

City of East Bethel
Economic Development Authority Meeting

August 19, 2013

The East Bethel Economic Development Authority (EDA) met on August 19, 2013 for a regular meeting at City Hall at 7:00 p.m.

MEMBERS PRESENT: Brian Bezanson Dan Butler Heidi Moegerle
 Julie Lux John Landwehr

MEMBERS EXCUSED: Richard Lawrence Mike Connor

ALSO PRESENT: Colleen Winter, Community Development Director/City Planner
 Jack Davis, City Administrator

Call to Order Moegerle called the meeting to order at 7:00 p.m.

Adopt Agenda **Moegerle motioned to adopt the agenda. Lux seconded; all in favor, motion carries.**

Approval of Meeting Minutes Moegerle said we tabled the June minutes and they were not attached. She brought that up so mainly we could get those again.

Moegerle said she had a question for Winter on the last three lines of page 3. She said the question doesn't make sense. She thinks maybe we changed thoughts during that part. The first word is expertise and then it was like two ideas. Winter is not sure on that. Let her think about it. Lux said were you talking about other shovel ready cities to see what their staffing was. Davis asked what was the topic. Moegerle said the shovel ready sites. She said it should almost be two sentences. She doesn't see anything major. Page 5, third paragraph. She said it should only be one will. Bezanson said it is fine. Moegerle said can Winter work on it.

Moegerle motioned to approve the July 15, 2013 minutes and have staff review them. Landwehr seconded; all in favor motion carries.

Shovel Ready Sites At the last EDA meeting we discussed looking in to becoming a Shovel Ready Community and specifically marketing the west end businesses in the area where we currently have sewer and water available. Winter stated that she had the opportunity to visit with DEED about their program and the good news is that if we pursue one geographic area and market it as a Business Park, Commercial or Industrial Park we are able to submit one single application and it would be at a cost of around \$3,000.00. **Attachment 1** shows the area that we could include in the application.

I have also spoken to the communities of Isanti and Cambridge, and while neither one of them have gotten leads generated by being a Shovel ready community, they do feel that it was a good process to go through and does give them an advantage if a site selector were to look at their respective communities.

Per our meeting last month, I have also included the type of information that you are able to get from the "What's in my Neighborhood Site," on the MPCA website. The

environmental information on that site is primarily related to storm water management and permitting.

Cost:

DEED application – approx. \$3,000

Phase 1 Environmental review – to be determined.

Staff time

Cost Share:

Connexus Energy

Local Land Owners

EDA/HRA

Time Frame:

6 – 8 weeks for Final Certification

Fiscal Impact:

\$0 - \$7,500

It would be only \$3,000 for all the sites on the west side. She also talked with Cambridge and Isanti. While neither Cambridge nor Isanti have had anyone call them because they were shovel ready, the process was good to go through because it organized their land and also provided a site selector. They have worked with site selectors and have been readily able to provide it to them.

She stated that you also asked her to look at the MPCA site. The site is attached in your packet. It basically is information related to storm sewer. The information we could gather would be good information, but it is going to be about water quality and storm sewer. We could pull information from this site as part of our application for shovel ready. Moegerle asked Landwehr if it was what you are thinking. Landwehr said it is more than storm sewer and would also show all contaminants.

Winter said lets take a minute to look at the MPCA Website. We could go to a text search, contaminated properties, etc. The Commission looked at the section on contaminated properties. Landwehr said we would just have to put a target address in. When we put in a target address, we come up with the documents related to the address. Landwehr said the idea of this site, is to give everyone the idea of what you are moving in next door to you, what types of permits are near you, what types of things have been closed around you, what is migrating in the ground water and about air permits. Where we are here, we don't have a lot of things going on. We don't have a lot of underground leaking storage tanks. Winter said we just have the one landfill. It has it own designation. The PCA has been monitoring wells and will be for 30 years. Landwehr said it is a real positive for us that not much comes up, other than storm water searches.

