

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY MEETING

May 19, 2014

The East Bethel Economic Development Authority (EDA) met for a Regular EDA Meeting on May 19, 2014 at 7:00 P.M for their regular meeting at City Hall.

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

MEMBERS ABSENT: Mike Connor

ALSO PRESENT: Colleen Winter, Community Development Director

Call to Order & Adopt Agenda

Bezanson motioned to adopt the May 19, 2014 agenda. Moegerle seconded; all in favor, motion carries unanimously.

Butler stated Tim Harrington is here as an observer.

Approval of Meeting Minutes March 24, 2014

Corrections were given at the last meeting and there is no need to review them. Are there any additional additions or corrections? Moegerle said the third paragraph, third page form, should be from. Third line, curvilinear should be one word. She doesn't know someone has a design that is curvilinear.

Moegerle said under January, February, March, first line, the word "he", both letters are capitalized. Shouldn't be unless it is an abbreviation. John's last name is misspelled on the second page. She doesn't know what was turned in previously.

Anything else?

Bezanson motioned to approve the minutes as amended. Butler seconded; all in favor, motion carries.

Winter said, if everyone can speak louder, that would be great.

EDA Mission Statement and Work Plan

We did have a good discussion on a work plan and what we wanted as a mission statement. This is the 2014 work plan. This is based on the discussions we had.

Please find attached the proposed 2014 Work Plan. This plan is based on the discussions that we have had in the past. Included with the plan is a Vision Statement for the EDA.

Of note: The EDA had stated that they wanted to focus efforts on items 6-11 from the Ady Voltedge study. I have incorporated those into 2 broad categories and also left the TH 65 corridor Plan as its own Action Item as it will not only need the support of the EDA, but also that of the Planning Commission and approval of the City Council.

Where you see the #1 and #2, that indicates the action item is for both existing and new businesses.

This is an example of what the business directory could look like and I will bring a hard copy to the meeting.

You can discuss this at your will. She will not read it word for word. The vision statement is the starting point and we will see if you agree with it.

We do know about creating a strategic corridor plan for Highway 65. The initiatives are expansion for existing and retention for existing business.

Butler said what do you think about that? Moegerle said are we only talking about the vision statement. Butler said he doesn't know if Tim has it in front of him. Moegerle said we should use active verbs versus it is. Because it can be more active, can be stronger. "It" is a very weak verb, along with has. It covers the concepts and it could be more active and strong by choosing other verbs. Butler said he doesn't think we need to wordsmith. DeRoche thinks it is fine. Moegerle said it is very passive. If we have economic vitality, those are strong concepts confined into a passive sentence. We could say, while still preserving the rural character. We can make it more dynamic. We are saying we are dynamic, she thinks it could be more powerful and more persuasive. DeRoche said who are trying to address? Moegerle said developers. Butler said we should let Colleen enter it. Winter said she can say it is and it might be seen as past tense. To make it very simple. A community that offers great business corridor and recreation rural residential outside the corridor. A community that is progressive in retaining and enhancing businesses and increasing the economic vitality.

Moegerle said it should be opportunities. Lux said we could say we are a community. The last sentence seems a little too much. Moegerle said we should start it with we are a rural community. Winter said she doesn't think you want to lead with rural character, because this is an economic development. Bezanson said we are talking about semantics. Action is important. What is important is getting something done. Winter wanted to know if we support the philosophy. Bezanson said it depends on how we handle the opportunity. Moegerle said if this is passive then are we going to be passive about opportunities. Butler said we should drop the pronouns. East Bethel is a community, versus it. Moegerle said she liked Lux's, "we". If you alternate "we" and "East Bethel", does that give you direction? Winter said yes.

Butler said we need to do more discussion on the Hwy 65 corridor plan. Winter said this is what was put together based on the last meeting. Is this what you would like to see as your priorities? Ultimately the trunk highway corridor plan is in the hands of the Council. That is their decision to make. It is very critical for our development to work towards that. Moegerle said her question regarding this, how does it relate back to the comp plan. Is it assumed?

Winter said why she wants to focus on the Hwy 65 corridor is because that is the

most critical piece of the Comp Plan. She would hate to see the trunk highway corridor get lost, if there is not the appetite for a full comp plan. This was taken out of Ady Voltedge's document. Butler said some of these we are actively pursuing or have been completed. The third point about meeting with the east side businesses this was something that was being addressed by Jack.

