



**NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT COMMISSION**

**Wednesday, March 11, 2015**

**6:30 p.m.**

**Oak Grove City Center – Large Conference Room  
310 Elm Street West  
Norwood Young America, MN**

- I. **Call to Order**
- II. **Consideration of the Agenda**
- III. **Oath of Office –Mike Yeager**
- IV. **Approval of Minutes – February 11, 2015**
- V. **Unfinished Business**
  - A. Hotel Market Study Update
  - B. EDC Mission/Vision and Establishment of 2015 Goals and Strategies
  - C. Business Survey
  - D. Resident/Consumer Survey
- VI. **New Business**
  - A. Business Visits/Tours
  - B. Retail Trade Analysis
- VII. **Project Updates**
- VIII. **Miscellaneous Communications**
- IX. **Next Meeting – April 8, 2015, 6:30 p.m.**
- X. **Adjournment**



**DATE:** March 4, 2015  
**MEMO TO:** NYA Economic Development Commission  
**FROM:** Jo Foust, Economic Development Consultant  
**RE:** Agenda item III. Oath of Office - EDC

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**Background:**

The City Council has appointed Mike Yeager to the Economic Development Commission.

**Action:**

Mr. Yeager will be administered the Oath of Office at the March 11, 2015 meeting. We welcome him to the EDC!

*State of Minnesota, ss.  
County of Carver*

**OATH OF OFFICE**

*I, Mike Yaeger, do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of Minnesota, and that I will faithfully and impartially discharge the duties of the office of Economic Development Commissioner, of the County of Carver, City of Norwood Young America, to which I have been appointed, to the best of my knowledge and ability, so help me God.*

\_\_\_\_\_

*Subscribed and sworn to before me this 11th day of March, 2015*

\_\_\_\_\_

*City Administrator*

*(Seal)*



**DATE:** March 4, 2015  
**MEMO TO:** NYA Economic Development Commission  
**FROM:** Jo Foust, Economic Development Consultant  
**RE:** Agenda item IV. Approval of Minutes

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**Action:**  
The Commission is asked to approve the enclosed minutes from the February 11, 2015 meeting.

## NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT COMMISSION

Minutes from the Meeting on Wednesday, February 11, 2015 at 6:30 p.m.

*Oak Grove City Center – Large Conference Room*

310 Elm Street West

Norwood Young America, MN

### I. Call to Order and Introductions

Chairman Kyle Strickfaden called the meeting to order at 6:33 p.m.

EDC members in attendance were: Julie Schmidt, Craig Heher, Chris Lund, Tina Diedrick, Kyle Strickfaden, Mike McPadden and Bruce Mathwig (7:03 p.m.).

Absent were: Mike Yeager and Sarah Molnau.

Staff attending were: City Administrator Steve Helget and Economic Development Coordinator Jo Foust.

### II. Consideration of the Agenda

*A motion was made by Schmidt and seconded by Diedrick to approve the February 11, 2015, meeting agenda as presented. The agenda was approved 6-0.*

### III. Oath of Office

The Oath of Office was administered to Mike McPadden. The EDC welcomed Mike to the Commission.

### IV. Approval of Minutes

*A motion was made by Schmidt, seconded by Diedrick to approve the January 21, 2015 EDC Meeting Minutes. Motion carried 6-0.*

### V. Unfinished Business

***Hotel Market Feasibility Study*** –An update was provided to the EDC regarding the City Council's approval of proceeding with Hospitality Marketers for the Hotel Study. Subsequent to approval, the City of Cologne also decided to proceed with a hotel market study and inquired about a joint study. Hospitality Marketers indicated this option could include a couple sites from each community. The cost would be approximately \$8,000 or \$4,000 per community. After discussion, it was the consensus of the EDC to proceed with an independent market study versus a joint study.

An overview of potential sites for a hotel, to include in the study, was provided. It was the consensus of the EDC to include the following sites: (1) Sinclair Gas Station Site (2) NAPA Store site and lot behind it, (3) The West Metro Industrial Park's middle parcel on the south side of Highway 212, and (4) the 5.1 acre site currently located outside of city limits, on the south side of the intersection of Highway 212 and Tacoma Avenue. It was noted this site would need to be annexed and utilities would need to be extended to the parcel.

***EDC Mission and Vision Statements*** – Commissioners submitted individual input on key terms and phrases, items which make the Norwood Young America EDC unique and proposed Mission and Vision Statements prior to the meeting. A summary of the comments was distributed at the meeting.

Commissioners conducted a work session to develop the following proposed Mission Statement for the EDC:

*The Mission of the Norwood Young America EDC is to orchestrate economic growth through promotion and retention of businesses, while identifying and attracting businesses that contribute to a healthy, vibrant community.*

The EDC also discussed the Vision for the Commission and where the Economic Development Commission aims to be in the future. The following draft Vision Statement was developed:

*Our Vision is to be the premier, comprehensive resource for the diverse and dynamic business community.*

Commissioners requested the Mission and Vision Statements be brought back to the March EDC meeting at which time they would be acted on.

**2015 Goals and Strategies** – Commissioners discussed goals for 2015. The following draft goals and implementation steps were identified:

1. Define business needs within the Community
  - Conduct a Business Survey
  - Update a Business Market Study/Analysis
2. Identify ways to expand the role of the EDC
  - Develop a Mission Statement and Vision
  - Review and evaluate existing policies
  - Participate in Trade Shows
  - Develop a Finance Committee and promote EDC programs
3. Encourage collaborative efforts with other stakeholders in the community.
  - Participate in Chamber of Commerce activities
  - Conduct quarterly meetings/bi-annual joint meetings with the City Council, Planning Commission and Chamber of Commerce representatives.
4. Promotion and Marketing
  - Update the tag line, “Not Your Average Community!”
  - Review trade show options.
  - Create table tents to display at restaurants to market activities in the city.
  - Include “Coming Events” on the City’s web site.
5. Identify Resources Available for Economic Development
  - Prepare a map with available commercial and industrial site locations.
  - Summarize financial programs available for business development.
  - Inform local industries of financial programs available.

The EDC requested an opportunity to review and amend Goals and Strategies at their March, 2015 meeting.

## VI. New Business

***PPI Loan Request and Grant Sponsorship*** – Helget provided an update on a tour of the Young America Corporation building which was conducted with PPI and their construction contractor and engineer, the City Building Inspector and Fire Chief. Based on current plans, a sprinkler system will not be required which will reduce the proposed project costs by approximately \$500,000. If the use of the building changes in the future to include cabinet construction, that portion of the building would be required to be sprinkled.

Foust noted PPI is finalizing their overall project costs and financing. A formal application for funding has not yet been submitted therefore EDC action is not required at this time. Information on the MN Department of Employment and Economic Development's "Job Creation Fund" was provided to EDC members.

It was the consensus of the Commission to have the Finance Committee review the application information once it is submitted and prepare a recommendation for the City Council's formal action.

***Business Survey*** – A draft Business Survey which was developed on SurveyMonkey was included in the EDC members' agenda packets. Commissioners Chris Lund and Tina Diedrick offered to work with the Chamber of Commerce to obtain input from businesses that are members of the Chamber as well as those that are not. A pdf copy of the survey, as well as a web site link will be forwarded to the Chamber with a request to email to their membership. A deadline of March 31, 2015 was proposed for completion of the survey.

***Resident or Consumer Survey*** – A draft Resident or Consumer Survey was included in the agenda packets and reviewed. It was suggested additional questions be included relating to the Community Center. Commissioner Schmidt will provide questions. It was also suggested the opening narrative note responses to questions are optional; #7 be modified to ask if the respondent lives inside or outside the city limits; and #15 be modified to allow selection of more than one form of media for obtaining information on the community. It was the consensus of the Commission to postpone distribution of the Consumer Survey until after the Business Survey is complete.

## VII. Project Updates -Foust provided an update on the following projects:

- ***Family Dollar*** –The City Council approved the site plan at their January 26, 2015 meeting.
- ***The Haven*** –The City Council approved a Comprehensive Plan amendment, PUD, rezoning and lot split at their January 26, 2015 meeting. Helget noted The Haven is planning a March 31, 2015 ground breaking ceremony from 11 a.m. to 1 p.m.
- ***PPI*** – The company is proceeding with their purchase agreement.
- ***Joyful Spirit Massage & Wellness*** – Joy Cook has now opened her massage therapy business at 218 Wilson Street E in Norwood Young America.
- ***2015-E***. A business is seeking four to five acres of land. Information on sites and programs were forwarded to the business with follow-up afterward.
- ***2015-F***. A warehouse/trucking business is seeking an existing building of 120,000 square feet. Staff has been in contact with the company.

## VIII. Miscellaneous Communications

It was noted the Chamber of Commerce Chili Cook-off will be held on Saturday, February 21, 2015 from 4-7 pm. at the Pavilion. Cost is \$5.

**IX. Next Meeting Date**

The next EDC meeting will take place on Wednesday, March 11, 2015 at 6:30 p.m. Schmidt noted she will not be able to attend.

**X. Adjourn**

*A motion was made by McPadden and seconded by Schmidt to adjourn the meeting. The motion passed. The meeting adjourned at 9:17 p.m.*

Respectfully submitted,

Jo Foust, Economic Development Consultant  
MDG, Inc.



**DATE:** March 4, 2015  
**MEMO TO:** NYA Economic Development Commission  
**FROM:** Jo Foust, Economic Development Consultant  
**RE:** Agenda item V.A. Hotel Market Study  
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**Background:**

The City has executed the engagement letter with Hospitality Marketers and submitted the \$4300 retainer. In addition, information on the City's 2010, 2014 and projected 2019 Demographics (from Greater MSP) was provided to Hospitality Marketers, along with traffic count information and the preferred sites.

The first phase of the market study is estimated to take 30 days to complete.

**Action:**

At this time, there is no additional information or required action. An update should be ready for the April 8, 2015 EDC meeting.



**DATE:** March 4, 2015

**MEMO TO:** NYA Economic Development Commission

**FROM:** Jo Foust, Economic Development Consultant

**RE:** Agenda item V.B. EDC Mission / Vision and Establishment of Goals

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**Background:**

At the February meeting, Commissioners developed a draft Mission Statement and Vision Statement, as well as began to develop a 2015 Strategic Plan.

**Mission Statement** – The Mission Statement defines the purpose and primary objectives related to customer needs and team values. The proposed Mission Statement for the Norwood Young America EDC is...

*The Mission of the Norwood Young America EDC is to orchestrate economic growth through promotion and retention of businesses, while identifying and attracting businesses that contribute to a healthy, vibrant community.*

The EDC also discussed the **Vision** for the Commission and where the Economic Development Commission aims to be in the future. The following draft Vision Statement was developed:

*Our Vision is to be the premier, comprehensive resource for the diverse and dynamic business community.*

Commissioners requested the Mission and Vision Statements be brought back to the March EDC meeting at which time they would be acted on.

**2015 Goals and Strategies** – Commissioners discussed goals for 2015. The following draft goals and implementation steps were identified:

1. Define business needs within the Community
  - Conduct a Business Survey
  - Update a Business Market Study/Analysis
2. Identify ways to expand the role of the EDC
  - Develop a Mission Statement and Vision
  - Review and evaluate existing policies
  - Participate in Trade Shows
  - Develop a Finance Committee and promote EDC programs
3. Encourage collaborative efforts with other stakeholders in the community.
  - Participate in Chamber of Commerce activities

- Conduct quarterly meetings/bi-annual joint meetings with the City Council, Planning Commission and Chamber of Commerce representatives.
4. Promotion and Marketing
- Update the tag line, "Not Your Average Community!"
  - Review trade show options.
  - Create table tents to display at restaurants to market activities in the city.
  - Include "Coming Events" on the City's web site.
5. Identify Resources Available for Economic Development
- Prepare a map with available commercial and industrial site locations.
  - Summarize financial programs available for business development.
  - Inform local industries of financial programs available.

The EDC requested an opportunity to review and amend Goals and Strategies at their March, 2015 meeting. The assignment of responsible parties and cost estimates also need to be added.

As the Mission Statement, Vision Statement and Strategic Plan are developed, it is important to keep in mind City Code Section 255.04 Duties and Responsibilities of the Economic Development Commission shall be as follows:

- A. Advise the City Council on matters concerning commercial and industrial development within the city.
  - B. Assist the City with preparations and advice regarding economic development marketing plans, programs, and strategies.
  - C. Help to coordinate economic development efforts with various groups active in the city.
  - D. Aid and advise the City Council and Planning Commission regarding the orderly development of areas suitable for commercial and industrial development.
  - E. Recommend to the City Council and Planning Commission policies and actions regarding commercial and industrial expansion, development, and attraction.
  - F. Develop long and short-term strategies for commercial and industrial development within the city.
  - G. Review proposed development proposals.
  - H. Assist in the preparation and implementation of plans for business retention.
  - I. Perform other duties, functions, and studies as directed by the City Council.
- (Amended by Ord. 115, 7-27-1998).

**Action:**

The EDC is asked to finalize and act on the Mission Statement, Vision Statement and 2015 Strategic Plan.



