

CHAPTER 4: THE ECONOMY

Introduction

The City of Isanti has quickly become a place where people want to live because of the availability of land and reasonable housing values. It is likely that current growth trends will continue, and as such, the community would like to become a place that not only provides excellent housing and neighborhoods, but also provides residents with economic and employment opportunities. There is a strong desire to encourage location of good jobs, good industries and good benefits into the community that would create a balance of land uses and consequently promote the City as a place where people could live, work, and recreate.

The City is in a unique position because it has the ability to market and attract a wide range of businesses. Downtown Isanti provides small retail and service options and has the potential to grow and revitalize over the next several years. The highway commercial area along Highway 65 provides good accessibility and visibility to both residents and those traveling throughout the community. The industrial park is located between Highway 65 and the railroad tracks which provide accessibility by different transportation modes and provides opportunities for industries that rely on rail accessibility. Good planning in these areas will contribute to the overall viability of the City, as well as create a more sustainable community for residents.

Different businesses have differing demands, which consequently means that market realities for various companies could be drastically different. Although several opportunities and options are available in the community, it will be essential for the community to constantly consider the market realities of development in the community. This includes a clear message to residents and potential developers that the City is dedicated to increasing businesses and jobs in the community. The City must be deliberate about attracting desired uses and businesses into the community to ensure that the character of Isanti is preserved and enhanced as the City develops. The following information will present existing economic conditions in the community. Understanding the existing conditions is essential because it provides a foundation from which to start considering land uses and subsequent businesses and industries that the City will try to attract to the community. The existing conditions in the community will ultimately contribute to recommendations about future economic development aspirations. These trends will help show market realities and subsequently propose businesses and industries that the City should work to attract to the community. (Additional detailed information can be found in Appendix A: Background Report.)

Existing Conditions

The City of Isanti strives to have a balance of land uses which is why economic development is such a critical aspect of this plan. Currently, most of the land in the City of Isanti is used for residential uses. Areas of commercial and industrial uses exist in the City and are primarily located along key transportation corridors with the exception of the historic downtown business district. The planning process focused a great deal on non-residential land uses, and placed significant importance on creating a more sustainable community. Part of that

objective is to create places for people to work so that residents and companies are reinvesting in the community and contributing to the tax base and consequently diversifying land uses. Before recommendations with respect to economic development can be made, it is necessary to understand what people are currently doing, where they work, in what industries, and also to understand what industries are currently in the City. Having a firm understanding of current conditions will help the City identify prospective businesses, industries and commercial establishments that could be prosperous, successful and contributing members of the community.

Economic Development Authority

The City's Economic Development Authority (EDA) is a citizen participatory group that aids with Isanti's economic development efforts. The panel is charged with carrying out certain actions pertaining to economic development. The general function of the EDA is to act as an organizing body and resource agency for economic development activities, studying, reviewing and making recommendations to the City Council.

The following data identifies current employment trends and other applicable factors. The Census and Economic data is from ESRI (geographic and data source) and is an updated source from the 2000 census providing data for 2006. The Minnesota Department of Employment and Economic Development (DEED) were also used as a source for this analysis, and were updated in conjunction with this document. The DEED information was collected from the MNPRO community profile which was last updated in April of 2005. This data projected that the population of Isanti was approximately, 5,181 people in 1,827 households as of 2005. Each table will be sourced so that the proper reference to year and population can be made.

Employers and Employees

The population of Isanti in 2006 is 5,181 people (State Demographer), of which nearly 70% of the population is over 16 years of age. Of those residents over the age of sixteen, 2,084 are in the labor force (2006 data). The following table identifies what industries Isanti residents are employed in. The industries that most heavily employ Isanti residents include services (39.1%), manufacturing (19.5%), construction (13.1%) and retail trade (10.9%).

