



NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT COMMISSION

Wednesday, October 14, 2020

6:00 p.m. <https://us02web.zoom.us/j/2334975750>

City Hall Council Chambers, 310 Elm Street West

AGENDA

1. **Call to Order**
 - A. Pledge of Allegiance
2. **Adoption of Agenda**
3. **Approve Minutes**
 - A. September 9, 2020 EDC meeting
4. **Introductions, Presentations, and Public Comment**

(Citizens may address the Economic Development Commission about any non-agenda item of concern. Speakers must state their name, address, and limit their remarks to three minutes. The Economic Development Commission will take no official action on these items but may refer the matter to staff for a future report or direct that the matter be scheduled for a future meeting.)
5. **Unfinished Business**
 - A. Elm Street Municipal Parking Lot
 - B. Decorative Streetlights – 200 Block of Main Street
 - C. Business Subsidy Resolution
 - D. Manufacturer's Week
 - E. Holiday Decorations
 - F. Sunflower Project
 - G. 2021 Goals & Capital Outlay Projects
6. **New Business**
 - A. Carver County CDA – Small Business Emergency Assistance Program
 - B. Carver County CDA – Homebased Business Assistance Fund
7. **Project Updates**
 - A. Small Cities Development Program Grant
 - B. NYA Market Enrichment Grant Program
 - C. Hwy 212 Updates
 - D. Retail Food Study – Presented by Keith Wicks of Wicks & Associates (Commercial Market Study to be presented at the November 11, 2020 meeting)
8. **Miscellaneous Reports**
 - A. NYA Area Chamber of Commerce Updates
9. **Upcoming Meetings**
 - A. Next EDC meeting – 6:00 p.m., November 11, 2020
10. **Adjournment**

Norwood Young America

NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT COMMISSION
Wednesday, September 9, 2020

6:00 p.m.

City Hall Council Chambers, 310 Elm Street West

Minutes

Attendance:

Commission Members Present: Mike Eggers, Andrea Gerth, Carol Lagergren, Mike McPadden, Tonya Noelder, Connor Smith, Jason Winter

Staff Present: Karen Hallquist (Economic Development/Marketing Director)

Others Present: Julie Wigfield (NYA Area Chamber of Commerce)

1. Call Meeting of City Council to Order:

Chair Noeldner called the meeting to order at 6:00 PM. All members present.

2. Approve Agenda

Motion: JW/ME to add 5D. Mural to the agenda. Motion passed 7-0.

3. Approve Minutes of August 12, 2020

Motion: ME/MM to approve minutes as presented. Motion passed 7-0.

4. Introductions, Presentations, and Public Comment

None

5. Unfinished Business

A. Elm Street Municipal Parking Lot

At the August meeting it was approved to recommend the hiring of contractor Tom Fritz with Fritz Bobcat & Landscaping for the parking lot project. Prior to this recommendation going to the City Council, Fritz informed staff that the cement contractor had a significant increase in price. Given this information Hallquist shared this with the Commissioners and now presented an update of curbing options which included large limestone pavers and barn wall planks. Commissioners preferred the original design of cement curbing due to longevity and maintenance with snow removal. Proposals about the cement curbing were reviewed from Fritz Bobcat & Landscaping, Turfworx Landscaping and Bruch Concrete.

Motion: JW/CS to recommend to contract Tom Fritz of Fritz Bobcat & Landscaping for completion of the Elm Street Municipal Parking Lot Landscaping Project in the amount of \$7,382 and hire Bruch Concrete for the cement curbing in the amount of \$3,750. Motion passed 7-0.

B. Decorative Streetlights – 200 Block of Main Street – Layout Review

Hallquist shared that she is waiting to hear back from Choice Electric and Xtreme Electric.

C. Business Subsidy Resolution

Hallquist, Gerth and Lagergren started an initial discussion on an updated policy. Goal is to come up with a policy that is user friendly but aligns to current statute.

D. Mural – Contracts

Hallquist shared that she has talked with Norwood Electric and Xtreme Electric about adding lighting to the mural either with a flood light on a light pole or above the mural. She also is gathering information from Xcel Energy about adding a light to an electric pole in the northernmost area of the parking lot. Money for the lighting would come out of the EDC Capital Outlay fund as there is a balance of approximately \$9,000 for the year.

6. New Business

A. Manufacturer's Week

Hallquist shared that in previous years, the NYA EDC and NYA Area Chamber of Commerce host the annual Manufacturer's Week Luncheon at one of our local manufacturer facilities. All local

manufacturing companies and their employees are invited to attend. The event starts with a tour of the facility, welcome and proclamation of Manufacturer's Week by the mayor, followed by a buffet lunch. All costs are split between the EDC and Chamber. Due to COVID a luncheon is not recommended. There was discussion on either having an event at the pavilion to allow for social distancing or offer boxed lunches which could be delivered by city and chamber representatives. *Motion: MM/CS to approve a Subway boxed lunch delivery to the NYA local manufacturer's in recognition of Manufacturer's Week on Tuesday, October 6th. Motion passed 7-0.*

B. Holiday Decorations

Hallquist will be meeting with Mike & Kim Eggers and Andy & Julie Wigfield in the next couple weeks to discuss additional holiday décor for the downtowns, Willkommen Memorial park and Veteran's Park. Information will be presented at the October meeting. It was noted the chamber will be contributing this year again.

C. 2020 Goals

Commissioners discussed the 2020 goals by line item and commented on each one's status and achievement. These goals will be brought back at the November meeting for updating.

D. 2021 EDC Budget

The proposed 2021 Budget for the Economic Development Commission includes \$25,000 in Capital Outlay expenses. The below list is a follow up from the Commissioner's discussion at the August 12, 2020 meeting of potential 2021 EDC projects:

- \$8,000 – Mural – Historic Downtown Young America
- \$3,000 – Underpass art project
- \$14,000 – Industrial Blvd Business & Tacoma West Industrial Park signage, Historic Walking Tour
- \$25,000 Total

The following items are included in the EDC budget as Line Item Descriptions:

- \$1,000 - Welcome/New Business Packets (Operating Supplies)
- \$5,000 – Potential Hotel Study \$5,000 (Professional Fees/Studies)
- \$15,000 - Drone/Video/Photography Services (Professional Services)

Staff has also proposed to the City Council to budget \$20,000 to the Revolving Loan Fund which would be dedicated to the Market Enrichment Grant Program. The City Council will be making final budget decisions by the end of September.

E. Industrial Park Signs

At the August EDC meeting, Commissioners requested information on signage for the businesses on Industrial Blvd and Tacoma West Industrial Park. Staff contacted two MN based businesses – Vector Signs, Woodbury and Spectrum Sign Systems, Blaine. Both companies work from start to finish with consulting, design, site survey, fabrication, installation and maintenance. Staff requested estimates of eight different sign designs to get rough estimates for budgeting in 2021.

F. Sunflower Project

Local resident Lexi Eggers was present to share the "out of the box" idea of Fish Sunflowers. They are a group who plants sunflower fields at no cost to bring awareness and cheer to communities. The two locations that were mentioned were public property off of Lakewood Trail and also the plot of land on Industrial Blvd by Serv-A-Dock. Discussion was very favorable of the idea that brings in visitors to the community. Staff will present this at the next Council meeting to bring the idea to their attention and have discussion.

7. Project Updates

A. Small Cities Development Program Grant

Hallquist shared there are eleven applications being worked on and there have been inquiries from two more businesses. She is waiting to hear if there are any funds available after all of the allowances.

B. NYA Market Enrichment Grant Program

Hallquist shared that another project was approved with several projects completed or in progress. Projects include roofs, inside updates, parking lot. There is still one more \$10,000 grant available for 2020. Hallquist stated that she has received inquiries from two existing and two new businesses in NYA.

C. Highway 212 Construction Marketing Plan

Hallquist shared that information continues to be shared on social media and newsletters. Information is shared as soon as it becomes available from MnDOT.

D. Commercial Market Study

Hallquist shared there is a Zoom meeting scheduled with Keith Wicks for an update on the study on Tuesday, September 15 at 3pm.

8. Miscellaneous Reports

A. NYA Area Chamber of Commerce Updates

Wigfield shared the upcoming NYA MarketPlace farmers market which will be held in the former Econofoods parking lot. The chamber and City will be partnering to bring boxed lunches to local manufacturers. Holiday Extravaganza will be happening again this year on Sat, Nov 28th in conjunction with Small Business Saturday. More information to come about changes in the logistics due to COVID.

9. Upcoming Meetings

A. Next EDC meeting at 6 PM on November 11, 2020.

10. Adjournment

Motion: MM/CS to adjourn at 7:17 PM. Motion passed 7-0.

Respectfully submitted,

Karen Hallquist, ED/Marketing Director



TO: Economic Development Commission
FROM: Karen Hallquist, Economic Development Marketing Director
DATE: October 14, 2020
SUBJECT: Unfinished Business

=====

Elm Street Municipal Parking Lot

The project started on Wednesday, October 6th. Fritz Bobcat & Landscaping and Bruch Concrete will be completed with the project in one week.

Xcel Energy confirmed that they would be able to add light to the pole on the northwest corner of the parking lot. This would be an additional \$10 per month for service. Staff contacted SLS, Inc. about installing lighting above the mural. Mona Platt, owner of SLS, Inc. confirmed they would pay for all electrical charges going forward for whatever lighting fixture/s are installed. Staff contacted both Xtreme Electric and Norwood Electric for a proposal on lighting installed above the mural.

Decorative Streetlights – 200 Block of Main Street

Staff is waiting for proposals from both Choice Electric (Shakopee) and Xtreme Electric (NYA) for this project.

Manufacturer's Week

Mayor Carol Lagergren, Julie Wigfield, Executive Director of the NYA Area Chamber of Commerce and Karen Hallquist provided 173 Subway boxed lunches and a framed Certificated of Recognition to Norwood Young America manufacturer's on Tuesday, October 6, 2020 for the acknowledgement of the State of Minnesota Manufacturer's Week.

Sunflower Project

NYA resident Lexi Eggers presented this project to the NYA City Council on Sept 28, 2020. The Council liked the idea of the project, however, without more information, was not necessarily in favor of it being on city property due to insurance liability and maintenance. The two spots identified on city land was the greenspace next to Serv-A-Dock on Industrial Blvd and the greenspace south of Prairie Dawn Park off Lakewood Trail. The Council suggested contacting a private property owner and suggested the area along Railroad Drive by the strip mall.

Norwood Young America



TO: Economic Development Commission

FROM: Karen Hallquist, Economic Development Marketing Director

DATE: October 14, 2020

SUBJECT: Resolution NO. 2004-50 Adopting a Revised Business Subsidy Policy in Compliance with Minnesota Statutes & City of Norwood Young America Business Subsidy Guidelines

Background

The City of NYA has Resolution No. 2004-50 "Resolution Adopting a Revised Business Subsidy Policy in Compliance with Minnesota Statutes" in place since September 27, 2004. The purpose of this Resolution is that it gives the City of NYA the authority to assist business development within the city limits by providing economic development incentive programs such as Tax Abatement, Tax Increment Financing (TIF) and support MN DEED programs.