**DATE:** March 4, 2015  
**MEMO TO:** NYA Economic Development Commission  
**FROM:** Jo Foust, Economic Development Consultant  
**RE:** Agenda item V. C. Business Survey

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**Background:**

At the February meeting, Commissioners reviewed a Business Survey. This survey has been forwarded to the Chamber of Commerce, with a request to assist in distribution. The survey is also available on-line at: <https://www.surveymonkey.com/s/NYAbusinesssurvey>

A March 31, 2015 deadline was included with the survey. A summary of responses will be provided at the April meeting.

**Action:**

The EDC is asked to help promote completion of the survey by local businesses!



**DATE:** March 4 2015  
**MEMO TO:** NYA Economic Development Commission  
**FROM:** Jo Foust, Economic Development Consultant  
**RE:** Agenda item V. D. Resident/Consumer Survey

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**Background:**

Enclosed is an updated copy of a draft resident/consumer survey, with changes incorporated from the February meeting. We will add additional questions related to the Community Center, when they are prepared.

This survey is also available on line at: <https://www.surveymonkey.com/s/NYAedc>

**Action:**

If Commissioners have any other additions or changes, please advise. Input is requested on the timing for the marketing of the survey and deadline for participation.

# Norwood Young America Consumer Survey

1.

The City of Norwood Young America's Economic Development Commission would like to know the types of businesses and services you would like to see in the community. Please take the next 10 minutes to answer the next 34 questions to let us know how we can make this a better place to live and shop! This information will be valuable in the recruitment of new businesses and retention of existing businesses.

The information in this survey will not be tied to individuals. A consolidated summary of the information will be provided, with individual responses remaining confidential.

If you have any questions regarding the purpose and use of the survey, please contact Steve Helget, City Administrator at: 952-467-1800 or Economic Development Consultant Jo Foust, MDG Inc. at: 952-758-7399 or foustmdg@gmail.com.

Thank you for your participation!

## \*1. Household Size: How many people reside in your household?

- One
   
  Five  
 Two
   
  Six  
 Three
   
  Seven  
 Four
   
  Eight

Other (please specify)

## 2. Ages of Household Members: How many people reside in your household in each category?

	1	2	3	4
0-9 years old	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10-18 years old	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
19-25 years old	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
26-35 years old	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
36-40 years old	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
41-45 years old	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
46-55 years old	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
56-65 years old	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
66+ years old	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 3. Are you male or female?

- Male
   
  Female

## 4. What is your marital status?

- Married
   
  Divorced/widowed/separated  
 Single, never married
   
  Civil union/domestic partnership

## Norwood Young America Consumer Survey

### 5. What is the highest level of formal education you have completed?

- Less than high school graduate
  College graduate  
 High school graduate
  Masters Degree  
 Some college

### 6. How many years have you lived in Norwood Young America?

- 0-3 years
  11-20 years  
 4-6 years
  21+ years  
 7-10 years

### 7. Which location best describes your neighborhood?

- Within City Limits
  Outside City Limits

Other (please specify)

### 8. Commuting Patterns: How many miles do you commute to work each way?

- 0-1 mile
  11-15 miles  
 2-5 miles
  16-25 miles  
 6-10 miles
  26+ miles

### 9. Household Income: Please select the annual gross income for your household. This will assist us in responding to businesses conducting market research on communities.

**(Optional)**

- Under \$20,000 per year
  \$50,001 to \$75,000 per year  
 \$20,001 to \$30,000 per year
  \$75,001 to \$100,000 per year  
 \$30,001 to \$50,000 per year
  Over \$100,000 per year

## Norwood Young America Consumer Survey

### 10. Types of Businesses Desired: What type of retail or service businesses would you like to see in Norwood Young America, that you would shop at and support?

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Agriculture related    | <input type="checkbox"/> Dentist              | <input type="checkbox"/> Pharmacy/Drug Store        |
| <input type="checkbox"/> Auto Parts             | <input type="checkbox"/> Dry Cleaner          | <input type="checkbox"/> Restaurant-family/sit down |
| <input type="checkbox"/> Auto Dealership        | <input type="checkbox"/> Fast Food Restaurant | <input type="checkbox"/> Restaurant-fast food       |
| <input type="checkbox"/> Beauty related         | <input type="checkbox"/> Fitness              | <input type="checkbox"/> Theater                    |
| <input type="checkbox"/> Child Care             | <input type="checkbox"/> Florist              | <input type="checkbox"/> Transit                    |
| <input type="checkbox"/> Clinic                 | <input type="checkbox"/> Hotel/lodging        | <input type="checkbox"/> Variety Store              |
| <input type="checkbox"/> Computer parts/service | <input type="checkbox"/> Medical Clinic       | <input type="checkbox"/> Veterinarian               |
| <input type="checkbox"/> Craft                  | <input type="checkbox"/> Pet Store            |   |

Other (please specify)

### 11. If there is a specific store/business you believe the EDC should try to recruit, please list the business name here:

### 12. Do you own/operate a home-based business?

- Yes
  No

### 13. If you do own/operate a home-based business, are you interested in expanding and learning more about commercial or industrial space that is available in the City of Norwood Young America?

- Yes
  No
  Not Applicable

### 14. If you would like assistance in locating commercial/industrial space, please provide your contact information below, or contact Economic Development Consultant Joanne Foust at: 952-758-7399 or via email at: foustmdg@gmail.com.

## Norwood Young America Consumer Survey

### 15. What are your primary forms of media to obtain information on local businesses and their goods and services?

- NYA Chamber of Commerce Web Site
- City of NYA Web Site
- Company Web Site
- Direct Mailers
- Facebook
- Newspaper
- Radio Ads
- Twitter
- Word of Mouth References

### 16. What form(s) of Social Media would you recommend local businesses use to reach consumers?

- Company website
- Facebook
- Twitter
- LinkedIn

Other (please specify)

### 17. How often do you visit the City of Norwood Young America's Web Site?

- Never
- Once a year
- Two (2) to Six (6) times per year
- Seven (7) to twelve (12) times per year
- Thirteen (13) or more times per year

## Norwood Young America Consumer Survey

### 18. How would you rank the overall customer service at businesses in Norwood Young America?

- Excellent  
 Very good  
 Good  
 Fair  
 Poor

Other (please specify)

### 19. On average, how much money do you spend shopping per week on professional, retail or businesses services EVERYWHERE?

- More than \$500  
 Between \$300 and \$499  
 Between \$200 and \$299  
 Between \$100 and \$199  
 Between \$0 and \$99

### 20. On average, how much money do you spend per week shopping on professional, retail or business services IN NORWOOD YOUNG AMERICA?

- More than \$500  
 Between \$300 and \$499  
 Between \$200 and \$299  
 Between \$100 and \$199  
 Between \$0 and \$99

### 21. Why Shop Outside NORWOOD YOUNG AMERICA? If you shop or obtain services outside of Norwood Young America please select the reasons why:

- Selection  
 Price  
 Convenience (on my way home/to work)  
 Unaware of goods and services offered in Norwood Young America  
 Items not offered in Norwood Young America. Please note items in the other category.

Other (please specify)

# Norwood Young America Consumer Survey

## 22. Shopping Locations: Other than Norwood Young America, which communities do you visit to shop? Select all that apply.

- Chaska                       Glencoe                       Waconia  
 Eden Prairie                       Hutchinson

Other (please specify)

## 23. Why do you shop in these communities?

## 24. When do you primarily do your shopping?

- In the mornings                       Weekdays  
 During the day                       Weekends  
 In the evenings

Other (please specify)

## 25. Are you more likely to shop for:

	Professional Services	Retail products	Business services
Where I work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Where I live (Norwood Young America)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I live and work in Norwood Young America	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
On-line	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 26. Day and time you shop: What days of the week and times do you most often do your shopping or use professional services?

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Sunday morning   | <input type="checkbox"/> Tuesday afternoon   | <input type="checkbox"/> Thursday evening   |
| <input type="checkbox"/> Sunday afternoon | <input type="checkbox"/> Tuesday evening     | <input type="checkbox"/> Friday morning     |
| <input type="checkbox"/> Sunday evening   | <input type="checkbox"/> Wednesday morning   | <input type="checkbox"/> Friday afternoon   |
| <input type="checkbox"/> Monday morning   | <input type="checkbox"/> Wednesday afternoon | <input type="checkbox"/> Friday evening     |
| <input type="checkbox"/> Monday afternoon | <input type="checkbox"/> Wednesday evening   | <input type="checkbox"/> Saturday morning   |
| <input type="checkbox"/> Monday evening   | <input type="checkbox"/> Thursday morning    | <input type="checkbox"/> Saturday afternoon |
| <input type="checkbox"/> Tuesday morning  | <input type="checkbox"/> Thursday afternoon  | <input type="checkbox"/> Saturday evening   |

## Norwood Young America Consumer Survey

### 27. What is your opinion of the current business climate in Norwood Young America?

Favorable

Unfavorable

No Opinion

### 28. If you feel the local business climate is unfavorable, please explain why and provide suggestions to improve it.

### 29. Letter of Support/Interest: We would like to use comments from our residents to target market various businesses. If you are willing to submit comments or quotes that we can use in marketing materials, please submit the "letter" or comments below. If you are willing to include your name, that would be helpful as well.

#### Example:

"Dear XXX (type of business),

As a resident of Norwood Young America, I strongly encourage you to consider locating your business in our community. I feel it would be supported and successful for the following reasons...."

### 30. What do you think the City should do to assist existing businesses?

Offer low interest/no interest loans

Provide technical assistance to businesses

Offer grants

Nothing

Other (please specify)

# Norwood Young America Consumer Survey

**31. Where do you feel the City's Economic Development Commission should focus its efforts? Please rank the importance of the EDC's efforts in the following:**

	Assist existing businesses	Recruit new highway commercial businesses	Redevelop the two commercial districts	Recruit manufacturing/industrial businesses	Promote tourism and events which encourage tourism
1st priority	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2nd priority	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3rd priority	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4th priority	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5th priority	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

**32. What one or two things would make Norwood Young America a better shopping or service area?**

**33. Contact Information: If you would like to be eligible for one of two \$50 prizes in NYA Chamber of Commerce Dollars please provide your name and contact information below. You must be 18 years of age to qualify and complete the survey.**

Name (first and last)

Address

Phone #

Email:

**34. Other Comments/Suggestions: If you have other comments or suggestions you would like to share regarding Norwood Young America's business climate please note these below:**



**DATE:** March 4, 2015  
**MEMO TO:** NYA Economic Development Commission  
**FROM:** Jo Foust, Economic Development Consultant  
**RE:** Agenda item VI. A. Business Tours/Visits

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**Background:**

In order to remain in contact with local businesses and learn more about their operations and needs, business tours have been suggested by staff.

Within the next month we would recommend attempting to schedule tours with Hydro Engineering, Yaeger Machine and Waconia Manufacturing.

**Action:**

If Commissioners would like to join staff on tours, please advise us on your interest and availability.



**DATE:** March 4, 2015  
**MEMO TO:** NYA Economic Development Commission  
**FROM:** Jo Foust, Economic Development Consultant  
**RE:** Agenda item VI. B. Retail Trade Analysis

\*\*\*\*\*

**Background:**

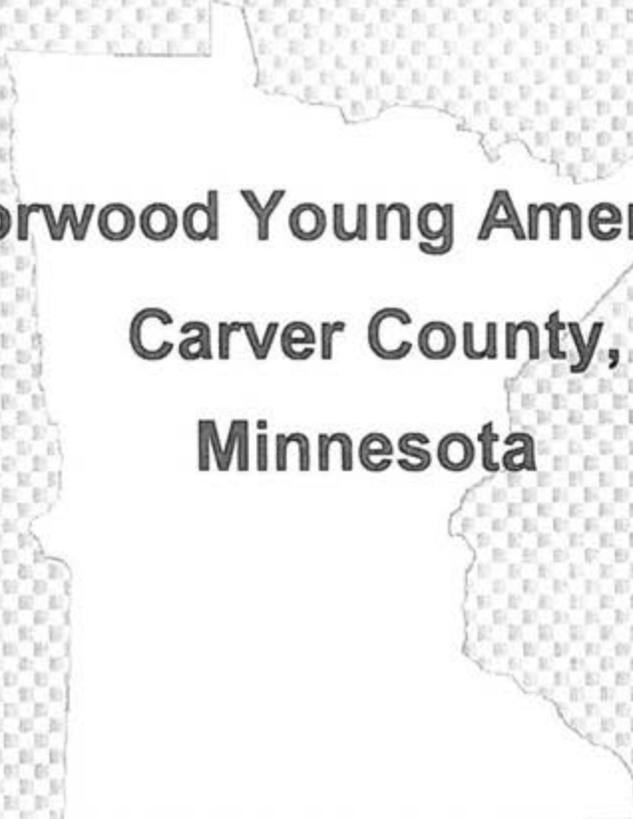
One of the goals discussed by the EDC in February was to update the Retail Trade Analysis which was completed in 2008 by the U of M Extension Service. Commissioners requested a copy of the study to review prior to moving forward with the implementation of this goal. A copy is attached for your information. This analysis provides information on business activities in 2008.

