

## EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY MEETING

June 16, 2014

The East Bethel Economic Development Authority (EDA) met for a Regular EDA Meeting on June 16, 2014 at 7:18 P.M for their regular meeting at City Hall.

MEMBERS PRESENT: Heidi Moegerle Dan Butler Bob DeRoche John Landwehr

MEMBERS ABSENT: Mike Connor  
Julie Lux  
Brian Bezanson

ALSO PRESENT: Jack Davis, City Administrator

### Call to Order & Adopt Agenda

**Moegerle motioned to adopt the June 16, 2014 agenda.** Butler wanted to add two items – Mike Connor’s resignation and 2015 Budget. (5a and 5b respectively.) Moegerle said she was fine with that. **Butler seconded; all in favor, motion carries unanimously.**

### Approval of Meeting Minutes May 19, 2014

Butler wanted to propose the changes pertaining to spelling and grammar be submitted in writing. Everyone was ok with that. Moegerle said most of the changes were punctuation. Butler said on page 5, List Serve. He isn’t sure if it is one word or not. Moegerle said it is called a Listserv. Butler said he wasn’t aware of that. Moegerle said she thinks it is one word. Anything else? **Moegerle motioned to approve the minutes as amended. Landwehr seconded; all in favor, motion carries unanimously.**

### EDA Mission Statement and Work Plan

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. After the last meeting, staff thought it would be helpful to discuss the following:

1. What are the problems with locating businesses in East Bethel
2. What are the opportunities to locate businesses in East Bethel
3. What can we offer to a business
  - a. Incentives
  - b. Land
  - c. Workforce
4. Identify those businesses that we would like to see in East Bethel – both inside the sewer district and outside the sewer district

To him, we are probably jumping in this at the middle of the stream. We should all step back to a macro level. What is the broad macro level? These fall into the micro level. We are premature in discussing those.

Number one, what is or are our economic development goals? It is to develop the corridor. Landwehr said we got too far off into the how’s and why’s. Davis said we need to go to another couple steps and define what our problems are. What are our obstacles? If we can identify those, and we will have no control over. Our location is a problem and an opportunity. We are 25 miles from the metro

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and we are in the center of three other cities which offer things we would like to offer. The price of fuel might control where people want to live. We have a small inventory of existing buildings for sale. We need to delve into the problems we need to address. Which are the ones we need to focus on, we can't worry about the price of fuel. We need to focus on the things we have control over. What are our assets? Those are the two critical things we need to discuss. The initiatives then fall into place. We need to identify the broad range problems.

DeRoche said we can't change location, fuel or small inventory of properties ready. Landwehr said he feels right now we are in a burst of business in the business world. There is an opportunity just short of where we were in 2007 in the business climate of opportunity in the business world. People are more cautious. There is an incredible amount of building going on. In Rogers there is a 300,000 square foot warehouse building going up. There are plans in North Minneapolis of \$1.3 million doing renovations on Broadway - Habitat for Humanity. City of Minneapolis has three ordinances where there is a huge list of properties having the homes be built. Habitat has started about 25 homes this year. Just in the City of Minneapolis, there is \$3.6 million dollars of permits which have been pulled. He doesn't mean to rattle on about other cities. There is a new climate, more cautious and calculated. He doesn't know how people look at us. He doesn't know what questions a business would ask. He doesn't know if they ask what the City's 20 year plan is. He has seen a lot of things people have forward on positively. We keep honest to our roots and cater to new opportunities. He doesn't pretend to know what we offer. Things are in a good positive way.

Davis said we do have problems and we do have opportunities. We have certain assets we can use to help us with our issues. With the sewer issues, we have 200-300 acres of property that owners want to develop. We have competitive tax rates with cities we are competing against. We are not the same as Blaine we are lower than Cambridge, Isanti and St. Francis. We have one thing Ham Lake doesn't have, we have sewer and water. We have utilities. We now have capabilities for fiber optic and high speed internet. We have it from two sources - Mid Continent and the County. Mid Continent says they can compete with anyone. We have infrastructure. We have the mind set and we are going to look at the corridor. It isn't a rigid look. We all recognize there are issues to be addressed. We have several things on the plus side.

Landwehr said we have a new charter school. The old church is a charter school K-6. Davis said they don't have building permits for it, or certificate of occupancy. Landwehr said they are on the horizon. Davis said once we define our problems and assets. It is pretty well known we have a certain underserved market. We have talked about the corner of Hwy 65 and County Road 22, nothing has happened there. We also have Don Shaw who is trying to get his housing development off the ground. Hopefully it will partially start this year. We have three property owners in the sewer district and they are looking for ways to start a project. All have needs we can handle. He does think in light of the problems, we have opportunities. It will never be at the pace in the feasibility studies. It would happen if we didn't do anything it will happen.

