



Economic Development Authority Agenda

Seating may be limited. If you would like to send in a comment for an item on the agenda to be read on your behalf, please submit to the Community Development Director
ssellman@cityofisanti.us (763) 762-5761

1. Call to Order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Agenda Modifications
 - d. Adopt Agenda
2. Approve Minutes of February 2, 2021 Regular Economic Development Authority Meeting
3. Business Items
 - A. Second Amendment to Purchase Agreement with LTL LED, LLC
 - B. Market Guide – Retail Academy
4. Other Business / Updates / Communications
5. Adjournment

Economic Development Authority
Meeting February 2, 2021
Meeting Minutes

1. **Call to Order:** Chair Johnson called the meeting to order at 8:87pm
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Members present: Jeff Johnson, Jimmy Gordon, Paul Bergley, Steve Lundeen, Dan Collison (via phone) Luke Merrill, Justin Nielson. Staff present: Community Development Director Sheila Sellman and City Administrator Josi Wood.
 - c. **Agenda Modifications:** None
 - d. **Adopt Agenda:** Motion by Lundeen, second by Merrill to adopt the agenda. Motion passed 7-0
2. **Approve Minutes of January 5, 2021 Regular Economic Development Authority Meeting:** Motion by Merrill, second by Bergley to approve, motion passed 7-0.
3. **Closed Session**

Consideration of sale of EDA land pursuant to Minnesota Statutes Section 13D.05 Subd 3(c) PID 16.053.0151 and 16.029.1400. The EDA went into closed session. The EDA directed staff to proceed as discussed in the closed session.
4. **Other Business / Updates / Communications** Sellman gave an update on the latest COVID Relief grant funds available. She is 80% finished with Retail Academy. Sheila will continue to attend seminars and meetings about COVID relief grants/loans.
5. **Adjournment:** Lundeen moved to adjourn, second by Bergley, motion passed 7-0 the meeting was adjourned at 9:11pm.

Respectfully Submitted – Sheila Sellman EDA Secretary/Community Development Director.



Request for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: April 6, 2021

Subject: Second Amendment to Purchase Agreement with LTL LED, LLC

Background:

At the December 1, 2020 EDA meeting the EDA entered into a purchase agreement with LTL LED, LLC to purchase EDA owned property located on Dual Blvd E PID 16.124.0020. As part of the purchase the EDA agreed to subdivide the subject parcel and sell the southern 10-acres to LTL. On January 5, 2021 the EDA approved the First Amendment to the Purchase Agreement to change the language to state they are buying the northern 10-acres. LTL LED, LLC requested to assign the agreement to an affiliated entity Wolf River Industries LLC, this is simply a name change on the Purchase Agreement. All terms and conditions of the Purchase Agreement not otherwise modified by this amendment remain in full force and effect.

Recommendation:

Staff recommends approval of the Second Amendment

Action Required:

Motion to approve the Second Amendment to the Purchase Agreement

Attachments:

- Second Amendment

**SECOND AMENDMENT
TO
PURCHASE AGREEMENT**

This Second Amendment amends that Purchase Agreement dated January 5, 2021 entered into by and between the **City of Isanti Economic Development Authority**, a public body corporate and politic and political subdivision of the State of Minnesota ("Seller"), and **LTL LED, LLC** a Minnesota limited liability corporation ("Buyer").

Recitals

- A. The Seller entered into a purchase agreement with LTL LED, LLC for the sale of EDA owned land.
- B. Buyer desires to assign the Purchase Agreement to an affiliated entity, Wolf River Industries LLC, and Seller is amenable to the assignment.

Agreement

- 1. The above recitals are incorporated herein as if fully set forth.
- 2. The Purchase Agreement is hereby assigned from LTL LED, LLC as Buyer to Wolf River Industries LLC.
- 3. This amendment is effective April 6, 2021.
- 4. All terms and conditions of the Purchase Agreement not otherwise modified by this Amendment remain in full force and effect.

