$1,332,049
Float Percent		11.95%
Highest Volume Facility		
Northbound Liquors - Map Key 8		\$5,800,000
Largest Facility		
Northbound Liquors - Map Key 8		5,600ssf
Sales Per Sales Area Square Foot – Average		\$790.67
High (Northbound Liquors - Map Key 1)		\$1,500.00
Low (Frontier Liquor - Map Key 5)		\$200.00

## **Methodology**

The sales forecasts generated in this report are based on the use of a gravity model (LOCUS Professional™). This is done via a market simulation of a site's primary trade area using important demand and supply information. Once a simulation is created, changes to equilibrium can be introduced for redistributing sales, forming the basis of a sales forecast.

Demand information includes determining retail potential by defining where consumers live and what they spend for liquor-at-home purchases. Trade area boundaries are determined by the existing road network, geographic boundaries, and the placement of competition. Population sectors (combinations of census block groups) form the basic grouping of population, and normally range in size between 1,000 and 3,500 people. Sector boundaries fall within the boundaries of census tracts and usually follow geographic features such as major roads, rivers and city limits. Since the legal drinking age in Minnesota is 21, under-age residents are excluded from population used in the LOCUS™ Liquor Model.

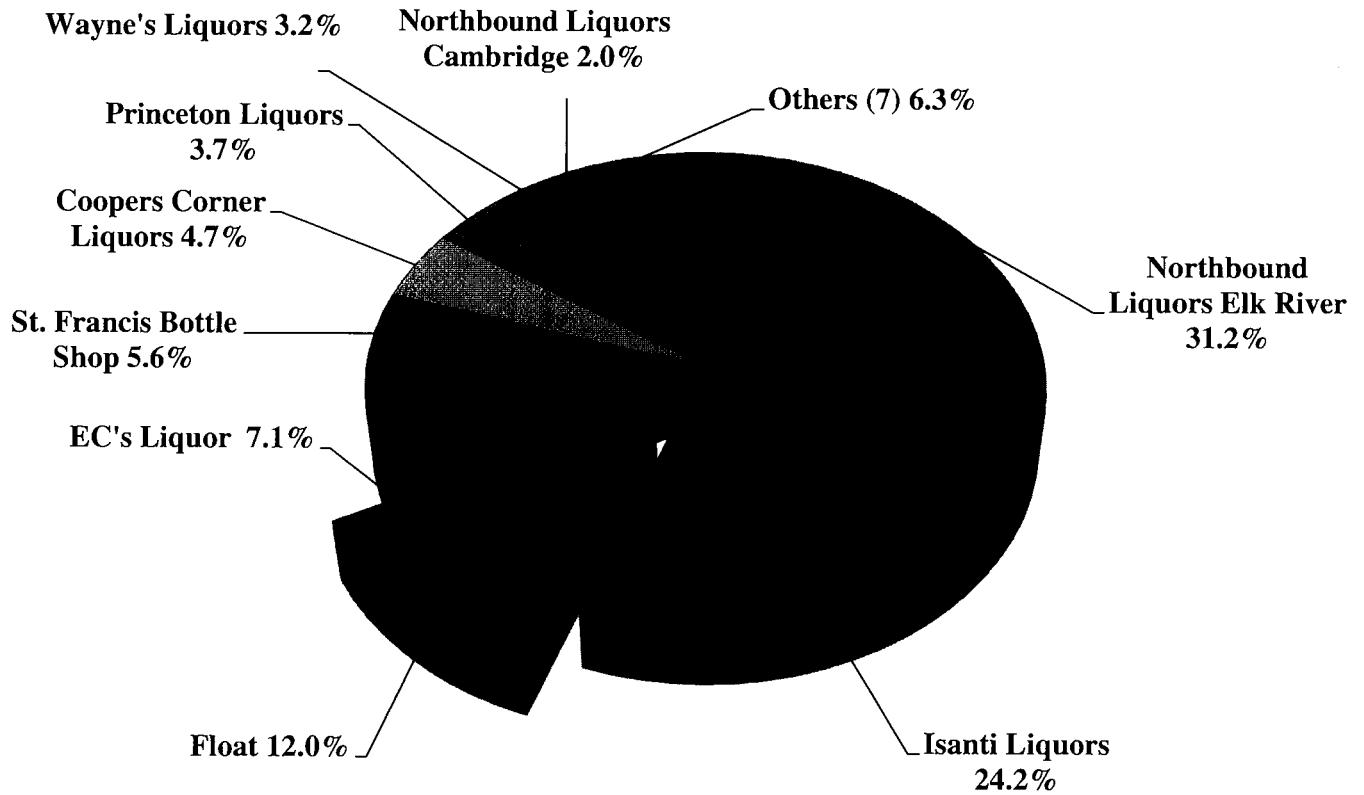
Each population sector is assigned a retail liquor expenditure level which is adjusted by major determinants including family sizes, the exclusion of underage population and household incomes. Combining a sector's population with its expenditure level yield's liquor potential, this is formulated on an annual basis.

The supply components of the gravity model are store sales and an estimate of how much business a particular store generates from inside the trade area. Based on a store's location, relative to an identified trade area and store size or format, the unit will receive a certain percentage of its business from this defined area. Both sites were assigned a draw of 90.

The gravity model distributes store sales throughout the trade area based on certain parameters assigned to the store. These include store size (based on sales area), annual volume, draw (business inside the trade area), pulling power and image.

Store image is based on customer acceptance of a unit as exhibited by store performance. This value is fairly subjective and relates heavily to the strength of other competitors in the area, their distances to one another, the productivity of the unit and their distances to the various population sectors. An image of 100 represents an average image.

## Market Shares by Store



## **Stores**

### **Northbound Liquors ~ Elk River**

#### **1 Facility**

**5,600 sales area square feet**

**31.21% Market Share**

The average annual sales for this store are \$5,800,000 or \$1035.71 per sales area square foot. This municipal liquor store is attractive, well merchandised and well stocked. It is also ideally positioned adjacent to a supermarket and on the “going to the lake” side of the road.

### **Isanti Liquors**

#### **1 Facility**

**2,200 sales area square feet**

**24.22% Market Share**

The average annual sales for this store are \$3,000,000 or \$1363.64 per sales area square foot. This municipal liquor store has an attractive exterior but could use an interior remodel.

### **EC's Liquors**

#### **1 Facility**

**2,800 sales area square feet**

**7.06% Market Share**

The average annual sales for this store are \$2,250,000 or \$803.57 per sales area square foot. EC's is half-way between Cambridge and Princeton. It has somewhat lower prices than its nearest competitors. The adjacent gas and convenience store helps generate more customers to both stores.

### **St. Francis Bottle Shop**

#### **1 Facility**

**3,000 sales area square feet**

**5.61% Market Share**

The average annual sales for this store are \$2,500,000 or \$833.33 per sales area square foot. This liquor is also located on the “going to the lake” side of the street. An expansion adding about 2,300 total square feet is planned.

### **Cooper's Corner Liquors**

#### **1 Facility**

**3,400 sales area square feet**

**4.71% Market Share**

The average annual sales for this store are \$1,500,000 or \$441.18 per sales area square foot. This is an attractive store that is well assorted.

**Princeton Liquor**

**1 Facility**

**5,000 sales area square feet**

**3.68% Market Share**

The average annual sales for this store are \$4,100,000 or \$820.00 per sales area square foot. This municipal liquor store is ideally located between an Aldi and a Walmart. Both stores provide the liquor store with high customer traffic and great transient exposure.

