City of East Bethel
Economic Development Authority Agenda

Regular Meeting – 7:00 p.m.
Date: June 20, 2016

AGENDA

	Item	
7:00 PM	**1.0**	**Call to Order**
7:01 PM	**2.0**	**Adopt Agenda**
7:03 PM	**3.0**	**May 16, 2016 Minutes**
7:04 PM	**4.0**	**Business Development Report**
7:10 PM	**5.0**	**Strategic Plan**
7:20 PM	**6.0**	**Retail Market and Grocery Store discussion**
7:35 PM	**7.0**	**Business Climate magazine Ad space discussion** **-MNCAR update**
7:50 PM	**8.0**	**Chamber update**
7:55 PM	**9.0**	**City Council update**
8:00 PM	**10.0**	**Adjournment**

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY MEETING
May 16, 2016

The Economic Development Authority (EDA) met for a regular meeting at 7:00 pm at City Hall.

MEMBERS PRESENT:	Dan Butler, Chair	Doug Welter	Julie Lux
	Brian Bezanson	Brian Mundle	Steve Voss
	Oskar Granquist		

ALSO PRESENT: Jack Davis, City Administrator

1. Call to Order	Chair Butler called the meeting to order at 7:00 pm.
2. Introduction of new member	Chair Butler introduced Oskar Granquist as the newest member to the Economic Development Authority.
3. Oath of Office	Mr. Granquist took the Oath of Office.
4. Adopt Agenda	**Mr. Bezanson moved and Mr. Voss seconded to adopt the agenda as presented. Motion carried.**
5. Approve 4/18/16 Minutes	**Mr. Bezanson moved and Ms. Lux seconded to approve the April 18, 2016 minutes as written. Motion carried.**
6.0 Proposed 2017 EDA Budget	Background Information: Staff is proposing that the EDA consider recommending a proposed budget for 2017 in the amount of $101,500 to the City Council. The 2016 Budget was $123,022. The reduction of $21,522 is proposed due to an accumulated balance of EDA rollover funds that could amount to approximately $130,000 by December 2016. This balance is due to unexpended funds in the contingency, yearly project funds and legal items in previous year's budgets. By Statute (469.107) 0.0183% of the City's taxable market value may be levied as a tax to support the activities of an EDA. The taxable market value for East Bethel for 2016 is $831,251,008 and the maximum EDA levy could be $150,706 for 2017. The proposed EDA levy for 2017 is 97,500 and $4,000 will be received as a special assessment for an outstanding HRA utilities loan. This loan will be repaid in 2020 and the EDA will receive $4,000 per year through the loan term. 2017 work projects budget category could include funds for the comprehensive plan, broad band initiatives, BR & E/economic development projects and/or service road utilities. The utilization of the Project Fund category within the budget would be determined as needs are required. With the proposed budget and EDA balances, there would be sufficient to funds available to address a priority project or multiple projects depending on the costs.

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Recommendation:
Consider approval of the proposed 2017 EDA Budget for presentation to City Council.

Ms. Lux asked if East Bethel receives funds from the Minnesota EDA Foundation. Mr. Davis stated no, the City does not. The EDA funds are strictly based on a special levy and that is where the funds for this authority are generated. Ms. Lux asked if it is possible to access EDA Foundation funds to use toward a project. Mr. Davis said the EDA could apply for funds.

Chair Butler would like to see a separate line item for MN Car Expo in 2017 for $2,500, so that the Authority can measure cost and benefit of that particular item. He also asked about the possibility of raising the reader board by Viking Blvd. and Hwy. 65 so that both north bound and west bound traffic could more easily read the board. Mr. Mundle asked if being unable to read the board has been brought up by any other resident. Chair Butler said he could not read it. He believes either the Linwood church sign should be lowered or the reader board raised to eliminate the problem. Mr. Davis said it would probably be more economical to move the church sign. The height of the reader board was fixed based on the steel post from the old sign, but staff can check into the cost of raising the sign if it is still a problem after moving the other sign. In response to Chair Butler's first inquiry regarding having the MN Car Expo as a separate line, Mr. Davis said it could be a line item under Conferences/Training, then remove $2,500 from the future projects cost and put it under Conferences/ Training. Consensus of the Authority was to have it as a line item under Conferences/Training. **Mr. Welter moved and Mr. Bensanson seconded to recommend the City Council adopt the 2017 EDA budget with MN Car Expo listed as an individual line item under Conferences/Training.** This will be presented as a preliminary budget to City Council to use for budgeting purposes when a preliminary city budget will be submitted in September. **Motion carried.**

7.0 Discussion of a Proposed Light Industrial Zoning Amendment

Chair Butler reminded audience members that no public comments will be heard at this meeting.

Background Information:
City Code, Appendix A, Zoning, Section 48, Light Industrial was adopted in 2007. Due to a previous City Moratorium on all development in the Hwy. 65 Corridor, the recessionary period of 2009 -2012 accompanied by the associated slow recovery from this economic downturn and the City's geographic location in relation to the surrounding and immediate market areas of Blaine, Forest Lake and Cambridge, commercial and industrial development in East Bethel has been dormant since 2008.

As a result, the application of the Light Industrial section of the City Code has never been used to evaluate a proposed use within this zoning designation. A proposal by CST Companies to locate in the City has been the first test of this section of the City Code and, as such, revealed a number of material weaknesses in our Ordinance. The issues with this section of the Code that need to be

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addressed include but may not be limited to the following:
- Definitions of Light Industrial, Permitted, Conditional and Interim Uses
- Expansion of Performance Standards
- Elimination of any Inconsistencies between the Code and the Comprehensive Plan

Staff is of the opinion that amendments are needed to this section of the Zoning Ordinance to remove the existing ambiguities that currently permit most any activity. A proposed revision would only be an interim modification and a final review of this section would be performed during the 2017 preparation of the Comprehensive Plan. This change would provide protection from uses which may be inconsistent with the Comprehensive Plan and beyond the objective of the intended goal of this portion of the Ordinance.

Proposals for these changes will be presented to the Planning Commission at their May 24, 2016

Meeting and will include:
- A definition of Light Industrial Use
- A more definitive description and definition of permitted uses
- Prohibition of Trucking and Trucking Terminals as a permitted use in this zone
- Inclusion of additional or modification of performance standards particularly as it relates to outside storage areas (Appendix A, Zoning, Section 23-Screening and Section 24-Exterior Storage).

Recommendation(s):
Staff is seeking input from the EDA to insure that interim changes to Light Industrial zoning requirements address the immediate needs for clarification but do not have unintended consequences for development activities that this proposed change would effect.

Mr. Davis noted that in the packet materials he highlighted items that will be up for consideration. One of the major items to consider is if there are any changes, what are the consequences to existing or proposed development in other areas of the City. There is a section that gives the number for outdoor storage, which just mentions that outdoor storage be limited to the size of the building footprint. The wording shown is for guidance only, it is not a specific recommendation at this time. The Planning Commission will explore outdoor storage further, but will be seeking staff input and will welcome the EDA's input also.

In the summary review, Mr. Granquist questioned determining the scope of the language and its actual intent. This may involve delving into the interpretation of the original language versus where the Authority sees it going further and how it would impact the community.

Mr. Mundle questioned Item F. "Exterior storage shall meet the screening requirements as contained in Section 23 and be limited to an area not to exceed to the square footage of the principal structure on the site." He asked if the intent of item F. was for the screens not to exceed the square footage of the principal

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structure. Mr. Davis said the intent was to meet the screening requirements, but that the amount of exterior storage would be limited to the square footage of the principal structure. Mr. Davis reiterated that this was suggested wording on how to clarify this item. He also noted that there are two inconsistencies in the ordinance relating to exterior storage, which are included as attachments 2 & 3. One states that 50% of the rear yard can be used for exterior storage, and the other states that there will be no exterior storage. The City attorney's opinion is the more specific statement trumps the general statement; in his opinion the 50% statement rules in this matter. When you have a large site with a lot of acreage, in the specific case that is talked about now, there could be 15-20 acres of exterior storage; staff believes that is beyond the intent of the ordinance.

Chair Butler questioned what designates exterior storage - trucks, equipment, machinery used for the business or manufactured product? Under Item C. discernable discharge what is the definition of discernable discharge? Mr. Davis acknowledged these items will have to be defined. With regard to construction equipment, presently it is considered external storage. However, as of now construction, sales, and service is permitted under a PUD. When the Planning Commission looks at this either for the interim change or for the long-term change several of these uses need to be re-examined because they may be outside of the original intended ordinance. Mr. Davis believes the different industrial zones need to be reviewed during the review of the Comp Plan.

Mr. Granquist noticed that with the discernable usage between 50% manufacturing interior space (presumed) and the remainder being exterior, a concern is if the operation wanted to get into secondary or tertiary type of processes and they built a temporary outdoor type of processing or cleansing or filtering section, or a shed area, would that fall under the physical 50% of manufacturing even though it's a secondary process? Mr. Davis said in a situation like that for what the original concept for what light industrial use is that would not be accepted. That is why he believes there needs to be another zone for medium or heavy industrial use, as this will provide less potential for conflict with adjoining land uses. Ms. Lux agreed that there is a need for two different industrial classifications. Mr. Granquist thought one would almost have to apply for a variance once it is set up, regardless of the industry.

Mr. Davis said these comments are useful and that he will pass them onto the Planning Commission. The Planning Commission will be charged with developing definitions for any change that occurs now and in the future.

Mr. Bezanson noted 2H and 2I and 3A are all areas that definitely need better definition. When looking at the screening requirements, he asked why the height is limited, why can't it be 10-12' for certain operations? Why are the screening heights different for the two different classifications?

Mr. Voss said it will be good to have EDA comments that go with its vision to use during the review of the Comp Plan, as the EDA wasn't formed when the last Comp Plan was written and now the EDA can provide a broader view from a business standpoint. The Planning Commission will decide on the specifics to

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the ordinance. Mr. Bezanson said he would like to see is the commercial industrial equivalent to a PUD ordinance. Mr. Voss said there already is an ordinance like that; Mr. Bezanson said that ordinance is for residential. Mr. Davis clarified that there are two areas that have PUDs – the City Center District has a PUD overlay, and the intersection of 221st and Hwy 65 has a business PUD overlay. Mr. Bezanson said he would like to have language that works in the City's favor so it has more discretionary powers to be able to negotiate or craft an agreement with a business or developer that is coming into an industrial park. Mr. Voss said that is good feedback from Mr. Bezanson, as the City previously had to fight to get a PUD by the City Center corner.