In order for a business to receive a business subsidy, they must achieve certain criteria – some of which are listed below:

- Increasing the tax base
- Project in accordance with the Comp Plan
- Must be financially feasible and request for assistance is valid
- Recipient of subsidy must make a commitment to continue in City for at least five years after benefit date
- Must meet wage and job goals

The Commission is requested to review the proposed changes for the current Business Subsidy Policy and new Guidelines.

Action

Motion to recommend approval of the amended Resolution NO. 2004-50 Adopting a Revised Business Subsidy Policy in Compliance with Minnesota Statutes and draft of the City of Norwood Young America Business Subsidy Guidelines to the NYA City Council.

Norwood Young America

RESOLUTION NO. 2004-50

RESOLUTION ADOPTING A REVISED BUSINESS SUBSIDY POLICY IN COMPLIANCE WITH MINNESOTA STATUTES

WHEREAS, the City of Norwood Young America, has been granted powers by the State legislature to assist business development in the city by providing business subsidies, and;

WHEREAS, the business subsidy must be in compliance with the requirements of State law, specifically Minnesota Statutes 116J.993 - 116J.995, and

WHEREAS, it is the purpose of this resolution to revise the existing Business Subsidy Policy to comply with current State requirements,

WHEREAS, this policy will apply only to subsidies as defined or limited by State law, although the City reserves the right to employ this policy to evaluate projects not specifically covered by State law;

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of Norwood Young America, Minnesota, shall consider requests for business assistance ~~using the following~~ **for the attached** Business Subsidy Policy.

~~1. PURPOSE~~

A. ~~WHEREAS, it is~~ **WHEREAS, it is** The purpose of this document is to establish the City of Norwood Young America's (hereinafter referred to as "City") criteria for granting of business subsidies, as defined in Minnesota Statutes 116J.993, Subdivision 3, for private development. These criteria shall be used as a guide in processing and reviewing applications requesting business subsidies.

B. ~~WHEREAS, The~~ **WHEREAS,** The criteria set forth in this document are guidelines only. The City reserves the right in its discretion to approve business subsidies that vary from the criteria stated herein if the City determines that the subsidy nevertheless serves a public purpose.

WHEREAS, all business subsidies shall be reviewed and approved by the Economic Development Authority and City Council. In addition, any business subsidy for \$150,000 or greater will be subject to a public hearing.

C. ~~WHEREAS, The~~ **WHEREAS,** The City may amend this document at any time. Amendments to these criteria are subject to public hearing requirements pursuant to Minnesota Statutes, Sections 116J.993 through 116J.995.

~~2. STATUTORY LIMITATIONS~~

- ~~A. In accordance with the Business Subsidy Criteria, Business Subsidy requests must comply with applicable State Statutes. The City's ability to grant business subsidies is governed by the limitations established in Minnesota Statutes 116J.993 through 116J.995.~~

~~3. PUBLIC POLICY REQUIREMENT~~

- ~~A. All business subsidies must meet a public purpose other than increasing the tax base. Job retention may only be used as a public purpose in cases where job loss is imminent and demonstrable.~~

~~4. BUSINESS SUBSIDY APPROVAL CRITERIA~~

- ~~A. All new projects approved by the City should meet the following minimum approval criteria. However, it should not be presumed that a project meeting these criteria would automatically be approved. Meeting these criteria creates no contractual rights on the part of any potential developer or the City.~~
- ~~B. The business subsidy shall be provided within applicable state legislative restrictions, debt limit guidelines, and other appropriate financial requirements and policies.~~
- ~~C. The project must be in accord with the Comprehensive Plan and Zoning Ordinances or required changes to the plan and ordinances must be under active consideration by the City at the time of approval.~~
- ~~D. Business subsidies will not be provided to projects that have the financial feasibility to proceed without the benefit of the subsidy. In effect, business subsidies will not be provided solely to broaden a developer's profit margin on a project. Prior to consideration of a business subsidy request, the City may undertake an independent underwriting of the project to help insure that the request for assistance is valid.~~
- ~~E. Prior to approval of a business subsidies financing plan, the developer shall provide any required market and financial feasibility studies, appraisals, soil boring, information provided to private lenders for the project and other information or data that the City or its financial consultants may require in order to proceed with an independent underwriting.~~
- ~~F. Any developer requesting a business subsidy should be able to demonstrate past successful general development capability as well as specific capability in the type and size of development proposed.~~
- ~~G. The developer must retain ownership of the project at least long enough to complete it, to stabilize its occupancy, to establish the project management and to initiate repayment of the business subsidy, if applicable.~~

- H. ~~A recipient of a business subsidy must make a commitment to continue in the City for at least five years after the benefit date.~~
- I. ~~Any business subsidy will be the lowest possible level and least amount of time necessary, after the recipient maximizes the use of private debt and equity financing first.~~
- J. ~~Recipients of any business subsidy will be required to meet wage and job goals determined by the City on a case-by-case basis, giving consideration to the nature of the development, the purpose of the subsidy, local economic conditions and similar factors. However, for purposes of meeting the requirements of state law, the wage floor for wages to be paid for the jobs required shall be \$12 per hour. The City will seek to create jobs with higher wages as appropriate for the overall public purpose of the subsidy.~~
- K. ~~All business subsidies shall be reviewed and approved by the Economic Development Authority and City Council. In addition, any business subsidy for \$100,000 or greater will be subject to a public hearing.~~
- L. ~~In granting a business subsidy, the Grantor shall enter into a subsidy agreement with the recipient that provides the information, wage and job goals, commitments to provide necessary reporting data and recourse for failure to meet goals required by the Statutes.~~

~~5. PROJECT EVALUATION CRITERIA~~

- A. ~~All requests will be evaluated under the general criteria in Section 1 to 4 and the specific criteria in this Section. Changes in local markets, costs of construction, and interest rates may cause changes in the amounts of tax increment subsidies that a given project may require at any given time.~~
- B. ~~Some criteria, by their very nature, must remain subjective. However, wherever possible "benchmark" criteria have been established for review purposes. The fact that a given proposal meets one or more "benchmark" criteria does not mean that it is entitled to funding under this policy, but rather that the City is in position to proceed with evaluations of (and comparisons between) various business subsidy requests, using uniform standards whenever possible.~~
- C. ~~Following are the evaluation criteria that will be used by the City:~~
 - 1. ~~All business subsidy requests should optimize the private development potential of a site.~~
 - 2. ~~All business subsidy requests should obtain the highest possible private to public financial investment ratio. For Tax Increment requests, the City establishes a limit of 5 to 20 percent of total project costs to be funded by TIF for manufacturing/warehouse projects. Housing and retail/commercial projects shall be reviewed on an individual basis.~~

- ~~3. All business subsidy requests should create or retain the highest feasible number of jobs on the site at the highest feasible wages.~~
- ~~4. All redevelopment subsidy requests should create the highest possible ratio of property taxes paid before and after redevelopment. Given the different circumstances in the City, this ratio will vary widely. However, under normal circumstances, the City will expect at least a 1:2 ratio of taxes paid before and after redevelopment.~~
- ~~5. All business subsidy requests will be reviewed to determine the feasibility to provide the City with equity participation in new developments (through a share of the profits), or to treat the business subsidy as a second mortgage with fixed payments.~~
- ~~6. All business subsidy requests involving displacement of low and moderate-income residents should give specific attention to the re-housing needs of those residents. Normally, this should be done as a part of the business subsidy. Adequate solutions to these re-housing needs will be required as a matter of public policy.~~
- ~~7. All business subsidy requests will need to meet the "but for" test. Business subsidies will not be granted unless the need for the City's economic participation is sufficient that, without assistance the project could not proceed in the manner as proposed.~~
- ~~8. Business subsidies will not be used when the developer's credentials, in the sole judgment of the City, are inadequate due to past track record relating to completion of projects, general reputation and/or bankruptcy, or other problems or issues considered relevant by the City.~~
- ~~9. Business subsidies will not normally be used for projects that would generate significant environmental problems in the opinion of the local, state or federal governments.~~

Adopted by the Economic Development Authority this 27th day of September, 2004.

CITY OF NORWOOD YOUNG AMERICA

Michael McPadden, Mayor

ATTEST:

Susan K. Iverson, City Clerk-Treasurer

Wage Goals were updated with current minimum wage standards on _____



City of Norwood Young America Business Subsidy Guidelines

Amended _____, 2020

City of Norwood Young America Business Subsidy Guidelines

General Purpose

Economic development incentives are financial tools that enable the City of NYA to provide opportunities and benefits for its businesses and residents. Incentives can take a variety of forms, including, but not limited to: grants, tax increment financing, tax abatement and sewer access credits. The City of Norwood Young America provides economic development incentives in order to achieve its long-range vision of creating a diverse and sustainable economic base. This is achieved in part through the creation and retention of quality, high paying jobs. A diverse and sustainable economy offers opportunity for improved quality of life for the residents of Norwood Young America. Economic development projects may also achieve other worthwhile goals. For instance, some projects provide value to the community in the forms of infrastructure improvements, stabilization of business districts or neighborhoods, or concentration of selected industries.

The City of Norwood Young America reserves the right to approve or reject subsidies for projects on a case-by-case basis, taking into consideration established policies, project criteria, and demand on City services in relation to the potential benefits from the project. Meeting the guidelines in this document does not guarantee the award of business assistance to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project.

The City of Norwood Young America can deviate from these guidelines for projects that supersede the objectives identified herein. Any applicant who is not in good standing with the City, in regards to licenses, fees or other specific charges, will not be considered for business subsidies.

Objectives

The City of Norwood Young America may consider offering a business subsidy of no less than \$150,000 or incentive.... in order for a project to achieve one or more of the following objectives:

- To increase the City's tax base.
- To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits. Preference will be given to higher paying jobs that also provide benefits such as health care coverage.
- To support projects that provide value in the forms of needed transportation and other utility infrastructure improvements that would be completed in conjunction with the project.
- To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development.
- To facilitate the development process and to achieve development on sites which would not otherwise be developed but for the use of a business subsidy.
- To remove blight and/or encourage redevelopment of commercial and industrial areas that will result in high-quality redevelopment and private reinvestment.

- To offset increased cost of redevelopment (i.e. contaminated site clean-up) over and above the costs normally incurred in development.
- To create opportunities for a diversification of housing stock available within the community.
- To support a project that will improve the quality of life in the City of providing a desirable good or service and addressing an unmet demand in the community.
- To contribute to the implementation of other public policies, as adopted by the City from time to time, such as the promotion of energy conservation, and decreasing capital and/or operating costs of local government.
- To support the retention and/or adaptive re-use of buildings of historical or architectural significance.