**Wayne's Liquor**

**1 Facility**

**3,000 sales area square feet**

**3.23% Market Share**

The average annual sales for this store are \$1,200,000 or \$400.00 per sales area square foot. This small liquor store has a disheveled sales floor. Its assortment is limited, and it is understocked.

**Northbound Liquors ~ Cambridge**

**1 Facility**

**3,000 sales area square feet**

**2.02% Market Share**

The average annual sales for this store are \$4,500,000 or \$1,500.00 per sales area square foot. This municipal store is located across the street from the main shopping area. It has an awkward interior layout, but it is well staffed and is a high performing store.

**Stacy Liquor**

**1 Facility**

**3,600 sales area square feet**

**1.48% Market Share**

The average annual sales for this store are \$3,300,000 or \$916.67 per sales area square foot. This municipal liquor store is located just off the access ramps to Interstate 35. It is very high volume for a community this size.

**P & L Liquors**

**1 Facility**

**2,000 sales area square feet**

**1.35% Market Share**

The average annual sales for this store are \$1,500,000 or \$750.00 per sales area square foot. This is one of three liquor stores in the small town of Zimmerman. It is attractive and well merchandised.

### **North Branch Liquors**

#### **1 Facility**

**2,400 sales area square feet**

**1.12% Market Share**

The average annual sales for this store are \$2,500,000 or \$1041.67 per sales area square foot. This municipal liquor store is ideally located adjacent to a high volume supermarket. It is a small store and has a large variety of Minnesota wines, beers and spirits.

### **Tower Liquor**

#### **1 Facility**

**3,600 sales area square feet**

**1.03% Market Share**

The average annual sales for this store are \$2,300,000 or \$638.89 per sales area square foot. This liquor store is located just outside North Branch's city limits. It lacks exposure from Highway 95.

### **Uptown Off Sale**

#### **1 Facility**

**1,500 sales area square feet**

**0.54% Market Share**

The average annual sales for this store are \$600,000 or \$400.00 per sales area square foot. This small liquor store in Zimmerman is understocked and poorly merchandised. It lacks transient exposure.

### **Burns Bottle Shop**

#### **1 Facility**

**3,000 sales area square feet**

**0.45% Market Share**

The average annual sales for this store are \$1,000,000 or \$333.33 per sales area square foot. This is a small liquor store in the community of Nowthen. It has an unconventional layout. The walk in cooler is in the center of the store breaking the sales area into two rooms.

### **Frontier Liquor**

#### **1 Facility**

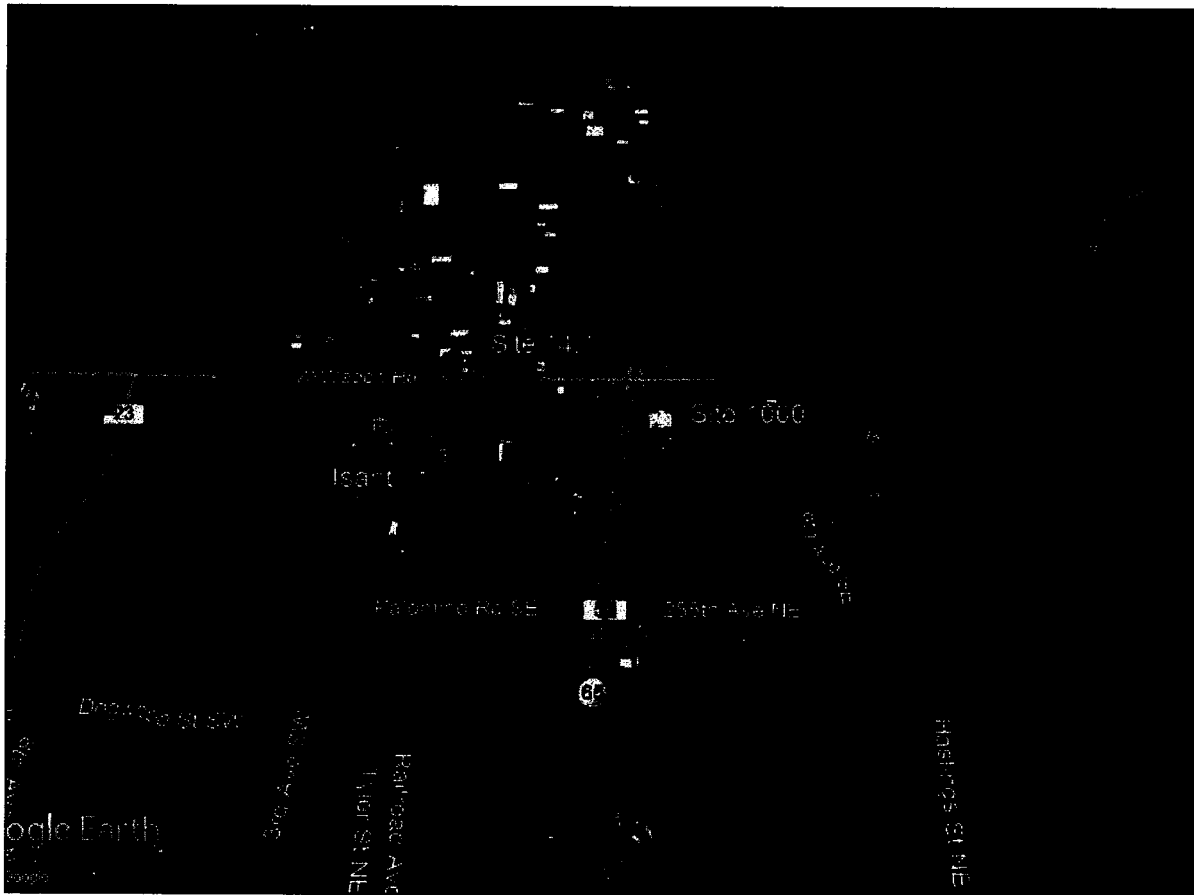
**2,000 sales area square feet**

**0.36% Market Share**

The average annual sales for this store are \$400,000 or \$200.00 per sales area square foot. This small liquor store is very unattractive and understocked. Its current promotion is buy nine cases of beer and the tenth is free.



**Site 14.1**  
**400 W Dual Boulevard Northeast**  
**and**  
**Site 1000**  
**6<sup>th</sup> Avenue Northeast and Heritage Boulevard**



**Dakota Worldwide Corp.**

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<b>Total Area</b>	9,800 square feet
<b>Sales Area</b>	Approximately 5,880 square feet
<b>Proposed Parking</b>	Approximately 46 spaces
<b>Adjacent Retail</b>	Freestanding
<b>Grade of Lot</b>	Level
<b>Current Land Use</b>	Isanti Liquors
<b>Adjacent Land Use</b>	Secondary business district
<b>Street Conditions</b>	Heritage Boulevard: 4 lanes without turn lanes 30MPH Dual Boulevard: 2 lanes without turn lanes 30MPH
<b>Traffic Controls</b>	Stop Sign at Heritage for Dual
<b>Traffic Flow</b>	East/West
<b>Traffic Counts 2018 ADT</b>	Heritage Boulevard: 10,600 vehicles
<b>Visibility</b>	Fair
<b>Accessibility</b>	Good
<b>Ingress/Egress</b>	Good
<b>Transient Exposure</b>	Poor

## Analysis

The Isanti Liquor Store is located on a relatively busy street. The proposed expansion will have an attractive exterior and the interior will be fully remodeled and remerchandised. The expansion will result in a larger assortment but few parking spaces. Because this store lacks visibility from State Highway 65, it has poor transient exposure. Another downside is the lack of strong adjacent retail to attract shoppers. Overall, this site rates as fair.