If the study is to be update, I would recommend a Market Analysis which identifies an initial market assessment for commercial space in Norwood Young America, identification of the primary draw area or "Trade Area" and incorporates current and projected households. It is also suggested the Market Assessment include information on available sites, interviews with real estate brokers and a summary of the demand for office and retail space and types of businesses which would be successful in the Norwood Young America market. A sample study with this content will be brought to the meeting.

**Action:**

If Commissioners would like to proceed with an update to the Retail Trade Analysis or a Market Analysis, please advise and I will seek quotes for the April meeting.

# 2008 Retail Trade Analysis Report



## Norwood Young America & Carver County, Minnesota

Funding provided by  
The Blandin Foundation  
and

University of Minnesota Extension's Center for Community Vitality

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# Introduction

The University of Minnesota Extension has developed this retail trade analysis program to assist in the economic development of Minnesota towns and cities. These reports are available for all Minnesota counties, for most cities above 5,000 population and for a few cities smaller than 5,000 population. The retail sector of each jurisdiction can be evaluated by comparing its trends to those of other similar jurisdictions. Business people and economic development officials can use measures such as pull factors and leakages to determine the need and feasibility of new retail businesses.

## Data Sources

Most of the data in the analysis are based on annual reports of Minnesota retail and use tax, published by the Minnesota Department of Revenue. The Department of Revenue published an annual report of sales and use tax by jurisdiction until 1996, at which time the reports were released biannually due to budget constraints. This analysis uses the available reports from 1990-1996, 1998, 2000, and 2003 through 2008. The reports interpolate data for the years in which data are not available. (See [http://www.taxes.state.mn.us/taxes/legal\\_policy/research\\_reports/sales\\_use\\_statistics\\_main.shtml](http://www.taxes.state.mn.us/taxes/legal_policy/research_reports/sales_use_statistics_main.shtml)) The income data in this report are obtained from reports by Bureau of Economic Analysis (BEA). (See <http://www.bea.gov/regional/reis>) Population data are derived from the U.S. Census. (See <http://www.census.gov/popest/estimates.php>)

Sales and use tax permit holders file returns and remit taxes on either a monthly, quarterly or annual basis. Large businesses such as discount department stores whose tax is more than \$500 per month are required to file on a monthly basis, while medium sized businesses whose sales tax collections are less than \$500 per month, are required to file on a quarterly basis and small businesses with sales tax collections less than \$100 per month would most likely file on an annual basis.

## Definition of Terms

### Gross Sales

Gross sales include taxable sales and exempt sales for businesses holding sales and use tax permits. This is the most inclusive indicator of business activity for the reporting jurisdictions but it can be misleading when used in comparisons. At times commodity items (like gasoline), that are not taxable, can have large price variations, creating huge swings in gross sales.

### Taxable Sales

Taxable sales are the amount of sales subject to sales tax. Taxable sales exclude exempt items, items sold for resale, items sold for exempt purposes and items sold to exempt organizations. For more information on what is taxed in Minnesota, see "Minnesota Sales and Use Tax Instruction Booklet" available on the web at [http://www.taxes.state.mn.us/taxes/sales/instructions/st\\_bk07.pdf](http://www.taxes.state.mn.us/taxes/sales/instructions/st_bk07.pdf)

### Current and Constant Dollar Sales

Current dollar (or "nominal dollar") sales are sales as reported by the state. No adjustment has been made for price inflation. In general this measure of sales is not satisfactory for comparisons over long periods of time since it does not account for changes in population, inflation, or the state's economy. Constant dollar (or "real dollar") sales reflect changes in price inflation by adjusting current dollar sales with the Consumer Price Index (CPI). Constant dollar sales indicate the real sales level with respect to a base year. This is a more realistic method of evaluating sales over time than current dollar comparisons, but still does not take into consideration changes in population or changes in the state's economy.

## **Number of businesses**

The number of sales and use tax permit holders who filed one or more tax returns for the year are reported as the number of businesses.

## **Reporting Period**

The reporting periods in this report are calendar years. For example, the sales reported for the year 2000 are for the period, January 1, 2000 to December 31, 2000.

## **Per Capita Sales**

Per capita (or "per person") sales are calculated by dividing current dollar sales by the population estimate. In areas where population is subject to substantial change, this is a more satisfactory measure of sales activity than sales alone. However, it still does not reflect changes in the state economy.

## **Pull Factor**

The pull factor was developed by Dr. Ken Stone, an economist from Iowa State University Extension Service to provide a precise measure of sales activity in a locality. It is derived by dividing the per capita current dollar sales of a city or county by the per capita sales for the state. For example, if a city's per capita sales are \$20,000 per year and the state per capita sales are \$10,000 per year, the pull factor is 2.0 ( $\$20,000 \div \$10,000$ ). The interpretation is that the city is selling to 200 percent of the city population.

Pull factors are good measures of sales activity because they reflect changes in population, inflation, and the state economy. Pull factors are available through the Extension Service for total taxable sales for all cities with reported sales (generally, cities with a population of 5,000 or more) since 1990. The pull factors listed in this report are not adjusted for differing income levels in different communities; they are simply the ratio of local per person sales to the state average. Income levels are accounted for in the expected sales and potential sales formulas, described below.

## **Typical Pull Factor**

The typical pull factor is a pull factor that represents the "norm" for cities within a population group. It is an average for cities within a population group taking into account any outliers in the group.

## **Personal Income**

Personal income is defined as the income received by, or on behalf of, all the residents of the county (state) from all sources. Personal income is the sum of wage and salary disbursements, supplements to wages and salaries (e.g., contributions to retirement funds, health plans, life insurance policies), proprietors' income, rental income, personal dividend income, personal interest income, and personal current transfer receipts to persons (e.g. receipts of Social Security, disability, worker's compensation, Medicare/Medicaid, food stamps, etc.) less contributions for government social insurance (e.g. Social Security, Medicare). (For more details, see [http://www.bea.gov/regional/pdf/spi2005/alternative\\_measures.pdf](http://www.bea.gov/regional/pdf/spi2005/alternative_measures.pdf)).

## **Index of Income**

This index provides a relative measure of income, calculated by dividing local per capita income by state per capita income. The base is 1.00. For example, an index of income of 1.20 indicates that per capita income in the area is 20 percent above the state average.

## **Expected Sales**

Expected sales is a retail performance benchmark. It is an estimate of the sales level a town would achieve if it were performing on par with Minnesota towns of a similar size. In addition to population and income variables, expected sales incorporates the typical strength of comparable communities via the *typical pull factor*. Expected sales is the product of city population, state per capita sales, the index of income and the typical pull factor. For example, if a city has a population of 5,000, the state per capita sales are \$9,000, the typical pull factor is 1.30, and the index of income is 1.03, expected sales is approximately \$60 million per year ( $5,000 \times \$9,000 \times 1.30 \times 1.03$ ). This provides a means of comparing what is expected for a city of a certain size to what is actually happening.

## **Potential Sales**

Potential sales is an estimate of the amount of money that is spent on retail goods and services by residents of a county. It is the product of county population, state per capita sales and the index of income. The potential sales concept for counties is similar to the expected sales calculations for towns. However, potential sales does not utilize a measure of average pulling power (like the *typical pull factor* that is used in the expected sales equation). Since a county is a relatively large region within which retail business takes place, counties are compared without adjustments for trade area size.

## **Variance Between Actual and Expected Sales (Surplus or Leakage)**

The variance between actual and expected sales is how much retail sales differ from the "norm" (i.e., the amount above or below the standard established by the expected sales formula). When actual sales exceed expected sales, we say the city has a "surplus" of retail sales. When actual sales fall short of expected sales, we say the city has a retail sales "leakage". The set of similarly-sized cities in Minnesota is the "peer group" to which the comparison is being made. Discrepancies between expected and actual sales occur for a variety of reasons.

Proximity to larger population centers, management, marketing, and transportation patterns are just a few factors that can cause the retail sales of a particular town to deviate substantially from expected sales. It is important that decision-makers consider these influences when constructing policies, plans, or projects. The surplus or leakage is expressed in dollars, percentages, and customer equivalents. The use of the analysis will dictate which measure best conveys the information, though all are equivalent. In the case of leakages, the dollar amount is usually the easiest to use since it immediately conveys the potential sales for new businesses.

## **Trade Area Population Gain or Loss**

The trade area population gain or loss translates the percentage amount of surplus or leakage of retail sales into an estimate of the number of customers gained or lost in the trade area. It is calculated by multiplying the percent surplus or leakage by the population estimate for the city or county. For example, if a city with 10,000 residents had a retail sales surplus of 20%, the trade area population gain would be 2,000. Adding this number to the city's population gives an estimate of the population size of the city's trade area.

# Cautions

## Gross Sales

Gross sales is a comprehensive measure of business activity, but readers should be aware that the numbers in this report are self-reported by holders of sales and use tax reports. Furthermore, the gross sales are not audited by the State of Minnesota. It is believed that the gross sales figures are generally reliable, but there is the possibility of distortions, especially in smaller cities where misreporting may have occurred.

## Misclassification

Holders of sales and use tax permits select the North American Industry Classification System (NAICS) category that best fits their business. Regardless of who makes this classification, errors are occasionally made. Also, sometimes a business will start out as one type of business, but may evolve over time to a considerably different type of business. Misclassifications can distort sales among business categories, especially in smaller towns. For example, a furniture store that is classified as a general merchandise store, will under-report the sales in the furniture store category and over-report the sales in the general merchandise category.

## Suppressed Data

The sales data for merchandise categories that have less than four reporting firms are not reported. This is a measure taken by most states to protect the confidentiality of sales tax permit holders. The sales for suppressed categories are placed into the miscellaneous category and are included in total sales.

## Consolidated Reporting

Vendors doing business at more than one location in Minnesota have the option of filing a separate return for each location or filing one consolidated return for all locations. The consolidated return shows, for each business establishment, the sales made, tax due and location by city and county. Data for the establishments of consolidated filers are combined with data for single-location filers to produce the figures in this report. Occasionally consolidated reports may not be properly deconstructed and all the sales for a company may be reported for one town or city. Whenever misreporting is discovered, contacts are made with the Minnesota Revenue Department to clarify the situation.

## Changes Between 2000 and 2003

For fiscal year 2003, the Minnesota Department of Revenue implemented two major changes to improve their reporting of sales and use tax data. First, they adopted a geo-coding system, which accurately identifies the location of all business reporting sales and use tax to the state rather than relying on the businesses' postal addresses. One effect of this change is a movement of sales between neighboring cities (and in some cases, counties) in the year 2003. Thus, in several of the suburbs of Minneapolis and St. Paul and in cities such as Hermantown, which is adjacent to Duluth, the data show large increases in retail sales between 2000 and 2003, a substantial portion of which is due to the re-coding of business location and not to actual growth in sales.

The second change implemented by the Department of Revenue in 2003 was a shift from the Standard Industrial Classification system (SIC codes) to the North American Industry Classification System (NAICS codes). This switch does affect the comparability of the data series prior to 2000 with that of 2003 (and beyond), especially for merchandise categories. Overall retail and services sales are highly comparable over time. In many cases, the merchandise categories for the data prior to 2003 are very closely related to the new categories. For example, approximately 97% of the 2003 statewide sales in the general merchandise category were accounted for by firms also classified as general merchandise under the SIC system. In other cases, the correspondence is less straightforward. For example, only 56% of 2003 statewide sales in the Food and Beverage store category were accounted for by firms classified as Food Stores under the older classification system; 41% of 2003 Food store sales were accounted for by firms previously categorized as Miscellaneous Retail.