Winter said one of the things involved is getting information, in addition to the \$3,000 is a Phase 1 environmental and a lot of that information may have been received from our engineers and developers. Landwehr said a Phase 1 is only good for 6 months. It is going to be around \$2,000, which is why he brought up "What's in my Neighborhood?" We can get that information from aerial photos, and other information, that is also in a Phase 1. Winter said we do have layers in our GIS system. We would be able to have access to a lot of that information. Moegerle said you would be looking at the west side south of Viking. Winter said yes, it is a commercial area available for development. Also we do

have some acreages of property to work with. It is zoned B3, but we talked about changing it to a light industrial designation. It also has sewer and water.

Where the theater is located and the other businesses that front Hwy 65, we are proposing to designate the light industrial on the backside. The advantages to this property are the new roads, sewer and water and it is in close proximity to Hwy 65 and the uses are the same. Even though we don't formally have a business park this would be a good start. Butler said another asset in that area is the high speed internet. People are concerned about having high speed internet. Moegerle said you talked about marketing this. For folks that aren't familiar with the marketing, please explain. Winter said she would talk about that in a little bit, she would show examples from other communities.

When we talk about cost share, there are a number of different sources we could look at. Connexus would be a good partner. The property owners might be interested if they are jointly marketed with us and also have their site certified. That would maybe be something that might be appropriate. Landwerh asked if we could label it as a business park. Winter said do we want to identify it as a business park, and maybe have a sign out there. Bezanson said why would we invest anything the time and wages that are put into it on your behalf, as opposed to the actual fees. This is something the property owners should do. When he looked at Isanti and Cambridge shovel ready sites, they put a lot of money into their sites and then will sell them for \$1.00. Davis said they are looking more for industrial development. If you are in the industrial development game, you will have to offer more to attract people to locate there. You almost have to give the property away. If we are looking for industrial type development that is the length that cities have to go to. Bezanson said I don't know how they got ownership of the property. Winter said she didn't know how they acquired the properties.

She goes back to the idea that she doesn't want to restrict it to either industrial use or commercial. The properties to the left of Aggressive Hydraulics would be appropriate for industrial, and the properties by the theater would be more appropriate for commercial. There is a way to market without selling the lots for \$1.00. There is some value in having them all together and having a joint marketing plan. Bezanson stated the property at 1052 was once owned by Bud Sauter and now is owned by Tom. If we are going to designate that as a shovel ready site then Tom has to be a very active interested party in shovel ready and be partners. Winter said you have to be partners with the property owner. At first she wasn't over enthusiastic on it. Even though we compete with Andover and Blaine, we are much more in line with competing with Cambridge and Isanti. If Isanti has all their ducks in a row, and they can give the site selector all the information and they can get their building built quickly. Winter thinks that there are some definite reasons to pursue this more.

Bezanson said you have certain specific requirements to meet the shovel ready certification. He hates when you add semantics along the shovel ready site designation, such as dozer ready. It is \$2,000 for the Phase 1. Landwehr said what they would do is get everything ready you would get it all ready for when someone wants to buy the property. Red Wing is a community that has about 17 different parcels shovel ready. Their EDA and Port Authority partnered up with a lot of different property owners. They would get everything so it was ready and you get it to a point where you have done as much background information without doing a Phase 1. You can be reasonably assured you know what the Phase 1 would be. It is looking at the likelihood of an environmental issue without doing anything intrusive. A lot of what you are doing will give us a lot of those answers. Interviews with the property owner and a site walk through will give you a lot of information. Looking at it as a partnership, who knows who pays for the Phase 1. Winter said the application does ask if a Phase 1 has been done. There is a way to talk

about that in here. It is not a full Phase 1 and you can do a general environmental review. Part of it is having that conversation with the DEED folks. Would we be able to give them enough information? Landwehr said we could do an EDR for about \$200. That is the information that goes into the Phase 1. Less than \$200 would give you an EDR on any property. He would volunteer some time to review it. Lux asked if that would that would be something the individual landowners would do. Landwehr said we could purchase an EDR for \$200. He would volunteer some time get a Phase 1 done for \$200 versus \$2000.