Making improvement while the store is open will cause sales to drop off as customers will find alternative liquor stores to avoid shopping in a store that will be in disarray for a period of time. The business slowdown was considered when forecasting sales for this site. It is assumed that a grand opening will be implemented upon completion of the renovations.

<b>Total Area</b>	Approximately 11,000 square feet
<b>Sales Area</b>	7,000 square feet
<b>Proposed Parking</b>	Assumed Ample
<b>Adjacent Retail</b>	Coborn's Supermarket
<b>Grade of Lot</b>	Level
<b>Current Land Use</b>	Vacant parcel
<b>Adjacent Land Use</b>	Auto Parts Store
<b>Street Conditions</b>	Highway 65: 4 lanes with turn lanes 55MPH Heritage Boulevard: 4 lanes without turn lanes 30MPH
<b>Traffic Controls</b>	Signal Light at Heritage and Highway 65 Stop sign at Highway 65 at Broadway
<b>Traffic Flow</b>	North/South
<b>Traffic Counts 2018 ADT</b>	Highway 65: 21,000 vehicles Daily
<b>Visibility</b>	Excellent
<b>Accessibility</b>	Excellent
<b>Ingress/Egress</b>	Excellent
<b>Transient Exposure</b>	Excellent

## Analysis

This site is on the frontage road of State Highway 65 which has the highest traffic counts of all the roadways in the city. This provides excellent transient exposure as Highway 65 is the main highway from Cambridge to downtown Minneapolis. The frontage road makes for excellent ingress and egress as there is a stop sign and a stop light at the entrances to the frontage road. Being on this major roadway also provides excellent accessibility and there is no better location for a liquor store than adjacent to a grocery store. It is assumed that there will be a lit pylon sign that will be visible from both directions of Highway 65. Another positive aspect of relocating here is that there will be no business interruption. Overall, this site rates as excellent.

## **Analysis**

### **Assumptions**

The sales projections presented in this study are based on the following key assumptions:

- The manager of this new facility will be the existing Isanti Liquors manager.
- The new facility will have pylon signing visible from all directions.
- Population in the trade area will be at or near levels predicted by the US Census, local city and county governments, and Synergos Technologies.
- The sales projections are expressed in constant 2020 dollars, with no adjustments made for inflation.
- An opening date of November 2021 is assumed.
- Pricing will be competitive with the existing liquor stores in the study area.
- Parking will be ample at Site 1000.

### Competitor Information and Evaluation Isanti, Minnesota ~ March 2020

Map Key	Name Address	Total Area	Sales Area	Annual Volume	Check Outs	Prim Park	Ext Ops	Int Cond	Cond	Beer	Wine	Liquor	Adjacent Retail	Store Hours
1	Northbound Liquors 19348 Evans St NW, Elk River	4,400	3,000	\$4,500,000	2	5	6	7	7	7	7	7	Cobom's	9-10 M-F, 8-10 S 11-6 Sun
2	Burns Bottle Shop 8163 Viking Blvd, Nowthen	4,500	3,000	\$1,000,000	2	5	4	5	4	4	4	4	Restaurant	9-10 M-S 11-6 Sun
3	Uptown Off Sale 25965 Main St. Zimmerman	2,800	1,500	\$600,000	1	5	4	4	4	4	4	4	Hair Salon	8-10 M-S 11-6 Sun
4	P & L Liquors 26025 3rd St SE, Zimmerman	3,200	2,000	\$1,500,000	1	5	5	5	5	4	4	4	Subway Small Shops	9-10 M-S 11-6 Sun
5	Frontier Liquors 26027 Fremont Dr, Zimmerman	3,000	2,000	\$400,000	1	4	4	4	4	3	3	3	Freestanding	8-10 M-S 11-6 Sun
6	Princeton Liquors 1901 5th St North, Princeton	8,100	5,000	\$4,100,000	2	6	6	6	7	6	6	6	Walmart Aldi	8-10 M-S 11-6 Sun

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Map Key	Name Address	Total Area	Sales Area	Annual Volume	Check Outs	Prim Park	Ext Ops	Int Cond	Int Cond	Beer	Wine	Liquor	Adjacent Retail	Store Hours
7	EC's Liquors 4851 MN Hwy 95, Cambridge	5,200	2,800	\$2,250,000	2	5	6	7	6	5	5	5	Gas Station	10-8 M, 9-9 Th-F 9-10 Sat, 11-5 Sun
8	Northbound Liquor 1655 1st Ave E, Cambridge	10,000	5,600	\$5,800,000	4	5	7	7	7	7	7	7	Freestanding	9-9 M-Th, 9-10 F & S 11-6 Sun
9	North Branch Liquor 5466 St Croix Trail, North Branch	4,000	2,400	\$2,500,000	2	7	6	5	6	4	4	4	County Market Shops	8-10 M-S 11-6 Sun
10	Tower Liquor 38658 Tanger Dr, North Branch	6,000	3,600	\$2,300,000	2	5	6	6	6	6	6	6	Freestanding	8-10 M-S 11-6 Sun
11	Stacy Liquors 30962 Fenway Ave, Stacy	5,600	3,600	\$3,300,000	2	5	6	6	6	6	6	6	Small Shops	9-9 M-Th, 9-10 F & S 11-6 Sun
12	Wayne's Liquors 21340 Aberdeen St NE, Cedar	6,500	3,000	\$1,200,000	1	4	4	5	3	3	3	3	Freestanding	9-10 M-S 11-6 Sun
13	Cooper's Corner Liquors 23733 MN Hwy 65, Bethel	4,600	3,400	\$1,500,000	2	5	5	5	5	5	5	5	Gas Station	10-10 M-S 11-6 Sun

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Map Key	Name Address	Total Area	Sales Area	Annual Volume	Check Outs	Prim Park	Ext Ops	Int Cond	Int Cond	Beer	Wine	Liquor	Adjacent Retail	Store Hours
14	Isanti Liquors 400 W Dual Blvd NE, Isanti	5,700	2,200	\$3,000,000	2	4	5	5	5	5	5	5	Freestanding	9-9 M-Th, 9-10 F & S 11-6 Sun
15	St. Francis Bottle Shop 23307 St Francis Blvd, St. Francis	5,200	3,000	\$2,500,000	2	5	4	7	5	4	4	4	Freestanding	10-10 M-F, 9-10 S 11-6 Sun

Totals: 78,800 46,100 \$36,450,000

Averages: 5,253 3,073

\$/SF: 462.56 790.67

Total Stores = 15

Evaluation Ratings: 0-N/A; 1-Poor; 5-Average; 10-Excellent

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**Trade Area Data by Sector**  
**Isanti, Minnesota ~ March 2020**