Table 1
City of Isanti
Employees by Industry

<u>Industry</u>	<u>Number of Employees</u>	<u>Percentage</u>
Agriculture/Mining	14.5	0.7%
Construction	273	13.1%
Manufacturing	406	19.5%
Wholesale trade	79.1	3.8%
Retail trade	227	10.9%
Transportation/Utilities	75	3.6%
Information	27	1.3%
Finance/Insurance/Real Estate	102	4.9%
Services	815	39.1%
Public Administration	67	3.2%
Total Population in Workforce over 16	2,084	100%

Source: ESRI data for 2006 (one mile radius) (GIS data source using updated census data)

Many Isanti residents travel outside of the City for their jobs; however, there are several employers within the City that provide employment options to the residents.

Travel and Commuting

Residents of Isanti primarily drive independently to and from work and spend a considerable amount of time in their cars to access their jobs. This is very important to the economy because not only are people traveling outside of the City for their jobs, but are subsequently spending their money in other communities as well. The information collected with respect to commuting suggest that over 80 percent of workers travel alone, and 15 percent carpool, and each of these trips occur to places outside of the community. The majority of people are traveling well over 35 minutes to reach their jobs, and many are commuting to the Twin Cities Metropolitan Area to find employment.

In addition to the overwhelming commute times, mass transit in Isanti is not available and residents must commute to Blaine or other adjacent suburbs to take advantage of mass transit options. Throughout this process there was an interest in creating more opportunities for residents to utilize mass transit. Suggestions such as rail and bus transit were discussed and the locations of such proposed stops are identified in the Transportation Plan and Future Land Use Plan. Further recommendations with respect to transit are made in subsequent sections of this chapter.

Income

The following tables describe the income levels of current residents in Isanti. As shown in Table 2, 23.5 percent of Isanti residents make less than \$35,000 a year, 63.9 percent make between \$35,000 and \$100,000, and 12.6 percent make over \$100,000 a year. Income levels can have a significant impact on the local economy because it describes the purchasing power of its residents. This information shows that a large percentage of residents make between \$35,000 and \$100,000 which is consistent with the information provided with respect to household values in the community. This information helps to describe who is in the community, what types of jobs could be brought to the community to better serve the population, and some of the constraints of the current population.

Table 2
City of Isanti
Household Income

<i>Income</i>	<i>Households</i>	<i>Percentage</i>
Less than \$15,000	117	7.7%
\$15,000 to \$24,999	113	7.5%
\$25,000 to \$34,999	126	8.3%
\$35,000 to \$49,999	257	17.0%
\$50,000 to \$74,999	430	28.5%
\$75,000 to \$99,999	278	18.4%
\$100,000 to \$149,999	152	10.1
\$150,000 to \$199,000	15	1.0
\$200,000+	22	1.5%
Total	1,510	100%

Source: ESRI data for 2006 (one mile radius)

As demonstrated in Table 3, as of 2006 the median income in Isanti is \$58,419 while the state median is \$53,106. This is an improvement over the 2000 census figures where median income was below the states median. This information further supports the benefit of introducing new businesses in the community where residents could work thereby reducing commuting costs and ultimately having more time for the community.

Table 3
City of Isanti
City and State Median and Mean Household Income

<i>Isanti Median and Mean Household Income</i>	<i>Isanti</i>	<i>State of MN</i>	<i>% of State</i>
Median income (dollars)	\$58,419	\$53,106	110%

Source: ESRI 2006 data

Employment Growth

Although Isanti is a growing community in which many new residents work outside of the community, job growth within Isanti will also be an important influence on potential household growth in the coming years. According to the Minnesota Department of Employment and Economic Development (DEED), the City of Isanti contained a total of 910 jobs in 2000. The industries that accounted for the most number of jobs in 2000 were Manufacturing, Retail Trade, and Educational Services. By 2005, DEED estimates that the number of jobs in Isanti grew to 1,145, an increase of 235 jobs or 25.8%. Industries with particularly strong job growth during this five-year period were Manufacturing and Leisure & Hospitality, each adding between 80 and 90 jobs.