Mr. Welter had three questions –
1) Is there a target date for the completion of the rewrite of this ordinance? Mr. Davis said staff would like to present some type of draft proposal to the Planning Commission for review at its May meeting. If the Planning Commission thinks the draft is acceptable, they can recommend City Council adopt the ordinance or can schedule it for further discussion.
2) How would this change affect current businesses? Mr. Davis said that is one reason why staff wanted to bring this up at tonight's meeting. It is recognized and needed to have different industrial districts for different types of industrial businesses. As far as existing businesses go, this would have no impact on those that are established. For business expansion, it would have no immediate impact that he is aware of, but that is why he wanted the EDA's comments and input. One item discussed was a moratorium. A moratorium could solve some of the issues until they are sorted out. However, a moratorium could have a lot of negative impacts on 2-3 businesses that do have expansion plans.
3) How could possible changes affect the CST proposal? This probably will not affect the proposal as it stands now, anything that will be enacted will not be retroactive. However, there could be some possibilities with the truck terminals, depending on how that works out. What it will do is provide the City with some measure of protection for anything that happens between now and when the final Comp Plan is adopted.

Chair Butler went back to definitions - under warehousing and distribution there is an exclusion to trucking and truck terminal operations, but when people are in the warehousing and distribution business they are obviously going to be distributing product via motor truck. There needs to be clear definitions of trucking, truck terminals, trucking operations, truck activities, etc. Also, Under 4A occupying no more than 50% of the rear yard, some businesses have both side and rear yards. So it needs to be clear if they can occupy 50% of the rear yard and 100% of the side yard. Chair Butler would like to see a Comp Plan that works in favor of both residents and businesses. Mr. Davis agreed that the Plan should not be too restrictive, however, it must be much clearer and defined/concrete. Mr. Voss agreed on the need for different definitions of different types of industrial zonings for businesses.

The Planning Commission will be given a draft ordinance for review at the May meeting. Mr. Voss suggested having joint work meetings with the Planning Commission and City Council; he will address this at the next Council meeting.

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8.0 Chamber of Commerce Reports

Chair Butler reported there was a presentation last Thursday by Liz Uran and Mr. Welter at the Chamber event in the Senior Center.

There is a morning golf outing at Viking Meadows on Friday, June 15th preceding Booster Days. Sign-up is available at the Chamber website EastBethelChamberofCommerce.com and there is a Facebook page as well.

Mr. Welter gave an update on the BR & E commencement meeting on April 27th which had about 35 attendees. The business retention and expansion background was reviewed, with the highlight being that three teams were formed around three projects that will be implemented for East Bethel. The first is called Connect 17 which will work to increase broadband reliability and availability city-wide, the second one has to do with communication, specifically improving communications between city government and business owners in East Bethel, and the third is titled EastBethelJobs.com that will work to provide resources to East Bethel businesses to aide in the identification, selection, and retention of employees. These three teams are working to identify more specific goals. All three teams will meet about once every three months for updates, accomplishments, and more goal setting. The leadership team is still meeting with its primary goal to identify a routine way to provide progress communications back to the City Council and city businesses. Chair Butler gave a brief description to the audience of what the BR & E is and the reason for having it. Everyone was encouraged to become a part of the BR & E committees.

Mr. Davis complimented Mr. Welter on his presentation at the Chamber meeting. He did ask Mr. Welter what the EDA's and City's roles are in order to help achieve the desired goals. Mr. Welter said the EDA was the kick-off and sponsor of the BR & E and that the City has been very supportive of the whole program. He sees the EDA role as staying informed on what is happening and to provide any overview, suggestions, and advice on where to go, and the same from the City. Suggestions on how to communicate updates to the community at large would be great.

The website domain name EastBethelJobs.com has been approved and is being sponsored by Aggressive Hydraulics. Mr. Welter was unsure of the live date of the site. More information should be available at the May 24 meeting. Mr. Mundle reported that the previous surveys showed that businesses in the city are having troubles finding local employment and finding skilled employment that can be hired from East Bethel. One of the projects is to undertake how to find more local labor for local businesses in order to keep businesses here, rather than moving to where there are better employment options. Thus, the development of the website where businesses can post employment listings.

9.0 City Council Report

Mr. Mundle reported:
- Council was updated on the new A/V system that will be installed in Council Chambers, with work being completed by the second Council meeting in June.
- Council adopted a new shade tree ordinance to protect trees on public and park

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property.
- Congressman Tom Emmer visited the last Council meeting to talk about what he is doing and some of his special interests. He hopes to attend more Council meetings and/or Town Hall meetings and wants to be more involved and available locally with East Bethel and surrounding communities as well.
- Council ordered an Environmental Assessment Worksheet (EAW) be completed for the proposed CST project.
- Booster Day is July 16th. Committee is looking for both food and non-food vendors. Applications can be found on the City website.
- City is looking to hire two seasonal maintenance workers to do various types of manual labor in the general maintenance of the Park Department. Applications can be found at the City website.

Mr. Voss noted that the Chamber June agenda includes Comp Plan update. Because these businesses are directly affected by possible changes to the light industrial ordinance, he wants to make Chamber members aware of the interim changes being discussed.

10.0 Adjourn **Mr. Granquist moved and Mr. Bezanson seconded to adjourn at 7:46 pm. Motion carried.**

Respectfully submitted,

Gail Gessner, Recording Secretary
Submitted 5/20/16

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City of East Bethel
Economic Development Authority
Agenda Information

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Date:
June 20, 2016

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Agenda Item Number:
Item 4.0

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Agenda Item:
Business Contact Report; April-June 2016

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Requested Action:
Information only

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Background Information:
City Staff has assisted with or provided direct action on the following:

- Working on Site Plan review for Second Generation Chimneys who will be locating on lot 1, Block 1, Sauter Commercial Park. They are building a 6,500 square foot facility for their office and shop, with future expansion for an additional 6,000 sq. ft. They rebuild chimneys and are a HVAC contractor.
- Working with Lisa Palm owner of the Ponds of Hidden Prairie. Ms. Palm is proposing to build a 10,000 sq. ft. wedding event center on 221st Avenue NE. Site plan will be submitted shortly.
- Working with Jill Hoffman – Granny May's. Jill has applied for an Interim Use permit to operate a commercial kitchen out of her garage for three years.
- Working with George Cossette, George's Boatworld. George is looking at expansion at his current location.
- Working with CST, they are required to complete an EAW and we are waiting for their response to the EAW.
- Working with a local developer interested in platting a rural subdivision.
- Met with Don Shaw on his Viking Preserve development. He is currently completing site work including filling in a portion of a pond and bringing in fill to make house pad corrections.
- Met with Don Shaw on his expansion plans for Shaw Trucking. Mr. Shaw is planning to construct a 6,400 sq. ft. cold storage facility and expanding his storage area.
- Completing building plan review for Garfish brewery who will be locating in Bethel, MN
- Final BR&E report presented to the City Council and three committees formed:
    - Connect 17 – Broadband
    - Communication
    - Recruitment

Other Development Assistance Activities and Information:

- Assistance provided to Tom Sauter for the Sauter Commercial Park 2nd addition plat
- Continue to participate in the TH Hwy. 65 Coalition

- Completed RFP (request for proposal) for Comprehensive Plan update
- Intersection improvements at Hwy 65 and Viking Boulevard

Please advise staff of any items the may be of interest or need for the July 2016 Agenda.

Attachments:

1.) May 2016 Piwik report
2.) Location map

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Fiscal Impact:

To be determined.

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Recommendation:

No action required.

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Economic Development Authority Action:

Motion by: _____ Second by: _____

Vote Yes: _____ Vote No: _____

No Action Required: _____

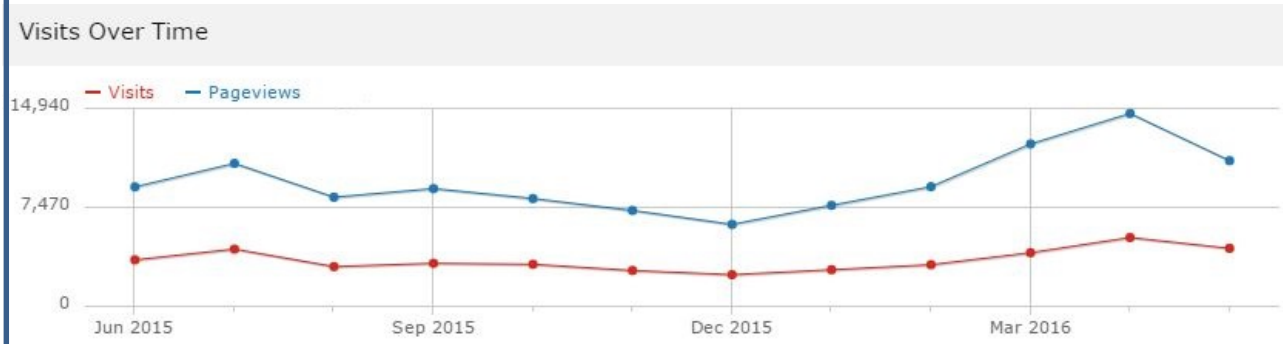
May 2016 Piwik Analysis

Most frequently viewed webpages this month		
Label	**Total Pageviews**	**Bounce Rate**
Official Website	4290	47%
East Bethel, MN	3094	47%
Building Inspections & Permits	360	47%
City Code	344	44%
City Council	301	34%
East Bethel Booster Day	132	69%
Residents	142	30%
City Maps	157	47%
Planning Commission	128	64%
Agendas & Minutes	87	0%
GIS	76	45%
Administration	64	86%
Community Development	64	60%
Parks & Recreation	69	45%
Fire	74	58%
Departments	63	46%
Economic Development Authority	99	67%
About East Bethel	48	50%
City Government	52	0%
Police	48	64%
Public Works	49	63%
Finance	41	77%
Help Center	43	0%
Garbage & Recycling	48	0%
Informational Handouts & Building Guidelines	60	0%

Searches within our Site this month	
Searched	**# of searches**
burning permit	8
search	8
zoning map	6
septic	5
can i build a pole barn on my property?	4
whispering aspen community center	4
zoning	4
accesory building	3
board of appeal	3
building codes	3
building inspection & permits	3
burning permits	3
burning restrictions took effect monday, march 21st for central minnesota	3
cst	3
permits	3
accessory building	2
bid postings	2
building permit application	2
cedar creek	2
cemetery	2
chicken ordinance	2
city code	2
light industrial zoning	2
noise ordinance	2
park commission meeting	2

34% of users viewed our site via mobile devices this month.