SELLER: The City of Isanti Economic Development Authority

By: _____
Jeff Johnson, Mayor

Dated: _____, 2021

By: _____
Jaden Strand, City Clerk

Dated: _____, 2021

BUYER: LTL LED, LLC

By: _____

Dated: _____, 2021



Request for EDA Action

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: April 6, 2021

Subject: Market Guide – Retail academy

Background:

Community Development Director Sheila Sellman and City Administrator Josi Wood met with a team from Retail Strategies after we finished the Retail Academy. The Academy was very informational and staff learned a lot. As part of this program Retail Strategies created a Market Guide for Isanti. This market guide provides demographic information and provides Custom Trade Area information. Site selectors look at trade areas when looking for a new location, they don't look at municipal boundaries. A trade area defines a core customer base of consumers highly likely to shop and eat in the market at least once a month. Our custom trade area has been created by combining a series of drive times, mobile data analysis, geographic boundaries and proximity to neighboring shopping destinations. Our trade area is based on drive times from Coborn's.

They also provided a GAP analysis for our custom trade area. The GAP analysis is a summary of the primary spending gaps segmented by retail category. It measures actual consumer expenditures within the City's trade area and compares it to the potential retail revenue generated by retailers in the same area. The GAP analysis is a useful tool to gauge retail supply and demand within the community. According to this analysis the top categories of focus for our city is grocery, restaurants, Health & Personal Care, and Clothing & Accessories. The team also mentioned that we have a high rate of owner-occupied housing which is good for Home Improvement type stores and our area could support another one.

As part of the analysis Retail Strategies listed these retailers as companies that generally locate in areas like ours and can be supported by our market: Burger King, Hy-Vee, Sherwin-Williams, KFC, Batteries + Bulbs, Dunkin' Donuts, Do It Best, Hardee's, Little Caesars Pizza, Famous Dave's, and Fareway Meat & Grocery. The Retail Academy provided e-mail and phone call language when trying to contact potential businesses. Part of the Academy discussed how to contact potential businesses and it is a lot of researching, calling the business that is located near your city and a big help is the ICSC (International Council of Shopping Centers) if you are a member you get access to their contacts. ICSC is a membership organization that is comprised of professionals who are passionate about retail and real estate and includes owners, operators, service providers, vendors and tenants from retail, food and beverage, health and wellness, entertainment and beyond. They provide their members with resources, connections and industry insights and actively work together

to shape public policy. A membership for a government entity is \$100 for the year. Staff suggests signing up for this membership. Staff will begin work on contacting the businesses identified by Retail Strategies.

Recommendation:

Staff recommends signing up for the ICSC membership for \$100 there is money budgeted for Dues and Subscriptions.

Action Required:

Motion to approve staff signing up for an ISCS membership.

Attachments:

- Market Analysis

City Contact Information

Sheila Sellman
Community Development Director
ssellman@cityofisanti.us

Demographics



Peer Analysis

The Peer Analysis, built by Retail Strategies along with our analytics partner (Tetra), identifies analogous retail nodes within a similar demographic and retail mix. The Peer Analysis is derived from a 5 or 10 minute drive time from major comparable retail nodes. The analysis identifies the closest retail nodes to Isanti, MN, based on daytime population, market supply and gross leasable area. The following are retail areas that most resemble this core city.

Peer Trade Areas

- Saint Augusta, MN 24511 County Road 7
- Shakopee, MN 55075 Shakopee Town Sq
- Rockford, MN 56008 Walnut St
- Zimmerman, MN 55394 Zimmerman Ave
- Owatonna, MN 55055 Oak Ave
- Byron, MN 55920 715 Ironlake Rd Ne