Economic Development Incentive Programs

The application and subsequent use of these programs is at the discretion of the NYA City Council, and may include additional applications, policies and procedures.

1. **MN DEED Programs:** There are a variety of programs available through the State of Minnesota DEED division. They include the Job Creation Fund and Minnesota Investment Fund, among others. In order for a business to utilize these programs it is typical for MN DEED to ask for support and cooperation from the city. NYA has worked with MN DEED in the past on projects and would consider the use of these programs in the future on a case-by-case basis.
2. **Tax Increment Financing:** The City of NYA is granted the power to utilize tax increment financing (TIF) by the State of Minnesota. The fundamental purpose of TIF is to encourage desirable development or redevelopment that would not otherwise occur but for the assistance provided through TIF. The City utilizes "pay-as-you-go" TIF, which relies on the developer to pay for the up-front project costs with reimbursement from tax increment.
3. **Tax Abatement:** The City of NYA is granted the power to utilize tax abatement by the State of Minnesota. The fundamental purpose of tax abatement is to encourage desirable development or redevelopment that would not otherwise occur but for the assistance provided through the tax abatement. The City utilizes "pay-as-you-go" Tax Abatement, which relies on the developer to pay for the up-front project costs with reimbursement from tax abatement.
4. **Other:** State or local programs

Guidelines for Subsidies

Municipal

- Municipal subsidies may be used for on-site retail or service businesses if the project demonstrates that it will result in a substantial increase in tax base and a significant improvement in quality employment.
- The project must be consistent with the City's Zoning and Comprehensive Plan.
- The project must result in the retention of existing jobs that would be lost "but for" the proposed development or result an increase and diversification in local jobs. Specific wage and job goals will be determined by the City on a case-by-case basis giving

consideration to the nature of the development, the purpose of the subsidy, local economic conditions and similar factors.

Project Type	Commercial	Industrial
Job Creation Goal	At least 3 FT or FTE	1 FT or FTE for each \$25,000 in assistance provided
Wage Goal	At least 125% of State or Federal Minimum Wage*	At least 150% of State or Federal Minimum Wage*

*Whichever is higher

- Municipal subsidies will not be used for speculative non-owner-occupied projects that have letters of intent or pre-leasing agreements for less than 80 per cent of the available leasable space.
- Municipal subsidies will not be used for commercial/industrial projects that have a history of inconsistent compliance with applicable environmental rules and regulations.
- The developer shall be responsible for all costs incurred by the City.
- A recipient of a municipal subsidy must make a commitment to continue in the City for at least five years after the benefit date.

Housing

- Municipal subsidy may be utilized to assist the city in meeting its commitment, to the Met Council Livable Communities Initiatives for new housing units developed to meet defined long-term affordability requirements.
- Projects must meet Minnesota Housing Finance Agency (MHFA) tax credit development requirements.
- The management company must be approved by the City for the length of the district.
- A change in project ownership requires prior written approval by City for the length of the district.
- Municipal subsidy may be utilized only to leverage MHFA tax credits or similar assistance.
- Minimum of 30% equity investment in the project by the owner is required.
- Payment of a non-refundable application will be required.
- Reserve requirement for long-term capital improvements -\$300 per unit/per year.
- A developer must have previous favorable experience developing and operating affordable housing developments.
- Maximum term of 10 years to 15 years dependent on rent requirements (e.t the lower the rent, the longer the term).
- The developer shall be responsible for all costs incurred by the City.

Application Process

1. Applicant should retain and be assisted by qualified financial consultants and/or underwriters, and legal counsel.
2. Prior to approval of a business subsidies financing plan, the developer shall provide any required market and financial feasibility studies, appraisals, soil boring, information provided to private lenders for the project and other information or data that the City of

- its financial consultants may require in order to proceed with an independent underwriting.
3. Construction of the project shall not be commenced until the City has given preliminary approval to the application for financing. Any advanced planning or construction completed will be done at the sole risk of the applicant.
 4. Applicants should complete the appropriate planning application, and include a plan and/or narratives that outline the following:
 - a. The specific request (program, amount)
 - b. The reasoning and need for assistance
 - c. Description of the company
 - d. A concept plan and description of the project
 - e. The number of jobs created and total compensation (breakdown of wages and benefits)
 - f. Impact to the tax base
 - g. Other impacts to the community
 - h. Traffic demands
 - i. Infrastructure demands and/or needs
 - j. Any additional information that would be helpful to staff and City Council
 5. Development must be of the highest quality with high quality building materials and landscaping as agreed between the City of the Developer.
 6. If establishing a TIF district, the developer must pay all costs of establishing the district unless the City agrees to allow costs to come out of the district.
 7. All projects must be consistent with NYA's Comprehensive Plan and any other similar plan or guide for development of the community.
 8. The City reserves the right to:
 - a. Request additional information
 - b. Deny any application
 - c. Select a third-party administrator to assist in the management of the process.

Additional Information

1. City staff will review the data and make preliminary recommendations to the City Council as to compliance of the application and proposed project with City objectives, and business subsidy criteria, and Comp Plan.
2. After evaluation of the formal recommendation, the City Council will consider approval of the establishment of the Business Subsidy and hold the appropriate hearings.
3. All applications and the supporting materials and documents shall become the property of the City.



TO: NYA Economic Development Commission
FROM: Karen Hallquist, Economic Development Marketing Director
DATE: October 14, 2020
SUBJECT: Holiday Decorations

Background

The Norwood Young America Economic Development Commission has a balance of \$8,720.00 in their budgeted capital outlay fund:

2020 Capital Outlay Budget	\$25,000
Mural Project complete	- 5,148
Elm Street Project	<u>- 11,132</u>
YTD Balance	\$ 8,720

Due to COVID-19, the proposed projects the EDC was not able to complete included the Small Business Week Breakfast/Seminar in addition to business recognition awards and new business packets. These projects have now been included in the 2021 EDC budget to accomplish.

The proposed list would continue to add decorations to Veteran's Park, the two historic downtowns, and Faxon Rd in the C-2 General Commercial district. The attached information from Xcel Energy confirms that municipalities do have permission to hang decorations on their light poles (Faxon Rd) according to their specific guidelines.

The following list are the suggested new decorations upon approval:

1. Additional red, white and blue lights for Veteran's Park
2. Red bows to add to the decorative green light poles that have garland in the two downtowns
3. Large wreaths with red bows to attach to the light poles on Faxon Rd
4. White lights for the large evergreen tree at the five-way stop
5. Snowflake Skyline Displays – locations to be the two downtowns (2 ea) and/or five-way stop (3 to make a triangle)

The NYA Area Chamber of Commerce has committed to purchasing ten large candy canes and string lights to make the large light pole in the middle of Willkommen Memorial Park into a lighted tree.

Staff solicited price quotes from Vickerman Co of NYA again as they offered discounted pricing on products in 2019. While they are a holiday décor company, they do not have the additional products needed for the Faxon Road light poles or offer skyline displays. Vickerman was able to give a generous discount for us to have matching product (bows and lights) from last year.

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Two reputable commercial decoration companies were able to provide proposals for the 4' wreaths that attach to light poles for along Faxon Rd (8 poles from Railroad to Central Ave) and Skyline displays (2 displays each for the two downtowns and 3 displays for at the five-way stop). The Skyline displays are specifically made for over the street décor, strung from a pole or building with steel cording. They weigh 136 lbs and are 38' in length.

Holiday Decoration Options:

Quantity		Vickerman Co	Temple Display	Mosca Design	Final proposed costs
30	12" Red 3D nylon bow	7.19	x	x	215.70
6 boxes	Red Lights	13.71	x	x	82.26
6 boxes	Blue lights	14.52	x	x	87.12
6 boxes	White lights	14.89	x	x	89.34
8	4' pole wreaths w red bows	X	See attached	See attached	
7	Snowflake Swag Skyline Display	x	See attached	See attached	

Action

A motion to recommend the approval to purchase the following holiday decorations:

- \$474.42 (bows, lights) from Vickerman
-
-

Norwood Young America

Holiday Decorations, Banners or Signs on Xcel Energy Streetlight Poles in Minnesota?

Don't do it unless you first verify that these requirements are met

Policies, Requirements and Procedures

Safety:

Xcel Energy is committed to working with communities in our service territory to providing our customers with safe, high quality street light products and services. Safety is more than a slogan at Xcel Energy. It is the foundation for all we do. We are committed to educational programs and policies that communicate the dangers associated with our infrastructure including outdoor lighting. It's our mission to ensure you, your family, friends and neighbors, as well as every one of our employees remain safe, every day of the year. Safety is first in our list of corporate values and for good reason.

Requirements for Attaching to Streetlight Poles:

Communities occasionally desire to attach holiday decorations, signs and/or banners (hereinafter referred to as Attachments) on Xcel Energy poles. Attachments on our poles are prohibited unless you determine that the requirements outlined herein are met. The responsibility is yours!

Why are Attachments an issue? Many of our streetlight poles are not manufactured to withstand additional weight, or the effects of wind catching attachments, which causes damage. Simply put, placing such items on our poles impacts their structural integrity. So, to keep everyone safe, we ask that you not put anything additional on our poles unless these requirements are met. And, if these requirements are not met and you already have attached to our streetlight poles, please take care to remove all Attachments.

Pole type, Attachment characteristics and pole condition must all be considered for you to determine whether an attachment is allowable on our poles. Following are requirements for each category of these attributes based on limitations established by pole manufacturers, AASHTO, and Xcel Energy. All of the following requirements must be met for a pole to be considered eligible for Attachments. (Note: In addition, no Attachments are allowed on poles that are mounted on bridges or overpasses due to AASHTO bridge loading criteria.)