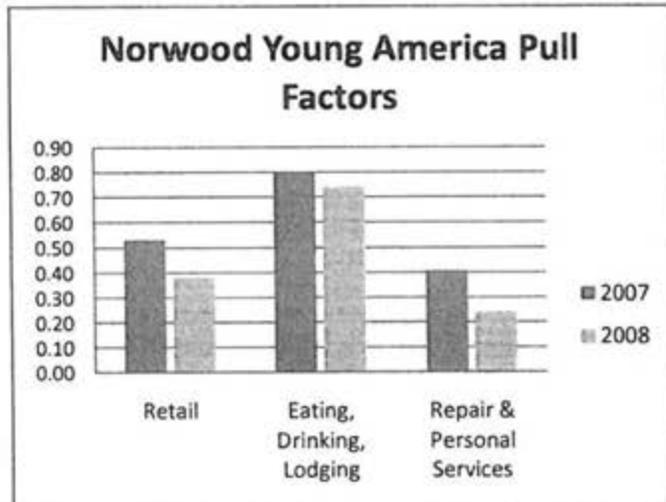
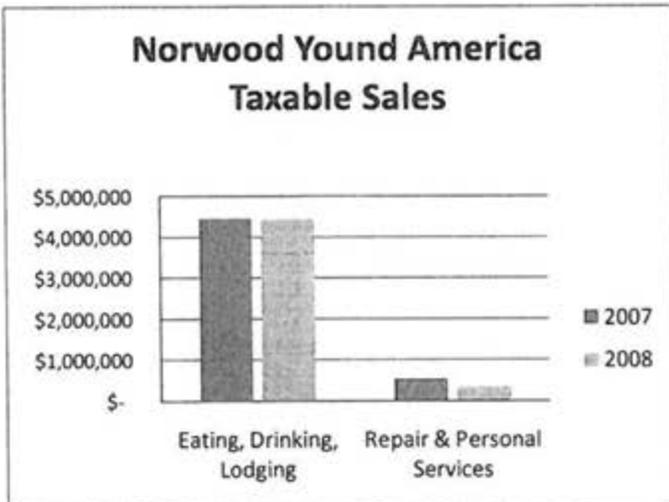
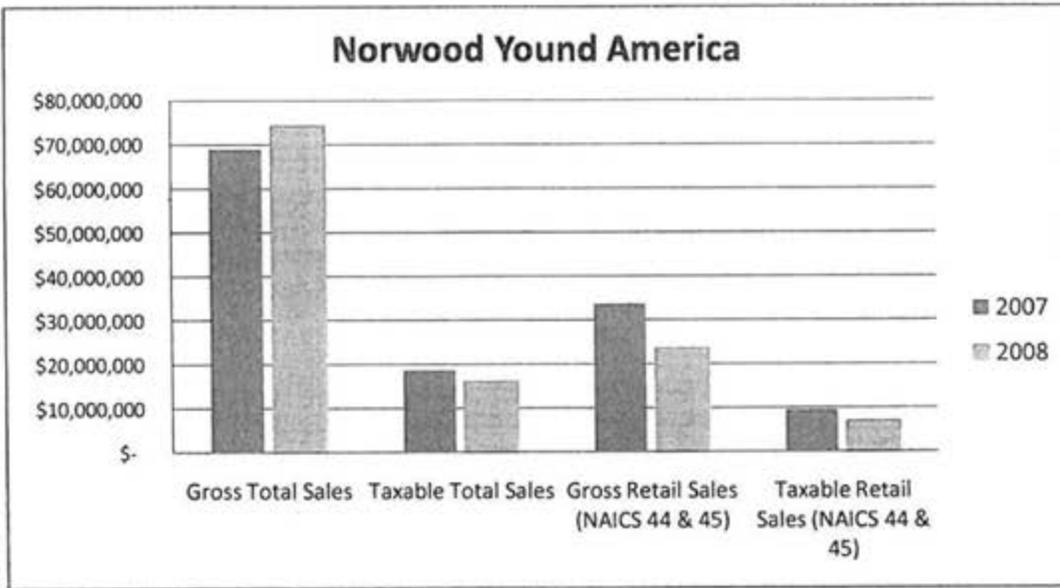
The NAICS system does provide greater detail and introduces some new sectors, such as Retail Electronics. Over time, these changes will improve the information available for retail trade analysis. For additional information, please see [www.taxes.state.mn.us/taxes/legal\\_policy/other\\_supporting\\_content/salesuse\\_%202003\\_statistics\\_introduction.shtml](http://www.taxes.state.mn.us/taxes/legal_policy/other_supporting_content/salesuse_%202003_statistics_introduction.shtml).

## Changes Starting in 2006

The Sales and Use Tax Statistics report for 2006 uses a slightly different methodology than in previous years. Rather than basing the report on the year in which sales were made (as was true in earlier reports), the 2006 report is based on when returns were processed. To best approximate the economic activity for calendar year 2008, this report includes all returns processed from February 2008 through January 2009. Returns are included in the report regardless of the date of sale.

# Recent Trends By Merchandise Category

## Norwood Young America



# Carver County Retail Trade Overview

## Total Taxable and Gross Retail Sales

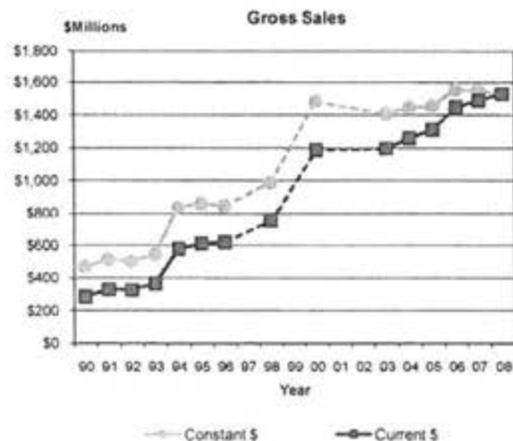
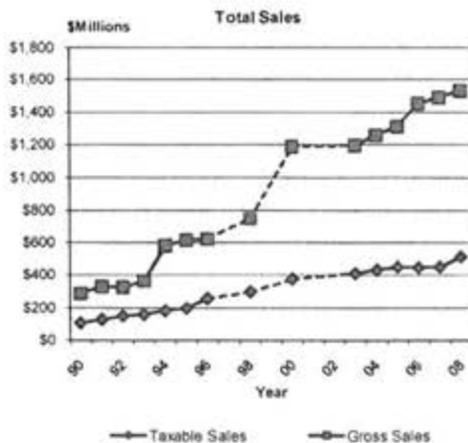
The table below presents gross and taxable retail and services sales for Carver County from 1990 through 2008. Taxable sales in Carver County increased 73.6 percent from 1998 to 2008, while the number of firms rose 52.2 percent. Statewide, taxable sales increased 51.5 percent over the same time period and the number of firms rose 11.3 percent. The per capita sales and pull factor data in this table are based on taxable sales, the more verified sales measure.

The table also presents sales data in constant 2008 dollars. These figures have been adjusted for inflation to reflect their value in 2008. For example, in 1990, taxable sales in Carver County totaled \$108.25 million, an amount worth \$177.45 million in 2008 dollars. In constant dollars, gross sales grew 55.3 percent between 1996 and 2008. Constant dollar taxable sales increased 31.9 percent over the same time period.

Year	Estimated Population	Current Dollars		Constant 2008 Dollars		Number of Firms	Per Capita Sales	Pull Factor
		Gross Sales* (\$millions)	Taxable Sales (\$millions)	Gross Sales* (\$millions)	Taxable Sales (\$millions)			
1990	47,915	\$287.29	\$108.25	\$470.97	\$177.45	864	\$2,259	0.51
1991	50,132	\$330.73	\$129.62	\$516.77	\$202.52	905	\$2,585	0.59
1992	51,868	\$326.82	\$151.47	\$502.79	\$233.02	1,007	\$2,920	0.60
1993	54,111	\$365.27	\$160.14	\$545.18	\$239.02	1,042	\$2,960	0.59
1994	56,496	\$578.98	\$182.93	\$839.10	\$265.12	1,009	\$3,238	0.59
1995	59,080	\$613.58	\$197.81	\$864.20	\$278.60	1,028	\$3,348	0.59
1996	61,501	\$619.69	\$255.56	\$848.89	\$350.08	1,085	\$4,155	0.62
1997	63,130	NA	NA	NA	NA	NA	NA	NA
1998	64,821	\$748.93	\$296.36	\$985.43	\$389.94	1,139	\$4,572	0.66
1999	67,023	NA	NA	NA	NA	NA	NA	NA
2000	70,205	\$1,188.34	\$376.39	\$1,485.42	\$470.49	1,145	\$5,361	0.71
2001	73,165	NA	NA	NA	NA	NA	NA	NA
2002	75,620	NA	NA	NA	NA	NA	NA	NA
2003	78,960	\$1,197.13	\$410.30	\$1,408.39	\$482.70	1,464	\$5,196	0.58
2004	82,122	\$1,258.63	\$434.85	\$1,446.70	\$499.83	1,585	\$5,295	0.57
2005	84,864	\$1,310.89	\$450.53	\$1,456.55	\$500.59	1,671	\$5,309	0.56
2006	87,545	\$1,449.88	\$449.02	\$1,559.01	\$482.82	1,718	\$5,129	0.53
2007	88,459	\$1,490.35	\$450.43	\$1,552.45	\$469.20	1,711	\$5,092	0.52
2008	90,043	\$1,530.40	\$514.44	\$1,530.40	\$514.44	1,734	\$5,713	0.60
10 yr Change '98 to '08	38.9%	104.3%	73.6%	55.3%	31.9%	52.2%	25.0%	-8.9%
3 yr Change '05 to '08	6.1%	16.7%	14.2%	5.1%	2.8%	3.8%	7.6%	7.2%

\*Gross sales figures are self-reported by firms and not audited by the Dept. of Revenue for accuracy.

## Carver County: Total Retail Sales

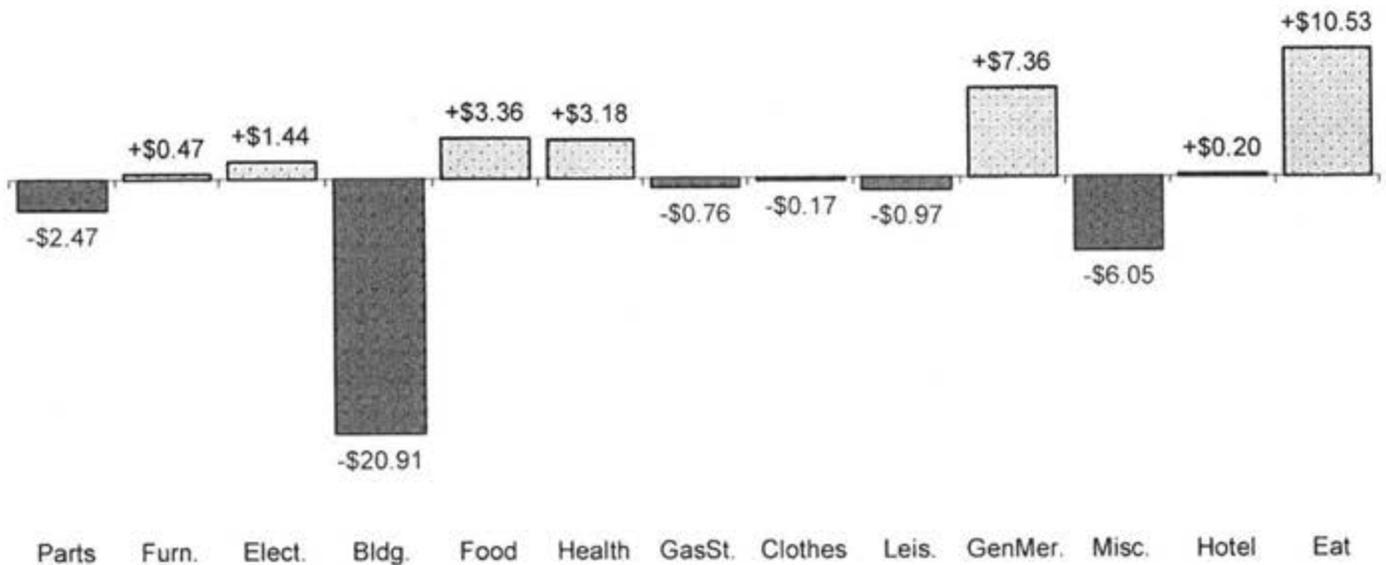


## Carver County Components of Change, 2005 to 2008

Category	Taxable Sales 2005	Taxable Sales 2008	Dollar Change	Percent Change
Vehicles & Parts	\$18,263,903	\$15,789,257	-\$2,474,646	-13.55%
Furniture Stores	\$6,877,343	\$7,349,033	+\$471,690	+6.86%
Electronics	\$7,324,314	\$8,766,355	+\$1,442,041	+19.69%
Building Materials	\$72,467,074	\$51,559,244	-\$20,907,830	-28.85%
Food, Groceries	\$44,170,823	\$47,531,822	+\$3,360,999	+7.61%
Health, Personal Stores	\$5,626,982	\$8,810,839	+\$3,183,857	+56.58%
Gasoline Stations	\$13,635,908	\$12,877,146	-\$758,762	-5.56%
Apparel	\$858,192	\$691,841	-\$166,351	-19.38%
Leisure Goods	\$5,124,548	\$4,153,771	-\$970,777	-18.94%
General Merchandise Stores	\$58,557,461	\$65,920,738	+\$7,363,277	+12.57%
Miscellaneous Retail	\$19,940,619	\$13,893,247	-\$6,047,372	-30.33%
Accommodations	\$15,907,699	\$16,110,778	+\$203,079	+1.28%
Eating & Drinking Places	\$82,983,508	\$93,510,417	+\$10,526,909	+12.69%
<b>Total Retail and Services Sales</b>	<b>\$450,533,362</b>	<b>\$514,438,005</b>	<b>+\$63,904,643</b>	<b>+14.18%</b>

Figures not adjusted for inflation.

### Dollar Changes by Category (in Millions) 2005 - 2008



# Pull Factors By Merchandise Category Carver County

The following tables and charts depict pull factors in Carver County from 1990 to 2000\* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

### Category Descriptions

**Building Materials:** Includes retail establishments primarily engaged in selling lumber and other building materials; paint, glass, and wallpaper; hardware; nursery stock; and lawn and garden supplies.