GAP Analysis \$245,968,239

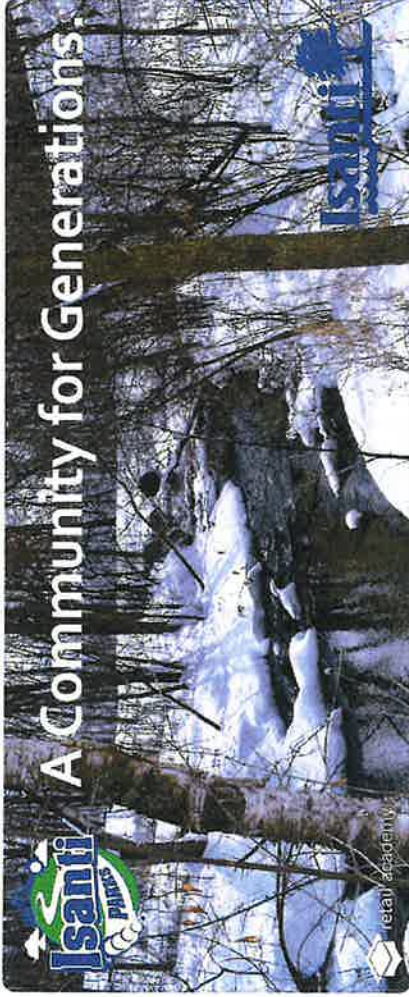
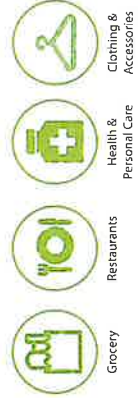
The Gap Analysis is a summary of the primary spending gaps segmented by retail category. It measures actual consumer expenditures within the City's trade area and compares it to the potential retail revenue generated by retailers in the same area. The difference between the two numbers reflects leakage, or the degree to which consumers travel outside the community for certain retail goods and services. The Gap analysis is a useful tool to gauge retail supply and demand within the community.



Focus Categories

The top categories for focused growth in the municipality are pulled from a combination of leakage reports, peer analysis, retail trends and real estate intuition. Although these are the top categories, our efforts are inclusive beyond the defined list.

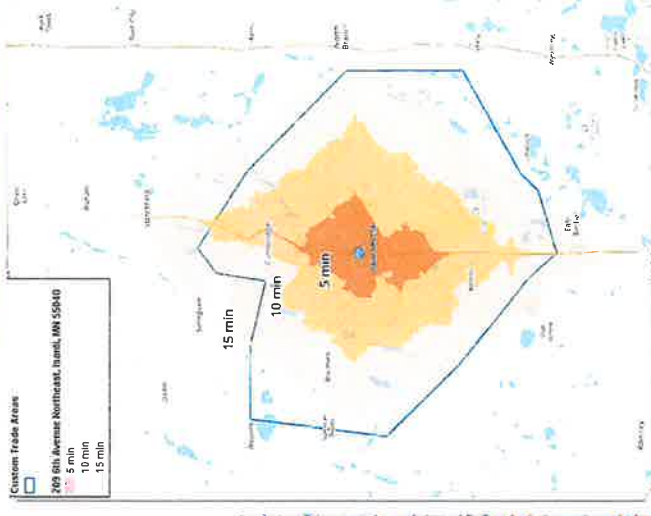
Let us know how we can help you find a site!