Anyone have any input on Strategic Initiative Number 1? Bezanson said regarding the corridor plan, he isn't sure it is proper to pay for the project by special assessment for affected property owners. We need to invest our own capital. He doesn't see it as taking hundreds of thousands of dollars. Putting a special assessment is petty. Butler said that is more under the purview of the City Council. Moegerle said consideration doesn't mean implementation. Everything that has a reasonable likelihood of being discussed. Having that among the list of considerations steadies this. Bezanson said he wouldn't do it, period. DeRoche said don't worry if you don't hook up and don't pay. The system is here and you will have to hook up. When is the next shoe going to drop and when are we going to have to. What is the definition of affected properties? We better tell someone up front, by the way, that we are going to be doing this. Bezanson said he thinks we are in total agreement on what we are saying. He is not saying it is going to be that large of a sum. If you do it you have crossed another line. Moegerle said everything needs to be on the table. Bezanson said this is where we are going to stand. Moegerle said the past council didn't lay out all the options. Every option needs to be pursued to get us out of this mess.

DeRoche said in the budget meetings, it has been a consideration. When the levy increase was 17% increase and it was reduced to 15%. You need to be up front with people. People have to know what they are getting into. Butler said it says consideration should be given to paying for this project, and you might want to say up to and including. Bezanson said he isn't even sure it would be legal. One of the lynch pins is you are supposed to be able to show they will have a direct benefit on the property. DeRoche said with infrastructure the legislatures put out different rules. If it is for the betterment of the community. We looked into that. Moegerle said with regards to number 1, we have done it. We are maintaining all the relationships with local employers. We got a call and we were wondering if the list of employers has been related to a map. Moegerle said we have someone updating our list; we have this person calling the owners. Once that happens, we are going to work with Flat Rock and ask them to map our businesses on GeoMoose. We are going to try to get as many as we can. We only thought we had 168 businesses and now we are finding 189. That includes all businesses that are listed. It could be someone working out of their home. We are trying to get that done right now.

Moegerle said can we update strategic number 1, can we remove things we have already done. Like number 3, can we remove it? Winter said it should always be one of our initiatives. This is always something we have to accomplish. The mapping system is not done, so she wants to keep that on there. Moegerle said are there any that are ready to come off? She understands some things are ongoing. Winter said she doesn't think anything should come off at this point. Moegerle said what is a BRE? Winter said it's the Business Retention and Expansion Program. Winter said you can work with Minnesota Extension to get

it going. The initiative would have to come from us. It is an initiative that the City would have to take on with the Chamber as an example. We would interview businesses and you tabulate all the results, then you will find what the existing needs for the businesses are. You might find synergies with existing businesses. It gives you an indication where long term needs are. Lux asked if that tied into the ambassador program. Winter said the ambassador program is more public relations. She could envision welcoming the business and then doing the business retention program. DeRoche said we are complicating things. Some of it makes sense. Are we trying to make this so intricate and detailed that we don't get the ground work done, go out and get businesses?

Butler said this will segue into Strategic Initiative Number 2. These are all in some way shape or form in process. Winter said no the Business Assistant and Resource Directory we have never talked about. If a business were to come in here, we would be able to identify any resources available. Butler said isn't part of that in place now with the loan program on the Southwest Corner. Winter said we didn't establish that as a revolving loan fund. We only had two businesses take advantage of that program. We don't have any revolving loan fund on the local level. If we do utilize the Minnesota Investment Fund (MIF), you can establish a revolving loan fund. Landwehr asked what the challenges for our community are. Winter said the cost in relation to other places. The ones we have worked with, right now there are several potential projects, one we might look at a TIF for them. It would be great, because it would be someone from not inside the community. We are also working with local companies. The biggest challenge is having sort of the three to five acre plots of land that they're able to get on. That is probably the biggest challenge. We have businesses that need 5,000 square feet, but they will also want exterior storage. Landwehr said are they looking at existing buildings or space to build. Winter said they have gotten bigger than what they were originally were.