Winter said Connexus Energy would also partner with us. She also said the property owners would also be interested. When you begin the process, it takes six to eight weeks to complete the process. Landwehr said he likes the area being put in the same group. Moegerle said starting small is good. Butler said are we looking for a recommendation from City Council. Winter said yes, so we can begin the discussion with the west side landowners. Butler said what kind of money are you looking for on this. Winter said anywhere from \$3,000 to \$7,500.

Davis said what he would recommend before sending anything to Council would be to see what Connexus would help out with. Then contact the four property owners, and let them know what their cost would be. Butler said could there be a special assessment to those four property owners that could be paid back from their property taxes. Davis said we could, but an agreement would cost less than the cost we are talking with all the legal fees. Winter said the legal costs alone on a special assessment would be more.

Landwehr said they all have been asked after the sewer and water, now to pay more. Maybe we are in a position with an opportunity for the City to give back a little bit, if we are in a position to give back. There is something on the back end that would have to happen. Moegerle said you are going to have be very clear on the marketing aspect. She thinks before we move on, we have to clarify the marketing we need to clarify what will be done before it goes to Council. She was amused by Cambridge's marketing plan. Obviously that package, along with the developer's packet, we need to see and pass around. She understands each of their packets would be individualized. Davis said Council would ask if other means for sharing the cost had been considered with Connexus and the property owners. Before this was presented to Council, the proposal would have to be completely explored as to costs and sharing of the expenses. We should make sure that Council supports this in some form before we approach the landowners.

Moegerle said there is strong interest. You know there is small things that can hook things up a little bit. If the timeline is to have this done by the end of February, then we have some time to work out the details. Moegerle stated that now we have to continue move along this path and is looking for a motion?

Lux said the thought is that we want to recommend to Council that we want to continue exploring this. Moegerle stated that we want to ask staff to continue researching this. Landwehr said find out what kind of participation we would have. Butler said we should make a motion where we move that City Council review the impact of \$7,500 expenditure for marketing of the southwest end. He thinks that we should indicate to the City Council that this is something we need to pursue. Davis stated that we need more information, before we do this. Council is going to ask if we investigated other sources of funding. We can attempt to have the information back at the next meeting. Moegerle said it isn't a major investment in time talking to all the property owners. Landwehr said we need to talk to the four property owners and Connexus Energy about the expenditure. Winter said she wants to lock DEED into this concept.

Staff understands their direction.

**Business
Development
Activity
Report**

Staff Highlights/Projects/Information:

- Conditional Use Permit – New Business locating at 21461 Aberdeen St NE – Tinman Fabrication – This was approved at the last Council meeting and is behind the daycare center on Hwy 65. It used to be a vet clinic. Butler said it is just north of the Post Office. Winter said it is a company that is moving here from Oak Grove.
- There is a lot of preliminary information. First discussions with a lot of different folks about different thinks.
- Development Meeting – Met with Walt and Doug Osborne to discuss their property and potential interest in development on their property. They have property on the East side of Hwy 65 behind the businesses. They may not be interested in developing it themselves.
- Met with Viking Meadows golf course staff and Board Member to discuss their interest in selling the Executive Nine ONLY to a potential developer
- Met with Chies Development Group including their Architect on 2 occasions to discuss a Master Concept Plan
- Began discussions with Don Shaw regarding the potential development of his property on Highway 22 west of 65
- Moegerle was wondering what the time frame is. She wondered if the ground breaking would be in spring. Winter said that is extremely ambitious, and optimistic. Everything we can do to push it along we will do.
- One of the big issues we have been having is with the County and Highway. Began preliminary discussions with MNDOT and Anoka County Highway Dept. regarding future transportation plans, in particular east/west roads adjacent to Hwy. 65 and south of Hwy. 22 (185th and 187th). Moegerle asked if would be more automated traffic lights. Winter said in order for the businesses to be attracted, we do have to do something. If you are sitting at 187th, MnDOT has their regulations. We have made it known that we want to have discussions with them. Moegerle asked if this due to the fatality. Winter said no that was south of the area. They look at means, population, and traffic counts. Butler said one of the conversations about Hwy 65. The deceleration lanes need to be upgraded. He uses a control device to determine how easily it is to decelerate in those lanes at 65 mph. Winter said that is something we can bring up. Butler said excessive braking is also a possible cause for an accident. Bezanson said they are talking about doing something on 185th other than closing the intersection. Winter said we have requested a meeting to discuss transportation in that area. We want to come together as a group to address those areas. Bezanson said has a west egress off of Soderquist Business Park been discussed. Winter said we haven't had any meetings yet. Davis said that is a proposed MSA street at some point; however our resources could be better channeled toward Hwy 65. It is still designated as a future MSA street. Bezanson said that was an interesting process.
- Attended 3M economic development meetings – We made some inroads, good networking and met some folks.
- Attended 1-day conference on Sensible Land Use sponsored by Rick Harrison design and SEH engineering group – This was extremely interesting because MIDS was discussed. A really good example of how it works and works well, and is a really good design. If you go to the Walmart on Hwy 65 that is a very good example of MIDS.
- Hosted East Bethel Chamber meeting at City Hall – It was a very good meeting. It is exciting, and the Chamber is starting to ramp up. She is encouraging everyone to become members.
- New Community Development window and offices reconfigured at City Hall – You know longer have to walk back to the area and ring a bell. It is much more in the spirit of being customer oriented.

- Interim Use Permit renewal for Mike and Kathy Beason, The Pines Craft Center
- Community Development Administrative Assistant position offered to Carrie Frost (Joan will be retiring in September)
- New construction housing – 10 homes – For the Planning Commission we will be providing an inventory of the rural residential lots available.

Chamber Update – Dan Butler

He doesn't know if anyone saw the article in the Metro North announcing the formation of the East Bethel Chamber of Commerce. Through social networking and putting information on his Linked In page and Facebook page, he attracted business from other businesses in East Bethel that wanted to join. The next meeting is September 12 at Classic Construction at 8:00 a.m.

Website Changes

Staff will be presenting all of the changes on the website. We have had an intern that has been working on the website. One of the things under Business is the available properties. We hope to get onto the Met Council's website they have our community profile. It is very good information. We are hoping that will get on here soon

The three things that get used consistently are the cities map, the municipal code and building permits. Those are the three areas that people tend to go to quite a bit. Moegerle asked how that was verified. Winter said people will now bring in their information filled out rather than sitting and filling forms out in our offices. Those are the biggest areas we see for the hits for the website. Also real estate people also use it. Butler asked if building permit forms are fill-able fields. Winter said no they are not. A lot of our contractors will scan them in and email them back. Moegerle said how could we change our home page. It costs zero. As soon as we can get a quorum at Council, that will be one of the discussions. Butler said he would still pay for it. Davis said we could change the pictures for zero cost. Not all photos can be utilized they have to be the proper format. Winter said we do have the request tracker that is for utility sorts of things.

Marketing Action Plan

We will continue to discuss the Action Plan and identify priorities and what we have been pursuing. This is on here to identify what we have been doing. She always says why reinvent the wheel. Here is an opportunity. If you will notice, on the very last page, it is a table, if you go down to item four. One of the items is to create a trunk highway corridor plan.

Moegerle said we need to raise the City's profile in a couple ways. She is looking on the Explore MN Website. There are two searches that come up, the nudist club and the golf course. Obviously that is a tool that is not being used. Blue Ribbon Pines has one of the top ten disc golf courses. It isn't on there. We talked about home-based businesses and they could have their businesses listed there. Why isn't the Pines Craft Center here? Some how they aren't acknowledging these enterprises exist. She would like to see us do better at that.