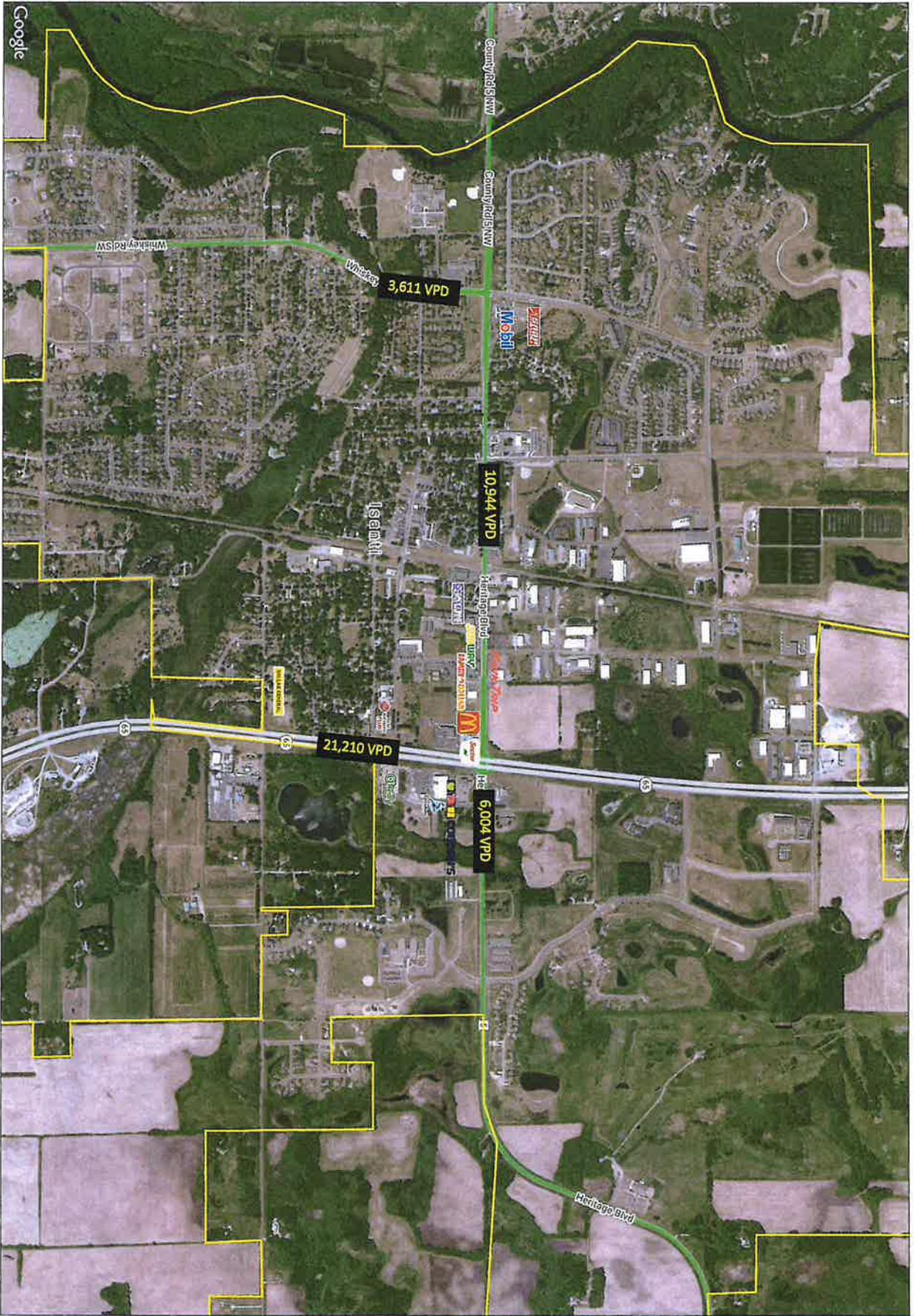
DEMOGRAPHIC PROFILE

	3 Mile Radius	5 Mile Radius	10 Mile Radius
2020 Estimated Population	9,006	17,866	50,201
Daytime Population	6,447	11,297	38,789
Median HH Income	\$73,693	\$72,272	\$76,534
Number of Households	3,211	6,482	18,053

	5 Minute DT	10 Minute DT	15 Minute DT
2020 Estimated Population	8,593	27,027	46,256
Daytime Population	6,318	25,601	37,208
Median HH Income	\$73,384	\$71,312	\$76,268
Number of Households	3,095	9,879	16,652



Follow us!



ISANTI, MINNESOTA

Major Retail & Restaurants



This map was produced using data from private and government sources deemed to be reliable. The information herein is provided without representation or warranty.

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EDA MEMO

To: Economic Development Authority

From: Sheila Sellman, Community Development Director

Date: April 6, 2021

Subject: Other Business/Updates/Communication

- Mayors State of the City Address was on February 17th I prepared the slide presentation
- Attended the February Inventors & Entrepreneurs Club on the evening of Tuesday February 23rd. The topic was “Resources & Assistance for Inventors & Entrepreneurs in East Central MN”
- February 12th attended a webinar: *Federal COVID-19 Relief Funding and Small Business: Now What?*
- February 23rd attended the Power your Lunch Hour with the Chamber – topic: *online marketing rapid workshop*
- EDAM Mentorship Kickoff event was on February 26th Sheila is a mentor through EDAM.
- We received a grant from Minnesota Economic Development Foundation (MNEDF) for an EDA intern in the amount of \$1,000.
- Attended the monthly Chamber of Commerce meeting on March 9th.
- March 11th attended a webinar: *COVID-19 & Communities: A conversation about Adaptation and Recovery*
- Attended *Governor Walz Adjusts COVID-19 Mitigation Measures Meeting*
- Attended a webinar from the U of M *the Next Normal: Economic Recovery and Resilience in your Community*.
- Attended a webinar from the UofM *COVID-19 & Communities: A Conversation about Adaptation and Recovery*
- Attended a webinar: *The American Rescue Plan and what it Means for Communities” this was hosted by Retail Academy and the CEO and Director of the National League of Cities -Anthony Clarence.*
- Attended the Inventors & Entrepreneurs Club meeting on the night of March 23rd
- attended the ribbon cutting/grand opening of Edward Jones, they are located at 303 Credit Union Drive #3 they actually opened this office in September 2020 but held off on the grand opening due to Covid.
- Attended an EDAM meeting on March 31st.