Sector	Census Tract	2010 Adult Pop.	2020 Adult Pop.	% Growth 2010-2020	2025 Adult Pop.	% Growth 2020-2025	2020 % White	2020 % Black	2020 % Asian	2020 % Other	2020 % Hisp.	2020 % < 18	2020 % > 65	2020 Avg. Hhld Size	2020 Median Income
1	0.00	967	923	-4.6	920	-0.3	94.1	0.4	0.5	2.5	2.5	28.1	10.8	2.65	\$68,653
2	0.00	1,016	1,102	8.5	1,146	4.0	93.8	0.8	0.5	1.7	3.3	31.4	8.1	3.00	\$75,379
3	0.00	484	523	8.1	544	4.0	93.8	0.8	0.5	1.7	3.3	31.4	8.1	3.09	\$75,379
4	0.00	1,084	1,232	13.7	1,288	4.5	93.9	0.8	0.6	1.9	2.9	30.6	8.8	2.80	\$76,693
5	0.00	305	354	16.1	368	4.0	93.8	0.8	0.5	1.7	3.3	31.4	8.1	2.86	\$75,379
6	0.00	579	666	15.0	703	5.6	94.0	0.7	1.1	2.8	1.5	18.1	20.1	2.90	\$58,047
7	0.00	483	519	7.5	561	8.1	94.4	0.7	1.3	2.6	1.1	26.2	12.7	2.78	\$84,520
8	0.00	741	785	5.9	885	12.7	94.0	0.7	1.1	2.8	1.5	18.1	20.1	2.30	\$58,047
9	0.00	462	571	23.6	626	9.6	94.0	0.7	1.1	2.8	1.5	18.1	20.1	2.16	\$58,047
10	0.00	552	841	52.4	897	6.7	90.5	0.9	2.8	3.6	2.3	31.1	9.7	2.58	\$48,880
11	0.00	604	679	12.4	720	6.0	91.2	0.8	2.5	3.4	2.1	30.3	10.3	2.47	\$53,488
12	0.00	1,193	1,185	-0.7	1,180	-0.4	91.0	0.9	2.6	3.5	2.1	30.5	10.1	2.90	\$53,302
13	0.00	671	747	11.3	808	8.2	94.4	0.7	1.3	2.6	1.1	26.2	12.7	2.97	\$84,520
14	0.00	452	537	18.8	588	9.5	94.4	0.7	1.3	2.6	1.1	26.2	12.7	2.50	\$84,520
15	0.00	272	617	126.8	670	8.6	94.1	0.4	0.5	2.5	2.5	28.1	10.8	2.47	\$68,653
16	0.00	138	194	40.6	211	8.8	94.1	0.4	0.5	2.5	2.5	28.1	10.8	2.79	\$68,653
17	0.00	416	510	22.6	533	4.5	96.3	0.1	1.1	1.5	1.1	18.0	18.8	2.84	\$89,888
18	0.00	507	481	-5.1	480	-0.2	95.9	0.1	1.3	1.6	1.1	18.0	18.6	2.85	\$89,377
19	0.00	443	413	-6.8	410	-0.7	97.4	0.3	0.0	1.5	0.8	15.7	18.7	2.73	\$67,971
20	0.00	773	840	8.7	871	3.7	97.4	0.3	0.0	1.5	0.8	15.7	18.7	2.81	\$67,971
21	0.00	1,740	1,848	6.2	1,937	4.8	95.2	0.8	0.7	2.0	1.2	18.2	17.8	2.85	\$92,633
22	0.00	519	589	13.5	608	3.2	97.6	0.4	0.2	0.3	1.4	16.5	18.1	2.59	\$82,908
23	0.00	690	639	-7.4	639	0.0	97.6	0.4	0.2	0.3	1.4	16.5	18.1	2.66	\$82,908
24	0.00	613	656	7.0	679	3.5	93.3	0.4	1.1	3.5	1.8	16.3	21.1	2.66	\$79,717
25	0.00	488	508	4.1	532	4.7	93.1	0.3	1.1	3.5	1.9	16.3	21.0	2.70	\$79,535

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Sector	Census Tract	2010 Adult Pop.	2020 Adult Pop.	% Growth 2010-2020	2025 Adult Pop.	% Growth 2020-2025	2020 % White	2020 % Black	2020 % Asian	2020 % Other	2020 % Hisp.	2020 % < 18	2020 % > 65	2020 Avg. Hhld Size	2020 Median Income
26	0.00	439	446	1.6	462	3.6	95.6	0.0	0.8	2.1	1.5	17.4	18.4	2.84	\$84,923
27	0.00	411	427	3.9	443	3.7	95.6	0.0	0.8	2.1	1.5	17.4	18.4	2.71	\$84,923
28	0.00	351	385	9.7	393	2.1	96.8	1.0	0.3	1.4	0.5	16.0	23.4	2.43	\$84,233
29	0.00	316	360	13.9	368	2.2	96.8	1.0	0.3	1.4	0.5	16.0	23.4	2.87	\$84,233
30	0.00	472	466	-1.3	460	-1.3	96.8	1.0	0.3	1.4	0.5	16.0	23.4	2.60	\$84,233
Totals:		18,181	20,043		20,930										
Averages:				10.2		4.4	94.4	0.6	1.0	2.2	1.8	23.0	15.1	2.71	\$73,918

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**CURRENT MARKET SIMULATION**  
**TRADE AREA TOTALS**

Trade Area	Mar 2020
Population	20,043
Potential	11,149,549
Facility Volume	9,817,500
Float Amount	1,332,049
Float Percent	11.95%
P.C.E.	556.28

**STORES IN OPERATION**

Facility		---Mar 2020 ---		Sales		
Map Key	Name	Volume	/SqFt	Area	Draw	Image
1	Northbound Lique	4,500,000	1500.00	3,000	5	182
2	Burns Bottle Sho	1,000,000	333.33	3,000	5	48
3	Uptown Off Sale	600,000	400.00	1,500	10	59
4	P & L Liquors	1,500,000	750.00	2,000	10	96
5	Frontier Liquor	400,000	200.00	2,000	10	34
6	Princeton Liquor	4,100,000	820.00	5,000	10	108
7	EC's Liquor	2,250,000	803.57	2,800	35	103
8	Northbound Liq	5,800,000	1035.71	5,600	60	139
9	North Branch Liq	2,500,000	1041.67	2,400	5	127
10	Tower Liquor	2,300,000	638.89	3,600	5	86
11	Stacy Liquor	3,300,000	916.67	3,600	5	120
12	Wayne's Liquor	1,200,000	400.00	3,000	30	56
13	Cooper's Cor	1,500,000	441.18	3,400	35	69
14	Isanti Liquor	3,000,000	1363.64	2,200	90	168
15	St. Francis BS	2,500,000	833.33	3,000	25	104
Total		36,450,000		46,100		
Average		2,430,000	790.67	3,073		100