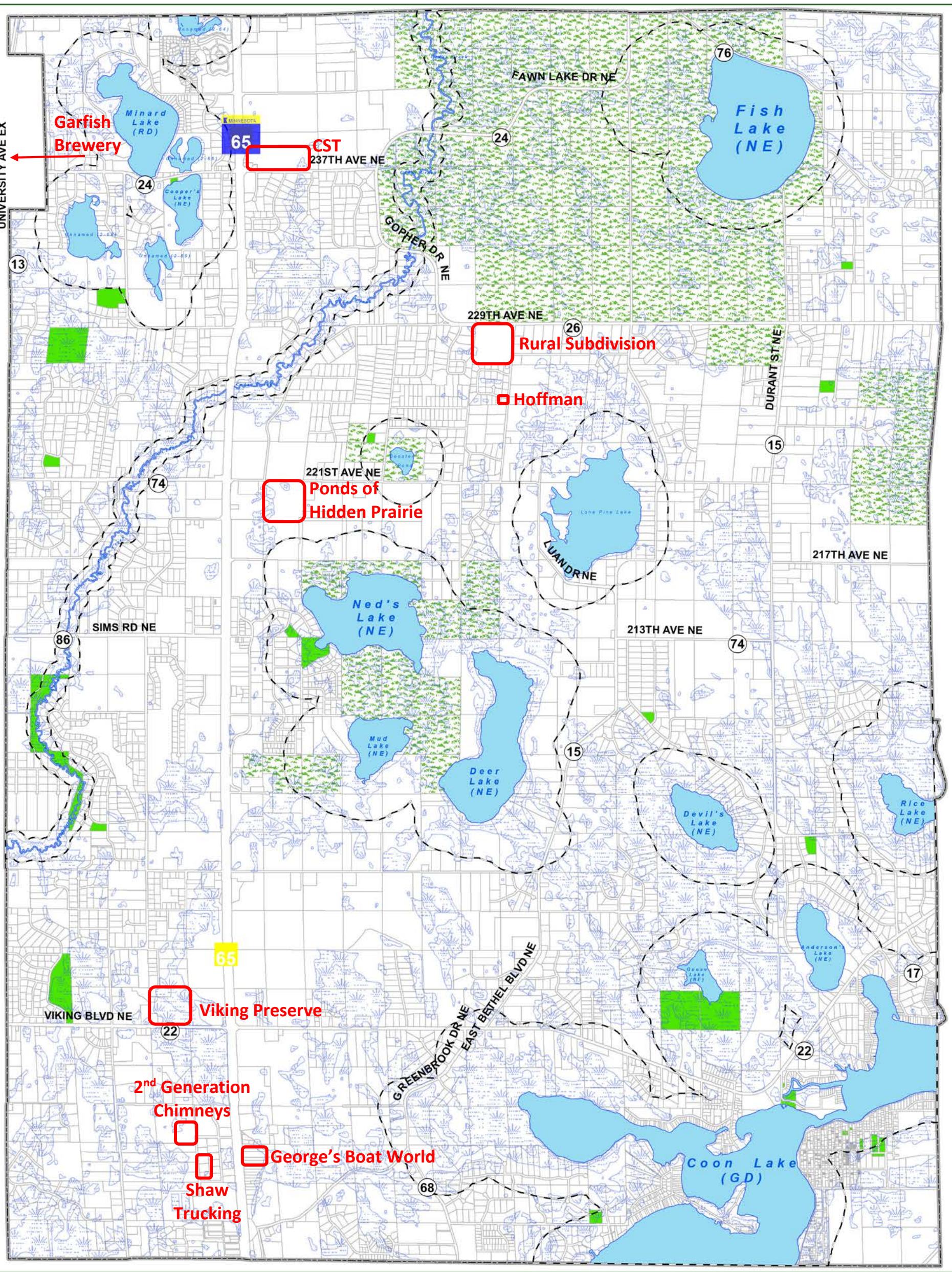
Website visitors and pageviews over time ending in March



This report was generated using data from 2016-05-01 – 2016-05-31.

Most Downloaded Documents from our Website	
Document	# of times downloaded this month
East Bethel Resident Guide	188
Accessory Building Pamphlet	99
Permit Application for Residential Accessory Structure	88
Chicken Ordinance Quick Reference Guide	63
Firearms Ordinance Quick Reference Guide	56
Fee Schedule	53
Amended 2014 Zoning Map	50
Zoning Map	44
Farm Animal Ordinance Quick Reference Guide	43

OFFICIAL MAP OF THE CITY OF EAST BETHEL



Map Date: 2/24/2012

N

0 0.25 0.5 1
Miles

Parcel/Lot
Wetlands
City Limits
Approximate Shoreland Overlay Boundary

Sources:
Anoka County
East Bethel Planning Department
East Bethel GIS

Adopted October 17, 2007

City of East Bethel
Economic Development Authority
Agenda Information

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Date:
June 20, 2016

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Agenda Item Number:
Item 5.0

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Agenda Item:
Strategic Plan

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Requested Action:
Information only

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Background Information:
In March 2016 the EDA adopted a Strategic Plan. Items I, II, and VI are in progress or substantially completed.

Item IV – Marketing
City Staff is requesting that the EDA discuss and move forward with the plans as outlined under this item.

- Define the vision of the City and development of a marketing concept
- Marketing study
- Competitive/Non-competitive
- Ecommerce and social media
- Network
- Available Land and Building inventory
- Update of marketing materials

Attachments:
1.) Strategic Plan

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Fiscal Impact:
To be determined.

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Recommendation:
Move forward with a Plan of Action on the items under IV

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Economic Development Authority Action:

Motion by: _____ Second by: _____

Vote Yes: _____ Vote No: _____

No Action Required: _____

2016 City of East Bethel

<u>Strategies and Directions for Business Retention, Expansion and Recruitment</u>

As the first phase of the development of a Business Retention, Expansion and Recruitment Plan, the City and EDA should consider the preparation of a Mission Statement that defines the purpose and intent of our objectives. *As an example: The Mission of the City of East Bethel and the Economic Development Authority (EDA) is to promote the recruitment, retention and expansion of business as a means to further economic development within the Hwy. 65 Corridor.*

The essential components required to achieve the objective of a Mission Statement are:

I. Dedication to and Promotion of a Business Friendly Environment

- Demonstrate and maintain the City'**s** positive, progressive and accommodating character in all contacts with the Public by **S**taff, Commissions and City Council.
- Evaluate City policies and procedures to insure the courteous, efficient and timely response to requests, provision of information, issuance of permits and action on issues requiring Commission or Council review and approval.

II. Update the Comprehensive Plan

- Complete the Comprehensive Plan update by 2017.
- Focus on those elements that will enhance opportunities for economic development and create a land use pattern within the Hwy 65 corridor that maximizes the growth potential of the Corridor.
- Examine existing and future land use within the Hwy. 65 corridor, and ensure that zoning addresses development needs in this area of the City.
- Develop a transportation plan component that identifies needs and prioritizes potential projects that advance highway safety, improve traffic flow and enhance access to areas with developmental potential.
- Identify utility needs and outline strategies for extensions of these services within the Hwy. 65 corridor.
- Implement policies to retain the rural nature of the City outside the hwy. 65 corridor.
- Utilize the comprehensive plan as a tool to guide the development goals of the City.

III. Financing business expansion and recruitment

- Develop connections with local, regional and state agencies that can assist the City in financing both existing and new development with grant and loan programs.
- Develop strong relationships with local banks and financing entities and encourage these institutions to become an investment partner to stimulate business retention, expansion and recruitment.
- Develop a plan for City business financing and assistance.

IV. Marketing

- Define the vision of the City and develop a marketing concept that applies to achieving the realization of this objective.
- Prepare a marketing study that identifies target business and industry for the East Bethel market area.
- Evaluate the factors that make the City competitive/non-competitive within our geographic area and the region.
- Examine and incorporate all appropriate aspects of e-commerce and social media in promotional campaigns that are specific to the City.
- Network with local and commercial realtors and realty organizations to promote the City's available properties.
- Continually update the City marketing information to ensure that all information is current and appropriate.