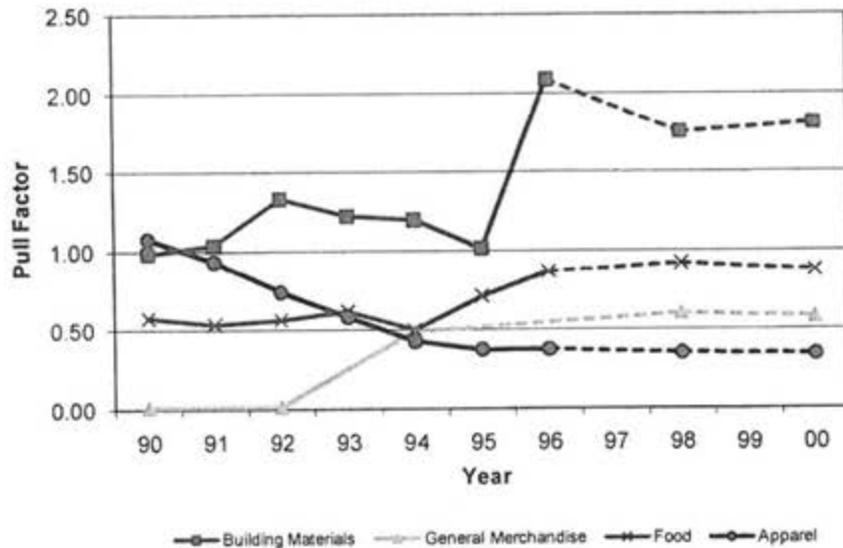
**General Merchandise:** Includes retail stores which sell a number of lines of merchandise, such as dry goods, apparel and accessories, furniture and home furnishings, small wares, hardware, and food. The stores included in this group are known as department stores, variety stores, general merchandise stores, catalog showrooms, warehouse clubs, and general stores.

**Food:** This group is comprised of retail stores primarily engaged in selling food for home preparation and consumption.

**Apparel:** Retail stores primarily engaged in selling clothing of all kinds and related articles for personal wear and adornment. Not included are establishments which meet the criteria for Department Stores even though most of their receipts are from the sale of apparel and apparel accessories.

\*Due to a change in how firms are categorized beginning with fiscal year 2003, only data through fiscal year 2000 are presented in this section.

**Pull Factors by Merchandise Category (1 of 3)**



**Pull Factors by Merchandise Category  
Carver County, 1990-2000**

Year	Building Materials	General Merchandise	Food	Apparel
1990	0.99	0.01	0.58	1.08
1991	1.04	NA	0.54	0.93
1992	1.33	0.01	0.56	0.74
1993	1.22	NA	0.62	0.58
1994	1.20	0.49	0.50	0.42
1995	1.02	NA	0.71	0.37
1996	2.09	NA	0.87	0.37
1997	NA	NA	NA	NA
1998	1.75	0.60	0.92	0.35
1999	NA	NA	NA	NA
2000	1.81	0.58	0.88	0.34
<hr/>				
% Change, '90 to '00	83.72%	4957.04%	51.77%	-68.30%
% Change, '98 to '00	3.37%	-3.47%	-4.75%	-2.52%

These pull factors are calculated using taxable sales. Although taxable sales do not capture the full extent of sales in stores with a large number of un-taxed goods, like grocery and apparel stores, these data are audited by the Minnesota Department of Revenue. Since sales tax laws apply statewide, all cities are compared on the same basis.

# Pull Factors By Merchandise Category

## Carver County

The following tables and charts depict pull factors in Carver County from 1990 to 2000\* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

### Category Descriptions

**Furniture:** This group includes retail stores selling goods used for furnishing the home such as furniture, floor coverings, draperies, glass and chinaware, domestic stoves, refrigerators, and other household electric and gas appliances.

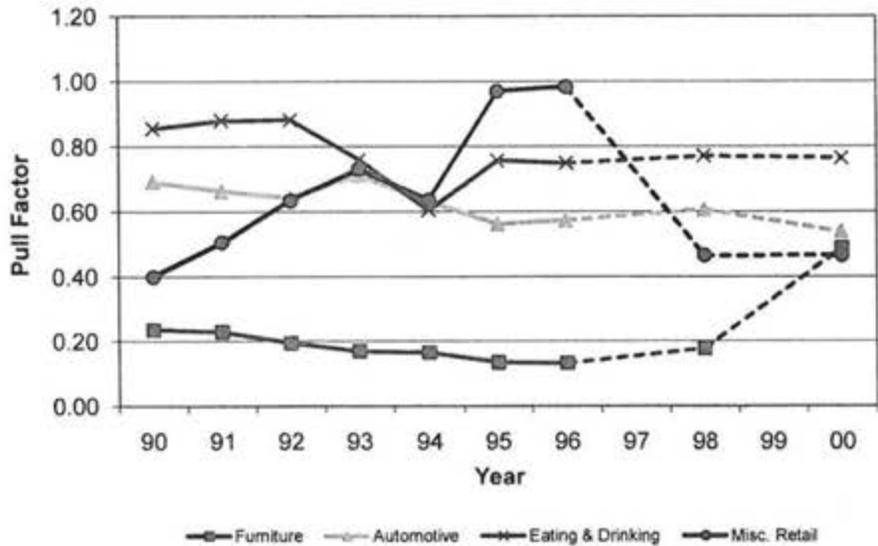
**Automotive:** Establishments selling new and used automobiles, boats, recreational vehicles and utility trailers, and motorcycles and mopeds; dealers selling new automobile parts and accessories; and gasoline service stations.

**Eating & Drinking:** This major group includes retail establishments engaged in selling prepared food and drinks for consumption on the premises. Also included are caterers which serve prepared food other than at the place of business and lunch counters and refreshment stands selling prepared foods and drinks for immediate consumption.

**Miscellaneous Retail:** This category includes retail establishments not elsewhere classified. These establishments fall into the following categories: liquor stores; used merchandise stores; miscellaneous shopping goods stores; nonstore retailers, fuel dealers, florists, cigar stores and stands, news dealers and newsstands, and miscellaneous retail stores not elsewhere classified.

\*Due to a change in how firms are categorized beginning with fiscal year 2003, only data through fiscal year 2000 are presented in this section.

**Pull Factors by Merchandise Category (2 of 3)**



**Pull Factors by Merchandise Category  
Carver County, 1990-2000**

Year	Furniture	Automotive	Eating & Drinking	Misc. Retail
1990	0.24	0.69	0.86	0.40
1991	0.23	0.66	0.88	0.50
1992	0.19	0.64	0.88	0.63
1993	0.17	0.71	0.76	0.73
1994	0.17	0.63	0.60	0.63
1995	0.14	0.56	0.76	0.97
1996	0.13	0.57	0.75	0.98
1997	NA	NA	NA	NA
1998	0.18	0.61	0.77	0.46
1999	NA	NA	NA	NA
2000	0.49	0.54	0.76	0.46
<b>% Change, '90 to '00</b>				
	105.79%	-22.27%	-10.70%	16.66%
<b>% Change, '98 to '00</b>				
	172.27%	-11.26%	-0.92%	0.35%

These pull factors are calculated using taxable sales. Although taxable sales do not capture the full extent of sales in stores with a large number of un-taxed goods, like grocery and apparel stores, these data are audited by the Minnesota Department of Revenue. Since sales tax laws apply statewide, all cities are compared on the same basis.

# Pull Factors By Merchandise Category Carver County

The following tables and charts depict pull factors in Carver County from 1990 to 2000\* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

### Category Descriptions

**Lodging:** Includes establishments engaged in providing lodging, or lodging and meals, and camping facilities.

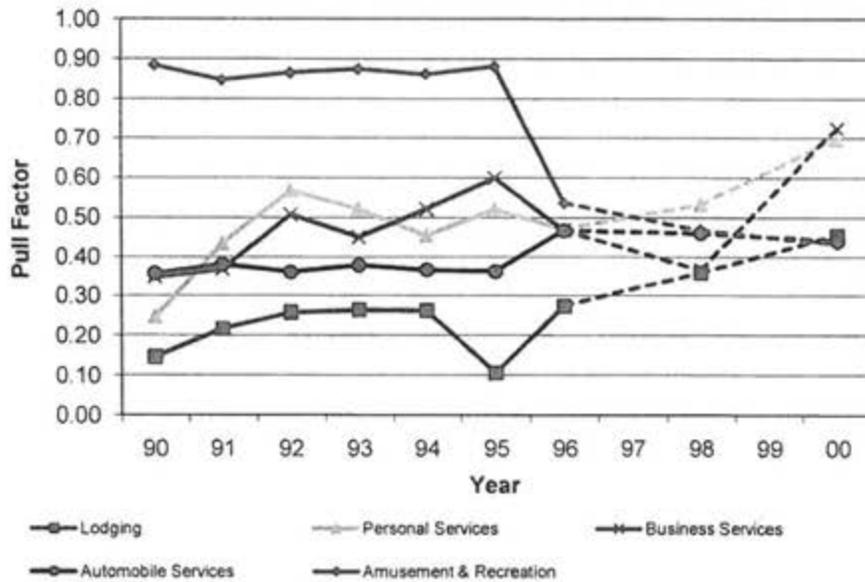
**Personal Services:** includes establishments primarily engaged in providing services generally to individuals, such as barber and beauty shops, drycleaning plants, laundries, and photographic studios.

**Business Services:** Includes establishments primarily engaged in providing services, not elsewhere classified, to business establishments on a contract or fee basis.

**Automobile Services:** Includes establishments primarily engaged in furnishing automotive repair, rental, leasing, parking, and other services.

**Amusement and Recreation:** This group includes establishments primarily engaged in providing amusement, recreation, or entertainment services, not elsewhere classified.

**Pull Factors by Merchandise Category (3 of 3)**



**Pull Factors by Merchandise Category  
Carver County, 1990-2000**

Year	Lodging	Personal Services	Business Services	Automobile Services	Amusement & Recreation
1990	0.15	0.25	0.35	0.36	0.89
1991	0.22	0.43	0.37	0.38	0.85
1992	0.26	0.57	0.51	0.36	0.87
1993	0.26	0.52	0.45	0.38	0.87
1994	0.26	0.45	0.52	0.37	0.86
1995	0.11	0.52	0.60	0.36	0.88
1996	0.27	0.47	0.47	0.47	0.54
1997	NA	NA	NA	NA	NA
1998	0.36	0.53	0.37	0.46	0.47
1999	NA	NA	NA	NA	NA
2000	0.45	0.70	0.72	0.44	0.43
<b>% Change, '90 to '00</b>					
	209.99%	182.55%	107.83%	22.89%	-51.02%
<b>% Change, '98 to '00</b>					
	25.95%	31.13%	97.14%	-4.33%	-7.20%

\*Due to a change in how firms are categorized beginning with fiscal year 2003, only data through fiscal year 2000 are presented in this section.

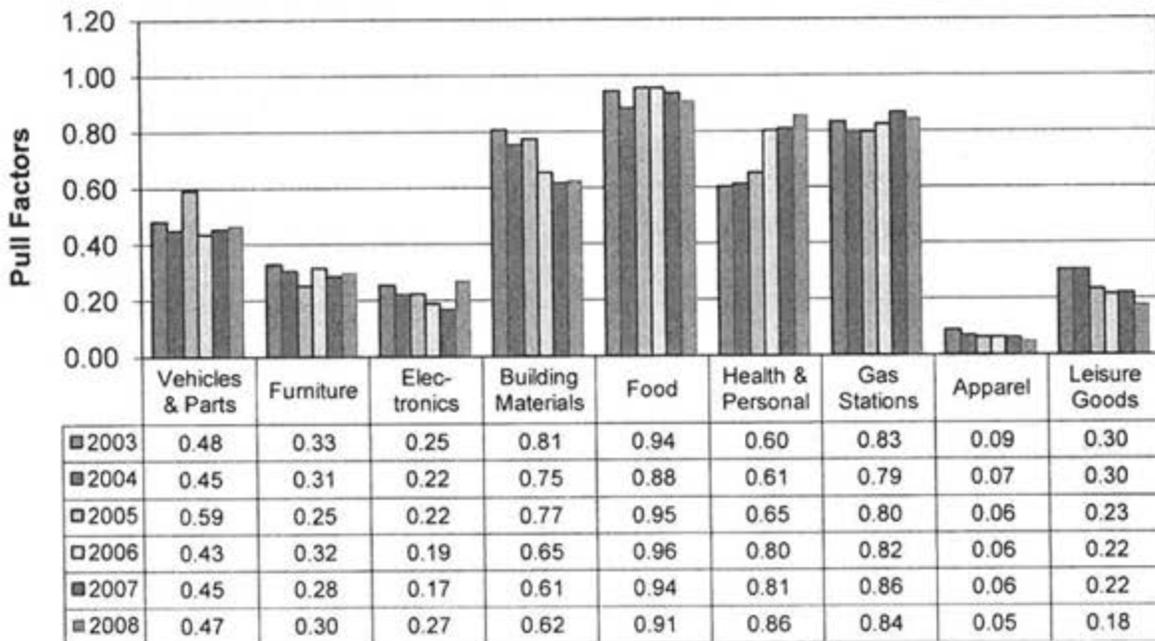
These pull factors are calculated using taxable sales. Although taxable sales do not capture the full extent of sales in stores with a large number of un-taxed goods, like grocery and apparel stores, these data are audited by the Minnesota Department of Revenue. Since sales tax laws apply statewide, all cities are compared on the same basis.