DeRoche said wasn't the revolving loan program on an indefinite extension. Davis said yes. Butler said creating the business assistance then wouldn't require that much work. What kind of business assistance do we have? Winter said the example she had has a director of the different programs, this would be an example of something they can take a look at. Butler said is this something we should have a finished product on. Winter said yes, she didn't know what we are going to do with the work plan. All you are basically doing is pulling resources together. It is a one stop shop. DeRoche said when we are talking business, are we talking ma and pop or bigger businesses, like Aggressive Hydraulics? That has to be our focus. We need as many ERUs down on the sewer and water district. We need to defray costs. Are we talking major stores, or little ones? We need to focus on getting those businesses in here. If we are going to rezone, the little ma and pop shops aren't going to fit.

Butler said the first point, he doesn't know if we have been untimely in our response to business inquiries. As far as identifying businesses we want to recruit, we need to be aware of our existing businesses. If someone comes in with an entertainment center with a bunch of amenities for families and adults and it adversely affects businesses, how much does the City get involved? If you are assisting one business, are you now picking a winner versus someone who is

already here? DeRoche said we are looking at zoning changes on 65 and 22, then we need to put industrial in there. To me you start in the center and build out. You have to have a base, Aggressive Hydraulics was. On the northwest corner now we are looking at re-zoning to industrial-commercial. He was down in Eagan. Though that it is very impressive. He is trying to put that sort of plan in here. When they originally wanted to put in high density; rural residential to make the Comp Plan work along Hwy 65 is crazy. Moegerle said one of the things that was discussed was part of this is it is a buyer's market. There is no way we are going to force businesses down by Aggressive Hydraulics if they want to be somewhere else. After Blaine fills up, the over flow will come here. That hope we may have some validity. Will they all want to plan down there? She doesn't think it does. We need to be flexible, and meet the need. If they want to come in at 221st, we need to find out what we have in common, and we don't want to turn them away. We can't be so focused that we aren't flexible. DeRoche said no one said they couldn't come in and we wouldn't turn them away. Winter said it has to be cost effective. We are talking to someone right now and she doesn't know that their business would be ok all alone. DeRoche said it would depend on where they were locating. Butler said in terms of identifying businesses that we want to recruit, we want to make sure they are the right business and wouldn't compete with our current businesses.

Moegerle said number 2, several times it has come up. What about microbreweries? She doesn't know if they use city water. Is that something that we would be inclined to recruit? That is a big trend. Downtown that is great. There are ways of contacting individuals. Is that compatible? Butler said a microbrewery is a great idea. Most of them are in northeast Minneapolis. He was just following this one; the side business is now adding another 10,000 gallons. They are blowing out the doors where they are at. Winter said that is how Surley's happened. Butler said there is an opportunity. Lux said it is demographics; do people up here drink microbrews? –Not necessarily. Moegerle said but they could brew it here.

Butler said we have already identified our needs. We have the church, senior center, grocery store. We did the feasibility study. That would be a great thing to get in here. There is a great need for that here. Shovel ready projects, should we just designate ourselves. DeRoche said then we need to say you have to build here. Winter said rezoning is important, so we can take advantage of that program. That would be in the Classic Commercial park.

DeRoche said does anyone know anything about the pools? It is part of a \$400 million corporation. They didn't approach Andover and Andover went out on an informational site. They approached the business. Ham Lake isn't happy with it. Moegerle said like Kickstarter? Lux said Gene Goeder is always sending out press releases. DeRoche said they knew exactly where they were going. Bezanson said that a specific vendor industry would be able to figure that out. DeRoche said this place is pretty small, but it is a conglomerate. They bought the company out of Ham Lake and now it is going to Andover. Winter said she doesn't know if Andover has a list serve they're a part of. We are on a lot of them. DeRoche said he will find out.

Landwehr said there is not a whole lot that we can do to positively affect people coming here. There are things we can do to negatively affect. There is not a lot we can do to recruit to get people to come here. We can try to foresee challenges and issues. DeRoche said that is a build it and they will come. We need to find things to bring here. Until these other areas do build out, we have to go and find the business. The whole sewer and water project was done backwards. Maybe the EDA had it back then, but they didn't do anything to promote the City. Landwehr said we need to promote things in a way that is inviting. We can't create an advertisement program that will find businesses to come here. We can look at ways to make it comfortable for them to come here.