V. Business Recruitment

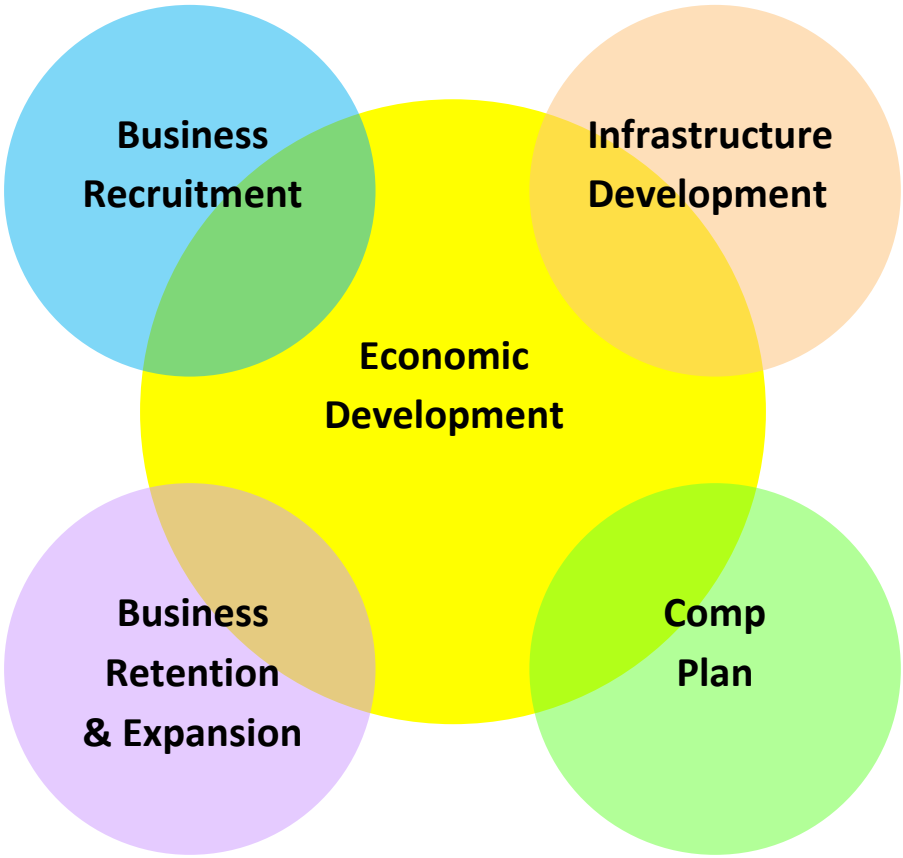
- Develop policies and guidelines that minimize competition conflicts with existing business.
- Utilize data from the marketing study to obtain location needs of identified businesses and develop procedures for contact and follow-up meetings.
- Establish connections and associations with DEED, MSP and other related associations and organizations to develop our profile with these groups and increase our exposure for industrial prospect references.

VI. Business Retention and Expansion

- Continue to support and promote the BR&E program and projects.
- Continue efforts to recruit additional businesses to the BR&E program.
- Encourage expansion of membership in the East Bethel Chamber of Commerce.
- Continue to work with start-up businesses to provide guidance and information.

VII. Evaluation of Strategies

- Provide a definition of Economic Development to provide a basis for establishment of the high level goals to assess program progress .
- Identify actionable goals that have reasonable expectations of attainment.
- Establish standards to gauge and measure progress of business retention, expansion, and recruitment.
- Examine initiatives of other City's that are successfully implementing and economic development programs and identify and apply those that are specific to the needs of the City of East Bethel.



City of East Bethel
Economic Development Authority
Agenda Information

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Date:
June 20, 2016

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Agenda Item Number:
Item 6.0

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Agenda Item:
Retail Market Discussion

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Requested Action:
Information item

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Background Information:
Per the retail analysis profile (attachment 2) for the City of East Bethel there are three market sectors in the City where we have a surplus retail. These are:

- Motor vehicle dealers
- Liquor Stores
- Drinking places

All other categories indicate sectors that are either served by other areas or are opportunities for expansion/location in the City. Both the attached analysis and the Ady Voltdge Study, identified grocery stores as the primary establishments as underserved niches in the East Bethel trade area.

Not only does the statistical information provide an indication of feasibility for this type of business, it is the near unanimous need expressed by residents for retail service.

In addition to discussing a proposed grocery store-outlot retail project with a developer, Staff has had previous contact with the following retail food store chains:

- ***Hyvee*** – Hyvee is currently expanding in the Twin Cities market and has just had plans approved in both Maple Grove and Brooklyn Park. A typical store is 90,000 square feet and the traffic generated in that size of store is 30,000 customer trips per week. Hyvee is focused in the more densely populated metro areas. The smallest market that Hyvee has located in this area is Farmington (south metro). At that location they built a 55,000 sq. ft. store.

- ***Lucky's*** (Colorado based operation)

- ***Meijer*** (Michigan based operation)

- ***Aldi*** – Staff has had contact with their real estate representatives.

- ***Coborn's*** – They are currently building a store in Isanti, MN. In discussions with their Real Estate Representative, they did not receive any incentives from the City of Isanti to locate in that community. Additionally, Coborn's was not recruited Isanti but selected this location based on their market studies . A site in East Bethel was of potential interest

to them but was unavailable at the time they made the decision to locate in the Hwy 65 corridor.

Other stores that are expanding in the Metro area are:
365
Trader Joe's
Fresh Thyme
The City has not had no contact with these chains at this time.

Staff will review the retail data presented in the attachment(s) and solicit comment from the EDA.

Attachments:

1.) Retail Marketplace Profile

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Fiscal Impact:

To be determined.

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Recommendation:

No action required

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Economic Development Authority Action:

Motion by: _____ Second by: _____

Vote Yes: _____ Vote No: _____

No Action Required: _____

Retail MarketPlace Profile

East Bethel City, MN
Geography: Place

Prepared by Esri

Summary Demographics	
2015 Population	11,573
2015 Households	4,099
2015 Median Disposable Income	$57,040
2015 Per Capita Income	$31,204

Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	$193,930,073	$33,368,470	$160,561,603	70.6	34
Total Retail Trade	44-45	$175,201,267	$31,652,566	$143,548,701	69.4	29
Total Food & Drink	722	$18,728,806	$1,715,904	$17,012,902	83.2	5

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	$41,053,006	$10,054,593	$30,998,413	60.7	6
Automobile Dealers	4411	$33,198,386	$1,342,212	$31,856,174	92.2	2
Other Motor Vehicle Dealers	4412	$5,218,160	$8,712,381	-$3,494,221	-25.1	4
Auto Parts, Accessories & Tire Stores	4413	$2,636,460	$0	$2,636,460	100.0	0
Furniture & Home Furnishings Stores	442	$4,916,602	$0	$4,916,602	100.0	0
Furniture Stores	4421	$3,230,018	$0	$3,230,018	100.0	0
Home Furnishings Stores	4422	$1,686,584	$0	$1,686,584	100.0	0
Electronics & Appliance Stores	443	$8,111,773	$1,569,821	$6,541,952	67.6	3
Bldg Materials, Garden Equip. & Supply Stores	444	$9,395,566	$791,398	$8,604,168	84.5	4
Bldg Material & Supplies Dealers	4441	$7,660,167	$791,398	$6,868,769	81.3	4
Lawn & Garden Equip & Supply Stores	4442	$1,735,399	$0	$1,735,399	100.0	0
Food & Beverage Stores	445	$29,347,563	$6,733,185	$22,614,378	62.7	7
Grocery Stores	4451	$24,794,061	$990,437	$23,803,624	92.3	2
Specialty Food Stores	4452	$1,709,672	$0	$1,709,672	100.0	0
Beer, Wine & Liquor Stores	4453	$2,843,830	$5,742,748	-$2,898,918	-33.8	5
Health & Personal Care Stores	446,4461	$11,628,402	$0	$11,628,402	100.0	0
Gasoline Stations	447,4471	$12,867,478	$11,419,534	$1,447,944	6.0	3
Clothing & Clothing Accessories Stores	448	$7,209,659	$0	$7,209,659	100.0	0
Clothing Stores	4481	$5,560,258	$0	$5,560,258	100.0	0
Shoe Stores	4482	$1,130,878	$0	$1,130,878	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	$518,523	$0	$518,523	100.0	0
Sporting Goods, Hobby, Book & Music Stores	451	$5,477,740	$295,606	$5,182,134	89.8	2
Sporting Goods/Hobby/Musical Instr Stores	4511	$4,571,975	$295,606	$4,276,369	87.9	2
Book, Periodical & Music Stores	4512	$905,765	$0	$905,765	100.0	0
General Merchandise Stores	452	$33,996,616	$0	$33,996,616	100.0	0
Department Stores Excluding Leased Depts.	4521	$27,573,739	$0	$27,573,739	100.0	0
Other General Merchandise Stores	4529	$6,422,877	$0	$6,422,877	100.0	0
Miscellaneous Store Retailers	453	$7,271,788	$788,429	$6,483,359	80.4	4
Florists	4531	$320,213	$0	$320,213	100.0	0
Office Supplies, Stationery & Gift Stores	4532	$1,063,571	$0	$1,063,571	100.0	0
Used Merchandise Stores	4533	$875,639	$59,820	$815,819	87.2	1
Other Miscellaneous Store Retailers	4539	$5,012,365	$728,609	$4,283,756	74.6	3
Nonstore Retailers	454	$3,925,074	$0	$3,925,074	100.0	0
Electronic Shopping & Mail-Order Houses	4541	$3,161,479	$0	$3,161,479	100.0	0
Vending Machine Operators	4542	$206,766	$0	$206,766	100.0	0
Direct Selling Establishments	4543	$556,829	$0	$556,829	100.0	0
Food Services & Drinking Places	722	$18,728,806	$1,715,904	$17,012,902	83.2	5
Full-Service Restaurants	7221	$10,668,597	$245,899	$10,422,698	95.5	1
Limited-Service Eating Places	7222	$7,074,131	$515,499	$6,558,632	86.4	1
Special Food Services	7223	$449,361	$92,054	$357,307	66.0	1
Drinking Places - Alcoholic Beverages	7224	$536,717	$862,452	-$325,735	-23.3	2

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.
http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf

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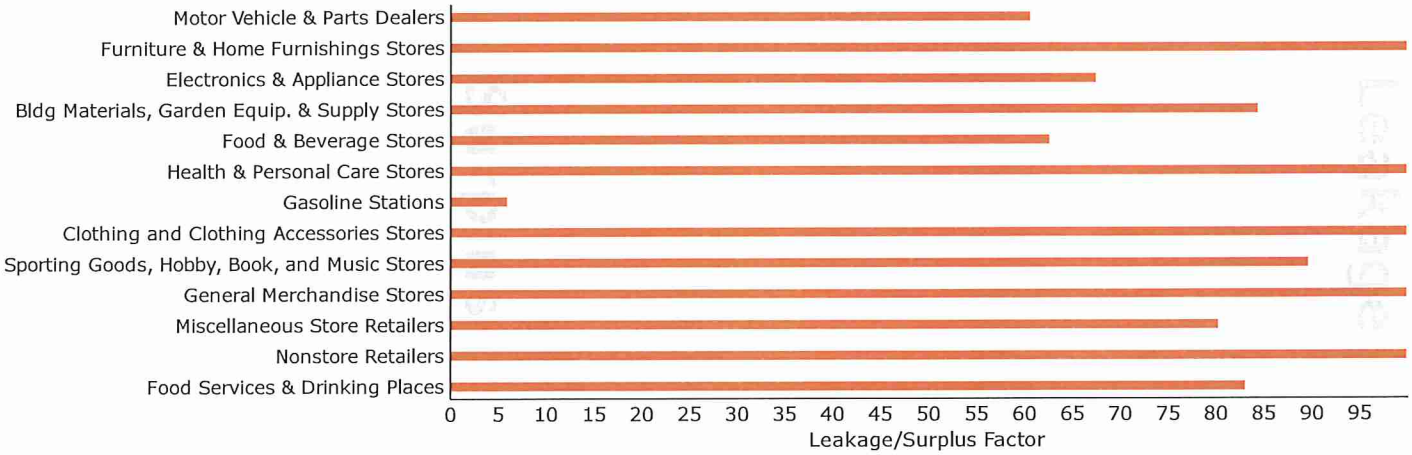
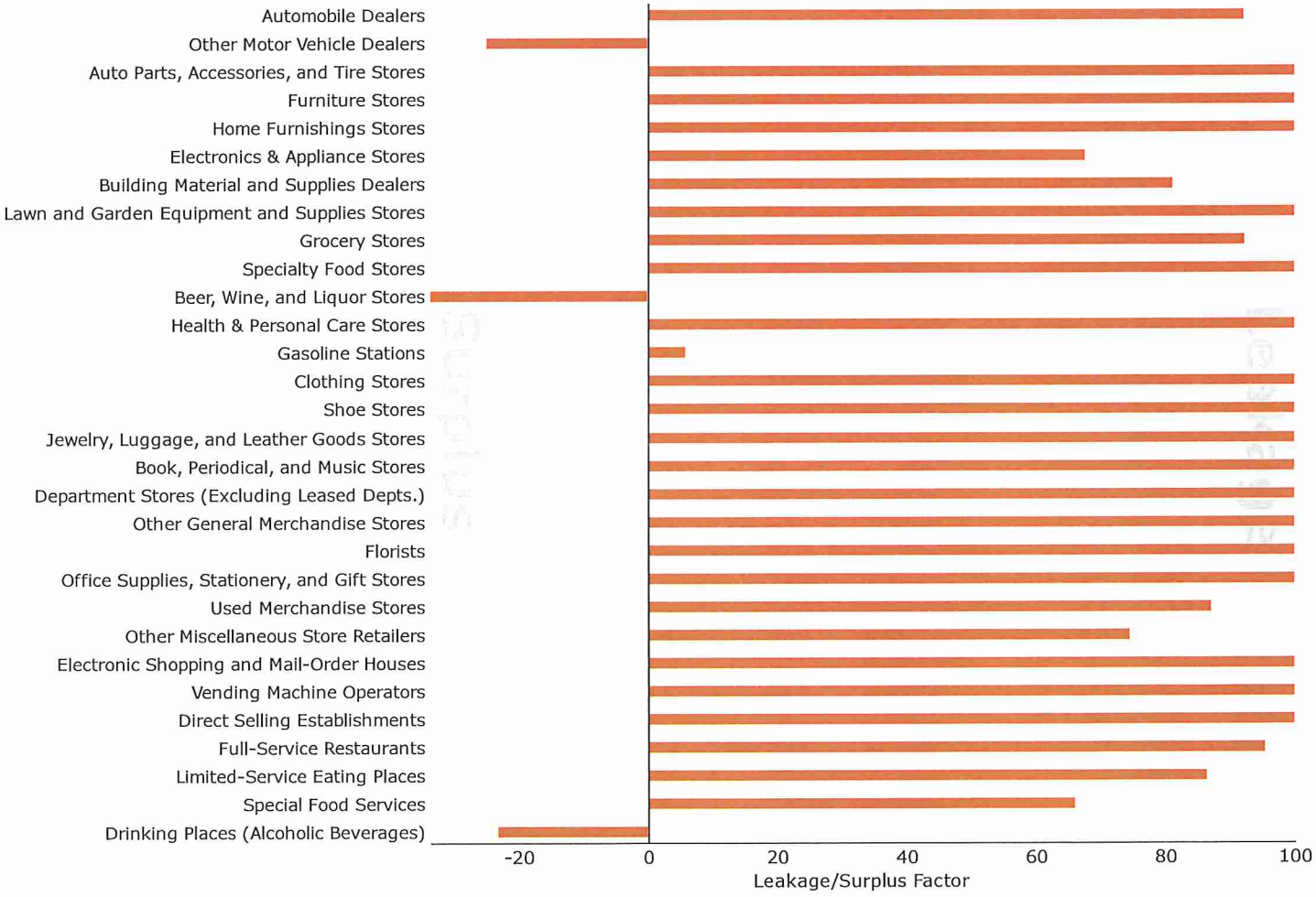
Leakage/Surplus Factor by Industry Subsector



Leakage/Surplus Factor by Industry Group



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May 12, 2016

Retail Market Potential

East Bethel City, MN
Geography: Place

Prepared by Esri

Demographic Summary	2015	2020
Population	11,573	11,708
Population 18+	8,902	9,205
Households	4,099	4,166
Median Household Income	$75,799	$84,009

Product/Consumer Behavior	Expected Number of Adults/HHs	Percent of Adults/HHs	MPI
Apparel (Adults)			
Bought any men's clothing in last 12 months	4,704	52.8%	109
Bought any women's clothing in last 12 months	4,268	47.9%	107
Bought clothing for child <13 years in last 6 months	2,805	31.5%	112
Bought any shoes in last 12 months	5,213	58.6%	107
Bought costume jewelry in last 12 months	1,884	21.2%	106
Bought any fine jewelry in last 12 months	1,822	20.5%	105
Bought a watch in last 12 months	1,083	12.2%	106
Automobiles (Households)			
HH owns/leases any vehicle	3,848	93.9%	110
HH bought/leased new vehicle last 12 mo	447	10.9%	126
Automotive Aftermarket (Adults)			
Bought gasoline in last 6 months	8,399	94.3%	111
Bought/changed motor oil in last 12 months	4,837	54.3%	109
Had tune-up in last 12 months	2,932	32.9%	109
Beverages (Adults)			
Drank bottled water/seltzer in last 6 months	5,854	65.8%	100
Drank regular cola in last 6 months	4,067	45.7%	100
Drank beer/ale in last 6 months	4,075	45.8%	108
Cameras (Adults)			
Own digital point & shoot camera	3,569	40.1%	124
Own digital single-lens reflex (SLR) camera	928	10.4%	121
Bought any camera in last 12 months	731	8.2%	114
Bought memory card for camera in last 12 months	636	7.1%	124
Printed digital photos in last 12 months	356	4.0%	118
Cell Phones (Adults/Households)			
Bought cell phone in last 12 months	3,587	40.3%	110
Have a smartphone	4,878	54.8%	112
Have an iPhone	1,944	21.8%	117
Number of cell phones in household: 1	860	21.0%	65
Number of cell phones in household: 2	1,683	41.1%	111
Number of cell phones in household: 3+	1,427	34.8%	139
HH has cell phone only (no landline telephone)	1,366	33.3%	88
Computers (Households)			
HH owns a computer	3,578	87.3%	114
HH owns desktop computer	2,413	58.9%	121
HH owns laptop/notebook	2,414	58.9%	115
Spent <$500 on most recent home computer	624	15.2%	108
Spent $500-$999 on most recent home computer	1,036	25.3%	125
Spent $1,000-$1,499 on most recent home computer	488	11.9%	119
Spent $1,500-$1,999 on most recent home computer	206	5.0%	109
Spent $2,000+ on most recent home computer	170	4.1%	107

Data Note: An MPI (Market Potential Index) measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average.
Source: These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by GfK MRI in a nationally representative survey of U.S. households. Esri forecasts for 2015 and 2020.

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Product/Consumer Behavior	Expected Number of Adults/HHs	Percent of Adults/HHs	MPI
Convenience Stores (Adults)			
Shopped at convenience store in last 6 mos	5,889	66.2%	109
Bought brewed coffee at convenience store in last 30 days	1,505	16.9%	110
Bought cigarettes at convenience store in last 30 days	1,144	12.9%	98
Bought gas at convenience store in last 30 days	3,484	39.1%	118
Spent at convenience store in last 30 days: <$20	754	8.5%	103
Spent at convenience store in last 30 days: $20-$39	816	9.2%	101
Spent at convenience store in last 30 days: $40-$50	773	8.7%	113
Spent at convenience store in last 30 days: $51-$99	421	4.7%	104
Spent at convenience store in last 30 days: $100+	2,327	26.1%	113
Entertainment (Adults)			
Attended a movie in last 6 months	5,849	65.7%	109
Went to live theater in last 12 months	1,175	13.2%	105
Went to a bar/night club in last 12 months	1,715	19.3%	113
Dined out in last 12 months	4,639	52.1%	116
Gambled at a casino in last 12 months	1,610	18.1%	123
Visited a theme park in last 12 months	1,768	19.9%	110
Viewed movie (video-on-demand) in last 30 days	1,567	17.6%	113
Viewed TV show (video-on-demand) in last 30 days	1,210	13.6%	111
Watched any pay-per-view TV in last 12 months	1,390	15.6%	119
Downloaded a movie over the Internet in last 30 days	491	5.5%	83
Downloaded any individual song in last 6 months	2,135	24.0%	117
Watched a movie online in the last 30 days	1,218	13.7%	101
Watched a TV program online in last 30 days	1,140	12.8%	95
Played a video/electronic game (console) in last 12 months	1,133	12.7%	112
Played a video/electronic game (portable) in last 12 months	443	5.0%	111
Financial (Adults)			
Have home mortgage (1st)	3,909	43.9%	139
Used ATM/cash machine in last 12 months	4,897	55.0%	113
Own any stock	847	9.5%	122
Own U.S. savings bond	583	6.5%	114
Own shares in mutual fund (stock)	821	9.2%	123
Own shares in mutual fund (bonds)	550	6.2%	125
Have interest checking account	2,957	33.2%	115
Have non-interest checking account	2,832	31.8%	113
Have savings account	5,527	62.1%	116
Have 401K retirement savings plan	1,808	20.3%	138
Own/used any credit/debit card in last 12 months	7,317	82.2%	111
Avg monthly credit card expenditures: <$111	1,169	13.1%	111
Avg monthly credit card expenditures: $111-$225	701	7.9%	122
Avg monthly credit card expenditures: $226-$450	659	7.4%	117
Avg monthly credit card expenditures: $451-$700	537	6.0%	111
Avg monthly credit card expenditures: $701-$1,000	462	5.2%	120
Avg monthly credit card expenditures: $1,001+	915	10.3%	112
Did banking online in last 12 months	3,922	44.1%	125
Did banking on mobile device in last 12 months	1,248	14.0%	135
Paid bills online in last 12 months	4,575	51.4%	123

Data Note: An MPI (Market Potential Index) measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average.
Source: These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by GfK MRI in a nationally representative survey of U.S. households. Esri forecasts for 2015 and 2020.