# Pull Factors By Merchandise Category

## Carver County

The following tables and charts depict pull factors in Carver County from 2003 to 2008\* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

**Pull Factor by NAICS  
Merchandise Category (1 of 2)**



### NAICS Category Descriptions

**Motor Vehicles & Parts:** Establishments that sell new & used autos, boats, motorcycles, golf carts, RV's, campers, trailers, tires, and parts.

**Furniture:** Stores that sell furniture, beds, carpeting, window coverings, lamps, china, kitchenware, & woodburning stoves.

**Electronics:** Establishments primarily engaged in retailing household-type appliances, sewing machines, cameras, computers, and other electronic goods.

**Building Materials:** Establishments that sell lumber, hardware, paint, wallpaper, tile, hardwood floors, roofing, fencing, ceiling fans, lawn equipment, garden centers, and feed stores.

**Food:** Grocery stores, deli's, bakery, & butcher shops that sell food to be prepared at home. Liquor stores.

**Health & Personal:** Pharmacies, food supplements, vision supplies, cosmetics, & hearing aid stores.

**Gas Stations:** Retailers that sell fuel along with convenience store items.

**Apparel:** New clothing and accessories, jewelry, shoes, bridal shops, clock shops, and luggage stores.

**Leisure Goods:** Sporting goods, books, music, hobby stores, fabric shops, and toy stores.

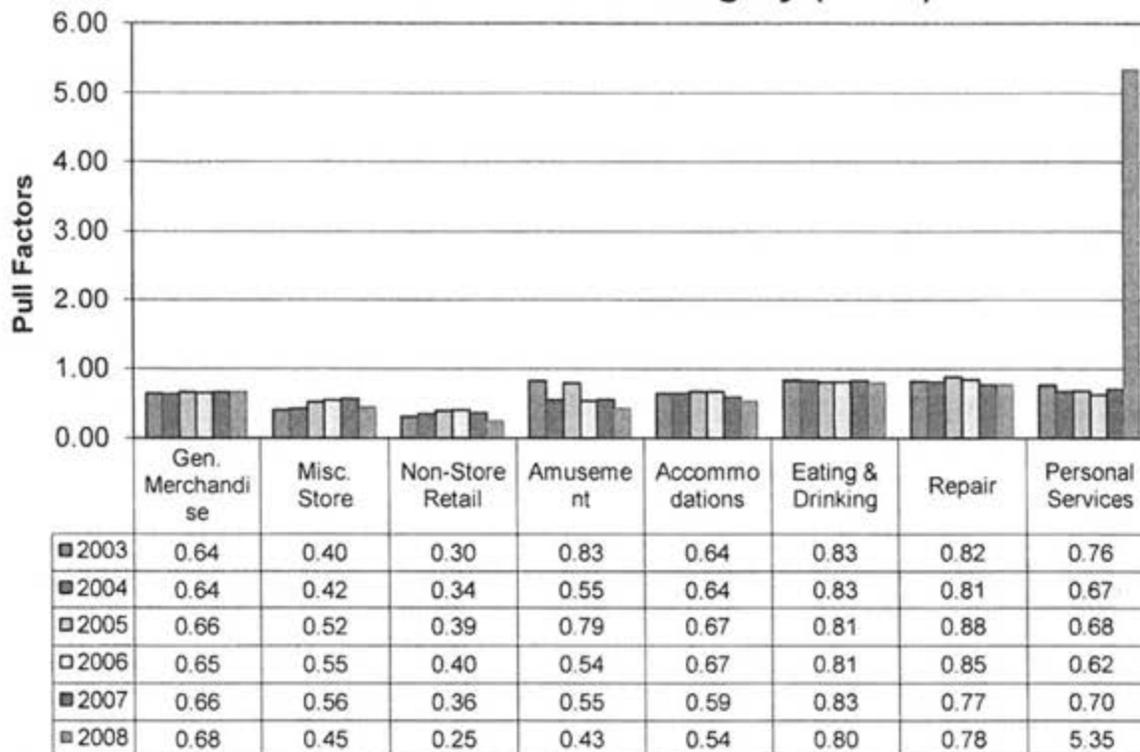
\*Caution should be used when comparing pull factors before 2003 to those in later years due to the switch from SIC to NAICS.

# Recent Trends By Merchandise Category

## Carver County

The following tables and charts depict pull factors in Carver County from 2003 to 2008\* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

**Pull Factor by NAICS  
Merchandise Category (2 of 2)**



### NAICS Category Descriptions

**General Merchandise:** Establishments that sell a mixed line of goods. Examples are department stores, supercenters, and dollar stores.

**Miscellaneous Store Retailers:** Stores not covered in other categories such as florists, office supplies, pets, antiques, tobacco, art, used merchandise, and trophies.

**Non-Store Retail:** Retailers that do not use stores. This includes mail order, internet selling, bazaars, vending machines, fuel oil dealers, firewood dealers, door-to-door sales, and produce stands.

**Amusement:** Establishments such as golf courses, bowling lanes, marinas, amusement parks, water parks, shooting ranges, pool halls, horseback riding, ballrooms, health club facilities, ski hills, and casinos.

**Lodging:** Seasonal resorts, hotels, boarding houses, bed & breakfast, campgrounds, RV parks.

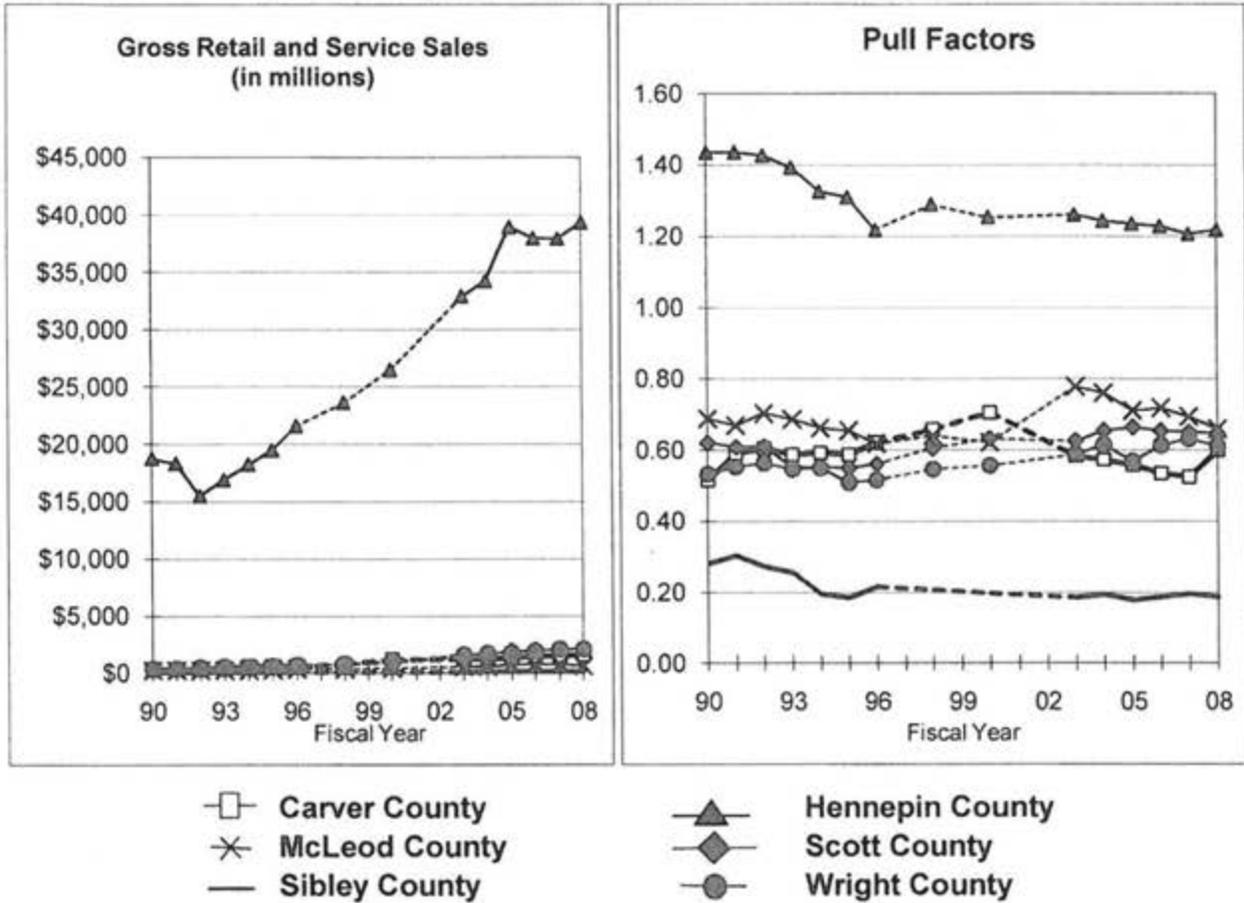
**Eating & Drinking:** Restaurants, donut shops, coffee house, cafeteria, caterers, taverns, and nightclubs.

**Repair:** Businesses that return equipment to working order. Examples: cars, lawnmowers, small engines, knives, shoes, computers, furniture, and appliances.

**Personal Services:** Barbers, beauty salons, tanning facilities, funeral homes, laundromats, dry cleaners, pet groomers, kennels, and photo finishing.

\*Caution should be used when comparing pull factors before 2003 to those in later years due to the switch from SIC to NAICS.

# Comparison with Neighboring Counties Carver County



## Comparison with Neighboring Counties, 2008

Town	Population	Gross Sales (\$millions)	Taxable Sales (\$millions)	Number of Firms	Per Capita Taxable Sales	Pull Factor (Taxable Sales)
Carver County	90,043	\$1,530.40	\$514.44	1,734	\$5,713	0.60
Hennepin County	1,140,988	\$39,360.80	\$13,287.41	26,950	\$11,646	1.22
McLeod County	37,220	\$580.04	\$233.85	862	\$6,292	0.66
Scott County	126,642	\$2,061.30	\$796.12	2,428	\$6,175	0.65
Sibley County	15,007	\$100.48	\$26.65	321	\$1,782	0.19
Wright County	117,372	\$2,086.69	\$697.82	2,455	\$5,830	0.61

# Trade Area Analysis of Retail Sales

## Carver County

The following tables provide information on retail sales by merchandise category. "Potential sales" is a standard to which actual performance is compared. In calculating potential sales, population and income characteristics are taken into account. Potential sales can be used as a guideline or "par value" in analyzing retail strength.

Deviations from these norms can be analyzed to first judge whether they should be considered relevant. If the differences appear to be significant (whether in dollar amounts or relatively with percentages), additional consideration is merited. Categories with undesirable performance may be further examined for potential corrective action. It is also important to determine whether or not the situation is relatively uncontrollable due to external or extenuating circumstances. In cases of favorable differences from expectations, the positive aspects should be identified and built upon.

### Trade Area Analysis by Merchandise Category, 2008

Merchandise Group	Potential Sales (\$millions)	Actual Sales (\$millions)	Variance Between Actual & Potential		Trade Area Pop. Gain or Loss	Number of Firms	Percent of Total Sales
			In Dollars (millions)	As % of Expected			
Vehicles & Parts	\$41.91	\$15.79	-\$26.13	-62.3%	-56,124	31	3.1%
Furniture Stores	\$30.40	\$7.35	-\$23.05	-75.8%	-68,278	37	1.4%
Electronics	\$39.92	\$8.77	-\$31.15	-78.0%	-70,270	27	1.7%
Building Materials	\$102.17	\$51.56	-\$50.61	-49.5%	-44,604	30	10.0%
Food, Groceries	\$64.75	\$47.53	-\$17.21	-26.6%	-23,941	41	9.2%
Health, Personal Stores	\$12.71	\$8.81	-\$3.90	-30.7%	-27,628	31	1.7%
Gasoline Stations	\$18.88	\$12.88	-\$6.00	-31.8%	-28,619	27	2.5%
Apparel	\$17.45	\$0.69	-\$16.76	-96.0%	-86,473	33	0.1%
Leisure Goods	\$29.00	\$4.15	-\$24.85	-85.7%	-77,146	62	0.8%
General Merchandise Stores	\$120.52	\$65.92	-\$54.60	-45.3%	-40,791	17	12.8%
Miscellaneous Retail	\$37.92	\$13.89	-\$24.03	-63.4%	-57,055	195	2.7%
Amusement & Recreation	\$31.00	\$10.87	-\$20.13	-64.9%	-58,480	33	2.1%
Accommodations	\$36.98	\$16.11	-\$20.87	-56.4%	-50,815	20	3.1%
Eating & Drinking Places	\$144.26	\$93.51	-\$50.75	-35.2%	-31,678	157	18.2%
Repair, Maintenance	\$23.44	\$14.72	-\$8.72	-37.2%	-33,499	115	2.9%
Personal Services, Laundry	\$18.97	\$81.96	+\$62.99	+332.2%	299,078	135	15.9%
<b>Total Taxable Retail &amp; Service</b>	<b>\$1,065.68</b>	<b>\$514.44</b>	<b>-\$551.24</b>	<b>-51.7%</b>	<b>-46,576</b>	<b>1,734</b>	<b>100.0%</b>