By 2000, job growth in Isanti was particularly strong when compared to the 13-county planning region that DEED considers the City to be a part of. From 2000 to 2005, this 13-county region, which covers much of the west central portion of the State and includes St. Cloud, Wright and Sherburne counties, as well as Isanti, Chisago and Pine counties, had a job growth rate of only 7.7%. DEED projects that over the next ten years, job growth in the 13-county planning region will grow by 25%. If this is assumed a similar proportional increase will occur in Isanti. It can be expected that the number of jobs in Isanti will increase by 43.3% over the next ten years. This projected rate of growth will translate to an increase of nearly 500 jobs in Isanti between 2005 and 2015.

Although it is important to project overall job growth, it is almost as important to have an understanding of which industries will likely account for most of that growth. Projected growth in each industry in Isanti is estimated by tracking recent industry trends within Isanti and comparing that against expected industry trends in the surrounding 13-county region. For example, in 2000, the Construction industry contained 71 jobs (or 7.8% of all jobs) in Isanti. This number of jobs grew to 75 by 2005, but because other industries were growing faster, Construction's overall share of jobs declined to 6.6%. It could be assumed that this same decline in the share of jobs will continue through 2015. However, in the 13-county region, Construction's share of jobs is expected to increase from 6.8% to 7.0%. Thus, a blending of the two trends suggests that Construction's share of jobs in Isanti will stabilize at about 6.7% by 2015 instead of continuing to decrease. Therefore, by 2015, it is projected that Isanti will have 109 jobs in the Construction industry.

Following this same process for all 13 industries listed in Table 2, indicates that the industries with the largest projected job growth will be Manufacturing, Leisure & Hospitality, Educational Services, and Retail Trade. It should be noted, however, that projecting employment growth by industry for a community the size of Isanti should be viewed with some skepticism. There are numerous variables that can affect the number of jobs within individual industries. For example, increasing automization or a facility closure at a major employer would potentially appear as a significant job loss within a particular industry.

Table 4
Isanti Job Growth by Industry
2000-2015

Industry	City of Isanti						
	Number of Jobs			Chg. 2000-2005		Chg. 2005-2015	
	2000	2005	2015	No.	Pct.	No.	Pct.
Agriculture/Forestry/Mining	0	0	0	0	0.0%	0	0.0%
Construction	71	75	109	4	5.6%	34	45.8%
Manufacturing	221	311	419	90	40.7%	108	34.8%
Transportation/Utilities/Wholesale Trade	36	13	18	-23	-63.9%	5	40.4%
Retail Trade	153	160	224	7	4.6%	64	40.0%
Information	0	0	0	0	0.0%	0	0.0%
Financial Activities	56	69	97	13	23.2%	28	39.9%
Professional and Business Services	42	26	48	-16	-38.1%	22	86.5%
Educational Services	131	156	227	25	19.1%	71	45.3%
Health Care and Social Assistance	43	60	113	17	39.5%	53	88.1%
Leisure and Hospitality	79	162	236	83	105.1%	74	45.6%
Other Services	53	51	70	-2	-3.8%	19	37.4%
Public Administration	25	62	79	37	148.0%	17	27.7%
Total	910	1,145	1,640	235	25.8%	495	43.3%

Industry	Central Minnesota Planning Area*						
	Number of Jobs			Chg. 2000-2005		Chg. 2005-2015	
	2000	2005	2015	No.	Pct.	No.	Pct.
Agriculture/Forestry/Mining	3,578	3,917	3,524	339	9.5%	-393	-10.0%
Construction	13,430	16,867	21,630	3,437	25.6%	4,763	28.2%
Manufacturing	45,922	42,603	47,831	-3,319	-7.2%	5,228	12.3%
Transportation/Utilities/Wholesale Trade	19,222	19,497	22,603	275	1.4%	3,106	15.9%
Retail Trade	35,223	34,733	42,292	-490	-1.4%	7,559	21.8%
Information	421	3,795	4,593	3,374	801.4%	798	21.0%
Financial Activities	8,200	9,459	11,929	1,259	15.4%	2,470	26.1%
Professional and Business Services	15,159	14,877	21,797	-282	-1.9%	6,920	46.5%
Educational Services	18,609	21,650	27,681	3,041	16.3%	6,031	27.9%
Health Care and Social Assistance	30,690	37,972	53,364	7,282	23.7%	15,392	40.5%
Leisure and Hospitality	23,197	23,738	30,697	541	2.3%	6,959	29.3%
Other Services	7,372	7,969	9,688	597	8.1%	1,719	21.6%
Public Administration	9,766	11,393	13,066	1,627	16.7%	1,673	14.7%
Total	230,789	248,470	310,695	17,681	7.7%	62,225	25.0%

* The Central Minnesota Planning Area is defined by DEED and includes the following 13 counties: Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Stearns, and Wright.