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Product/Consumer Behavior	Expected Number of Adults/HHs	Percent of Adults/HHs	MPI
Grocery (Adults)			
Used beef (fresh/frozen) in last 6 months	6,778	76.1%	107
Used bread in last 6 months	8,639	97.0%	102
Used chicken (fresh or frozen) in last 6 mos	6,734	75.6%	106
Used turkey (fresh or frozen) in last 6 mos	1,694	19.0%	104
Used fish/seafood (fresh or frozen) in last 6 months	5,153	57.9%	103
Used fresh fruit/vegetables in last 6 months	8,018	90.1%	104
Used fresh milk in last 6 months	8,212	92.2%	103
Used organic food in last 6 months	1,622	18.2%	93
Health (Adults)			
Exercise at home 2+ times per week	2,787	31.3%	110
Exercise at club 2+ times per week	1,398	15.7%	121
Visited a doctor in last 12 months	7,045	79.1%	105
Used vitamin/dietary supplement in last 6 months	4,965	55.8%	104
Home (Households)			
Any home improvement in last 12 months	1,493	36.4%	132
Used housekeeper/maid/professional HH cleaning service in last 12	526	12.8%	98
Purchased low ticket HH furnishings in last 12 months	764	18.6%	120
Purchased big ticket HH furnishings in last 12 months	917	22.4%	106
Purchased bedding/bath goods in last 12 months	2,323	56.7%	106
Purchased cooking/serving product in last 12 months	1,058	25.8%	106
Bought any small kitchen appliance in last 12 months	973	23.7%	107
Bought any large kitchen appliance in last 12 months	611	14.9%	116
Insurance (Adults/Households)			
Currently carry life insurance	4,507	50.6%	117
Carry medical/hospital/accident insurance	6,270	70.4%	109
Carry homeowner insurance	5,448	61.2%	128
Carry renter's insurance	607	6.8%	92
Have auto insurance: 1 vehicle in household covered	930	22.7%	72
Have auto insurance: 2 vehicles in household covered	1,443	35.2%	126
Have auto insurance: 3+ vehicles in household covered	1,344	32.8%	149
Pets (Households)			
Household owns any pet	2,675	65.3%	123
Household owns any cat	1,110	27.1%	119
Household owns any dog	2,111	51.5%	129
Psychographics (Adults)			
Buying American is important to me	3,916	44.0%	102
Usually buy items on credit rather than wait	951	10.7%	94
Usually buy based on quality - not price	1,561	17.5%	98
Price is usually more important than brand name	2,314	26.0%	95
Usually use coupons for brands I buy often	1,638	18.4%	98
Am interested in how to help the environment	1,141	12.8%	77
Usually pay more for environ safe product	889	10.0%	79
Usually value green products over convenience	756	8.5%	83
Likely to buy a brand that supports a charity	2,971	33.4%	97
Reading (Adults)			
Bought digital book in last 12 months	1,114	12.5%	112
Bought hardcover book in last 12 months	2,117	23.8%	106
Bought paperback book in last 12 month	3,184	35.8%	106
Read any daily newspaper (paper version)	2,335	26.2%	93
Read any digital newspaper in last 30 days	3,048	34.2%	110
Read any magazine (paper/electronic version) in last 6 months	8,314	93.4%	103

Data Note: An MPI (Market Potential Index) measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average.
Source: These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by GfK MRI in a nationally representative survey of U.S. households. Esri forecasts for 2015 and 2020.

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Product/Consumer Behavior	Expected Number of Adults/HHs	Percent of Adults/HHs	MPI
Restaurants (Adults)			
Went to family restaurant/steak house in last 6 months	7,366	82.7%	109
Went to family restaurant/steak house: 4+ times a month	3,007	33.8%	118
Went to fast food/drive-in restaurant in last 6 months	8,264	92.8%	103
Went to fast food/drive-in restaurant 9+ times/mo	3,982	44.7%	110
Fast food/drive-in last 6 months: eat in	3,552	39.9%	110
Fast food/drive-in last 6 months: home delivery	685	7.7%	98
Fast food/drive-in last 6 months: take-out/drive-thru	4,876	54.8%	117
Fast food/drive-in last 6 months: take-out/walk-in	1,878	21.1%	108
Television & Electronics (Adults/Households)			
Own any e-reader/tablet	2,224	25.0%	118
Own any portable MP3 player	3,685	41.4%	123
HH owns 1 TV	533	13.0%	65
HH owns 2 TVs	995	24.3%	92
HH owns 3 TVs	1,019	24.9%	116
HH owns 4+ TVs	1,155	28.2%	143
HH subscribes to cable TV	2,085	50.9%	100
HH subscribes to fiber optic	326	8.0%	119
HH has satellite dish	1,220	29.8%	117
HH owns DVD/Blu-ray player	2,904	70.8%	115
HH owns camcorder	902	22.0%	141
HH owns portable GPS navigation device	1,516	37.0%	134
HH purchased video game system in last 12 mos	387	9.4%	102
HH owns Internet video device for TV	232	5.7%	130
Travel (Adults)			
Domestic travel in last 12 months	5,307	59.6%	119
Took 3+ domestic non-business trips in last 12 months	1,487	16.7%	134
Spent on domestic vacations in last 12 months: <$1,000	1,190	13.4%	119
Spent on domestic vacations in last 12 months: $1,000-$1,499	690	7.8%	129
Spent on domestic vacations in last 12 months: $1,500-$1,999	348	3.9%	111
Spent on domestic vacations in last 12 months: $2,000-$2,999	434	4.9%	127
Spent on domestic vacations in last 12 months: $3,000+	680	7.6%	140
Domestic travel in the 12 months: used general travel website	709	8.0%	113
Foreign travel in last 3 years	2,337	26.3%	110
Took 3+ foreign trips by plane in last 3 years	320	3.6%	82
Spent on foreign vacations in last 12 months: <$1,000	473	5.3%	126
Spent on foreign vacations in last 12 months: $1,000-$2,999	299	3.4%	110
Spent on foreign vacations in last 12 months: $3,000+	426	4.8%	97
Foreign travel in last 3 years: used general travel website	522	5.9%	107
Nights spent in hotel/motel in last 12 months: any	4,392	49.3%	119
Took cruise of more than one day in last 3 years	970	10.9%	125
Member of any frequent flyer program	1,770	19.9%	119
Member of any hotel rewards program	1,542	17.3%	123

Data Note: An MPI (Market Potential Index) measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average.
Source: These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by GfK MRI in a nationally representative survey of U.S. households. Esri forecasts for 2015 and 2020.

May 12, 2016

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City of East Bethel
Economic Development Authority
Agenda Information

* *

Date:
June 20, 2016

* *

Agenda Item Number:
Item 7.0

* *

Agenda Item:
Marketing and promotion opportunities

* *

Requested Action:
Determine if we want to advertise in Business Climate magazine - Minnesota, thriving in the North publication.

* *

Background Information:
Business Climate magazine has teamed up with the MN Dept of Employment and Economic Development to publish the 2nd Annual Minnesota – Thriving in the North magazine. The annual print magazine reaches thousands of top business executives and site selectors worldwide. In addition to the printed magazine, there is also an online distribution component that can be viewed on a variety of digital devices. MNDEED utilizes the magazine as a primary marketing tool at events, tradeshows, and meetings both locally and globally. Many area communities will be advertising in this year's publication including Isanti, Cambridge, Coon Rapids, Blaine, and Anoka County. The costs vary depending on the type of Ad that you place. I have included examples of two different types of Ad spaces and their associated costs:

City	Type	full Cost	Cost w/out banner ads
Blaine	1/3 page vertical ad	$3,395	$1,955
New Ulm	2/3 vertical bleed	$5,365	$3,565

* *

Attachments:

1.) Ad examples
2.) Distribution

* *

Fiscal Impact:
$1,955-$5,365

* *

Recommendation:
Determine if you wish to advertise in Business Climate magazine, type of ad and price.

* *

Economic Development Authority Action:

Motion by: _____ Second by: _____

Vote Yes: _____ Vote No: _____

No Action Required: _____

including added protein, gluten-free and products made with simple ingredients," says Jeff Harmening, executive vice president and chief operating officer, U.S. Retail.

The company has also been recognized among "The Best Companies for Multicultural Women" by *Working Mother* magazine and one of the "100 Best Companies to Work For" by *Fortune* magazine.

Also based in Minnesota is the nation's largest privately held company – Cargill. In 2015, it celebrated its 150th year in business. The company's reach extends well beyond its Wayzata headquarters near Minneapolis. The highly diversified company offers everything from animal nutrition and feed products to high-quality ingredients, meat and poultry products for food manufacturing to health-promoting ingredients and ingredient systems. And, it is a provider of financial services and industrial products.

Overall, Cargill employs 152,000 workers in 67 countries, about 6,500 of them in Minnesota. The company is a global leader in food and ingredients research, much of which takes place at its Food Innovation Center in Minneapolis.

"We are proud of our legacy and the many people who have created it," says David MacLennan, Cargill's president and chief executive officer. "Throughout our anniversary year, we will be reflecting on our past and present, and we'll use those reflections as a springboard to help us focus our thinking on how we can help our partners and customers thrive in an increasingly complex world."