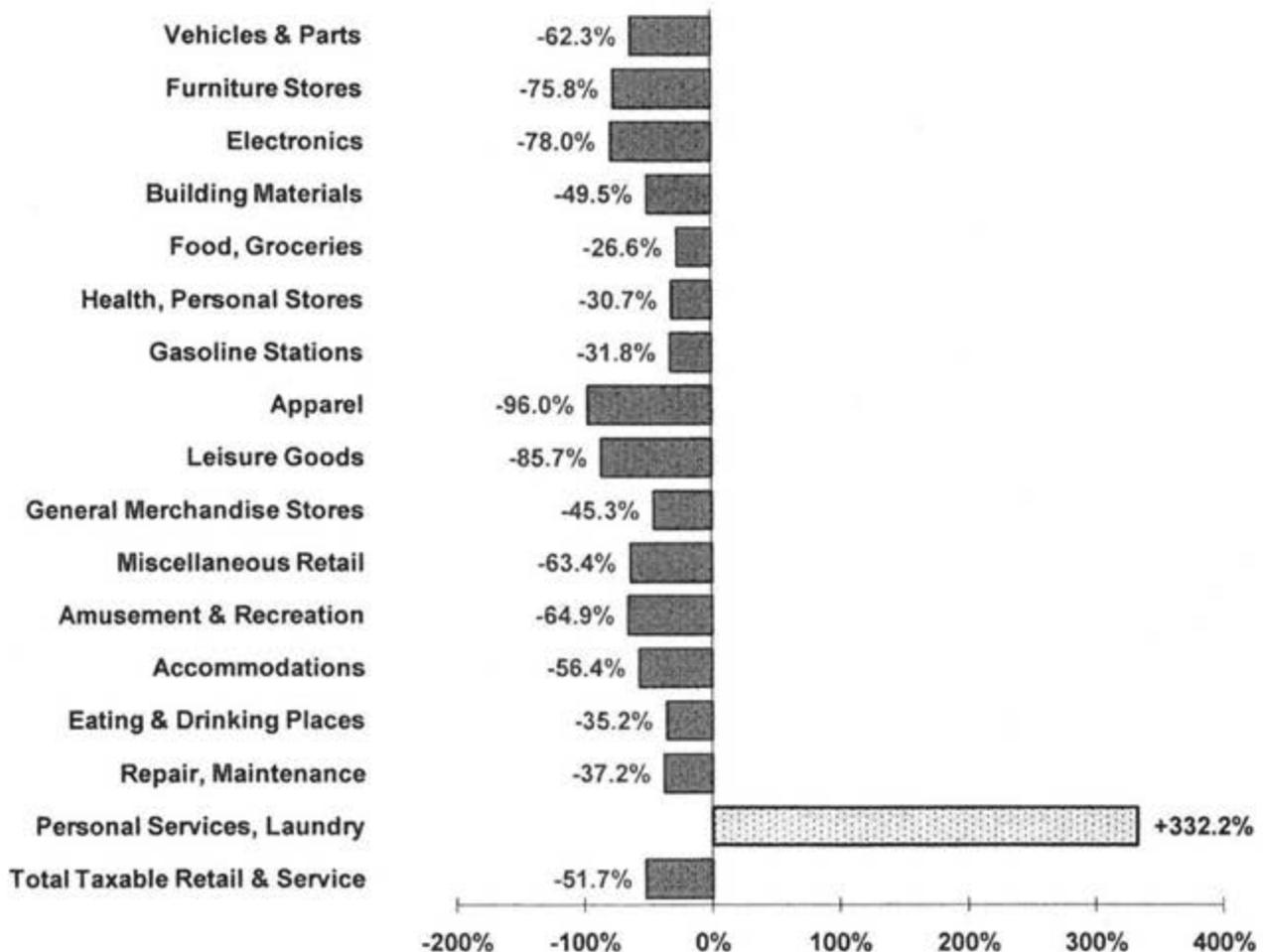
\*All retail and service categories are included in Total Sales, including some categories not shown. Therefore, the merchandise groups shown here generally will not sum to Total Sales.

## Summary of Carver County Retail Trade

The chart below depicts the percentage amount Carver County's actual sales were above or below potential sales in 2007 by merchandise group. Of the 16 merchandise categories with reported data, sales in 1 of the categories were above what would be expected based on the county's population and income characteristics as well as statewide spending patterns. The strongest merchandise group by this standard is the Personal Services, Laundry category, which has a 332.2 percent surplus. Overall, Carver County had a retail sales leakage of 51.7 percent.

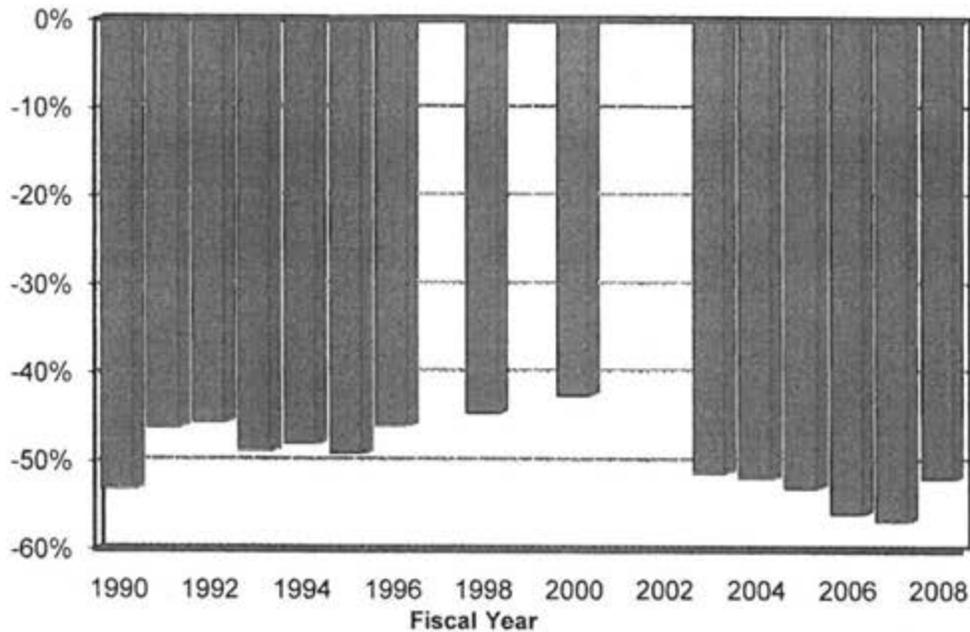
It is important to note that variations in a county's relative retail performance may occur for a variety of reasons, some of which are beyond the control of local policy. Proximity to larger population centers, management, marketing, and transportation patterns are just a few factors that can cause the retail sales of a particular county to deviate substantially from potential sales. It is important that decision-makers consider these influences when constructing policies, plans, or projects.

**Percentage Above or Below Potential Sales, 2008**



# Carver County Retail Trade Surplus or Leakage

County Surplus or Leakage as a Percent of Potential



Fiscal Year	Population Estimate	Index of Income	Potential Sales (in millions)	Actual Sales (in millions)	Surplus or Leakage (in millions)	Surplus or Leakage as % of Potential	Trade Area Population Gain or Loss
1990	47,915	1.09	\$230.6	\$108.2	-\$122.3	-53.1%	-25,419
1991	50,132	1.09	\$239.8	\$129.6	-\$110.1	-45.9%	-23,029
1992	51,868	1.10	\$277.2	\$151.5	-\$125.8	-45.4%	-23,529
1993	54,111	1.14	\$311.9	\$160.1	-\$151.7	-48.7%	-26,325
1994	56,496	1.14	\$351.0	\$182.9	-\$168.1	-47.9%	-27,052
1995	59,080	1.15	\$387.8	\$197.8	-\$190.0	-49.0%	-28,946
1996	61,501	1.14	\$471.5	\$255.6	-\$215.9	-45.8%	-28,163
1997	63,130	1.16	NA	NA	NA	NA	NA
1998	64,821	1.18	\$532.7	\$296.4	-\$236.3	-44.4%	-28,758
1999	67,023	1.19	NA	NA	NA	NA	NA
2000	70,205	1.22	\$653.2	\$376.4	-\$276.8	-42.4%	-29,750
2001	73,165	1.24	NA	NA	NA	NA	NA
2002	75,620	1.22	NA	NA	NA	NA	NA
2003	78,960	1.19	\$838.0	\$410.3	-\$427.7	-51.0%	-40,302
2004	82,122	1.18	\$900.2	\$434.9	-\$465.3	-51.7%	-42,452
2005	84,864	1.18	\$956.6	\$450.5	-\$506.1	-52.9%	-44,897
2006	87,545	1.21	\$1,016.0	\$449.0	-\$567.0	-55.8%	-48,856
2007	88,459	1.21	\$1,038.3	\$450.4	-\$587.9	-56.6%	-50,083
2008	90,043	1.24	\$1,065.7	\$514.4	-\$551.2	-51.7%	-46,576

## Demographic Characteristics

### Income, 2004

Total Personal Income is derived from the Bureau of Economic Analysis data. Median household income and income distribution data are obtained from the 2004 Census estimates. Median household income represents the midpoint of income for all households in the town. The index of income measures the county's per capita income relative to the state. For example, an index number of 110 indicates the county's per capita income is 10 percent above the state average (which was \$36,162 in 2004).

	Total Personal Income (\$000)	Median Household Income	Index of Income
Carver County	\$3,522,235	\$75,716	119.0
Hennepin County	\$53,755,309	\$54,471	132.8
McLeod County	\$1,076,357	\$49,249	82.2
Scott County	\$3,937,175	\$76,072	94.8
Sibley County	\$402,062	\$45,278	72.9
Wright County	\$3,201,463	\$63,448	82.7
State	\$184,571,393	\$51,202	100.0

### Income Distribution by Household, 2000

	Less than \$20,000	\$20,000 to \$39,999	\$40,000 to \$59,999	\$60,000 and over
Carver County	9.3%	16.6%	18.9%	55.2%
Hennepin County	15.2%	22.6%	19.5%	42.7%
McLeod County	16.5%	26.3%	24.4%	32.9%
Scott County	8.2%	14.8%	19.3%	57.8%
Sibley County	21.3%	26.4%	25.7%	26.6%
Wright County	12.3%	20.7%	23.6%	43.4%
State	17.6%	24.2%	21.3%	36.8%

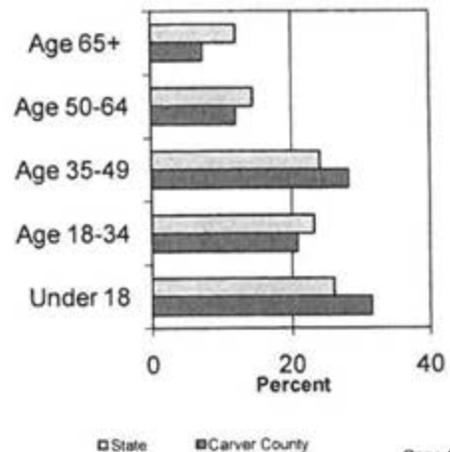
Relative to the state, Carver County has fewer low-income households (earning less than \$20,000 annually) and more higher-income households (earning more than \$60,000 annually).

## Population

In 2000, Carver County had 24,334 households and an average of 2.89 persons per household. There were 1.9 million households statewide with an average of 2.59 persons per household. Compared to the state, Carver County had a higher proportion of young people (under 18) and a lower proportion of older people (age 65+).