Attachments:

- Grant Award
- Minnesota Manufacturing Business Conditions Survey
- COVID Updated Guidelines



March 22, 2021

City of Isanti
Sheila Sellman
110 1st Ave NW
Isanti, MN 55040

Dear Ms. Sellman,

Congratulations! The Minnesota Economic Development Foundation is pleased to announce that the City of Isanti has been awarded a \$1,000 Community Internship Scholarship. This scholarship is for intern salary only and must be matched by at least \$1,000 (total intern salary paid must be at least \$2,000).

To request reimbursement at the end of the internship, email to Leslie Dingmann (ldingmann@greaterstcloud.com) the following:

1. intern's payroll history (from your accounting system)
2. the attached reporting form including total salary paid, number of hours worked, hourly rate of pay, intern start and end dates
3. a statement from the intern's supervisor describing the work activities the intern performed
4. a statement from the intern on what was learned through the internship
5. an electronic photo of the intern.

Please send Leslie the Intern's name, phone number and email when the intern has been hired.

It is the intent of the Minnesota Economic Development Foundation that the intern attend and be engaged in economic development activities such as business calls, board meetings and direct interactions with decision makers and businesses. Also, we look forward to the intern's participation in the 2021 Economic Development Academy (date TBD- likely late Summer/ early Fall) which will provide interns exposure to various aspects of the economic development profession and an opportunity to interact with other interns and economic development professionals.

Thank you for sponsoring an intern and helping to shape the next generation of Minnesota's economic developers. If you have questions call Leslie Dingmann at 320-252-5247.

Sincerely,


Leslie Dingmann
MNEDF Vice-Chair/Treasurer

Board of Directors

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City of Coon Rapids

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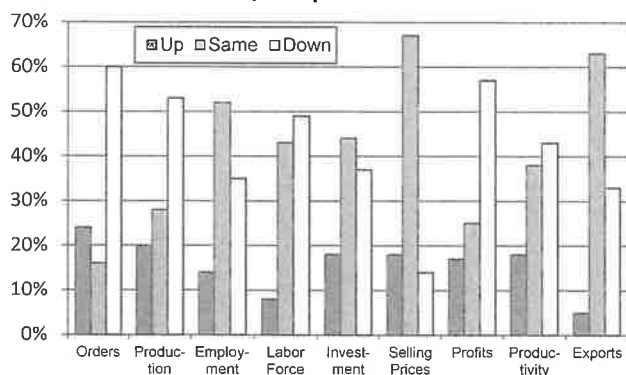
Manufacturers Expect Lingering Pandemic Conditions for 2021

A random sample survey of Minnesota manufacturers conducted from November 2020-January 2021 by the Minnesota Department of Employment and Economic Development and the Federal Reserve Bank of Minneapolis reports that Minnesota manufacturers expect impacts of COVID-19 to linger in 2021. Fifty-seven percent expect unchanged labor availability while 55% anticipate unchanged investment in equipment compared to 2020.

The Manufacturing Industry in 2020

Minnesota manufacturers described contracting conditions in 2020. Sixty percent of respondents indicated a decline in number of orders and 57% experienced a drop in profits. Additionally, 53% reported a reduced production level. However, 52% indicated stable employment level and 67% reported unchanged selling prices. Declining conditions were confirmed by diffusion indices, most of which were below 50, indicating contraction.

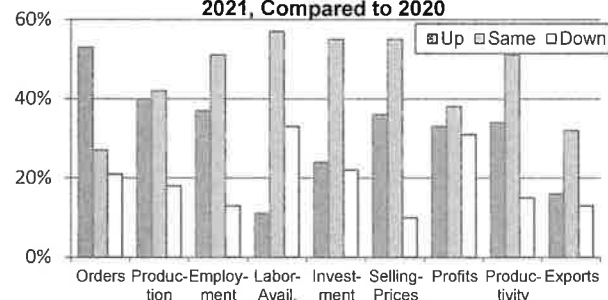
Economic Performance for Minnesota's Manufacturing Industry -- 2020, Compared to 2019



Outlook for the Manufacturing Industry

Minnesota manufacturers expect mostly unchanged conditions in 2021. Fifty-seven percent anticipate unchanged labor force availability and 55% expect constant investment in plant/equipment. Fifty-one percent expect no changes in productivity and employment level. Nonetheless, 53% anticipate an increase in number of orders, suggesting cautious optimism. Fifty-two percent expect to return to normal operations in six months or more.