Sources: Minnesota Department of Employment and Economic Development (DEED); Bonestroo

Vacant Land Supply

Two land use maps are utilized in the Land Use and Growth Chapters. An Existing Land Use Map updated in 2007 and Future Land Use Map. The purpose of the Future Land Use Plan is to provide additional areas for desired land uses and to clearly define the goals and aspirations of the community with respect to land use and growth. The Land Use Plan provides a guide to future residents and developers with respect to locations for residential, commercial and industrial development.

Table 5 provides the total gross acre and percent of whole for existing land uses and future commercial and industrial land uses.



Table 5-Land Uses

Land Use Category	Existing Land Uses	
	Gross Acreage	Percent
CBD	4.26	0.02%
General Commercial	105.25	0.61%
Industrial	225.15	1.31%
Neighborhood	Future Land Uses	
	Gross Acreage	Percent
Commercial	18.98	0.11%
Mixed Use	59.17	0.35%
General Commercial	603.38	3.52%
CBD	9.14	0.05%
Industrial	500.83	2.92%

Source: City of Isanti, Bonestroo

The Future Land Use plan includes five commercial and industrial districts located throughout the area. Each designation has its own purpose for the types of uses permitted and the economic benefit that each brings to the community. Each district is described as follows:

General Commercial

The purpose of this category is to identify portions of Isanti that contain or should be developed for general commercial use. Examples may include highway-oriented businesses such as fast food restaurants, convenience stores, gas stations and other auto-oriented businesses. Limited office and service uses are appropriate in these areas as well depending on scale and location.

Much of this land use is located along the Highway 65 corridor and CSAH 5. General Commercial is the largest commercial land use designation. These uses are predominantly auto-oriented in terms of access and services. Design of both site and buildings are important to maintaining a thriving commercial base. In addition, commercial businesses not located at major intersections should remain small scale, and provide services primarily to the surrounding neighborhood.



Central Business District

The purpose of this category is to provide for a variety of retail, service, public and office uses which are compatible with pedestrian movement and generate pedestrian activity in a compact, higher-density environment. Development and redevelopment of this area should be done in a way that is architecturally compatible with existing structures, and that enhances the small-town character and downtown area of Isanti.



Neighborhood Commercial

Neighborhood Commercial is a new land use designation designed to provide retail sales and services primarily for residents of the surrounding area. As the community grows out from the central core where the Central Business District and General Business District have historically provided for goods and services, new small neighborhood scale-commercial districts are needed. These areas are intended to be neighborhood based and include such uses as a small grocery or convenience store (not necessarily to sell gasoline), coffee shop/deli, personal and health type services. The uses are not intended to compete with the central business/downtown or general commercial areas. The site and architecture design should be of small scale and compatible with the surrounding uses.



Mixed Use

Mixed Use is a new land use designation designed for the purpose of allowing a combination of residential units and commercial uses. Buildings can include townhomes, low and high rise apartments, condominiums, and retail/services designed to serve the residential community. Density ranges are normally 10 units per acre and above. The unique aspect to mixed use is the creativity involved in the design. Within a mixed use development a small "community" is created thus architecture, site and landscaping, streets and building placement are important aspects to creating the overall community. Mixed use areas can be newly created subdivisions designed to provide a variety of residential dwellings and commercial spaces with detailed architecture, open spaces and linkages to natural features. Mixed use can also be applied to infill situations where a more creative approach and varied uses in a project is needed.

Industrial

This designation provides for areas in the community for industrial related businesses including manufacturing, warehousing, automotive, trucking, office and other related industrial uses. This designation is primarily located on the north portion of the community between the railroad and Highway 65.