Moegerle said she wasn't able to attend the meeting last week. The feedback she

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got was they don't trust this is going to be. There is a lack of trust. She has heard that from professionals. They don't have confidence we are going forward and the going forward includes them. There is a lack of trust. There isn't lack of trust in an individual, it is global. We need a consistent message and every one should use it. We are working together and we are working together to go forward. We are not blind to our difficulties. We as a City are not cooperating or collaborating as much as we should. For example, we need to have more roof tops to get a grocery. Have we talked to Linwood to say what are you doing to get new homes? If you have new homes that is the target area for the grocery. We are not talking about working in our relationships. Davis said what we want for East Bethel, Linwood or Oak Grove might not care.

Landwehr asked if the grocery would be interested. Davis said for Linwood, it would be 2,000 people. Moegerle said so we all know what our plans are. Do we know what message they are giving, so we team up? The contrast then works to our advantage. Anoka County is trying really hard with Greater MSP to get businesses here. But one of the things they have carved out for themselves is Anoka County is a recreation area. We have these recreation opportunities. Does East Bethel ever show up in Explore MN? We should have our City registered with the MN Film Board. A lot of them have fewer people than we do. If you start seeing the City of East Bethel out in a list, with big cities that are in the group. Then it rubs off on us and we are playing with the big boys. We should look at who we collaborate with and who we join.

Butler said the City of East Bethel was in the 10% of places to live in Minnesota. He read the article and there were a number of factors they used. It wasn't as broad as perhaps it could have been. There are only so many resources you can put in. What he wanted to say about location, is people move here because of the location. Location isn't always a negative. He has a friend who lives in Randolph. He has a place up in Squaw Lake. It is an hour and a half for him to get to our house. We moved here because it took an hour out of our drive to the cabin. It takes two hours off our weekend commute to the cabin. There are things we could do to market to people on the south side of town traveling north. Things like that, it isn't a major thing. Location is a positive to half the people in the state. Davis said location is a problem and an opportunity.

Davis got Lux up to speed. Butler said infrastructure we have. We have a TIF district and land at a reasonable rate. Our tax rate is median to the County. Davis said there are 21 cities in the County, and we are 14<sup>th</sup> on the list. We are in the middle third and there is only a small variation between cities. We are not competing against Blaine, and Ham Lake doesn't have what we have. There are no utilities from 133<sup>rd</sup> Avenue all the way up to Isanti. No one in the corridor offers utilities, except us. It will partially solve our issues.

Moegerle said Hwy 65 is another big problem. Davis said that is a problem we can address. We will work with MnDOT to improve access points and looking at service roads. The other issue with Hwy 65 is congestion. The congestion we have starts from Bunker Lake down to Hwy 10. Hopefully there will be some things done to alleviate that. Butler said another problem with transportation is how easy is it to work with MnDOT?

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Butler said we all said we want to see some Hwy 65/County Road 22, we all want convenience store, fast food, etc. Davis said we will have to ratchet some of our efforts up. If East Bethel properties don't want to develop the property, we will have to make contacts with other groceries about developing in East Bethel. Butler said the East Side of Hwy 65 is more advantageous than the west side. Davis said there could be a service road on the east side. Moegerle said if we see a business is having a problem and moving out of the City. Can we contact businesses leaving a City? Davis said that is a good thing to follow up on, and takes very little time. It is a highly competitive game.

Butler said he doesn't know what the position is of the City Council to offer incentives. We don't have land, what is the appetite of City Council to offer businesses to move. That is a rhetorical question which needs to be discussed at the Council level at a work session. What will the Council do? He doesn't like the idea thinking the Council would incentive against someone who is already here. Moegerle said isn't that inevitable. Butler said no it isn't. Moegerle said it is a sliding scale. A grocery store competing with hardware store. We should have a level playing field. The first ones in. Butler said Coburns is already in the City with Coburns delivers. Landwehr said that is why you would think they would be perhaps interested. Davis said from the standpoint of their current locations, Princeton, Ramsey. They are further away than some of the stores. Maybe they haven't been approached in the right manner. Since we have so little activity on Hwy 65 and County Road 22. Landwehr said like a Casey's. Davis said there is another prime piece of property 10 acres between Hwy 65 and Briarwood. The owner of that property is very anxious to do something.

We are going to have to do more things from a City's perspective. Landwehr said you know SuperAmerica was sold three years ago. Davis said we have a person who fulfills the road of City Planner and Community Development. City Planning takes 70-80%. We might have to hire someone part time, like a planning technician, so they can take care of the day to day activities. Things which aren't extremely technical, but they take quite a bit of time. If we are going to get really aggressive in marketing and recruiting we need someone who has the time to spend with it.