### Age Distribution of Population, 2000

	Carver County		State	
		%		%
Total	70,205		4,919,479	
Under 18	22,163	31.6	1,286,894	26.2
Age 18-34	14,570	20.8	1,143,572	23.2
Age 35-49	19,916	28.4	1,188,429	24.2
Age 50-64	8,403	12.0	706,318	14.4
Age 65+	5,153	7.3	594,266	12.1



## State of Minnesota Per Capita Taxable Retail Sales & Threshold Levels for Selected Goods and Services 2008

*Threshold level refers to the number of people per business, which can be used as a general guide for determining the "critical mass" necessary to support a business. These are broad averages for the state as a whole and do not reflect differences in income, tourism, agglomeration, establishment, etc. Further, the business counts are based on the number of sales tax returns filed and are converted to "full-time equivalents." Multiplying people per business by sales per capita yields average sales per firm. In addition to state averages, averages for the non-metropolitan regions were calculated by excluding the seven county Minneapolis-St. Paul metropolitan region.*

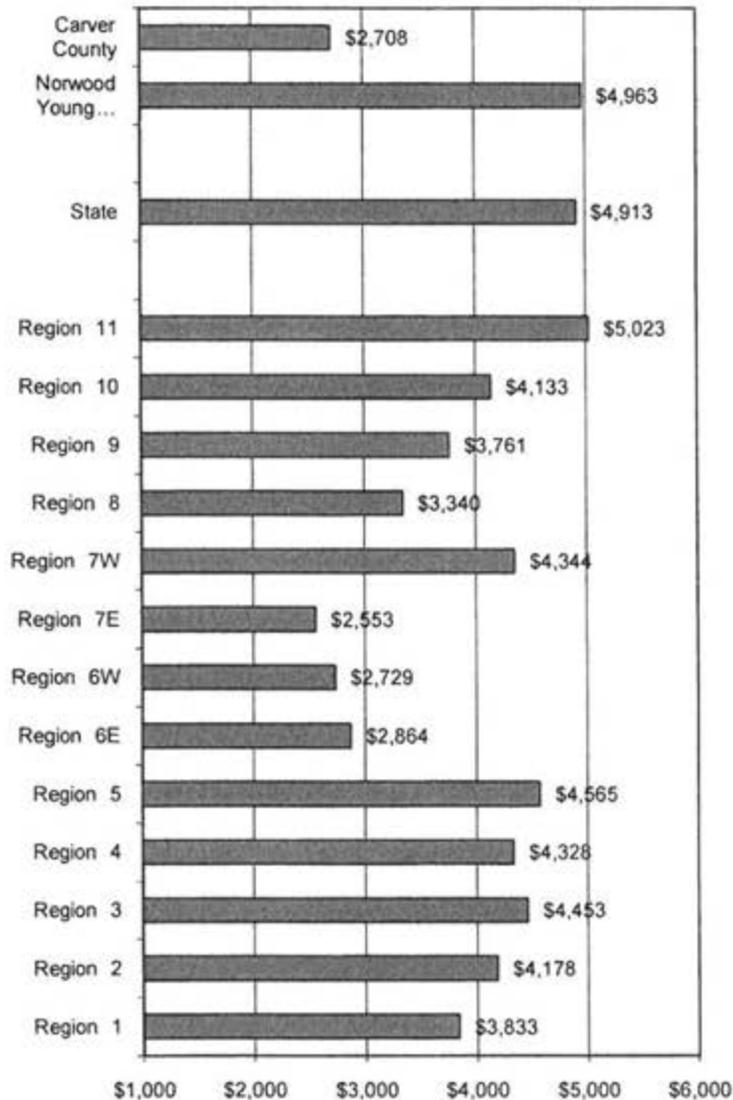
Business Activity / Store Type	People Per Business		Sales Per Capita		
	State	Non-Metro	State	Non-Metro	America
<b>RETAIL TRADE</b>					
441 Vehicles, Parts	1,663	1,297	\$375.94	\$352.16	\$177.10
442 Furniture Stores	2,097	2,457	\$272.69	\$169.48	\$124.72
443 Electronics	2,626	3,498	\$358.05	\$157.65	\$56.75
444 Building Materials	1,974	1,506	\$916.40	\$905.24	\$1,954.77
445 Food and Beverage Stores	1,394	1,258	\$580.72	\$489.70	\$941.62
446 Health, Personal Stores	3,201	3,679	\$114.01	\$59.94	\$142.88
447 Gasoline Stations	2,403	1,809	\$169.31	\$196.44	\$108.91
448 Clothing & Accessory Stores	1,304	1,676	\$156.52	\$94.46	\$7.92
451 Leisure Goods	1,158	1,120	\$260.11	\$173.20	\$56.24
452 General Merchandise	4,183	3,390	\$1,080.94	\$1,077.51	\$977.59
453 Miscellaneous Merchandise	328	311	\$340.14	\$261.22	\$383.24
454 Non-store Retail	843	938	\$288.25	\$81.20	\$31.60
Retail Total			\$4,913.09	\$4,018.21	\$4,963.34
<b>INFORMATION</b>					
511 Publishing Industry	7,555	22,315	\$27.03	\$1.00	
512 Movie & Recording Industry	12,858	58,780	\$19.47	\$8.36	
515 Broadcasting	32,833	92,692	\$92.32	\$2.61	
516 Info -Internet Publ/Brcst	130,510	30,897	\$0.15	\$1.40	
517 Telecommunications	5,846	4,471	\$794.94	\$45.30	
518 Internet Service	6,650	NA	\$66.73	NA	
519 Other Information Services	3,181	NA	\$196.04	NA	
<b>FINANCE AND INSURANCE</b>					
522 Credit Intermediation	6,127	7,347	\$38.47	\$4.33	
523 Securities, Commodities	23,947	160,665	\$2.22	\$0.17	
524 Insurance Carriers	10,462	30,506	\$2.23	\$0.03	
525 Funds, Trusts	137,379	NA	\$5.03	NA	
<b>REAL ESTATE AND RENTAL AND LEASING</b>					
531 Real Estate	3,147	5,285	\$30.71	\$18.98	
532 Rental, Leasing Services	2,535	3,713	\$289.48	\$82.58	
533 Lessors Nonfinancial Assets	401,569	NA	\$1.46	NA	
<b>PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES</b>					
541 Prof. Scientific, Technical Services	449	771	\$237.70	\$70.14	
551 Mgmt Of Companies	23,099	109,545	\$10.57	\$1.52	
<b>ADMINISTRATIVE &amp; SUPPORT; WASTE MGMT &amp; REMEDIATION SVCS</b>					
561 Admin, Support Services	499	579	\$16.54	\$123.40	
562 Waste Mgmt, Remediation	12,795	15,649	\$12.46	\$0.66	
<b>EDUCATIONAL SVCS; HEALTH &amp; SOCIAL ASSISTANCE</b>					
611 Educational Services	4,322	5,657	\$16.54	\$14.34	
621 Health -Ambulatory Care	1,273	1,559	\$12.46	\$8.53	
622 Health -Hospitals	35,036	109,545	\$14.23	\$7.82	
623 Health -Nursing, Home Care	13,559	14,785	\$1.51	\$1.35	
624 Health -Social Assistance	15,867	39,508	\$2.29	\$1.82	
<b>ARTS, ENTERTAINMENT &amp; RECREATION</b>					
711 Performing Art, Spectator Sports	3,302	5,239	\$53.50	\$6.81	
712 Museums, Historical Sites	30,529	77,741	\$3.65	\$0.39	
713 Amusement, Gambling, Recr	2,303	1,914	\$278.02	\$137.83	
<b>ACCOMMODATION &amp; FOOD SERVICES</b>					
721 Accommodation	2,064	1,183	\$331.68	\$289.41	\$267.15
722 Food Services, Drinking Places	463	444	\$1,293.92	\$951.97	\$1,744.00
<b>OTHER SERVICES</b>					
811 Repair, Maintenance	568	422	\$210.23	\$209.41	
812 Personal, Laundry Service	595	513	\$170.11	\$52.84	
<b>TOTAL RETAIL AND SERVICES</b>			<b>\$9,558.29</b>	<b>\$6,563.12</b>	

# Compare the Community to the Region

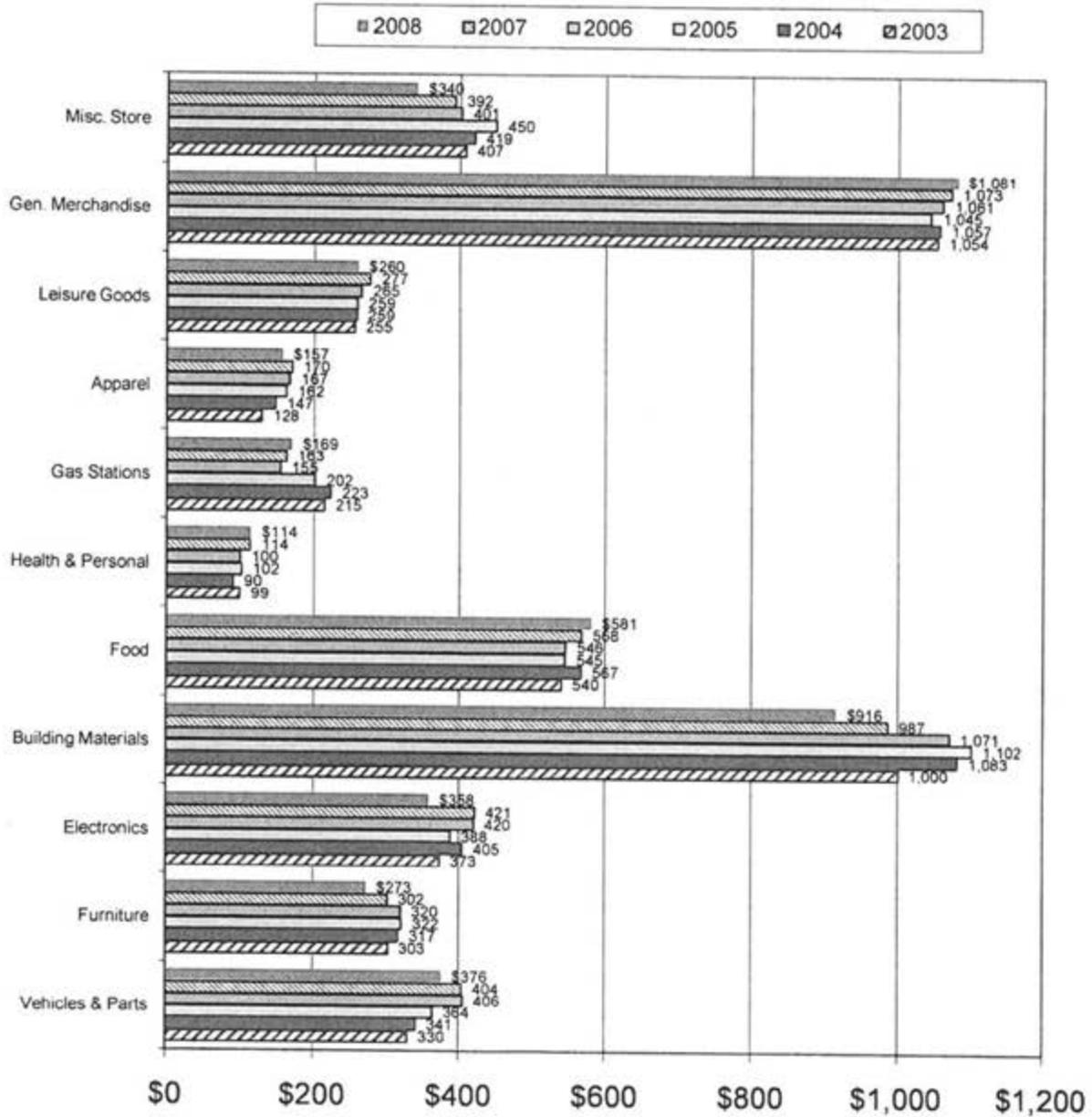
## Norwood Young America and Carver County

On other pages of this report we compared communities using a combination of retail sectors and service sectors. The information on this page only includes businesses in Retail Trade and does not include service sectors. The retail trade sectors include the following: building materials, motor vehicles & parts, apparel, food stores, electronics, convenience stores, leisure goods, health stores, furniture, general merchandise, non-store retail, and miscellaneous stores.

### Retail Sales per capita



## Minnesota Taxable Sales per Capita Trend





**DATE:** March 5, 2015  
**MEMO TO:** NYA Economic Development Commission  
**FROM:** Jo Foust, Economic Development Consultant  
**RE:** Agenda item VII. Project Updates

\*\*\*\*\*

**Background:**

Following are updates on business projects:

- **2015-A. Family Dollar (Retail)** – Faxton Road N. Construction is planned for this spring/summer.
- **2015-B. The Haven (Residential)** –The ground breaking is scheduled for Tuesday, March 31<sup>st</sup> from 11 a. m.-1 p.m.
- **2015-C. PPI** –(Manufacturing) - PPI now has a signed purchase agreement for the acquisition of the Young America Corporation facility at 717 Faxton Road. We are coordinating the financing with their bank, the MN Department of Employment and Economic Development and Carver Co. CDA.
- **2015-D. Joyful Spirit Massage & Wellness (Service)** –Joy Andrews opened her business at 218 Wilson on February 3, 2015. She is working on her logo, etc. prior to a grand opening event.
- **2015-E. (Vehicle Repair/Warehousing)** This business is in need of four to five acres of land and a 14,000 to 20,000 square foot building. Follow up with this business has occurred over the past month via email and phone message.
- **2015-F. (Warehousing/Trucking).** This company contacted the city January 13<sup>th</sup>. They toured one location in NYA and inquired about zoning on the site. Information on alternative available industrial sites was emailed to them; however, they appear more interested in an existing facility.
- **2015-G. (Mini-Storage).** Grady Kruse requested rezoning of the property at 28 Industrial Blvd from C-2 to B-1, to accommodate the construction of a 2,000 sq ft. mini storage building. A 4,803 sq ft. building is adjacent. The Planning Commission conducted the hearing in February.

I have been in contact with Greater MSP and requested information on commercial and industrial leads. I also noted only two of NYA properties are listed on their website so will work with staff to add other available sites.

**Action:** If the EDC has any other business prospects, or questions on the above, please advise.