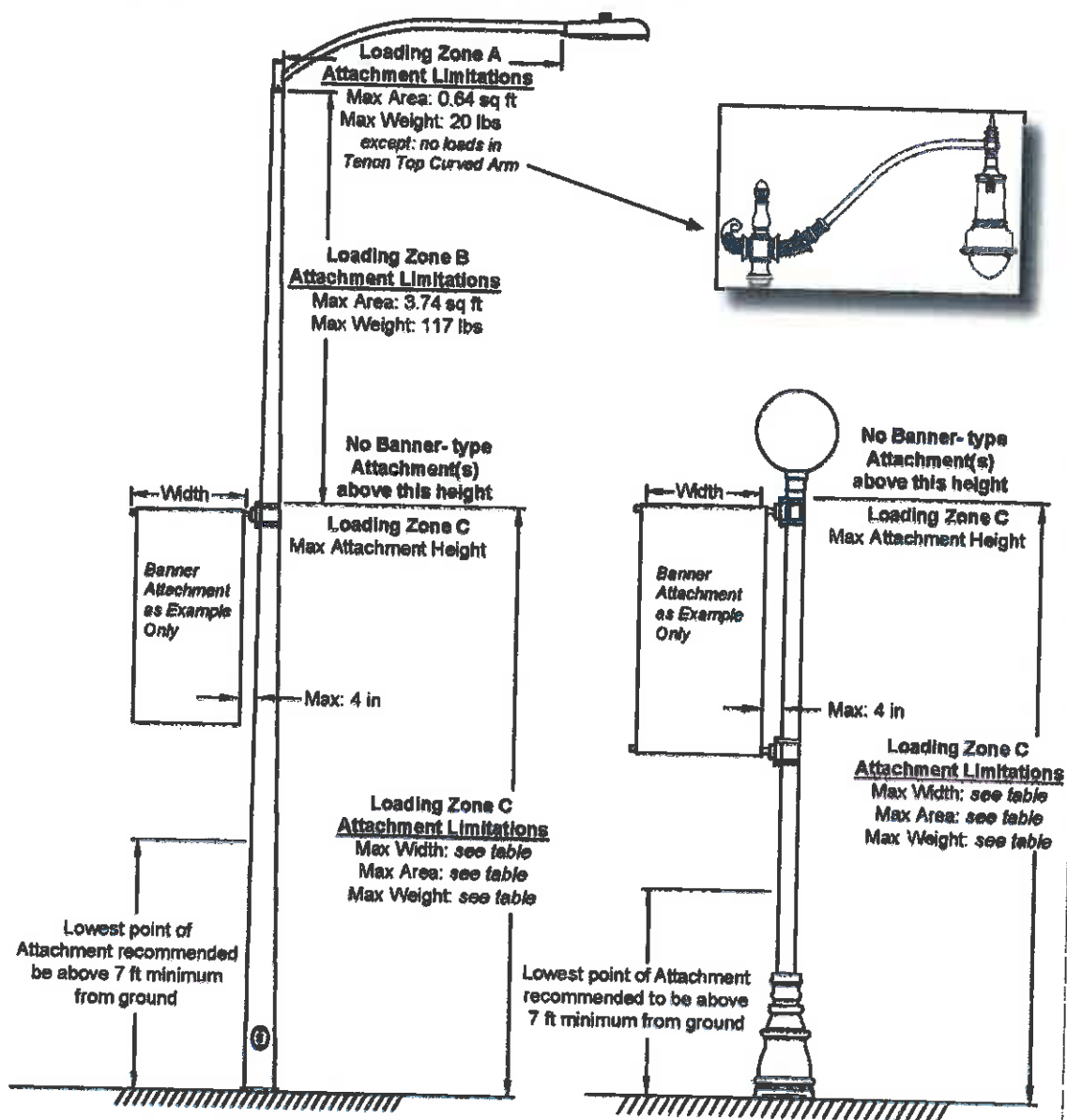
Attachment Size, Weight and Location Limits

The size, weight, height and eccentricity (i.e., distance for the vertical centerline from the pole) of Attachment(s) all directly impact a pole's structural integrity and ability to withstand environmental loads such as wind. Hence, the limitations presented in these figures and the table on the following page are strict requirements that shall not be exceeded. Attachments for which any of the values are exceeded are prohibited.

These requirements assume that Attachments on an individual pole are only located in one of the zones shown in the figures (i.e., Zone A (highest zone), Zone

B, or Zone C [Zone C extends from the ground to the height shown in the table on the following page]), and do not allow for Attachments in multiple zones (e.g., if there is an Attachment in Zone B then Zone A and C cannot have Attachments). Multiple Attachments in the same zone are allowed as long as the combined characteristics of the Attachments (e.g., combined weight, area, etc.) do not exceed the applicable limitations.

NOTE: Smaller poles (e.g. pedestrian type poles) may only have a single zone, i.e. Zone C).

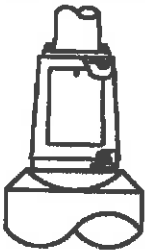


Pole Type

The material from which the pole is manufactured, the configuration of the luminaire and luminaire arm, the type of base used to attach the pole to its foundation, and whether overhead wires are connected to the pole must all be considered. The following table summarizes the requirements that must be met in order for one of our poles to be considered for Attachments in Zone C; limitations for Attachments in Zones A & B are included in the figures on the preceding page. The Attachment allowances apply only to current Xcel Energy standard poles. Legacy poles were not designed to support Attachments.

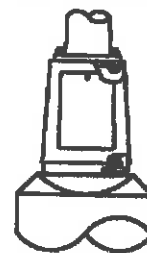
POLE CHARACTERISTICS	Attachments Allowed in Specified Zones if All Other Requirements Met	Attachments Prohibited	Zone C Max Attachment Height ¹	Zone C Max Attachment Characteristics		
				Width (ft)	Area (ft ²)	Weight (lbs)
Steel or Fiberglass (only 2014 and newer) – Single Arm	A, B & C		16.5	3	18	117
Steel or Fiberglass (only 2014 and newer) – Double Arm	C		12.5	3	15	117
Steel Pedestrian or Fluted Aluminum Pedestrian	C		14	3	8.5	95
Wood Pole (Class 4 or higher)	A, B & C		16.5	3	18	117
Aluminum Pedestrian		✓				
Fiberglass (pre 2014)		✓				
Other		✓				
Overhead Wires Connected to Pole?						
No	✓					
Yes		✓				
Base Type						
Standard	✓					
Breakaway device ²		✓				

Breakaway devices cannot support attachments

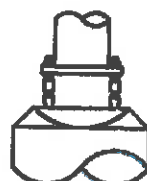


Breakaway

Breakaway devices cannot support attachments



Breakaway Transformer Base (T-Base)



Breakaway Bolts

¹ No portion of an Attachment in Zone C is allowed to extend above the specified height.

² Poles using breakaway devices cannot support Attachments because Attachments could result in the breakaway device operating incorrectly. Rather than the breakaway device operating during a vehicular impact, it could operate (breakaway) solely due to wind loading for example. Common breakaway devices include breakaway transformer bases (T-Base) and breakaway bolts as shown in the figure. Attachments are prohibited on any pole with any type of breakaway device.

Pole Condition

Placing Attachments on poles exhibiting deterioration and/or damage is prohibited. Poles are exposed to numerous stressors that can negatively impact their integrity. Wind and windblown debris; corrosive elements such as ultraviolet light, rain, snow, ice and chemicals applied to control ice; fire; decay, insects and woodpeckers in the case of wood; impacts from vehicles, machinery and other objects; vandalism; foundation displacement and/or erosion; etc. can individually and collectively reduce the structural integrity of poles. For a pole to be eligible for Attachments, it must be in a new or like new condition and meet the following condition requirements. Attachments are prohibited if the requirements are not met.

POLE CONDITION	Attachments Allowed if All Other Requirements Met	Attachments Prohibited
Pole is plumb and foundation is not eroded or displaced?		
Yes	✓	
No		✓
Pole is free of corrosion? (i.e. the pole does not exhibit blistering paint, delaminated coating, rust or other corrosion damage)		
Yes	✓	
No		✓
Pole is free of mechanical/structural damage? (i.e. the pole does not exhibit dents, dings and other distortions that have altered the pole's original shape, holes, cuts, cracks, weld fractures, etc.)		
Yes	✓	
No		✓
Hardware (e.g., anchor bolts) is tight and in good condition?		
Yes	✓	
No		✓

Installation Requirements and Recommendations:

Required: Attachments must be placed on our poles without damaging the paint, galvanizing or other surface protection. Drilling or scratching of the surface is prohibited. For banners, banding of mounting brackets is preferred. Mountings for Attachments shall not be permanently affixed to poles.

Recommended: Use of flexible Attachment mounting hardware and bracketry (e.g., flexible banner arms and spring arms) to enable Attachments to shed wind loading during high wind conditions is preferred.

Recommended: Use of Attachments made of lightweight materials and fabricated such that wind can pass through the Attachment is preferred. For example, in the case of banners, use of fabric/cloth or fabric/cloth like material with slits that allow air to pass through and reduce wind loading during high wind conditions is preferred.

The preceding information presents requirements to aid you in determining for yourself whether Attachments may be placed on our poles. These requirements are designed to help you ensure that the members of your community and others remain safe. The responsibility to comply is yours!

If you have questions about Attachments, whether or not a pole is owned by Xcel Energy or owned by the City, or other questions or concerns about our outdoor lighting, please contact us at 1-800-XXX-XXXX. You can also learn more about our program by visiting xcelenergy.com/XXXX.



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Temple Display, Ltd.
114-C Kirkland Circle
Oswego, IL 60543
Phone 630-851-3331
Fax 630-851-4144

SALES ORDER

Sales Order # TDLQ35523
Date 10/9/2020
Sales Rep. Dawn Harmon

Sold To:

Norwood Young America, City of
Karen Hallquist
10 1st Ave NE
PO Box 59
Norwood Young America, MN
55368-0059
** HOUSE ACCT **

Ship To:

Norwood Young America, City of
Karen Hallquist
10 1st Ave NE
Norwood Young America, MN
55368-0059
** HOUSE ACCT **

Best Way / ASAP

P.O.#	Qty	Part No.	Description	Ship Via/Date:	Terms:	NET 30	Shipping:	Prepay & Add
							Unit Price	Ext. Price
	7	OH-509-LE D	38' Snowflake Swag Skyline, 534 C-7 LED Lamps, (1) 6' Snowflake and (2) 4' Snowflakes, 136lbs - REG Price \$3,474 - Big Savings Brochure pricing through 10/31/20 Warm White				\$2,849.00	\$19,943.00
	8	P-331S-LE D	4.5' Wreath w/(2) 24" Vinyl Bows, 22 C-9 LED Lamps, Standard, 32lbs - Reg Price \$551.00 - Big Savings Brochure pricing through 10/31/20 - Warm White				\$452.00	\$3,616.00
							SubTotal	\$23,559.00
							Sales Tax	\$0.00
							Estimated Shipping Charges	\$1,605.00
							Total	\$25,164.00

Authorized Signature _____

Karen Hallquist

All Holiday Decorations are Copyrighted and cannot be duplicated.

Claims must be made within 5 days of receipt of goods. This order subject to acceptance from home office. Sales tax where applicable. Interest charges applicable on overdue accounts. Cancellations subject to sellers consent. FOB Factory.

Returns will not be accepted after 30 days from receipt of merchandise. Credit on account minus a restocking charge will be made upon inspection of returned goods.