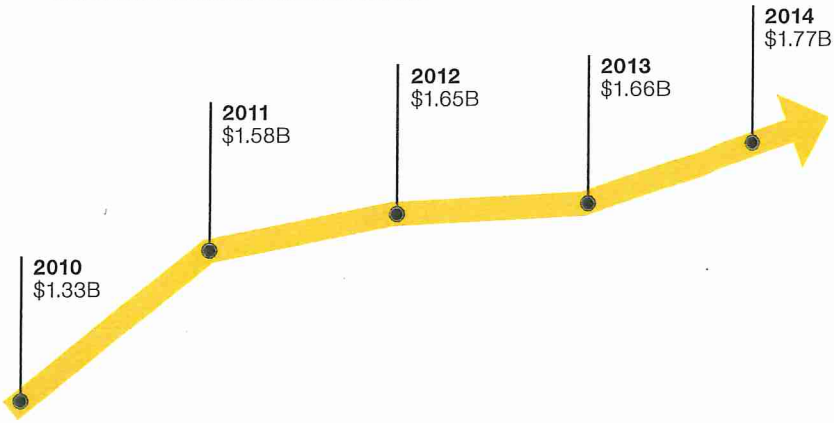
Surging Sweet Tooth

With a 106-year history in the state, Pearson's, the largest candy company in Minnesota, grew further when the company recently acquired the iconic Bit-O-Honey candy line from Nestlé. The company doubled the size of its business in the past three-and-a-half years, due in part to its favorable location in St. Paul, halfway between the coasts.

"Being centrally located is always a good thing, particularly from a distribution standpoint," says CEO Michael Keller. "It is also a great market for manufacturing and access to a strong labor pool. But what makes Minnesota a good place to locate Pearson's is Minnesotans. In many ways, we are to Minnesotans as Ben & Jerry's is to Vermonters. We are proud to call Minnesota our home, and many Minnesotans are proud to call Salted Nut Roll and Nut Goodie their own."

Minnesota Processed Food Exports

Source: U.S. International Trade Administration



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BLAINE
1964 ~ 2014

CITY OF BLAINE

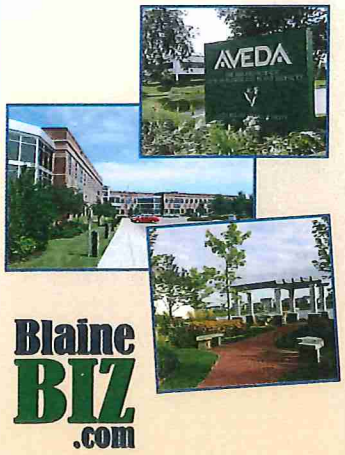
Home to:

- Aveda Corporation
- Infinite Campus
- TPC PGA Golf Course (3M Champions Tour)
- National Sports Center
- Anoka County Airport
- Olympic Curling Training Site

"Fastest growing Twin Cities suburb"

"Over 4 million annual sports visitors"

"Room to grow your business or family"



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DATA

Plugged In

CLIMATE, ENERGY COSTS DRAW DATA CENTERS

Minnesota's abundance of inland water, coupled with a cool, moderate climate, has helped make the state a magnet for data center investment.

Data centers came into being with the first mainframe computers, and fast became a fixture at banks and other financial companies.

Locations with relatively low energy costs offered advantages because large computer servers can consume massive amounts of electricity.

The rise of the Internet and cloud computing have made it even more important for companies to utilize off-site data centers. Besides providing a cost advantage, these remote sites help make business continuity feasible, in the event of an extensive power outage or natural disaster at a company's main site.

Minnesota's location in the upper Midwest is perfect for such operations.

Minnesota's inland setting isolates it from natural disasters such as hurricanes, and the state is also located well north of "Tornado Alley." What's more, equipment cooling is easier to accomplish than in hotter climates – moderate temperatures and the abundance of water provide a natural cooling mechanism.

The state boasts some of the lowest energy costs in the United States, and its electric utilities have one of the nation's highest reliability rates.

Minnesota also has an extensive broadband network. A typical data center using 120 million to 200 million watts of electricity annually can save millions of dollars by locating in Minnesota.

High-skill workers, a high-tech environment and lower operating costs have made Minnesota a data processing, hosting and network operations hub, with about 360 companies employing about 7,000 workers statewide.

– Robert L. Sample

TARGETED DISTRIBUTION

Targeted Distribution

TARGET AUDIENCE

- Corporate Decision Makers
- Corporate Site Consultants
- Relocation Consultants
- Prospective Investors
- Business Media
- Relocating Talent

KEY INDUSTRIES

- Clean Energy Technology
- Water Technology
- Data Centers
- Biosciences
- Health Services
- Health Information Technology
- Advanced Manufacturing
- Financial services

DIGITAL PROMOTIONS

- Content on Minnesota pages of BusinessClimate.com and Livability.com
- Minnesota content and site promotion through Twitter and Facebook campaigns
- Promotion of Minnesota through the BusinessClimate.com blog
- Content recommendation campaigns for Minnesota content on highly trafficked websites

KEY DISTRIBUTION CHANNELS

- Targeted mailings to proprietary database of business decision makers in key industry categories including Aerospace, Advanced Manufacturing, Pharmaceutical Manufacturing, Medical Device Manufacturing, Computer Programming and Data Centers
- Targeted mailings to Fortune 1000 facilities managers
- Targeted mailings to site location consultants
- Targeted mailings to corporate real estate professionals
- Distribution by Minnesota DEED at major conferences and events, and through overseas offices
- Digital magazine on BusinessClimate.com
- Digital magazine on Minnesota DEED websites

National Exposure to a Targeted Audience

BusinessClimate.com offers insights and analysis on economic development, spotlights innovative companies and entrepreneurs, highlights quality of place and serves as a valuable resource for site location and corporate real estate professionals.

BUSINESSCLIMATE

- Visitors from 11,500 cities
- Visitors from 168 countries
- Average time on site: 2:03
- Year-over-year visits up 155% (trending)
- 64% mobile and tablet users
- 30% of traffic comes from organic searches

TOP 5 CITIES VISITING BUSINESSCLIMATE.COM

- New York
- Nashville
- Chicago
- Houston
- Los Angeles

TOP 5 COUNTRIES VISITING BUSINESSCLIMATE.COM

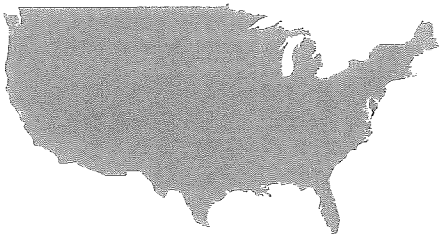
- United States
- India
- Canada
- Brazil
- United Kingdom

BUSINESSCLIMATE.COM HIGHLIGHTS

- 155% increase in sessions from 2014 to 2015.
- 90% of traffic comes from new visitors as we continue to attract more readers to the website.

BUSINESSCLIMATE.COM AUDIENCE

- Our website visitors are slightly more male than female, with the biggest demographic being 25-34.
- Visitors are well-versed in our content topics and are likely to visit other resources on: travel, politics, regional/local news, religion, online trading and science/nature.



Get to Know BusinessClimate.com Users

2015 YOY Analytics

VISITS FROM OVER
11.5K
CITIES

1.4
PAGES PER SESSIONS

2:03
AVERAGE TIME ON PAGE

285K
ANNUAL SESSIONS

398K
ANNUAL PAGEVIEWS

Colleen Winter

From: Enterprise Minnesota [marketing=enterpriseminnesota.org@mail199.atl101.mcdlv.net] on behalf of Enterprise Minnesota [marketing@enterpriseminnesota.org]
Sent: Tuesday, May 17, 2016 5:34 PM
To: Colleen Winter
Subject: The Weekly Report - May 17, 2016

www.EnterpriseMinnesota.org

ENTERPRISE MINNESOTA

THE WEEKLY REPORT

MAY 17, 2016

Contact us

Lessons Learned

We're already thinking about next year's State of Manufacturing® survey

By Lynn Shelton
Enterprise Minnesota's Director of Marketing and Communications

As we proceed to "roll out" the results of this year's **State of Manufacturing®** survey across the state, I think three lessons are becoming evident.

You'll recall that the State of Manufacturing® is Enterprise Minnesota's annual survey of Minnesota's manufacturing executives. Now in our eighth year, each survey has been conducted by Rob Autry, president of **Meeting Street Research,** who interviews 400 manufacturing executives throughout the state. The phone survey is complemented by 19 focus groups of manufacturing executives and new this year, Enterprise Minnesota held three focus groups with students at **Dunwoody College of Technology**, **Anoka Technical College**, and **Alexandria Technical & Community College**.

We introduced the results on May 3rd at our event at the Minneapolis Convention Center. Among the 400-plus attendees this year were both U.S. Senator Amy Klobuchar and Congressman Tom Emmer. It also included a robust panel discussion of the results that included Steve Cremer, president of **Harmony Enterprises**; E.J. Daigle, dean of robotics and manufacturing, **Dunwoody College of Technology**; Twyla Flaws, personnel manager, **Clow Stamping Company**; and Anne Hed, CEO of **Hed Cycling Products**.

Since then, we've also released the survey results at several regional events in Winona, Pine City, Fergus Falls, Owatonna, Rochester, and Brainerd Lakes.

The first and most obvious lesson is that these regional conversations confirm the 2016 survey data. Minnesota's manufacturers are feeling remarkable levels of across-the-board confidence in the financial prospects for their companies in 2016. At the same time manufacturers expressed this confidence, their faith in the economy sits at its lowest levels since 2012. A near majority of manufacturing executives (48 percent) predicts the economy will remain flat, six percentage points higher than last year. Thirty-two percent believe we're heading into a year of economic expansion, while the number of manufacturers who believe we're heading into recession is at 15 percent, twice where it was two years ago. Significantly, nearly eight in ten of the respondents who believe the U.S. is recession bound think their companies are well positioned to handle it.