**CHAIN SUMMARY**

Chain	# of	-----Chain Total-----				Vol/	Avg	Market
Name	Facs	Volume	Average	Size	Average	SqFt	Image	Share
Northbound Liq	1	5,800,000	5,800,000	5,600	5,600	1035.71	139	31.21
Isanti Liquor	1	3,000,000	3,000,000	2,200	2,200	1363.64	168	24.22
EC's Liquor	1	2,250,000	2,250,000	2,800	2,800	803.57	103	7.06
*St. Francis BS	1	2,500,000	2,500,000	3,000	3,000	833.33	104	5.61
Cooper's Cor	1	1,500,000	1,500,000	3,400	3,400	441.18	69	4.71
*Princeton Liquor	1	4,100,000	4,100,000	5,000	5,000	820.00	108	3.68
Wayne's Liquor	1	1,200,000	1,200,000	3,000	3,000	400.00	56	3.23
*Northbound Lique	1	4,500,000	4,500,000	3,000	3,000	1500.00	182	2.02
*Stacy Liquor	1	3,300,000	3,300,000	3,600	3,600	916.67	120	1.48
*P & L Liquors	1	1,500,000	1,500,000	2,000	2,000	750.00	96	1.35
*North Branch Liq	1	2,500,000	2,500,000	2,400	2,400	1041.67	127	1.12
*Tower Liquor	1	2,300,000	2,300,000	3,600	3,600	638.89	86	1.03
*Uptown Off Sale	1	600,000	600,000	1,500	1,500	400.00	59	.54
*Burns Bottle Sho	1	1,000,000	1,000,000	3,000	3,000	333.33	48	.45
*Frontier Liquor	1	400,000	400,000	2,000	2,000	200.00	34	.36
Totals	15	36,450,000		46,100				88.05
Averages			2,430,000		3,073	790.67		

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## SECTOR SUMMARY

Sector Map Key	-----Mar 2020-----		Potential	-----Float-----	
	Population	PCE		Percent	Amount
1	923	552.63	510,074	11.54	58,880
2	1,102	545.90	601,580	11.75	70,666
3	523	541.58	283,246	11.97	33,916
4	1,232	558.06	687,526	11.87	81,584
5	354	552.88	195,720	11.38	22,265
6	666	519.73	346,141	11.67	40,412
7	519	570.81	296,252	11.84	35,083
8	785	551.69	433,075	11.47	49,681
9	571	560.35	319,958	11.21	35,862
10	841	514.74	432,898	11.58	50,127
11	679	531.70	361,024	11.81	42,625
12	1,185	509.57	603,845	11.36	68,621
13	747	560.91	419,003	11.73	49,169
14	537	586.71	315,063	11.24	35,427
15	617	562.70	347,184	11.64	40,409
16	194	545.26	105,780	11.73	12,413
17	510	574.99	293,245	12.13	35,569
18	481	573.78	275,986	12.18	33,608
19	413	547.16	225,977	11.72	26,491
20	840	543.03	456,148	11.39	51,946
21	1,848	578.06	1,068,249	12.19	130,213
22	589	579.05	341,061	12.64	43,123
23	639	575.07	367,472	12.68	46,595
24	656	570.29	374,111	12.05	45,065
25	508	567.81	288,446	13.40	38,645
26	446	568.19	253,411	11.87	30,071
27	427	575.21	245,614	13.37	32,847
28	385	590.54	227,357	13.28	30,188
29	360	565.64	203,629	13.34	27,159
30	466	580.42	270,475	12.34	33,390
Total	20,043		11,149,549		1,332,049
Average		556.28		11.95	

**PROJECTED MARKETPLACE  
TRADE AREA TOTALS**

Trade Area	Mar 2020	Nov 2022	% Change
Population	20,043	20,513	2.34
Potential	11,149,549	11,411,437	2.35
Facility Volume	9,817,500	10,048,436	2.35
Float Amount	1,332,049	1,363,001	2.32
Float Percent	11.95	11.94	
P.C.E.	556.28	556.30	.00

**SCENARIO 1**

**THE EXISTING ISANTI LIQUORS EXPANDS TO 5,880 SALES AREA SQUARE FEET  
AT 400 WEST DUAL BOULEVARD NORTHEAST**

**STORES IN OPERATION**

Facility Map Key	Name	Forecast ---Nov 2022 ---		Current ---Mar 2020 ----		T.A. Diff.	%	Fcast Sales Area	Draw	Image
		Volume	/SqFt	Volume	/SqFt					
1	Northbound Liquor			4,500,000	1500.00	-338	0	3,000	5	182
2	Burns Bottle Sho			1,000,000	333.33	-290	-1	3,000	5	48
3	Uptown Off Sale			600,000	400.00	1,575	3	1,500	10	59
4	P & L Liquors			1,500,000	750.00	3,808	3	2,000	10	96
5	Frontier Liquor			400,000	200.00	1,118	3	2,000	10	34
6	Princeton Liquor			4,100,000	820.00	6,892	0	5,000	10	108
7	EC's Liquor	2,259,730	807.05	2,250,000	803.57	9,730	0	2,800	35	103
8	Northbound Liq	5,590,498	998.30	5,800,000	1035.71	-209,502	-4	5,600	60	139
9	North Branch Liq			2,500,000	1041.67	-15,818	-1	2,400	5	127
10	Tower Liquor			2,300,000	638.89	-14,620	-13	3,600	5	86
11	Stacy Liquor			3,300,000	916.67	-24,360	-1	3,600	5	120
12	Wayne's Liquor	1,036,773	345.59	1,200,000	400.00	-48,968	-14	3,000	30	56
13	Cooper's Cor	1,409,599	414.59	1,500,000	441.18	-90,401	-6	3,400	35	69
14	Isanti Liquor	--closed--	----	3,000,000	1363.64	-2,700,000			90	168
14.1	Isanti Liquor	3,712,030	631.30	0	0.00	3,340,827	0	5,880	90	158
15	St. Francis BS			2,500,000	833.33	-28,716	-5	3,000	25	104
Totals		* 36,320,510		36,450,000		230,936				
Averages		2,421,367	729.62	2,430,000	790.67			3,319		104

The low draw for forecast volumes is 29.99

\* Forecast total includes low draw stores whose volumes are not shown.

**THREE YEAR GROWTH PATTERN**

Facility Map Keys	Name	Forecast ---Nov 2022---		Forecast ---Nov 2023---		Forecast ---Nov 2024---		Draw	Image
		Volume	/SqFt	Volume	/SqFt	Volume	/SqFt		
14.1	Isanti Liquor	3,712,030	631.30	3,809,587	647.89	3,904,968	664.11	90	158

Inflation is 0%

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## CHAIN SUMMARY

Chain Name	# of Facs	-----Chain Total-----				Vol/ SqFt	Avg Image	Market Share
		Volume	Average	Size	Average			
Isanti Liquor	1	3,712,030	3,712,030	5,880	5,880	631.30	158	29.28
Northbound Liq	1	5,590,498	5,590,498	5,600	5,600	998.30	139	28.66
EC's Liquor	1	2,259,730	2,259,730	2,800	2,800	807.05	103	6.99
*St. Francis BS	1	2,385,136	2,385,136	3,000	3,000	795.05	104	5.23
Cooper's Cor	1	1,409,599	1,409,599	3,400	3,400	414.59	69	3.81
*Princeton Liquor	1	4,106,892	4,106,892	5,000	5,000	821.38	108	3.65
Wayne's Liquor	1	1,036,773	1,036,773	3,000	3,000	345.59	56	2.73
*Northbound Lique	1	4,493,236	4,493,236	3,000	3,000	1497.75	182	1.97
*P & L Liquors	1	1,538,075	1,538,075	2,000	2,000	769.04	96	1.35
*Stacy Liquor	1	3,275,640	3,275,640	3,600	3,600	909.90	120	1.23
*North Branch Liq	1	2,484,182	2,484,182	2,400	2,400	1035.08	127	.96
*Tower Liquor	1	2,007,593	2,007,593	3,600	3,600	557.66	86	.88
*Uptown Off Sale	1	615,745	615,745	1,500	1,500	410.50	59	.54
*Burns Bottle Sho	1	994,202	994,202	3,000	3,000	331.40	48	.44
*Frontier Liquor	1	411,177	411,177	2,000	2,000	205.59	34	.36
Totals	15	36,320,507		49,780				88.06
Averages			2,421,367		3,319	729.62		