MOSCA*Design*

8450 Garvey Drive
 Raleigh, NC 27616
 800-332-6798
 (919)954-0200

PRICE QUOTE

DATE	ESTIMATE NO.
10/9/2020	24123

Bill To:

City of Norwood Young America
 Attn: Karen Hallquist
 PO Box 59
 Norwood Young America, MN 55368

Ship To:

City of Norwood Young America
 Attn: Karen Hallquist
 310 Elm St. W
 Norwood Young America, MN 55368
 952-467-1810 call before delivery

P.O. NO.	REP	County
	TG	Carver

ITEM	DESCRIPTION	QTY	TG	Carver
			COST	TOTAL
OH-509	OH-509 38' Snowflake Swag Skyline 534 LED C-7 Warm White Lamps	7	3,161.00	22,127.00T
P-303 LED	P-303 4' Wreath with TTBC Garland with 50 LED C-7 Warm White LED lamps (25 per side) with (2) FBT-4 18" Red Velvet Bows with Gold Trim (1 per side) with (6) red 3 berry vinyl clusters (3 per side) at 3,6,9 o'clock with mounting hardware.	8	586.00	4,688.00T
Discount	Discount on Order of 15% if placed on or before October 30th, 2020.		-4,022.25	-4,022.25
UPS/Shipping	Shipping/Handling Charges	1	2,500.00	2,500.00T
	Tax Exemption Certificate Received			
	MN Sales Tax Exempt		0.00%	0.00
FREIGHT IS ADDITIONAL Please contact Tina Griffin if you have any questions. All orders paid with credit card, debit card or bill pay card will have a 3.5% service fee added to the final		TOTAL \$25,292.75		

SIGNATURE _____

Phone #	Fax #	E-mail	Web Site
919-954-0200	919-954-0203	Tina@MoscaDesign.com	www.moscadesign.com



TO: NYA Economic Development Commissioners
FROM: Karen Hallquist, Economic Development Marketing Director
DATE: October 14, 2020
SUBJECT: Carver County CDA – Small Business Emergency Assistance Program
Carver County CDA – Homebased Business Assistance Fund

=====

Small Business Emergency Assistance Program

In July 2020, the Carver County CDA developed the Small Business Emergency Assistance Program to award grants of up to \$10,000 to qualifying Carver County businesses who have suffered due to COVID-19. Carver County dedicated \$700,000 of their CARE Act Funds to this program for the randomized selection of 70 businesses. Applications opened the end of August and closed mid-September as their CARE Act Funds needed to be distributed by November 1, 2020. The CDA also offered municipalities within Carver County the opportunity to dedicate monies of their own CARE Act Funds to the program. The City of NYA dedicated \$155,118 (\$5,118 for administration costs) to the program which allows for 15 more businesses within NYA city limits to benefit from these funds. The CDA enlisted all Carver Co chambers to assist in the publicizing of the program. The CDA hired Lee Hall with NextStage to administer the program.

Nineteen businesses within Norwood Young America city limits were selected for this program – 4 from Carver County funds and 15 from City of NYA funds. Businesses must provide additional financial information upon this notification. If a business does not end up qualifying or refuses funds, the next business on a “waiting list” is provided the opportunity.

Homebased Business Assistance Fund

Cities and chambers within Carver County were notified this week of another assistance program from County CARE Act Funds. This program is similar in nature to the SBEA Program. The purpose of the Homebased Business Assistance Fund is to provide emergency financial assistance, through a \$5,000 beneficiary payment, to homebased businesses located in Carver County who have been affected by the COVID-19 pandemic. The goal of program is to assist and stabilize businesses through this economic crisis.

Applications will be accepted from October 6 to October 16 at 4:30 p.m. Businesses will be notified no later than October 20 if they have been selected for funds, at which time they will work with the Carver County CDA to submit documentation to receive funds. All City of NYA social media outlets have been updated with this information.

Carver County CDA is also working on a daycare program which will be available soon.

Norwood Young America



Updated, Commercial Market Study

Prepared for:
City of Norwood Young America

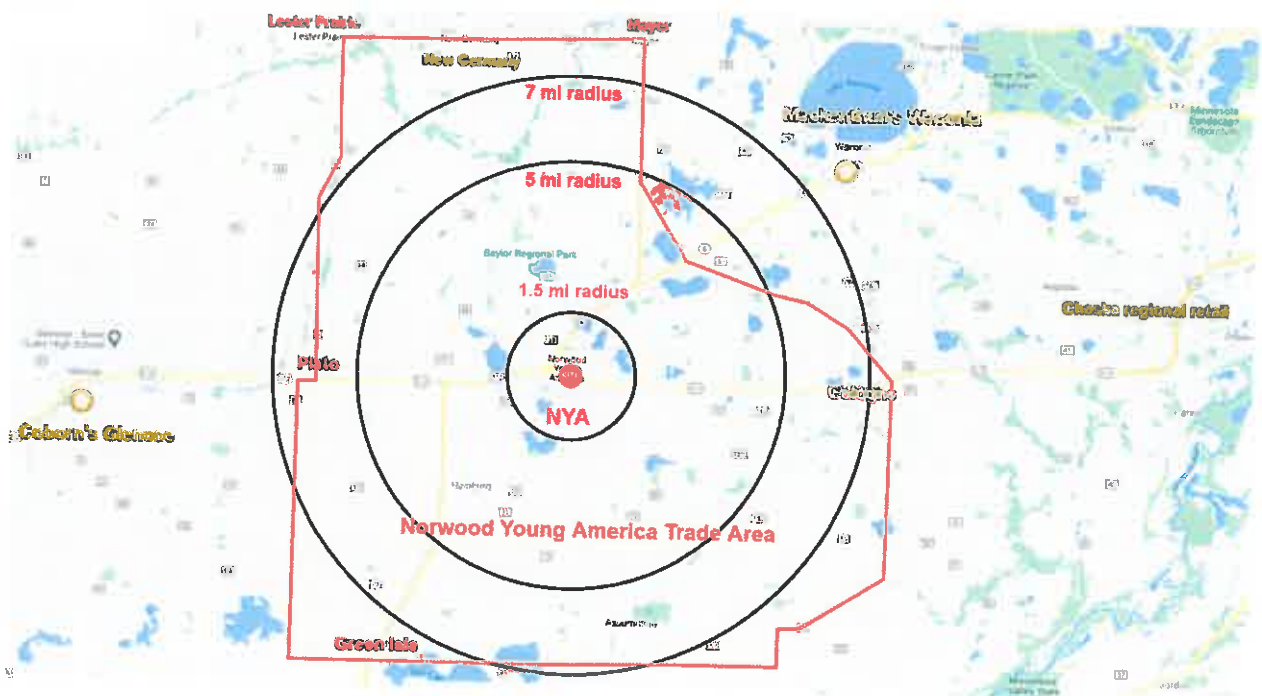
Norwood Young America, Minnesota

Preliminary Release, Section 1, Grocery Feasibility

October 9, 2020, By Keith Wicks & Associates

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Keith Wicks & Associates
Minneapolis, MN

Introduction (continued)

Market assessment and business forecasts are made with:

- A. **Updating the NYA Commercial Categories model** of today's consumer demographics, expenditures, and business gap analysis. See page 26.
- B. **NYA Commercial Development model** - updated recommendations and forecasts by business category. See Commercial Development model, page 24.
- C. **Grocery store strategy** – expanded analysis, forecasts, and recommendations for re-developing a local, full-service grocer.
- D. **Consideration of market changes** having occurred since the 2016 study, that affect NYA's commercial situation and outlook.
 1. EDC's accomplishments in strengthening the community's marketability and commercial competitiveness.
 2. Benefits from the Highway 212 upgrade plan of access to City of Cologne, and improvements to the intersections of Faxon Road and Route 33, and the addition of a save access, pedestrian underpass of the highway, at Route 33.
 3. Changed, consumer shopping habits and lifestyle in pandemic times. Trends, including increased food-at-home dining, due to less restaurant demand.
- E. **Community plans** - EDC's 2020 Goals, NYA 2019 Annual Report, 2019 Downtown Redevelopment Plan, and insight from Karen Hallquist, NYA Economic Planning Director, of new community improvements in identity, attractions, and marketing.

Three report sections for EDC's use in commercial development planning:

Section 1 – NYA Grocery Store feasibility – expanded analysis, forecasts, and recommendations for redeveloping that local service. This is a key forecast and assumption for NYA's growth objectives, because:

- Full-service grocery is judged a critical community service for current residents and the interest of potential new residents.
- It is also a key anchor business to the benefit of other community businesses, generating consistent and substantial consumer traffic.

Section 2 – NYA Market Commercial Categories model. Consumer potential, business gap analysis (local vs leakage to other markets), and first-pass forecasts for NYA potential in each category.

Section 3 – NYA Market Commercial Development model. Suggested strategy for an overall commercial development outline for existing businesses and business districts, and for the interest of new businesses.

Introduction (continued)

What has changed in the community and accomplished relative to community identity and effects on the competitiveness of NYA's commercial business:



1. **New community brand** – the new logo and “home” slogan is an effective, overall impression made on the current community and growth potential.

Next step marketing strategy is to bridge the new brand to actual attractions, specialties, and the “home” experience.

Strategy identifies and highlights why NYA is “more than a place”, creating local and greater market awareness of NYA character and lifestyle, for business and residential growth.

2. **Highway 212 upgrade** – the in-process project will be completed in the short-term, for several benefits to the community.

It strengthens market access to Cologne, and the commute to and from the Twin Cities. Highway traffic is projected to increase 30+% to over 16,000 ADT, over the next ten years, due to this project and resulting community growth in population and commercial competitiveness.