The Future Land Use Plan provides for growth in the larger general commercial area and industrial areas where a variety of industries and jobs may be created. Goals and policies are shaped to support these areas as the main contributor to an increase in the tax base and an increase in employment opportunities for jobs within the community.



City's Role in Economic Development

Local cities can have a tremendous impact on economic development, therefore, Isanti should take advantage of this opportunity. Businesses often rely on being close to other businesses, a large labor pool, commercial establishments and major transportation systems. It is also important to have, within close proximity, a wide range of housing types and styles to ensure workers have affordable and desirable places to live. The following points identify key economic development issues that Isanti can focus on in the future.

City as a Contact

The City plays a major role in supplying information regarding development and redevelopment opportunities, programs, and possible partnerships. The City's job as facilitator will continue to increase as more commercial and industrial development begins to take place in the community. The City needs to enhance a positive working relationship with the Chamber of Commerce, local Real Estate agents, and development corporations in an effort to create an efficient economic development process.

Housing Demand

The demand for housing in a particular area is often driven by economic development. As new businesses create new jobs, those employees need housing in which to live. As Isanti grows it will create demand for additions to the housing stock. Isanti should encourage a balance of diverse housing stock to help attract new businesses.

Transportation

Isanti is located along Minnesota State Trunk Highway 65 which provides access to the Twin Cities Metropolitan Area. This connection provides an attractive market for businesses who want access to a major metropolitan area and a larger pool of potential employees. Isanti should promote this asset in order to spur economic development. Another important transportation route is County Road 5. This roadway serves as the City's main east/west connection between North Branch and Interstate 35 to the east and Princeton and Highway 169 to the west. Other connections include Highway 47 between Princeton and Isanti and Highway 95 north of Isanti.

Commercial/Retail Services

Isanti has become a regional center for commercial retail services. This makes Isanti a convenient and desirable place to work. The City should utilize this benefit in attracting new economic development in the commercial and industrial sector of the community.

Community Identity

Isanti needs to establish an image of high-quality development, especially at highly visible gateways to the community. Isanti should promote itself as a community with a positive image and identity that is highly recognizable to corporate businesses and industries.

Analysis and Recommendations

The City is dedicated to creating businesses and economic opportunities in the City. The City will provide opportunities for high-quality jobs to existing and future residents so as to become a more sustainable community. Although there are several obstacles that the City will need to address, there is a strong commitment on the part of the City to develop and plan for non-residential uses in the community. In general, the economic health of a community plays a vital role to encourage a high standard of living and a desirable place to live. To

this point, Isanti has had a relatively strong economy. The economic vitality of the City will improve as population and households increase thereby increasing purchasing power in the community. The City has experienced significant growth over the recent years, and although market trends demonstrate a slowing housing market, there is no reason to believe that the City will not continue to grow over the next several years. There are too many characteristics of Isanti that will continue to make it a desirable location for new families. As a result, the existing businesses and industries will likely remain solid, and new businesses and industry will likely be attracted to the City.

However, the City acknowledges that it will be essential to keep market realities in perspective while planning for and developing these areas. Several discussions in the planning process addressed market realities with respect to light industrial, mixed-uses, offices, and commercial uses. The following discussions highlight some of the market aspects of economic development in the community, as well as provide some insight into specific uses in the City. The City is committed to developing a variety of uses including Light Industrial, Highway Commercial, and a vital and vibrant Downtown within the Central Business District. Each of these will be discussed below and their implications for the future will also be addressed.

The Downtown

The Downtown provides additional opportunities for future development. The City is committed to the revitalization of the downtown, as it is an important place for the community. The City has been studying methods for redevelopment. The City continues to provide essential City services in the downtown which consequently encourages people to come to town. The City Hall and post office are all centrally located in the Central Business District. In addition, there is a restaurant, a coffee shop, a few small specialty shops, service based businesses and some historical landmarks that contribute to the small town atmosphere of the community.