DeRoche said there are two people here that are on the City Council. We do have say to make decisions. You can go back to Council and what will they do with it? The Council does have the power to vote and make a decision. Landwehr said you are still missing my point. We can make suggestions and make lots of way for them to be comfortable so people will come here. Butler said when you are looking at point three, it is a community attitude. Everyone needs to be on board to recruit businesses. Whether you are in downtown in an office building, or if you are a tradesperson on a building project in Little Canada. This is our strategy and we all need to be on board. Really we have gotten through a lot of coverage and we need to come together in a positive way. We have people who don't have email or the internet. In terms of making a way to recruit business, we need to get the community together. Half the community grasps that idea. Instead of taking a survey, we should be putting out a "Did you know"? Landwehr said it is not only to bring businesses but it is also for families and to bring work to the city.

Moegerle said we are all in the same direction. You need to remember group think and Bay of Pigs. There is value in having the contrarian view considered. We need to be able to accept and hear other voices. Butler said the voice is we are open for business. There are people that think the water tower is not in our community. Moegerle said the previous group of 2010 didn't listen to opposing views. We need to listen to those other viewpoints. Winter said we are open for business. As far as recruiting existing businesses, we have been working with a group to get a grocery store built. They know it will be supported here. They are the developer, and the ball is in their court. There are ways to go out, we should be knocking on their door if a business is expanding. We need to get our website up to date. Moegerle said do we have a developer's packet? Winter said no. Butler said the Minnesota Business Journal is a good resource. Winter said we don't subscribe to it. Lux said you can get the daily updates for free. Bezanson said there is power in networking. There is a retired SBA executive in a neighboring community, he will drag him up here and have him spend a few hours talking about it. It would be interesting to bounce these ideas off him. When we were looking at grocery stores, he kept his mouth shut because the friend wasn't looking at a community close by. This friend of mine is project manager. He said do you think this guy would be interested in East Bethel? Bottom line is we don't have that many roof tops to make it within the ten mile radius. If we have that number of roof tops, they would be here.

DeRoche said seeing how Soderquist closed, don't you think people would come

up here and add to the roof tops. Butler said it was in the study, and it was about \$40 million for retail for food. DeRoche said now Aldi's is opening in Forest Lake. Butler said Rainbow closed. Bezanson said Soderquist closing would be a strike against someone locating here. With their reputation and they couldn't make it, he would be more hesitant to become involved. We go to St. Francis exclusively. My daughter, who lives south, goes to Forest Lake. If I was developer, he would be sitting on my cards. DeRoche said you can hear speculation in the community, but unless you hear the reasons. Walmart stuff goes bad. Now when Aldi's go there, he might hit that one. You have the Coon Lake market. People have to buy groceries somewhere and with the amount of traffic on Hwy 65. Soderquist was a little tougher to get into. --People don't want to be dawdling around.-- Bezanson said they got complacent. Landwehr said it was access too. Winter said bringing this back, some of the best businesses; it is who you know in the networking piece. The other businesses can help you with that. You need to have those strong relationships. The ones we are working with, all of them, are existing businesses. Moegerle said Winter is doing a good job. She hears only good things about it. She is impressed with Winter's knowledge and access to resources. Winter said there is a way to get our presence up there. Winter does respond to Greater MSP quickly. For example one company wanted 10 million gallons of water. It was a bottling company.

DeRoche said under Initiative 2; 5.8, it was about policies. That is something we have been doing since before Aggressive Hydraulics. Lux said these are on-going things. It is a constant reminder. Moegerle said do we need to update our ordinances, in regard to number 2. Will it be done this year? Winter said it will depend on if we are going to implement a corridor plan. Did we hear anything from Met Council? Winter said they should hear no. Butler said anything else on strategic initiative number two. Moegerle said she is really looking forward to seeing the developer's packet.

Winter said we have a packet for the land use side of it. The business resource directory is more related to the businesses. As far as a developer's packet, we should talk about that. Butler said that is a moving target. It will be continually revised. Moegerle said how quickly is land moving out here? Winter said we can update that on our website. We are hopefully getting that resolved. Moegerle said you can pull stuff when they are coming in. Winter said we can share with them population, demographics, etc. Butler said you have your concept you are thinking about. Moegerle said it takes the vision and points out examples on where we are being progressive. Can we give examples? Those are easy words. We need to demonstrate it. You can have a picture of Coon Lake, under ice and snow. When you are coming down 221st street, you aren't seeing a whole lot of what East Bethel is. If we can get a developer to come here, you have to give them a flavor of what East Bethel is about. Butler said how does a developer get business? Lux said for business, we have a case study. For residential, people want to know about school, the community, etc. Moegerle said we would get ERU's from residential development. She does think we should be able to send them something. So we are unique in their minds. Lux said commercial needs to be an electronic packet. DeRoche wanted to know what our current population is. Butler said 11,419. DeRoche said the foreclosures, does that affect the population? Lux said they could still be in the

redemption period. Butler said where we were 2 years ago, we had zero residential starts? Winter said last year we had 15 and we are getting more calls now. We are going to see some building activities. Durant and 217th, there are two being developed now.