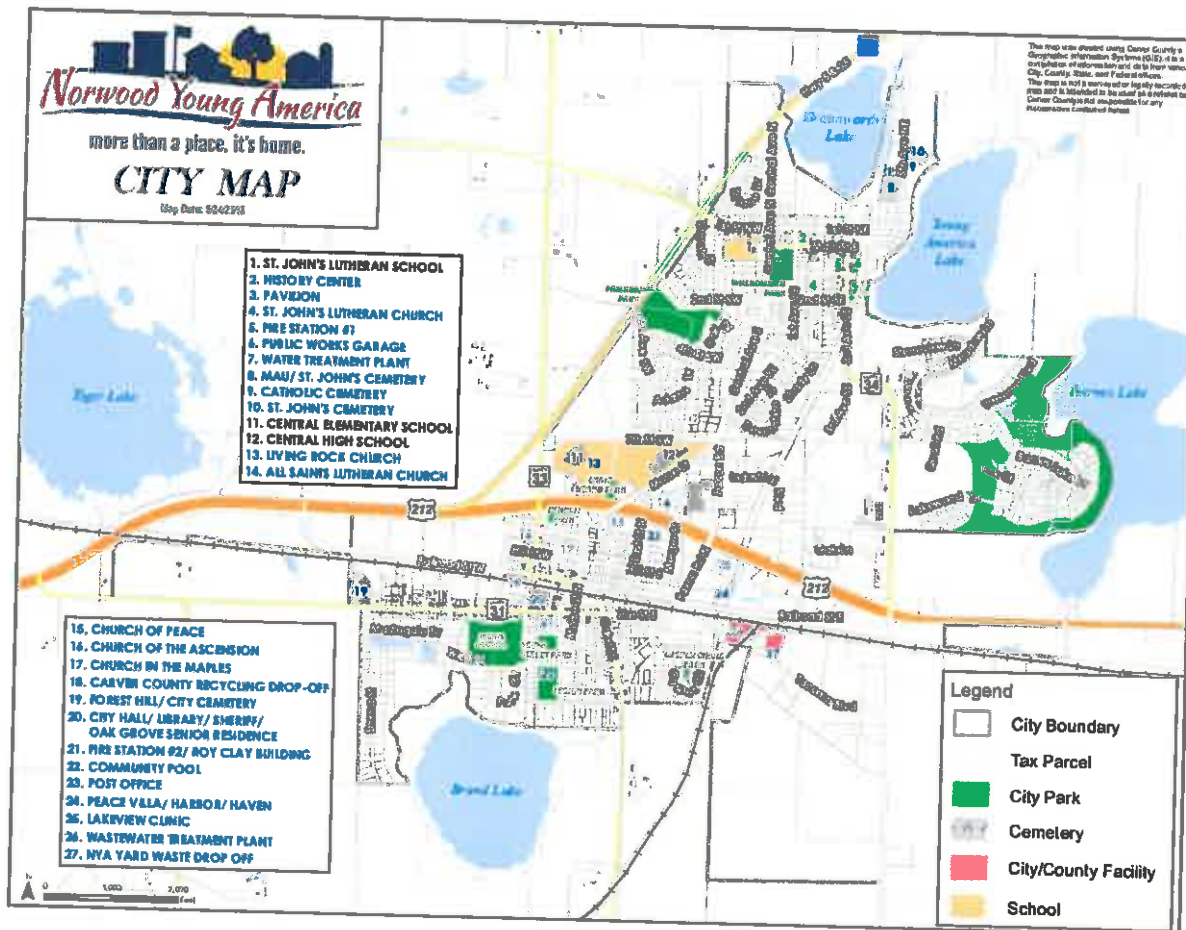
The project improves traffic gravitation at NYA's primary, commercial intersections at Faxon and Reform roads. Additionally, an intersection upgrade of Tacoma Ave. to improve access to Tacoma Industrial Park.

NYA's west side gains a roundabout at 5/25, and a pedestrian highway underpass at Reform Street, for safe passage to both sides of the highway, including the commercial and school districts.

3. **Community marketing strategy** - EDC is developing new marketing strategy and is driving consumer awareness via community websites and social media. A process of identity and communications of what's “more” in NYA.
4. **Accessible full-service grocery and fresh foods.** NYA lost its local grocery store. First step with this study is to explore the options and potential for redeveloping that anchor, convenience commercial service. A grocery store can be considered a critical, local service for community lifestyle, especially in the pandemic times. Consumer trends are with less in-restaurant demand and increased dining at home; the independent grocery sector reports sales increased about +12% YTD.

NYA Chamber of Commerce has organized a farmers market, which along with the proposed grocery store are recommended with NYA's next phase of commercial development.

City Map



Section 1 - NYA Grocery Store Feasibility

Issue: NYA's only full-service grocer, Econofoods, closed in November 2019. Equipment is removed. The lease was ended by owner-operator SpartanNash, Grand Rapids, MI, a national grocery wholesaler and corporate store retailer.



Closed store detail:

- Approximately 25,000 total square feet.
- Econofoods weekly performance over the last decade is estimated at \$110,000-125,000, weekly sales, or about \$6,000,000 annually. The store was oversized for the market and business model, consequently operating at weak, retail productivity of under \$5.00/sf. The goal for a successful NYA first year store is about \$8/sf.
- At its best, Econofoods captured 20% market share against a competitive network 15-30 minutes from NYA. Its judged that Econofoods business was predominantly convenience driven. This study's proposed grocery store captures close to Econofoods market share and achieves reasonable first year retail productivity.

General location strategy:

1. Downsize from what Econofoods operated, to about 13,000 sf.
2. A retail supportive site, ideally with physical sight line for brand impressions made to community traffic. Comfortable site access, parking and receiving.
3. Choose the most favorable location for a grocery store to benefit other businesses, community businesses and for a special attraction. Econofoods closing weakened NYA's commercial competitiveness and is a loss of consistent business exposure for other NYA businesses. Today's missing grocery service tempers the point of "Its more than a place".

Section 1 - NYA Grocery Store Feasibility (continued)

A. Grocery Retailer Candidates

1. **Chain grocers do not have a small market retail model**, aside from the Save A Lot franchise full-service grocery but an extremely limited variety format and business character. SAL is a possibility but generates about half of a conventional grocer's potential. SAL would be a below average option for EDC's objectives.
2. **An independent grocer is a fitting candidate** but a shrinking group of grocery operators due to the traditional format, e.g. IGA, struggling for profitability against today's competitive structure and operating expense.

The solution for a NYA independent scenario is to strengthen the conventional format with *fresh market* strategy (higher sales potential and profitability), which further narrows the retailer candidates to those able and willing to develop that model in a small market. One possibility: Roger Teal family, Teal's Markets (<https://www.tealsmarket.com>), a ten store regional business. There are experienced grocery managers for first store opportunity but little to no equity investment, so that relies on creative financing.

Another solution: food co-ops are trending for small and underserved U.S. markets, and the Twin Cities has more co-ops per capita than other U.S. markets. E.g., The Wedge, Valley Food Co-op, Lakewinds, and small market examples of Just Food Co-op (Northfield), St. Peter Food Co-op.



St. Peter Food Co-op



Teals, Paynesville

Traditionally, food co-ops are natural & organic formats. Member owned and open to all consumers. The food co-op program is expanding to include conventional formats to serve small markets and underserved communities.

Natural & organic models offer higher profitability at lower sales volume. Conventional formats appeal to the broader market, capturing higher sales volume for profitability. And food co-op culture is fitting for NYA's objective, including contribution to the "More than a place, its home" theme.

Forecasts are for a conventional grocery store with fresh market strategy, whether independent or cooperative.

Section 1 - NYA Grocery Store Feasibility (continued)

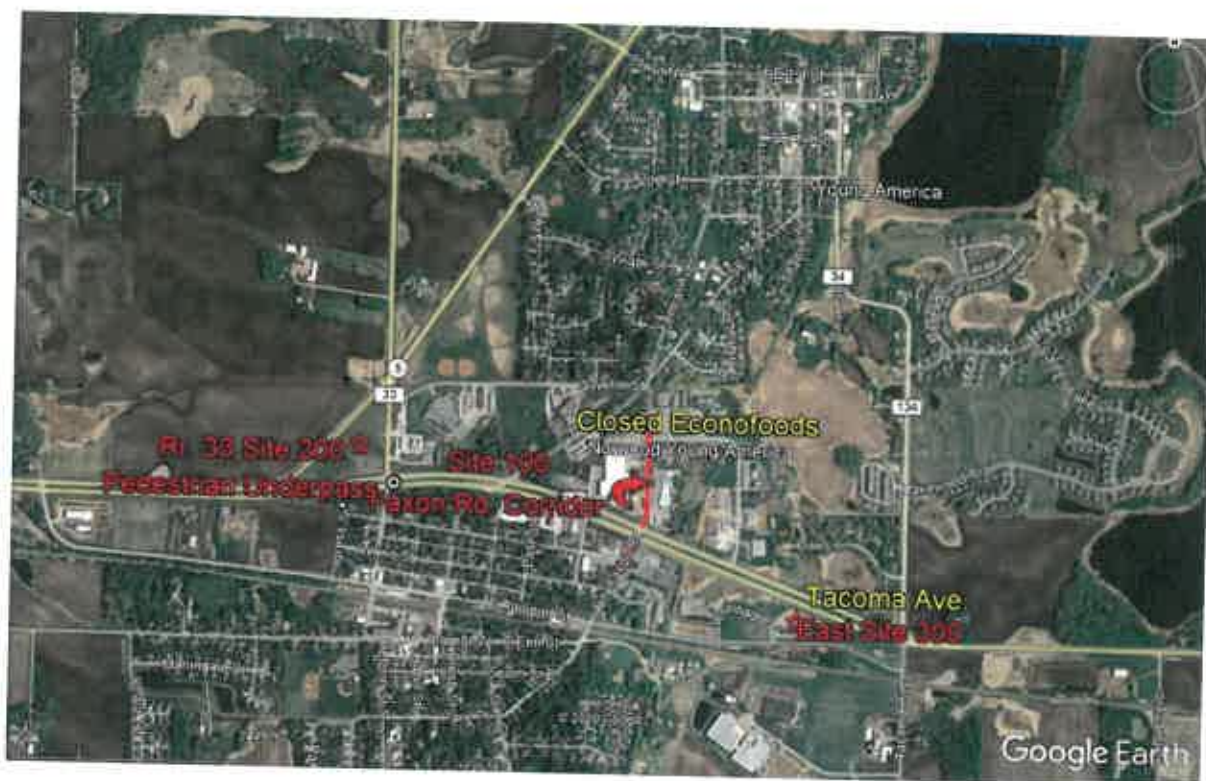
This study's proposed grocery store at 13,000 sf would be 52% of the size of the Econofoods facility. Smaller size is countered with a stronger retail format and operation, thereby capturing similar sales level to that of Econofoods.

The goal for the proposed NYA grocery store is upwards of 20% market share by first yearend. Nearly half of that business would come from city residents and the remainder from neighboring small towns and rural sectors out to about 7-miles radius of NYA.

Projected store size, 13,000 total square feet, is a small store yet offering full-service variety and room for the featured, fresh attractions. Recommended size is determined from results of the sales forecasting process per \$/sf retail productivity.

The business will rely on a retail supportive site for parking, receiving, storefront presentation and sight lines to traffic (or at least a highway pylon sign).

A. Three, Grocery Store Sites



Section 1 - NYA Grocery Store Feasibility

A. Three, Grocery Store Sites (continued)

1. **Faxon Road Site 100** – this is the established, community grocery store location, at the north end of the commercial corridor from Highway 212.

The forecast isn't site-specific, instead made with the general assumption the store would have supportive sight lines for making business impressions to area traffic. Ideally, direct sight line from the storefront, but at least with a significant roadside sign for interior location like the Econofoods site.

The Faxon Road corridor is NYA's most diverse mix of commercial activity, with Klein and Citizen's banks, Family Dollar, Marsden Pharmacy, Good Time Liquors, the bowling alley, McDonald's and more. In other words, NYA's strongest commercial district.

The business setting and traffic gravitation is improving with the in-process upgrade of the highway and Faxon Road intersection.

Site suggestions: the Econofoods facility, divided for the grocery store and other use, or with redeveloping the Sinclair property.

Faxon Road Site 100



Section 1 - NYA Grocery Store Feasibility (continued)

A. Three Grocery Store Sites (continued)

2. **Route 33/Reform Street Site 200** – northwest corner of the intersection with Highway 212, i.e. the “triangle” property.

This is an emerging commercial district with the relatively new Kwik Trip and small strip center with Snap Fitness and Eye Care. It has proximity to NYA schools and will have upgrade highway intersection and new, pedestrian highway underpass.