There are several underutilized buildings and spaces in the downtown Central Business District that could provide additional retail and service opportunities to residents. The intensification of some of these areas has the potential to contribute to the vitality and vibrancy of the downtown area and encourage increased use of the area. The City is committed to creating a sense of place in the area and the opportunities for retail and commercial development and redevelopment should be considered. As the population increases and more compact development occurs, opportunities to revitalize downtown should emerge, and the City should be in a position to encourage and facilitate such a process.

The downtown area in Isanti has unique challenges because it is not located directly on a main thoroughfare which makes accessibility an issue. For this reason, it will be integral for the City to encourage development of businesses that will not compete with businesses and services along the Highway 65 corridor because they will not have the advantage of visibility. One of the most important aspects in revitalizing downtown will be to encourage residents to come into the CBD for services, relaxation and interaction with fellow Isanti residents. Additional, more detailed information with respect to current conditions and businesses in downtown can be found in the full background report found in Appendix A.

Light Industrial

The City of Isanti has a strong Industrial park located to the west of Highway 65. This area is accessible to the Highway 65 corridor as well as a rail corridor which provides additional opportunities and incentives for new businesses. This area has seen steady development with approval on one industrial project per year. This increased interest by potential business owners is accommodated in the Land Use Plan through an increase in additional land available to continue the Industrial Park development.

Historically the Light Industrial uses have not faced much regulation with respect to design, character and performance standards. Although the City would like to continue to attract new industrial uses, the City also recognizes the need to improve facades and site character because Highway 65 is the main corridor through the community. Currently, Highway 65 is simply a corridor to travel through, with growing sense of place. The City is dedicated to making Highway 65 a corridor that speaks to the character of the community. Although light industrial uses are not planned for the corridor, the City will remain dedicated to increasing vegetation and landscaping, improving architectural integrity, and making the corridor a pleasant and representative corridor through the community.

Currently there are several light manufacturing plants in the industrial park, and these types of uses are forecasted to continue as the area develops. Other businesses such as warehousing and storage will also be attracted to the area and the City welcomes such uses provided the design and character is reflective of the City's goals and aspirations.

Commercial and Mixed-Use

The majority of the Highway 65 corridor is guided for commercial development. Historically the 65 corridor has been a dividing line between the east and west sides of the community, however, as a part of this planning process, the community identified eliminating the perceived divide and facilitating better connection between both sides of the City. Currently, development along the corridor has been modest; however, new buildings and commercial developments are popping up. If done well, this development will have the ability to reduce the scale and expansiveness of Highway 65, and ultimately will help unite both sides of the corridor.

The southern end of the Highway 65 corridor in the community serves as the gateway and entrance to the community. It is this area that will truly define the community and let travelers know that they have entered a unique, vital and vibrant place. In addition, a literal connection between the east and west sides of Highway 65 is proposed with a pedestrian bridge to demonstrate the importance of connecting the two sides of the City. To ensure the community has a true presence, deliberate development including commercial, retail, and residential along the corridor will help define the community. Although the majority of development will be commercial, retail and service in nature, the City will also provide some pockets for increased intensification of residential land uses. Development of a more mixed-use environment will help generate the foot traffic many retail establishments need to thrive. During the planning process, the community participated in a Visual Preference Survey (VPS) and during this session the most highly rated images were mixed-use in nature and provided a small-town character and feel through architectural details and scales. Buildings with eaves, walkways, outdoor spaces, and vegetation ranked the highest. These principles will be upheld in development along the corridor to try and create a more walkable area where commercial and retail opportunities are available to the community. Primary interest is to promote the corridor as a place with commercial opportunities that is accessible to all residents.

Neighborhood Commercial

Neighborhood Commercial is a new land use designation designed to provide retail sales and services primarily for residents of the surrounding area. As the community grows out from the central core where the Central Business District (CBD) and General Business District (GBD) have historically provided for goods and services, new small neighborhood scale-commercial districts are needed. These areas are intended to be neighborhood based and include such uses as a small grocery or convenience store (not necessarily to sell gasoline), coffee shop/deli, personal and health type services. The uses are not intended to compete with the central business district/downtown or general commercial areas. The site and architectural design should be of small scale and compatible with the surrounding uses.