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## STORE VOLUME REPORT BY SECTOR - MAP KEY 14.1

Facility Map Key = 14.1

Nov 2022

Draw = 90

Market Share Cutoff = 2

Sector Map Key	Sector Share	Expected Volume	Population	Potential	Float	Miles
1	68.97	351,058	921	508,969	11.54	.58
2	67.48	414,434	1,125	614,135	11.75	.97
3	66.19	191,774	535	289,745	11.97	1.23
4	66.81	470,511	1,262	704,268	11.87	.91
5	58.89	117,529	361	199,590	11.38	2.51
6	4.48	15,967	686	356,536	11.67	7.62
7	34.72	107,215	541	308,810	11.84	3.04
8	21.25	98,220	838	462,315	11.47	3.94
9	11.49	38,642	600	336,208	11.21	4.93
10	8.57	38,412	871	448,341	11.58	5.25
11	13.44	50,111	701	372,722	11.81	4.55
12	7.85	47,304	1,182	602,316	11.36	5.28
13	13.67	59,809	780	437,513	11.73	4.48
14	18.55	61,500	565	331,490	11.24	4.05
15	65.35	237,187	645	362,939	11.64	.77
16	65.59	72,600	203	110,687	11.73	1.02
17	35.70	107,152	522	300,145	12.13	3.59
18	23.44	64,556	480	275,412	12.18	4.99
19	49.64	111,635	411	224,883	11.72	2.75
20	37.38	173,938	857	465,380	11.39	3.66
21	32.14	352,069	1,895	1,095,418	12.19	4.87
22	31.45	109,079	599	346,851	12.64	5.05
24	2.00	7,627	668	380,955	12.05	9.41
25	8.09	23,873	520	295,260	13.40	7.89
26	3.89	10,045	455	258,524	11.87	8.49
Sub Total	33.03	3,332,249	18,223	10,089,411	11.81	
Other Sectors	.65	8,579	2,290	1,322,027	12.95	
TA Total	29.28	3,340,827	20,513	11,411,437	11.94	
Outside TA		371,203				
Sales Forecast		3,712,030				



**SCENARIO 2**

**A NEW 7,000 SALES AREA SQUARE FOOT ISANTI LIQUORS OPENS  
AT THE INTERSECTION OF 6TH AVENUE NORTHEAST AND HERITAGE BOULEVARD  
REPLACING THE EXISTING ISANTI LIQUOR STORE AT MAP KEY 14**

**STORES IN OPERATION**

Facility Map Key	Name	Forecast ---Nov 2022---		Current ----Mar 2020----		T.A. Diff.	% Chg	Fcst Sales Area	Draw	Image
		Volume	/SqFt	Volume	/SqFt					
1	Northbound Liquo			4,500,000	1500.00	-6,079	-3	3,000	5	182
2	Burns Bottle Sho			1,000,000	333.33	-1,785	-4	3,000	5	48
3	Uptown Off Sale			600,000	400.00	954	2	1,500	10	59
4	P & L Liquors			1,500,000	750.00	2,154	1	2,000	10	96
5	Frontier Liquor			400,000	200.00	761	2	2,000	10	34
6	Princeton Liquor			4,100,000	820.00	1,495	0	5,000	10	108
7	EC's Liquor	2,243,969	801.42	2,250,000	803.57	-6,032	0	2,800	35	103
8	Northbound Liq	5,408,017	965.72	5,800,000	1035.71	-391,983	-7	5,600	60	139
9	North Branch Liq			2,500,000	1041.67	-27,936	-1	2,400	5	127
10	Tower Liquor			2,300,000	638.89	-25,959	-23	3,600	5	86
11	Stacy Liquor			3,300,000	916.67	-42,665	-1	3,600	5	120
12	Wayne's Liquor	937,923	312.64	1,200,000	400.00	-78,623	-22	3,000	30	56
13	Cooper's Cor	1,359,103	399.74	1,500,000	441.18	-140,897	-9	3,400	35	69
14	Isanti Liquor	--closed--	-----	3,000,000	1363.64	-2,700,000			90	168
15	St. Francis BS			2,500,000	833.33	-59,140	-9	3,000	25	104
1000	Isanti Liquor	4,360,788	622.97	0	0.00	3,706,670	0	7,000	85	163
Totals		* 36,066,380		36,450,000		230,937				
Averages		2,404,425	708.57	2,430,000	790.67			3,393		104

The low draw for forecast volumes is 29.99

\* Forecast total includes low draw stores whose volumes are not shown.

**THREE YEAR GROWTH PATTERN**

Facility Map Keys	Name	Forecast ---Nov 2022---		Forecast ---Nov 2023---		Forecast ---Nov 2024---		Draw	Image
		Volume	/SqFt	Volume	/SqFt	Volume	/SqFt		
1000	Isanti Liquor	4,360,788	622.97	4,471,423	638.77	4,579,444	654.21	85	163

Inflation is 0%

## CHAIN SUMMARY

Chain Name	# of Facs	-----Chain Total-----				Vol/ SqFt	Avg Image	Market Share
		Volume	Average	Size	Average			
Isanti Liquor	1	4,360,788	4,360,788	7,000	7,000	622.97	163	32.48
Northbound Liq	1	5,408,017	5,408,017	5,600	5,600	965.72	139	27.06
EC's Liquor	1	2,243,969	2,243,969	2,800	2,800	801.42	103	6.85
*St. Francis BS	1	2,263,442	2,263,442	3,000	3,000	754.48	104	4.96
*Princeton Liquor	1	4,101,495	4,101,495	5,000	5,000	820.30	108	3.61
Cooper's Cor	1	1,359,103	1,359,103	3,400	3,400	399.74	69	3.37
Wayne's Liquor	1	937,923	937,923	3,000	3,000	312.64	56	2.47
*Northbound Liquo	1	4,378,420	4,378,420	3,000	3,000	1459.47	182	1.92
*P & L Liquors	1	1,521,544	1,521,544	2,000	2,000	760.77	96	1.33
*Stacy Liquor	1	3,257,335	3,257,335	3,600	3,600	904.82	120	1.07
*North Branch Liq	1	2,472,065	2,472,065	2,400	2,400	1030.03	127	.85
*Tower Liquor	1	1,780,829	1,780,829	3,600	3,600	494.67	86	.78
*Uptown Off Sale	1	609,539	609,539	1,500	1,500	406.36	59	.53
*Burns Bottle Sho	1	964,292	964,292	3,000	3,000	321.43	48	.42
*Frontier Liquor	1	407,611	407,611	2,000	2,000	203.81	34	.36
Totals	15	36,066,371		50,900				88.06
Averages			2,404,425		3,393	708.57		