The second lesson evolves from our experiment this year to include three focus groups of students to learn their perspectives about the skills gap, the nature of the challenge and possible solutions. We held focus groups with students at Dunwoody College of Technology, Anoka Technical College, and Alexandria Technical & Community College**.** Clearly, the student insights have captured the attention of the manufacturers who have attended the Greater Minnesota events so far. The lesson? Do more of them next year and dig even deeper into their attitudes and experiences.

And the third lesson, one we'll have to noodle a little more as time goes on, is the growing evidence that Minnesota would benefit from generating a unified, coordinated manufacturing policy. Whenever we gather for these focus groups and rollout events, it becomes evident that all the people who comprise Minnesota's manufacturing industry would clearly benefit from talking to one another. By that I mean manufacturers themselves (large and small), their vendors, their professional advisers (lawyers, accountants, bankers, consultants), their community leaders, and their elected officials. The communication among these groups is getting better (a result I suspect in part because of the State of Manufacturing, and several amazing local initiatives), but it could really improve. And the real winners would be the increasing number of people in well-paying and rewarding manufacturing careers.

We welcome your participation at an upcoming State of Manufacturing event.

Mankato - Wednesday, May 18
8:00 a.m - 9:30 a.m.

Albert Lea - Wednesday, May 18
1:00 p.m. - 2:30 p.m.

Alexandria - Thursday, May 19
9:00 a.m. - 10:30 a.m.

Elk River - Thursday, May 19
2:00 p.m. - 3:30 p.m.

Willmar - Friday, May 20
9:00 a.m. - 10:30 a.m.

Hibbing - Monday, May 23
10:00 a.m. - 11:30 a.m.

Bemidji - Monday, May 23
3:30 p.m. - 5:00 p.m.

Anoka - Tuesday, May 24
8:30 a.m. - 10:00 a.m.

Litchfield - Tuesday, May 24
1:00 p.m. - 2:30 p.m.

Click here for full details and to register

ISO 9001:2015 - From Compliance to Performance

Wednesday, June 22, 2016
8:00 a.m. - 11:00 a.m.
Mankato City Center Hotel
101 East Main St.
Mankato, MN 56001

What to Expect

ISO 9001:2015 is designed to improve your entire business, its profitability, and growth. Come to this event and learn how to embrace the changes, and integrate them into your strategy, culture and continuous improvement initiatives.

You will hear from manufacturing executives who will show you how an ISO management system has helped their business:

- Build a stronger foundation for growth
- Earn worldwide OEM credibility
- Increase employee engagement and improve organizational culture; and
- Enhance company-wide continuous improvement initiatives

David Ahlquist, Enterprise Minnesota business growth consultant, will moderate this event.

Speakers

Ryan Fleser
Director of Quality
Uponor, Apple Valley

Tom Murphy
President
CARDSource, Eagan

Sarah Richards
President and CEO
Jones Metal, Inc., Mankato

Registration Fee

- $125/per attendee (non-manufacturer)
- Manufacturers may register for free by contacting **events@enterpriseminnesota.org** or calling 612-455-4239

Click here to register

Industry News

Newsletter Archive

Minnesota Manufacturing Survey Finds 'Stigma' of Blue-Collar Work a Hurdle to Attracting Young People

Many parents and teachers are pushing young people to attend traditional 4-year universities in pursuit of professions that are generally considered more prestigious — despite the fact that many manufacturing workers are well-paid and in-demand...

MinnPost
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Ninety Percent of Minnesota Factory Leaders Confident About Business Prospects

In survey, most say their business prospects look good, but economic concerns surface...

Star Tribune
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Local Manufacturers Try to Put Industry in New Light

When it comes to manufacturing in Minnesota, most companies are feeling good about their

financial prospects this year. But there's a hitch. Companies are concerned they're dealing with a tired, old stigma that's holding back efforts to attract skilled employees...

Northwest Community Television
Watch Now

A New Message for Manufacturing: Survey Finds State's Companies Are Strong, But Need Good People

Manufacturing is alive and can expect to do well in Minnesota, so long as there are people to fill the jobs...

Winona Daily News
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Events Calendar

Sign-up to receive our event notifications

Manufacturing Workshop - What You Need to Execute and Sustain Your Strategic Vision for Growth

****Exclusive to manufacturers****
Thursday, July 21
8:30 a.m. - 10:00 a.m.
Insperity
8400 Normandale Lake Blvd, 8400 Training Room - Main Floor
Bloomington, MN 55437

Learn more

Have any news items or events to share with *The Weekly Report*?
Contact Chris Morse at **chris.morse@enterpriseminnesota.org**

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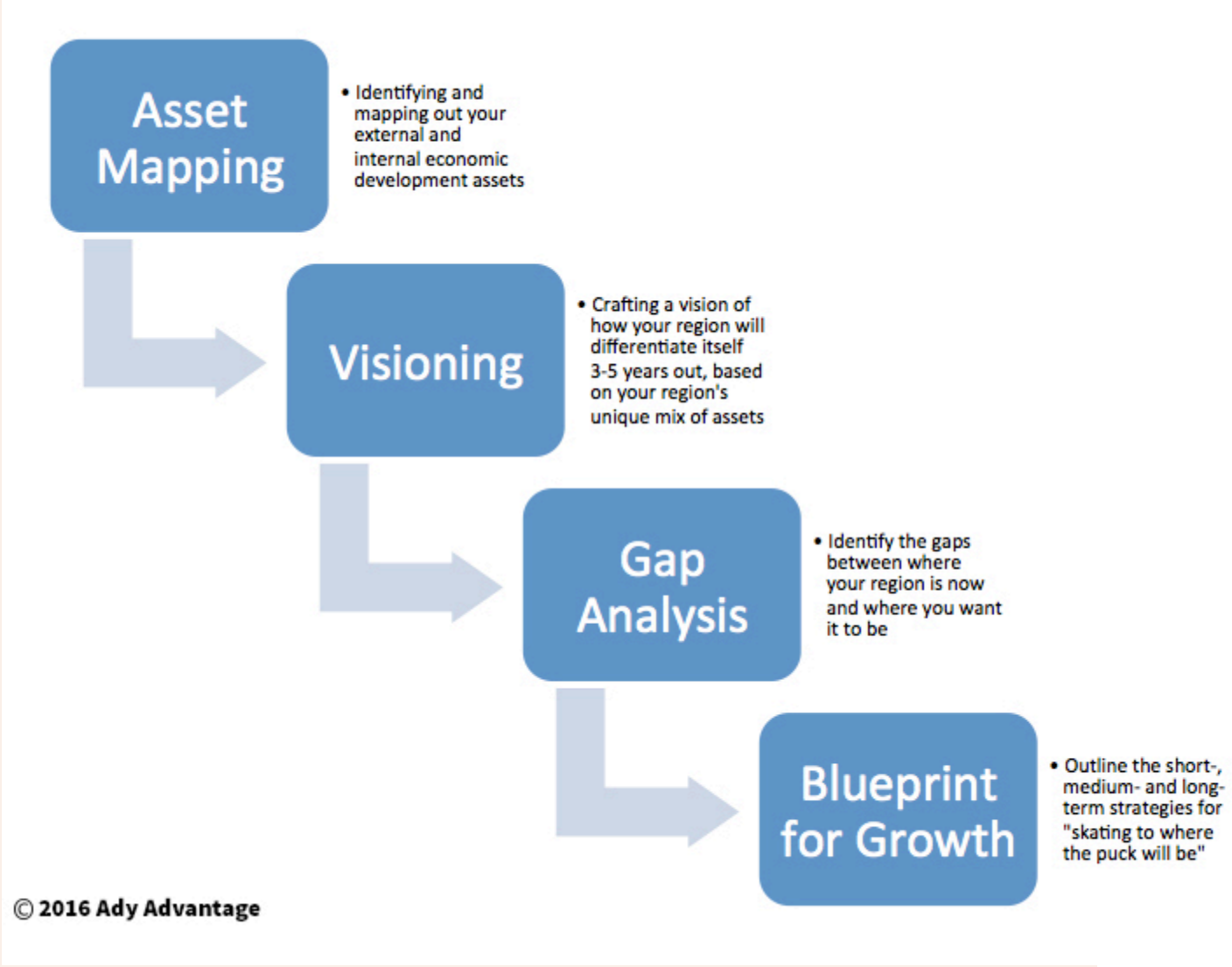
So you're the economic development director in a small- to medium-sized rural community that is showing slow to no growth in population and labor force. Your local employers have a backlog of open jobs, but generally seem disengaged with workforce development (other than one or two star employers). A new supplier serving a nearby OEM just announced that it will be opening up a new facility and will be hiring for 200 positions.

You can see that this is an unsustainable trajectory. Something needs to change. But where do you start? Do you start a talent recruitment campaign to fill those open positions? How about getting those kids in the high school engaged with the careers that are available from local employers? Or maybe all you need to do is attract "better" employers to the industrial park to increase your tax base, and the rest will follow?

Although this scenario is not based on any particular client, it is very realistic and demonstrates the complexity of economic development today. What appears on the surface to be a discrete issue is actually an interrelated web of issues. And that's why solving it requires a more systemic approach. Otherwise, you run the risk of addressing just one issue, only to have three more pop up somewhere else.

The Ady Advantage approach, which we call "Capacity Readiness," takes into account both external assets (workforce, infrastructure, etc.) and internal assets (funding, programs, etc.). We guide clients through the four-step process diagrammed below.



Related tips for economic developers:

1. Don't jump into addressing specific symptoms until you have assessed your strategy's broader impact.
2. Do not start with visioning. Visioning without first mapping assets is like an unmoored ship. You are likely to end up with all kinds of blue-sky scenarios of what your region wants to be – that may be unachievable and unrealistic.

3. Do get input from stakeholder groups, but structure it so they can build off the research you have gathered.
4. Be strategic. We all have limited time and resources, and the future of your region is too important to not have a well thought-out plan.

Today's most successful talent specialists will not just be focusing on recruiting for current openings, they will be defining what they want their future workforce to be, based on the four-step process above. Ady Advantage can help you skate to where the puck will be, not to where it's been. Talk to us to help plot your future. We can work through the Capacity Readiness process with you and identify specific, actionable strategies for getting you where you need to be. Contact Janet Ady to learn more: 608-663-9218.