Moegerle asked how do the soft discussions happen. Butler said the Chamber is in the process of doing a marketing brochure which will show the benefits. We will probably try to approach businesses on a one-on-one basis, but others we might do via mail. Moegerle said it would be great to show on the State of MN Website and see it tripled. Davis said if you could encourage them to contact us and give them permission to put their information out, we could get more information out. Butler said if we could formulate a standard release then we can get it back to you. Moegerle said weren't we suppose to have a way to send out targeted messages. Winter said have the local business listing. If you are a member of the East Bethel Chamber, we announce that. There is also

a promotional section. Moegerle said the City generates a message to those businesses. Like an email to them saying Explore MN has a site they like to list the businesses. Butler asked isn't most of the information on the Explore MN about travel. Winter said there are minimum things as a community we would be able to put in there. Moegerle said how to get listed; it says you might be eligible for a free listing. Lux said it makes their site more robust. Moegerle stated that in the section for Notify Me, we don't have a place for businesses to be notified like a notification for business owners for Chamber meetings. Moegerle said there isn't an option to be notified for business events/locations in East Bethel. Winter said we could look at that and see what we could do.

Butler said the problem with the notify me – the “notify me” things are not really looked at. Moegerle said but you are obviously interested in business events in East Bethel. Butler said he deletes more information that he reads. Moegerle said you wouldn't sign up because you are active and involved. Butler said it is more likely they will get involved based on the City website and contact me on the website, not through Explore MN.

The Hwy Corridor Plan dovetails into a lot of things on this plan. We would like to have a joint meeting with the City Council and the Planning Commission. We are looking at September 16 and September 23. The point of it would be to discuss the Corridor Plan and MIDs.

Moegerle stated that she is interested in learning about sustainable designs. It is good for the environment and maybe embraced by builders and developers. There wasn't any reference in Cambridge and Isanti on sustainable practices. The lack of it there was noticeable. Winter thinks it is something we will eventually have to embrace. How you deal with water? The fact that now the MS4, simple means we have to deal with our storm water and manage it. Any contractor, such as Walmart has very high standards on how you mitigate their storm water. The result is what you see in Blaine. There is a group of developers and contractors that do endorse this approach. Bezanson said from his experience in design build is you always have to meet the minimum LG design standards. He has built buildings that look way forward and some companies want tip up and they want it fast. A lot of them that have a lot of contact with the public are more progressive. Butler said they are building a Kwik Trip in Apple Valley that is green. He is surprised that the gas station is green. Moegerle stated that it seems that we don't have sustainable building standards that are in place. Davis said sustainable buildings and MIDs are two different issues. Let's tackle one at a time. Moegerle apologized for grouping them together.

Other Reports

Moegerle said Chanhassen was rated the number 4 community as a place to live based on their parks and trails. The sensibility of the parks and trails needs to be realized. It is very exciting for that City. Moegerle stated that she attended the 3M Championships and renewed a lot of relationships.

Moegerle stated that she has been interested in a property tax refunds based on the fact that we have to start paying the bond payments. She did get a response for low-income range people to get property tax refunds; there are also property tax refunds for higher income groups. Bezanson asked what we are looking at for levy rate increases. Davis said on a \$100,000 would be \$100 a year; a \$200,000 home would be \$150 based on the preliminary budget. This assumes no diversion of funds, no new connections and no refinancing. There are still possibilities in getting the levy reduced. The preliminary levy can be reduced in December. Bezanson said that is something we need to recognize. My little house will be \$150.00. If I own a brand new home, and even though if I own a new

manufacturing facility, and not counting the fact that the whole thing isn't TIFd, this is a downer for economic development.

Davis said if your property taxes go up by more than 12%, you could file a refund back on that. Bezanson asked if that is for commercial. Davis said no that is for residential. When you get the bill you can do the extra deduction if you itemize your taxes. Moegerle said we are looking for a way to bring that down as much as possible. We are going to be able to reduce the general levy for the third year in a row. We are the clean up crew and I know you understand that.

Adjourn

Moegerle made a motion to adjourn the Economic Development Authority meeting at 8:30 p.m. Bezanson seconded; all in favor, motion carries.

Respectfully submitted by:

Jill Anderson
Recording Secretary