



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 policies 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

Treasurer

Sheila Sellman, City of Isanti Community
Development Director

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 ~~installation~~ 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 DocumentationBusiness 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 \$ _____

2) Sources of financing:

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

Total \$ _____

**Public/Private
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~~ 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)	
Unemployment Rate	November 2019	October 2019	November 2019	November 2018
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>)

Permalink: <http://mn.gov/deed/newscenter/press-releases/index.jsp?id=1045-413716> (<http://mn.gov/deed/newscenter/press-releases/index.jsp?id=1045-413716>)

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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.

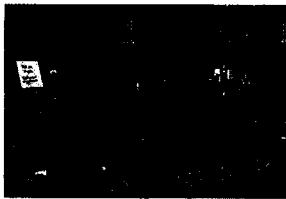
JLL puts the national office vacancy rate at 14.2%, making for a tight market at least until the next wave of spec office space is delivered in 2022 and 2023.

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."

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