This location is projected with slightly less competitiveness than a store at Faxon Road, citing the emerging commercial district and ahead of details for the site location. However, either Site 100 or 200 can be a competitive and supportive location for the proposed store but depending on details of each site plan.

This location has better convenience to the west side of NYA's trade area, and comfortable access to all city sectors.



Section 1 - NYA Grocery Store Feasibility (continued)

B. Three Grocery Store Sites (continued)

3. **East Side Site 300** – this location is most convenient to the east side of the trade area, i.e. to Cologne, but is less desirable than Site 100 or 200 for business potential and NYA commercial development strategy.

The site is less competitive due to building configuration, no significant adjacent business, and the setback from the highway intersection with Tacoma Avenue.

General assumption: 13,000 sf of the approximate 30,000 sf strip center could be effectively fitted for the proposed grocery store.



Section 1 – Conclusion, NYA Grocery Store Feasibility

The objective with this section is to prepare the City Council with explanations of the market situation and options for redeveloping local, full-service grocery, for purpose of approaching prospective retailers with interest in the NYA opportunity.

The information is basis for discussions toward identifying the best available site for all involved.

The projected 13,000 sf store is an approximate size to fit the retail food market with over 11,000 consumers with \$550,000 in weekly retail food potential. Market feasibility for the proposed store is a goal of capturing 17.5% market share. Store size might be increased per details of a site and retailer. The store can be downsized, but that can significantly affect variety and service.

Concluding points of the study:

- **Faxon Road commercial corridor might be the grocery store's best location** to service consumers and for commercial competitiveness. However, the feasibility of that scenario relies on an available property, business sight lines, and cost of development.
- **Site 200 has similar potential to Site 100.** The subject "triangle property" seems retail supportive and has good, market access to neighborhoods and rural sectors, and good proximity to NYA's commercial and downtown districts. It is most convenient for the school district and the new pedestrian, highway underpass.

The question is whether EDC prefers developing the grocery store as an anchor business of the established Faxon Road district or at the emerging Reform Street district.

- **Site 300 is not a recommended grocery location** due to retail support issues.

The market model and suggested retail model on the following pages are the market feasibility estimates and projections for consideration by retailer candidates.

The NYA Market model on page 17 assesses current market population, consumer profile and 1st-year forecasts for each site. The recommended business model is *fresh market*, with fair price, traditional grocery products, and emphasized fresh foods. That model's full potential relies on developing strong business character with exterior and interior presentation, and consumer comforts in the local source for quality service and community social affair.

The NYA Grocery Retail Model on page 18 identifies how each service of fresh market strategy would achieve the performance and profitability goals.

Forecasts can be updated for new details and assumptions, through new store planning process.

NYA's commercial market potential is a positive outlook. Population is projected to grow +1.4% annually which could be underestimate of the impact Highway 212 upgrade and NYA's new marketing campaign as a bedroom community of Twin Cities Metro. Grocery store potential in pandemic times has increased *double digits*, since Econofoods departed, due to more at-home dining and less in-restaurant dining. NYA has a favorable, market conditions.

Section 1 – Conclusion, NYA Grocery Store Feasibility

Section 1 provides initial assessment of the project's market feasibility, for all interested parties. The most fitting scenario for EDC's commercial development objective would seem to be for a community owned, full-service food co-op. A well-organized effort and community backing can lead to more than replacing NYA's lost, grocery service. It can be a difference-maker in quality of service, and with contributing to community identity and a hometown theme. Food co-ops are becoming the small market, new era independent grocer.

1. **Timeline to store opening** – an established independent might be prepared to take occupancy in 18-months, given property readiness for construction. A food co-op takes longer, with organizing and funding, so upward of 3-years with a well-organized process.
2. **Starting a food co-op** – organize and develop community awareness and membership.

Food Co-op Initiative (FCI) – federal, corporate, and privately funded services to assist startup food co-ops. Executive Program director, **Stuart Reid**, stuart@fci.coop, <https://www.fci.coop>, is aware of Norwood Young America and the grocery service matter, and glad to meet with EDC for introductions. KWA is glad to help arrange the meeting.

Another food co-op consulting source is Columinate, a group of specialists in assisting in food co-op development, including proforma financial feasibility.

- A. **Food co-op membership** – when the membership drive reaches 300-400 member-owners, the project has reasonable basis for committing to retail planning and further feasibility analysis. Forecasts are updated with an identified site and planning details.

Updated forecasts lead to proforma financial analysis, to establish the financial model which is used for scenario updates through the business planning process, to the point of a financially viable scenario and basis for the project business plan.

3. **Store design** – when the cooperative reaches about 800 member-owners, it is considered at a comfortable business level to engage store design by an experienced grocery designer.



St. Peter, MN Food Co-op

4. **Project cost** – *ballpark estimates* for small stores can reach \$300+/sf to convert leased space to the traditional natural & organic food co-op. NYA's store would be less because it is above the average N & O store size, and is a conventional food format, thereby estimating \$300/sf or about \$4m (construction, grocery *buildout*).

Section 1 – Conclusion, NYA Grocery Store Feasibility

A. Organizing -

- 1) **A food co-op, development steering committee** conducts site search, real estate developer search and membership drives. When needed, it develops the retail planning. All with assistance of grocery and food co-op consultants.
- 2) **Excerpt from FCI: When should we incorporate?** Incorporation provides some protection to the organizers (the so-called “corporate shield”) and assurance to potential members and supporters that the organizers will be accountable. In most states, incorporation is relatively simple and inexpensive. We recommend that you consider filing with your state office as soon as you have a group of committed organizers, evidence of strong community support and a preliminary, informal assessment that your co-op concept can be viable. While Articles of Incorporation are pretty standardized, we still recommend that an attorney familiar with cooperative laws in your state review your application.


Once incorporated, the steering committee transitions to a board of directors to continue planning, with help of grocery and food co-op consultants.

- 3) **General manager** – the board hires a qualified g.m. 6-months to 1-year ahead of store opening, to tailor the retail plan and begin developing the operation.
 - 4) **Store opening** - the board oversees project development and ultimately business performance, on behalf of the owners and investors. Additionally, the board assists the g.m. with developing cooperative business culture for community relations, store events and membership growth.
5. **Funding** – there are a variety of funding sources. In the case of NYA, the general qualification is for a small and growing, rural city with rural farming sectors. Source examples:
- A. FCI for a project seed grant.
 - B. SBA is an option for the primary bank loan source.
 - C. USDA offers funding assistance: small community economic development, low interest loans, and business development grants, including brick & mortar investment and supporting initial operations.
 - D. New Market Tax Credits.
 - E. LISC small community grants.

The funding process investigates local, regional, state, federal and private sources to finance about 80% of project cost. Project owner/operator is responsible for about 20% equity investment, e.g. 1,200 member-owners = about \$250,000 equity of estimated \$800,000 equity goal for a \$4m project. The \$550,000 gap is made up by grants and member loans.

Grocery Store Forecast, Version 1.1, Sept. 17, 2020													
Norwood Young America													

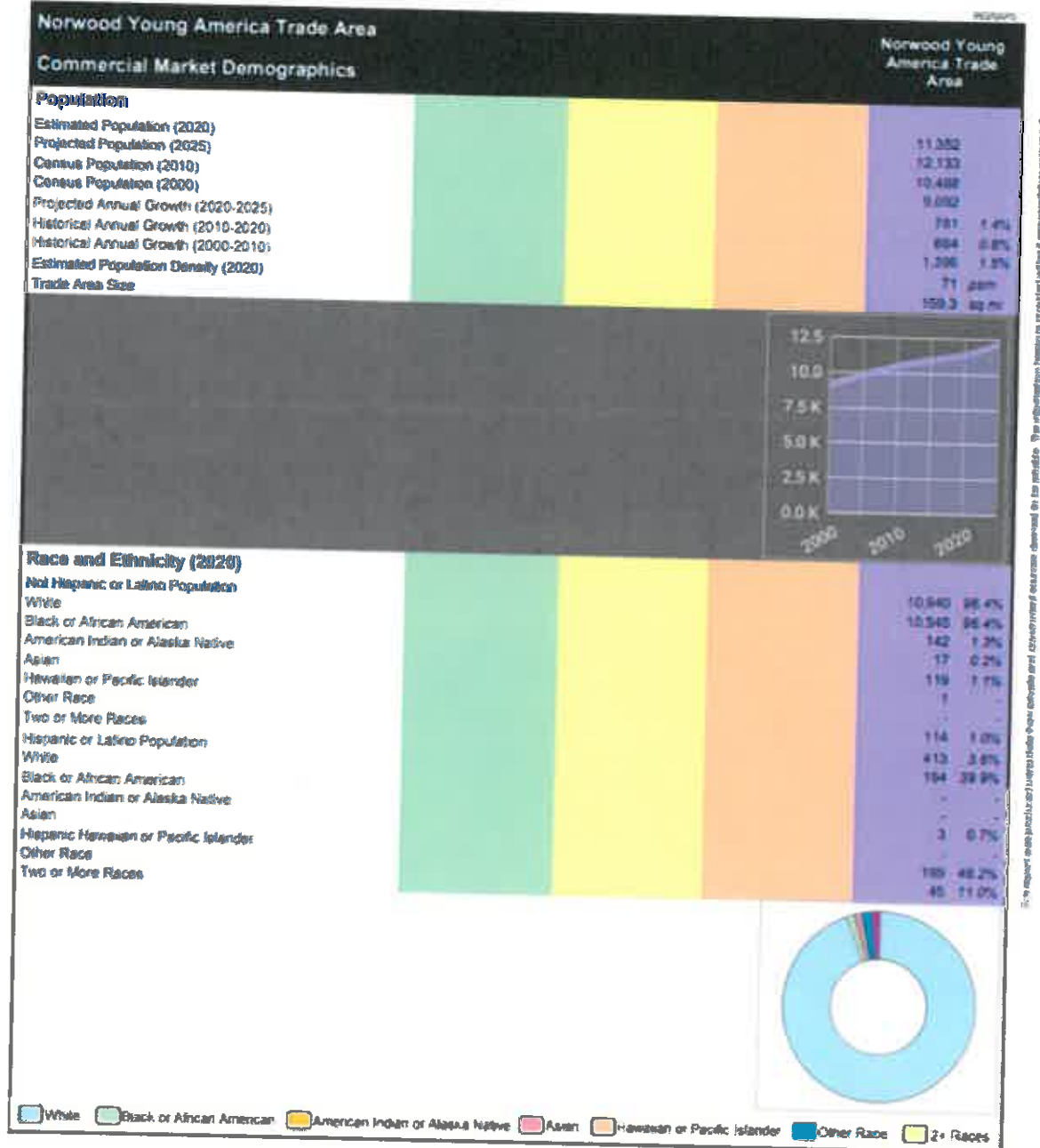
This is the suggested retail model for a NYA fresh food grocery store whether independent or cooperative owned and operated. Forecasts are updated to a chosen site and with retail planning.