## STORE VOLUME REPORT BY SECTOR - MAP KEY 1000

Facility Map Key = 1000

Nov 2022

Draw = 85

Market Share Cutoff = 2

Sector Map Key	Sector Share	Expected Volume	Population	Potential	Float	Miles
1	72.17	367,300	921	508,969	11.54	.56
2	69.82	428,813	1,125	614,135	11.75	1.17
3	67.97	196,947	535	289,745	11.97	1.55
4	67.76	477,206	1,262	704,268	11.87	1.36
5	60.39	120,526	361	199,590	11.38	2.93
6	6.25	22,286	686	356,536	11.67	7.84
7	38.63	119,284	541	308,810	11.84	3.27
8	25.09	115,988	838	462,315	11.47	4.15
9	14.45	48,568	600	336,208	11.21	5.12
10	11.20	50,202	871	448,341	11.58	5.41
11	16.90	62,987	701	372,722	11.81	4.71
12	10.75	64,724	1,182	602,316	11.36	5.35
13	17.51	76,594	780	437,513	11.73	4.58
14	23.68	78,487	565	331,490	11.24	4.09
15	68.28	247,819	645	362,939	11.64	.89
16	71.40	79,028	203	110,687	11.73	.56
17	46.58	139,799	522	300,145	12.13	3.24
18	35.51	97,788	480	275,412	12.18	4.54
19	58.91	132,489	411	224,883	11.72	2.41
20	45.18	210,257	857	465,380	11.39	3.60
21	34.98	383,196	1,895	1,095,418	12.19	5.30
22	34.37	119,228	599	346,851	12.64	5.47
24	2.68	10,195	668	380,955	12.05	9.84
25	10.49	30,979	520	295,260	13.40	8.23
26	4.99	12,912	455	258,524	11.87	8.91
Sub Total	36.61	3,693,604	18,223	10,089,411	11.81	
Other Sectors	.99	13,066	2,290	1,322,027	12.95	
TA Total	32.48	3,706,670	20,513	11,411,437	11.94	
Outside TA		654,118				
Sales Forecast		4,360,788				

## Definitions

Trade Area	The area containing the majority of the population that could contribute to the sales of a store or stores located at a proposed site or sites also referred to as the study area.
Pulling Power	The attraction a store exerts upon the population.
Draw	The portion of a store's total business that is derived from the trade area.
Image	Representations of stores' acceptance levels in the trade area.
P.C.E.	Per capita weekly expenditure for food.
Float	That portion of the potential within the trade area that is not captured by the identified stores.
Barriers	Physical or psychological obstacles that make it more difficult to travel from one area to another.
ADT	Average Daily Traffic.

## Qualifier

In the use of this market analysis, client acknowledges that while it believes the services to be performed hereunder by Dakota Worldwide Corporation will be a valuable tool in management decision-making, it also understands that an important part of said services involves subjective judgment, which is dependent upon the correctness of the information made available to Dakota Worldwide Corporation. Therefore, client further acknowledges its understanding that Dakota Worldwide Corporation does not guarantee any result from the use of the analysis or other services performed hereunder, nor shall Dakota Worldwide Corporation be responsible for any loss incurred as a result of the use of said analysis or other services.

Furthermore, these projections are based on the conditions identified in the survey. Any change within the trade area, such as the opening or closing of a competitive store or changes in economic conditions, could cause significant variation between these projections and actual sales. The possibility of this occurring increases with time.

## Source Data

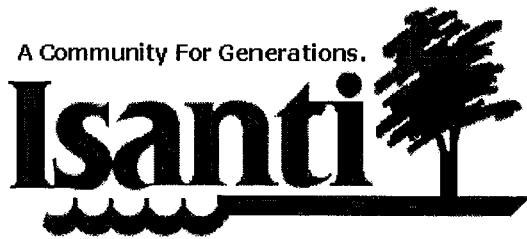
“Number of Inhabitants,” Minnesota, 2010 Census of Population, U.S. Department of Commerce, Bureau of the Census.

“Area Statistics,” Minnesota, 2012 Census of Retail Trade, U.S. Department of Commerce, Bureau of the Census.

Minnesota Department of Transportation.

Minnesota Department of Revenue.

“PopStats” Synergos Technologies, Inc.

**MEMO**

**To:** Committee of the Whole  
**From:** Finance Director Betker  
**Date:** June 16<sup>th</sup> 2020  
**Subject:** Public Safety Building

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**Background:**

Council has previously indicated a desire for the following:

- 1) Good Fiscal Management – Avoid significant increases/decreases in the tax rate
- 2) Decreasing Tax Rate – Seek to reduce the tax rate when possible
- 3) Sell Existing PD/FD Building – Fire District is interested in purchase within 3-5 years
- 4) New Public Safety Building – New building needed due to sale and limited current size

**Research:**

Staff has attached 3 options for acquiring a new Public Safety Building:

- 1) Save and pay cash for new building
- 2) Issue debt for new building
- 3) Issue debt for new liquor store & renovate current liquor store for police department

**Request:**

Staff is seeking guidance on which option the Council would like to pursue.

Project	Option	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	Year 6 2026	Year 7 2027	Year 8 2028	Year 9 2029	Year 10 2030	Year 11 2031	Year 12 2032	Year 13 2033	Year 14 2034	Year 15 2035	Year 16 2036
New PD Building	Current Projected Tax capacity	\$ 4,882,604	\$ 5,126,734	\$ 5,383,070	\$ 5,652,224	\$ 5,934,835	\$ 6,231,577	\$ 6,543,156	\$ 6,870,314	\$ 7,213,829	\$ 7,574,521	\$ 7,953,247	\$ 8,350,909	\$ 8,768,455	\$ 9,206,877	\$ 9,667,221	\$ 10,150,582
	Current Projected Total Levy	\$ 2,835,414	\$ 2,924,265	\$ 3,025,210	\$ 3,077,035	\$ 3,176,032	\$ 3,289,013	\$ 3,410,596	\$ 3,520,237	\$ 3,633,793	\$ 3,747,610	\$ 3,863,868	\$ 3,972,636	\$ 4,084,453	\$ 4,198,453	\$ 4,314,453	\$ 4,432,453
	Current Projected Tax Rate	58.072%	57.040%	56.199%	55.333%	54.515%	53.780%	52.125%	51.238%	50.373%	49.536%	48.719%	47.919%	47.133%	46.361%	45.601%	44.853%
	Projected Project Cost (3% Inflation)	\$ 2,500,000	\$ 2,575,000	\$ 2,652,250	\$ 2,731,818	\$ 2,813,772	\$ 2,898,185	\$ 2,985,131	\$ 3,074,685	\$ 3,166,925	\$ 3,261,933	\$ 3,359,791	\$ 3,460,585				
New PD Building	Projected Levy Addition Less Sale Price	\$ 269,140	\$ 269,140	\$ 269,140	\$ 269,140	\$ 269,140	\$ 269,140	\$ 269,140	\$ 269,140	\$ 269,140	\$ 269,140	\$ 269,140	\$ 269,140	\$ 269,140	\$ 269,140	\$ 269,140	\$ 269,140
	% Change from Projected	9.5%	9.2%	8.9%	8.8%	8.5%	8.2%	7.9%	7.6%	7.4%	7.6%	7.3%	0.0%	0.0%	0.0%	0.0%	0.0%
	Projected Project Cost	\$ 2,500,000															
	Projected Debt Levy Addition	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000
New PD Building	% Change from Projected	0.0%	6.5%	6.3%	6.2%	6.0%	5.8%	5.6%	5.4%	5.2%	5.4%	5.2%	5.0%	4.8%	4.6%	4.4%	4.3%
	Projected Project Cost																
	Projected Debt Levy Addition																
	% Change from Projected																