Outlook on Economic Performance for Minnesota's Manufacturing Industry -- 2021, Compared to 2020



Outlook on the State Economy

Minnesota manufacturers expect pandemic lingering conditions for 2021. Forty-four percent expect unchanged consumer spending, while 42% anticipate constant investment and employment. Thirty-seven percent expect a decline in corporate profits, compared to 31% that anticipate no changes.

The diffusion indexes for corporate profits and consumer spending were below 50 suggesting contraction. Diffusion indexes for business investment and economic growth were 50 and 51, respectively, indicating unchanged conditions from 2020.

Table 1. Minnesota 2021 Manufacturing Business Condition Survey Results¹

Business indicators in the last 4 quarters:	Up	Same	Down	Diffusion Index 2021⁽²⁾	Diffusion Index 2020⁽²⁾
Number of orders	24%	16%	60%	32	55
Production level	20%	28%	53%	34	56
Employment level	14%	52%	35%	40	51
Labor availability	8%	43%	49%	30	n/a
Investment plant/equipment	18%	44%	37%	40	61
Selling prices	18%	67%	14%	52	64
Profits	17%	25%	57%	30	46
Productivity	18%	38%	43%	37	59
Exports (sales for foreign clients)	5%	63%	33%	37	43

Labor indicators in the last 4 quarters	Decrease	0%	1-2%	3-5%	6-9%	>10%
Wages per worker	2%	61%	11%	18%	2%	6%
Benefits per worker	3%	67%	10%	13%	5%	3%

Compared to 2020, during 2021 you expect your location:	Up	Same	Down	Diffusion Index 2021⁽²⁾	Diffusion Index 2020⁽²⁾
Number of orders	53%	27%	21%	67	69
Production level	40%	42%	18%	61	69
Employment level	37%	51%	13%	63	61
Labor availability	11%	57%	33%	40	n/a
Investment plant/equipment	24%	55%	22%	52	59
Selling prices	36%	55%	10%	64	68
Profits	32%	38%	31%	51	63
Productivity	34%	51%	15%	60	68
Exports (sales for foreign clients)	16%	72%	13%	52	52

Expected labor indicators during next four quarters:	Decrease	0	1-2%	3-5%	6-9%	>10%
Wages per worker	1%	59%	14%	22%	2%	3%
Benefits per worker	1%	66%	14%	13%	3%	3%

Expected outlook on the following state economic indicators during the next year:	Up	Same	Down	Diffusion Index 2021⁽²⁾	Diffusion Index 2020⁽²⁾
Business Investment	29%	42%	30%	50	55
Employment	37%	42%	21%	58	56
Consumer spending	27%	44%	29%	49	55
Inflation	51%	45%	4%	74	68
Economic Growth	31%	40%	30%	51	57
Corporate profits	32%	31%	37%	48	53

Have changes in credit conditions in the last 4 quarters affected your firm?:	No Changes	Increased Hiring	Increased Capital Expenditures	Decreased Hiring	Decreased Capital Expenditure
	68%	5%	8%	19%	22%

Impact of COVID-19

New questions inquired about the impact of the COVID-19 pandemic on Minnesota manufacturing firms.

The pandemic had a particularly negative effect on the supply chain, revenues and employee productivity. Seventy-seven percent of respondents indicated delays in supply chain. Seventy-two percent experienced a decline in revenue, while close to half indicated a drop in employee productivity.

Fifty-six percent indicated no changes in manufacturing capacity, but 26% experienced a decrease.

The large majority of respondents (59%) indicated they have not missed loan nor rent payments.

Forty-three percent of respondents experienced a decrease in cash availability, while 39% indicated no change.

Ninety percent of respondents indicated an increase in use of COVID-19 protective equipment.