	NYA Grocery Store, Suggested Fresh Market Model					
	Projected Weekly Sales	Distribution (% to total)	\$/SF	Gross Margin %	Gross Margin \$	Annual Sales
Fresh Meat & Seafood	\$ 15,661	15.00%		30.00%	\$ 4,698	\$ 244,318
Fresh Produce	\$ 15,661	15.00%		32.00%	\$ 5,012	\$ 260,606
Fresh Deli-Bakery	\$ 8,353	8.00%		55.00%	\$ 4,594	\$ 238,889
Grocery (conventional product)	\$ 38,631	37.00%		24.00%	\$ 9,272	\$ 482,121
Bulk Food	\$ 4,176	4.00%		30.00%	\$ 1,253	\$ 65,151
Health, Wellness & Personal	\$ 5,220	5.00%		30.00%	\$ 1,566	\$ 81,439
Dairy	\$ 11,485	11.00%		26.00%	\$ 2,986	\$ 155,278
Frozen Food	\$ 5,220	5.00%		28.00%	\$ 1,462	\$ 76,010
1st Year Average Sales	\$ 104,409	100.0%		29.54%	\$30,843	\$5,429,288
4th Qtr. Average (year ending)	\$ 112,875			29.54%	\$30,843	\$5,869,500
Market Share (trade area)	17.30%					\$451.50/SF
Total Store Size and \$/SF	13,000	100%	\$ 8.03	29.54%	\$ 1,603,812	
Retail Area	8,840	68.0%	\$ 11.81			
Total Backroom Area	4,160	32.0%				
Est. Aver. Transaction/Total	\$ 28.00	3,729	Conservative transaction per market profile.			
Business Traffic		4,661	Weekly consumer traffic (aver. 1.3 persons per transaction.			
1. This forecast is for Site 100, but can also be considered for Site 200, with initial discussions and marketing for a prospective retailer.						
2. Operations productivity, or Sales Per Labor Hour (SPLH) is a goal of \$155. The store would have 30-40 employees of which about 10 would be skilled positions.						
3. Projected gross margins are the goal for a competitive business and successful connection with the community.						
4. Proforma analysis uses the project assumptions with this table, for 1st-Year Average Sales, 1st yearend gross margin, and will need labor estimates from continued retail planning.						

Section 1 – Conclusion, NYA Grocery Store Feasibility

Trade Area Demographic Overview

2000-2010 Census, 2020 Estimates with 2025 Projections
 Calculated using Weighted Block Centroid from Block Groups
 City of Norwood Young America
 Keith Wicks & Associates
 Lat/Long: 44.7794/-93.9892

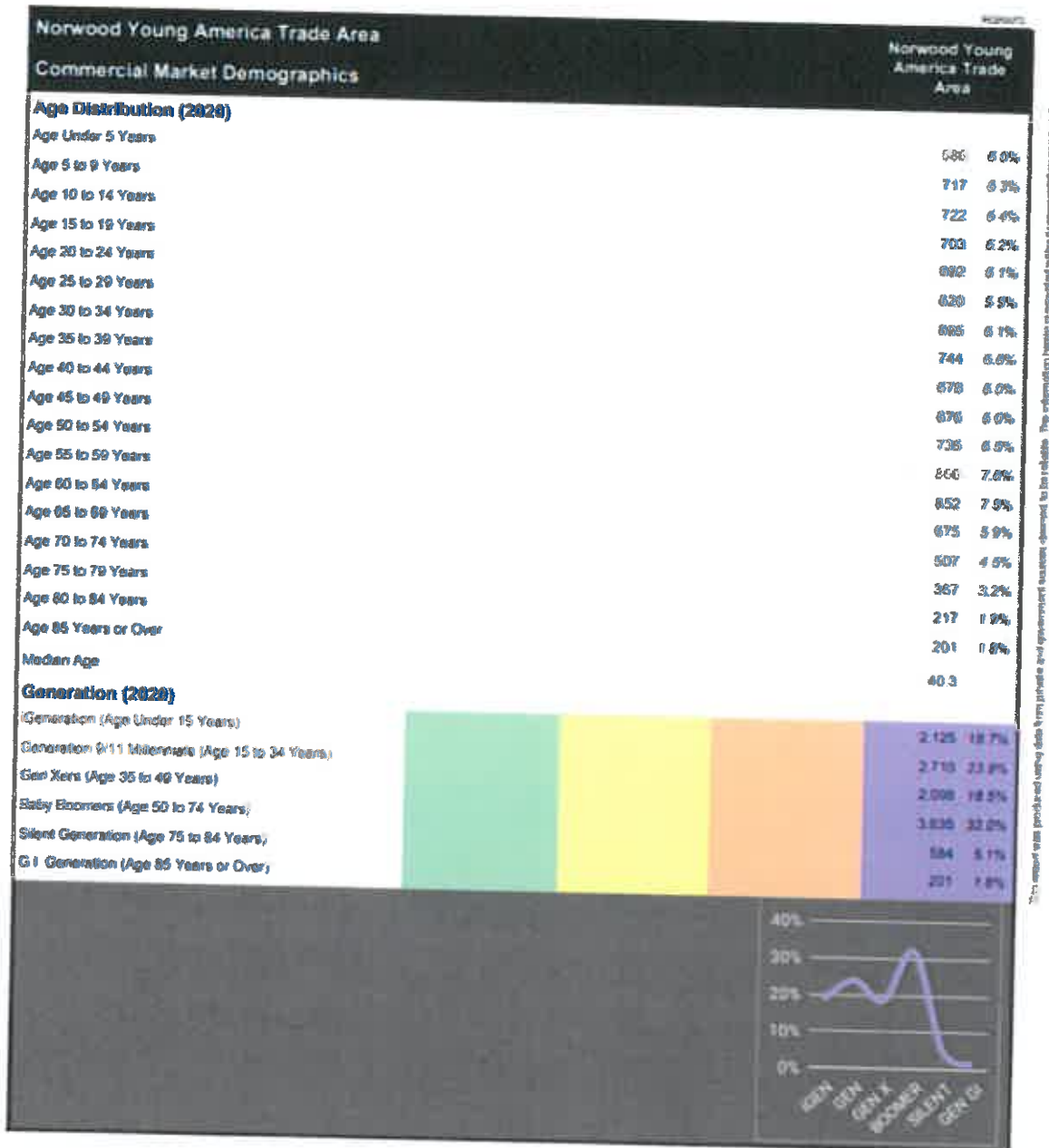


GRAPHIC PROFILE**2000-2010 Census, 2020 Estimates with 2025 Projections**

Calculated using Weighted Block Centroid from Block Groups

City of Norwood Young America**Keith Wicks & Associates**

Lat/Lon: 44.7794/-93.9882



GRAPHIC PROFILE

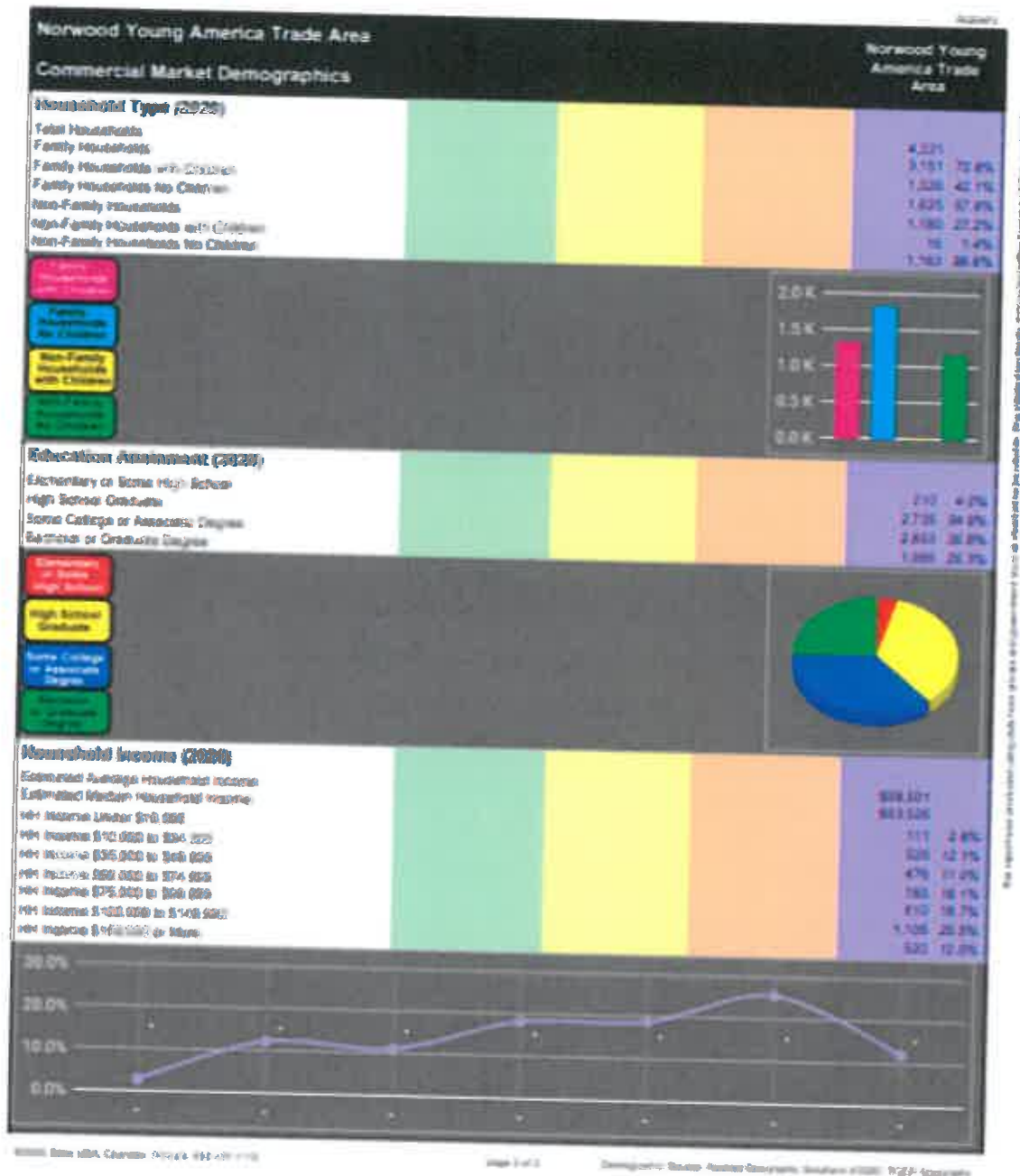
2010-2019 Census, 2020 Estimates with 2025 Projections

Calculated using Weighted Area Census Data from Census

City of Norwood Young America

Keith Wicks & Associates

Estimate 44 7754-531012



Section 2 – Commercial Development Feasibility

The objective of this section is to update the 2016 NYA commercial assessment.

To be completed...