Areas for this designation are within the eastern portion of the community adjacent to areas of higher amounts of residential growth and at the intersection of County Road 23 and CSAH 5. Additional lands may need to be guided for Neighborhood Commercial as the community continues to develop.

Economic Development Activities Since 2002

The City of Isanti is devoted to growing and expanding businesses and jobs for current and future residents. The City has an Economic Development Authority (EDA) that works on economic development in the City. The City helps promote business and growth by administering such programs as Tax Increment Financing (TIF). Goals of the City regarding Economic Development in the current Comprehensive Plan suggest that the City would like to promote job and business growth, improve the image of such establishments, and encourage development in the downtown.

The EDA will play a significant role in promoting and defining the types of uses and businesses that should be located in the City and specifically the Downtown. This chapter identifies potential uses, limitations or constraints, and opportunities for economic growth in the City. Further steps should be taken to consider the location of such uses as light industrial, commercial, and mixed-uses. The City has the opportunity to guide development in a way that responds to market realities and demands, while continuing to plan for future needs and demands. The City, elected officials and EDA should carefully consider market demands and work to promote the types of businesses and industries that will contribute to making the City self sustainable. The City maintains a current list of all industrial park development, commercial initiatives and new commercial project lists. This list is available at City Hall.

Objectives:

Goals and strategies with respect to economic development are provided in Chapter 1. The following list is specific, action-oriented objectives to guide the City with respect to economic development.

- Utilize the information prepared from the CBD Revitalization Project to determine next steps in revitalization efforts.
 - o Identify businesses that would support high-quality job creation.
 - o Target specific businesses and industries that would best be located in specific areas of the City.
- Create architectural, design and performance standards for the Downtown District and Highway 65 corridor to ensure high quality design.

Funding Sources

There are several funding sources and programs available to help spur economic development in Isanti. Following is an extensive, though not conclusive, list of potential funding mechanisms.

Tax-increment Financing

Tax increment financing (TIF) is a method of financing real estate development costs to encourage developers to construct buildings or other private improvements, or to pay for public improvements, such as streets, sidewalks, sewer and water, and similar improvements.

TIF uses the additional property taxes paid as a result of development in the district to pay for part of the development costs. When a new building is constructed, the market value of the property and its property taxes typically rise. Classic examples would be building a new store on an undeveloped parcel or replacing one or more old buildings with a new, larger building. In both of these instances, the market value of the property will rise because the improvements add value to the parcel.

When a TIF district is created, the county auditor certifies the current tax capacity of the properties in the district as the TIF district's "original tax capacity." As the property in the district increases in value, these increases above the original tax capacity are "captured." The law refers to this amount as the district's "captured tax capacity."

Tax Abatement

Tax Abatement is a financing tool available to the City, county and school district to be used for economically beneficial projects. The property taxes generated are forgiven for a period of time to allow the project to cash flow. Or the taxes are captured for a period of time and an up-front payment is made by the political subdivision to help the project cover start up costs.

East Central Regional Development Commission

The East Central Regional Development Commission's (ECRDC) provides technical assistance and helps with identifying and developing available resources.

Initiative Foundation

The Initiative Foundation works to bring people and resources to help improve the quality of life in Central Minnesota. This group provides leadership training, financial investments, staff assistance, and resource referral.

Minnesota Community Capitol Fund

The Minnesota Community Capitol Fund (MCCF) was created to help cities and counties who are facing declining resources for essential services. The MCCF has given grants to help build clinics, child care centers, and other private businesses.

Minnesota Small Business Development Centers

The Minnesota Department of Employment and Economic Development house the Small Business Development Centers (SBDC). These centers are located throughout the state. The SBDC consults existing and new small business owners on business plans, finances, management, marketing, and funding.

Isanti Area Chamber of Commerce

The Isanti Area Chamber of Commerce is a collaboration of local businesses that strive for a healthy and productive economic climate in Isanti.

Minnesota Workforce Center

The Minnesota Workforce Center works to retrain and give the proper tool to job-seekers. It also helps match prospective employees with employers.