More than half of respondents indicated they expect to go back to normal operations in more than six months, while almost 13% indicated their businesses will not go back to normal.

Table 2. Impact of COVID-19 on Minnesota Manufacturing Firms¹

Impact of COVID-19 on your business:	Increase	No Change	Decrease	Not Applicable
Cash availability	15%	39%	43%	3%
Revenue	11%	17%	72%	0%
Employee productivity	12%	39%	46%	4%
Employee furloughs	38%	39%	3%	21%
Employee layoffs	27%	50%	1%	23%
Missed loan payments	6%	59%	0%	36%
Missed rent payments	9%	59%	0%	32%
Requested financial assistance	47%	31%	1%	21%
Supply chain delays	77%	17%	4%	3%
Manufacturing capacity	15%	56%	26%	4%
Investment in capacity/automation	20%	41%	32%	8%
Use of COVID-19 protective equipment	90%	9%	0%	1%

Expectations to return to normal operations:	1 Month or Less	2-3 Months	4-6 Months	More than 6 Months	Will Not Go Back to Normal	Little or No Effect	Going Out Of Business
	2%	5%	15%	52%	13%	13%	1%

Respondents were asked to provide comments related to the impact of the pandemic on their business. Selected responses are provided *verbatim*, broken down by type of comment.

Impact depending on manufactured goods:

"We were able to pivot to COVID related production which helped immensely. PPP [equipment] was critical to keeping us afloat."

"We machine aircraft components for commercial travel and our business in this industry is down substantially."

"As a brewery, our off premise sales have been significantly reduced due to bar and restaurant restrictions. Additionally, we could not generate our taproom profitably and closed our taproom indefinitely."

Decrease in productivity:

"Due to social distancing we've had to spread employees out more thus decreasing productivity."

"Employees were horrible working from home. I am burnt out from working so many extra hours to keep work floating."

Supply chain delays:

"Supplies are no longer reliable to service materials. Starting to see significant delays on raw materials and prices up."

"Supplier delays hurt."

Workers receiving unemployment benefits:

"I am working 10-15 more hours to keep things going so we don't go out of business, but getting very tired, losing hope. Hard to find work etc. they do better with unemployment for now."

"Cannot find workers! Too many people on the sidelines collecting a check."

Decreased revenues:

"Revenue is down and profit is down significantly. Not much cash left to get through slow times. May need to reduce staff to slow cash drain but that may impact our ability to deliver product on time."

Loan assistance

"It will be difficult to make up the losses in 2020 since we kept employees on staff and took out 350K in loans to help us."

"Sales down 30%, without PPP money we would not have made it."

(1) Based on responses from 250 Minnesota manufacturing firms, for a response rate of 25%. The sampling error is plus or minus 5.4 percent at a 95% confidence level. Percentages might not add up to 100% due to rounding.

(2) A diffusion index greater than 50 indicates expansion, lower than 50 indicates contraction.

Prepared by the Economic Analysis Unit, Minnesota Department of Employment and Economic Development, February 2021.

BRIGHTER DAYS ARE HERE



Bars and restaurants

75% Capacity*

250 People max

*75% applies to indoors.
Outdoor has no percentage limit.
Groups must stay 6 feet apart.
Bar seating increases to parties of 4.



Social gatherings



Outside

50 People max



Inside

15 People max



Salons and barbers

No occupancy limits.

Social distancing and masks required.



Gyms, fitness centers, and pools

50% Capacity

Social distancing and masks required.



Work from home

Starting April 15:

Work from home will be strongly recommended for those who can.

All employers should continue to accommodate employees who wish to work from home, and must provide reasonable accommodations as required by law.

Guidance Updates

Start at 12 p.m.
on March 15
unless otherwise noted.



Wedding ceremonies and religious services

No occupancy limits.

Social distancing and masks required.



Venues, celebrations, and receptions

50% Capacity

250 People max

Starting April 1: Larger venues add additional capacity.

Inside

Non-seated:

Add 10% of capacity over 500 people.
Max 1,500 people.

Seated:

Add 15% of capacity over 500 people.
Max 3,000 people.

Outside

Non-seated:

Add 15% of capacity over 500 people.
Max 10,000 people.

Seated:

Add 25% of capacity over 500 people.
Max 10,000 people.



STAY SAFE MN