Select One of the Above Options or Both of the Below Options

New Liquor Store	Debt	\$ 3,144,740															
Rehab Existing Store	Projected Project Cost	\$ 1,000,000	\$ 1,030,000	\$ 1,060,900	\$ 1,092,727	\$ 1,125,509											
	Projected Debt Levy Addition	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000											
	Projected Project Cost (3% Inflation)	\$ 1,000,000	\$ 1,030,000	\$ 1,060,900	\$ 1,092,727	\$ 1,125,509											
	Projected Levy Addition Less Sale Price	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000											
Rehab Existing Store	% Change from Projected	4.4%	4.3%	4.1%	4.1%	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Projected Project Cost																
	Projected Debt Levy Addition																
	% Change from Projected																

Assume 5% Growth Market Value  
Assume 4% GF Levy Inflation  
Assume 3% Capital Levy Inflation



	A	B	C	D	E	CURRENT
STORAGE/UNFINISHED SQ/FT	4,667	4,333	4,000	3,667	3,333	3,500
SALES/FINISHED SQ/FT	7,000	6,500	6,000	5,500	5,000	2,200
<b>TOTAL SQUARE FEET</b>	<b>11,667</b>	<b>10,833</b>	<b>10,000</b>	<b>9,167</b>	<b>8,333</b>	<b>5,700</b>

**PROJECTED REVENUES**

2022	\$ 4,363,789	\$ 4,182,323	\$ 4,000,856	\$ 3,842,990	\$ 3,685,124	\$ 3,409,308
2023	\$ 4,474,172	\$ 4,289,751	\$ 4,105,330	\$ 3,945,139	\$ 3,784,947	\$ 3,511,587
2024	\$ 4,581,944	\$ 4,394,670	\$ 4,207,396	\$ 4,044,969	\$ 3,882,542	\$ 3,616,935

**PROJECTED EXPENSES**

2022	\$ 4,100,020	\$ 4,006,291	\$ 3,912,562	\$ 3,790,651	\$ 3,668,741	
2023	\$ 4,201,795	\$ 4,105,814	\$ 4,009,833	\$ 3,886,146	\$ 3,762,458	
2024	\$ 4,302,823	\$ 4,204,661	\$ 4,106,500	\$ 3,981,101	\$ 3,855,703	

**NET INCOME**

2022	\$ 263,769	\$ 176,032	\$ 88,294	\$ 52,339	\$ 16,383	
2023	\$ 272,377	\$ 183,937	\$ 95,497	\$ 58,993	\$ 22,489	
2024	\$ 279,121	\$ 190,009	\$ 100,896	\$ 63,868	\$ 26,839	

**NET CASH AVAILABLE**

2022	\$ 350,994	\$ 260,757	\$ 170,519	\$ 131,064	\$ 91,608	
2023	\$ 359,602	\$ 268,662	\$ 177,722	\$ 137,718	\$ 97,714	
2024	\$ 366,346	\$ 274,734	\$ 183,121	\$ 142,593	\$ 102,064	

**DEBT SERVICE**

2022	\$ 268,000	\$ 252,000	\$ 237,000	\$ 222,000	\$ 206,000	
2023	\$ 268,000	\$ 252,000	\$ 237,000	\$ 222,000	\$ 206,000	
2024	\$ 268,000	\$ 252,000	\$ 237,000	\$ 222,000	\$ 206,000	

**NET CASH FLOW**

2022	\$ 82,994	\$ 8,757	\$ (66,481)	\$ (90,936)	\$ (114,392)	
2023	\$ 91,602	\$ 16,662	\$ (59,278)	\$ (84,282)	\$ (108,286)	
2024	\$ 98,346	\$ 22,734	\$ (53,879)	\$ (79,407)	\$ (103,936)	

*FINISHED SALES AREA	\$ 1,400,000	\$ 1,300,000	\$ 1,200,000	\$ 1,100,000	\$ 1,000,000	
*UNFINISHED STORAGE AREA	\$ 466,700	\$ 433,300	\$ 400,000	\$ 366,700	\$ 333,300	
*SITE COSTS	\$ 365,000	\$ 365,000	\$ 365,000	\$ 365,000	\$ 365,000	
INSPECTION/TESTING	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	
SITE COST CREDIT - WATER	\$ (40,000)	\$ (40,000)	\$ (40,000)	\$ (40,000)	\$ (40,000)	
SITE COST CREDIT - SEWER	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ (35,000)	\$ (35,000)	
SITE COST CREDIT - STORM	\$ (65,000)	\$ (65,000)	\$ (65,000)	\$ (65,000)	\$ (65,000)	
SIGN COSTS	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	
FIXED FFE	\$ 46,900	\$ 46,900	\$ 46,900	\$ 46,900	\$ 46,900	
VARIABLE FFE	\$ -	\$ -	\$ -	\$ -	\$ -	
ENGINEERING/ARCHITECTURE	\$ 373,340	\$ 346,660	\$ 320,000	\$ 293,340	\$ 266,660	
LEGAL	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	
LAND	\$ 233,000	\$ 233,000	\$ 233,000	\$ 233,000	\$ 233,000	
CONTINGENCY (15% OF * ITEMS)	\$ 334,800	\$ 314,700	\$ 294,800	\$ 274,800	\$ 254,700	
<b>TOTAL</b>	<b>\$ 3,144,740</b>	<b>\$ 2,964,560</b>	<b>\$ 2,784,700</b>	<b>\$ 2,604,740</b>	<b>\$ 2,424,560</b>	

## COST ESTIMATES

DESCRIPTION	COST	NOTES
FINISHED SALES AREA	\$ 200.00	PER SQUARE FOOT, 60% OF TOTAL
UNFINISHED STORAGE AREA	\$ 100.00	PER SQUARE FOOT, 40% OF TOTAL
SITE COSTS	\$ 365,000.00	PER SITE
BUILDING INSPECTION	\$ 15,000.00	VALUE BASED
MATERIALS TESTING	\$ 5,000.00	
HIGHWAY SIGN	\$ 20,000.00	10K FOR SIGN, 10K FOR INSTALL
BUILDING SIGN	\$ 5,000.00	2.5K FOR SIGN, 2.5K FOR INSTALL
FURNITURE, FIXTURES & EQUIPMENT		
BATHROOM	\$ 3,400.00	FIXED FFE
ADA COMPLIANT 2 REGISTER POS COUNTER	\$ 6,000.00	FIXED FFE
LED LIGHTING UPGRADE	\$ 5,000.00	FIXED FFE
OFFICE (DESK, COUNTER, CHAIRS)	\$ 2,500.00	FIXED FFE
BEER CAVE (2 DOOR, 16'X32'X8')	\$ 30,000.00	FIXED FFE
SALES SHELVING (5 ROWS 12 PER, \$275 EACH)	\$ 13,200.00	VARIABLE FFE
COOLERS (5, 3-DOOR 80 INCH WIDE)	\$ 10,500.00	VARIABLE FFE
STORAGE SHELVING (2X4, PLYWOOD)	\$ 1,800.00	VARIABLE FFE
SOFT COSTS - LEGAL	\$ 20,000.00	
SOFT COSTS - ENGINEERING/ARCHITECTURE		20% OF CONSTRUCTION
LAND ACQUISITION		
SITE DEMO COSTS	\$ 25,000.00	
ENVIRONMENTAL REVIEW	\$ 8,000.00	
PURCHASE PRICE	\$ 200,000.00	