Butler said anything else on item 4. None.

Business Development Report

Facilitated discussions between the City and Verizon about a new proposed cell tower location. The site has been narrowed down to 2 possible locations by the City Hall and Public Works building. In the process of reviewing lease. It will be a monopole. DeRoche asked if we could get that photoshopped. Winter said yes, she just sent the picture to Davis. DeRoche said he can see the one by EJs. Davis said this one will be less than 199. DeRoche said he wouldn't want in his back yard. That takes a little thought. Landwehr said no one wants it, but they want their cell phone. Winter said that is why we try to locate them on public land. Hopefully it will be minimal impact.

- Continue to work with Don Shaw on his Viking Preserve housing project. Working on developer's agreement. He will do primarily do grading this year and we won't see development until next year.
- Met with existing business who is interested in bringing another business into East Bethel. Butler said you contacted Hy-Vee have you heard anything back from them. Winter said no, she will contact them back. Moegerle said have you contacted Kwik Trip. Butler said no. Winter said she certainly can.
- Continue to work on access issues out of Classic Commercial Park.
- Work with existing developer on an already platted (pre 2007) rural residential Development. Winter said we do have a developer who wants to put in a rural residential development. They do want to do less than 10 acres.
- Attended Community Development Director's meeting for North Metro
- Attended LMC Loss control workshop
- Met with potential business who is interested in relocating to East Bethel
- Rezoning public hearings scheduled for next Planning meeting

Sunrise Business Breakfast Recap

It was well attended by sixty people. The meeting went smooth. We need a microphone. The content was well received. We need to keep this meeting going. He thinks everyone likes to come and hear people talk. DeRoche said he had some good conversations. A lot of people are happy with the way things are going and they think the City is on track. Davis said he had a lot of positive feedback. Some people had questions on taxes and sewer stuff. They wanted to address it one on one.

Chamber Update

Chamber is now looking to do fifty members by 2015. We are over 40 at this point. If the City of East Bethel has 180 businesses, we are at about 35%. That is moving along quite well. One of the things we need to address is to make sure we show some form of recognition current businesses in the Chamber. It sounds like Aggressive Hydraulics is going to do a float in the parade.

Other Business and Council Report

Moegerle said she attended the Sunrise Breakfast meeting. In some ways they are better and in some ways they haven't changed. She wanted to know what the relationship between the Chamber, the Council, the EDA and the City. She sees a united front at the signing. At some point there will be a divergence. She doesn't know when the divergence will occur. She doesn't think at some point, we will go in different ways. It should be acknowledged. We are still in that united front.

Went to the CLEAA meeting. They are so great for all the work they do for Coon Lake. There was a real interesting article about Kiki's salsa. They sell it is Kowalski's. It is made here in East Bethel. The story was about Kowalski's in White Bear Lake. The speaker went on all about the history of Coon Lake. We could give more a flavor of who we are by having things like this on the City Website. Those were really interesting EDA issues.

DeRoche said he attended the Mayors Conference in Fergus Falls. The Mayors go up and some have cocktails and let their hair down. East Bethel came up a couple of times. The way the whole mayor situation came down, they were impressed on how it was handled. It was a model on how things should happen. It went to the point. The other was how the City of East Bethel coming into the sewer and water project and how the City has approached it. That shows a city can get into a situation without a lot of bad things going on. A lot of the discussion was about civility. When people would ask where you are from, they were glad to hear where things are going. When you are caught up in things here and you hear from Mayors all over the state. The financial situations they are in. They have less people. He came back feeling pretty good. We are doing alright, we really are.

Butler said the Chamber meeting earlier this month we had Karen Skellen come in from the county. We had a presentation on gardening. The County pays the tuition for this and hopefully a business in East Bethel applies for that.

Adjournment

DeRoche made a motion to adjourn the meeting at 8:28 p.m. Lux seconded; all in favor, motion carries.

Submitted by:
Jill Anderson
Recording Secretary