Davis said where do you want us to go with this next? We have discussed it from a number of angles, what is the next step. Landwehr said passive hasn't gotten us very far. Moegerle said we should do a recreation outreach. People come here for fun and want to be nearer to my cabin. It is a soft approach. We need to identify ourselves that way. Landwehr said it is identifying what we have. Moegerle said to say we are a recreation destination. Landwehr said it is showing our assets. We need East Bethel's who and what we have available. We need to look at franchise places. You call ten and we will get 300 return phone calls. Casey's is out of Iowa and SuperAmerica is out of Ohio. There are a lot of things he guesses. He doesn't have answers. There are tons of young people which would be looking forward a way to build their resumes.

Davis said one of the things on the Council agenda, is to hire a website/planning intern. They would have time to do basic planning activities. We will then be able to see how much it frees up the Community Development person. Moegerle

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said we are trying to get caught up. Reorganizing that and freeing her up is critical. If we going to do the Planning Technician, it would be behoove us to get things started sooner versus later.

Butler said you are talking about passive versus active. We have to be active regardless of which form it takes. If we are calling people up or going on a road trip, take two days and go knock on doors and try to get thing scheduled with planning people. He has never been afraid to knock on doors. He doesn't know how businesses look at that. Lux said they are happy to get those calls. DeRoche said that is the approach Andover is taking. They have been cold calling. Yeah in fact is the TempSensor. It was picked up to move to Andover. Lux said it was on a lot the City owned. That being said, contacting those businesses, and our developer packet, it would be free up Colleen's time.

Lux asked if we know if the landowners have a vision. Davis said yes, he will give an update on that a little later on.

Davis said they will put some notes together and focus on the recruitment end. He just wanted to review the assets and our problems. We recognize what we have.

**Business  
Development Report**

- Facilitated discussions between the City and Verizon about a new proposed cell tower location. An Interim Use permit has been applied for and will be on the next Planning Commission agenda.
- Met with existing business who is interested in bringing in another business into East Bethel.
- Continue to work on access issues out of Classic Commercial Park.
- Work with existing developer on an already platted (pre 2007) rural residential development.
- 2 existing businesses are currently looking at expansion projects and the City is working with them.

Davis we have been working with two existing business, Tech and Rivard. Rivard has gotten into a new business with wood yard and patio furniture. They are in Home Depot. They have a fairly extensive internet business on it. They are looking at expanding their existing facility. They possibly add on 20,000 or 30,000 square feet. We have met with Mike Rivard. We told them we would work with them. It is very promising.

We have been talking with a business from Ham Lake which might want to move up here. Two are retention and one is relocation.

We met with the major property owners in the sewer district. Tim Chies is anxious to get something going. It is 80 acres where One Man's Treasury is. He met with Walt Osborne this morning to know what they are going to be doing. They want to get something going on the 10 acre site. Kwik Trip approached them a few years ago but backed out when there were no utilities. They are trying to renew that relationship. Met with Shaw and he is still waiting for his permit from the Corp. He wants to start earth work this year and do utilities in the spring and lots for sale next year.

**Business Development Report** Aggressive Hydraulics might have a potential project.

It is easy to think we aren't going to get anything. There are things which are happening.

Landwehr said the dominoes start falling. Davis said it is a confidence thing. People are waiting for people to make the first move. Butler said the City has put a much better foot forward in the last four or five years. It is a business friendly environment. Davis said image issues, had the image of high tax rate and anti-business. Those are things we had to overcome. Moegerle mentioned the trust factor. He would like to talk to someone. Moegerle said just last night; people were talking about six years ago. People like to hang on to the negative. She said that is not the way it is now. It is still prevailing. Landwehr said even last year when I was handing out fliers, people were negative. It might be nice, but more effective on the website. Maybe we should have the information on East Bethel being on the desirable City list. Lux said it is process and we are all ambassadors.

### **2015 EDA Budget**

This would not be the maximum levy. The maximum is .0183. Most of the funds would be transfers to the General Fund to do EDA work. We have professional services fee category. If we hire someone part time, we would have funds diverted to cover the community development person's salary. If we are looking at the EDA and if they are doing most of the work, their funding should come from EDA. We would like you to recommend a budget of \$129,660 for 2015. We want it for discussion.

**Moegerle motioned to approve the 2015 EDA Budget. Lux seconded; all in favor, motion carries (DeRoche abstained).**

Moegerle said for 2012 there were \$8,000 in legal fees and 2013 was less. Why so much this year? Davis said for TIF issues. Last year the legal fees were low. If we don't spend them they can carry over.

### **Mike Connor Resignation**

Butler said Connor offered to resign his position due to not being able to attend meetings and his current schedule. He is welcoming our thoughts. If that is his schedule, it would be in the interest of the City for him to resign. Davis said Mike was reappointed last year, and he has five more years. We should direct staff to get back to Mike. If that is the course of action with his attendance.

Davis said he would be glad to send him a letter with the sentiments of the EDA. This avoids other issues since he offers this. Moegerle said it is troublesome which we struggle for a quorum. Butler said if he hears back from him, and he resigns. We have a Council meeting on Wednesday and he is going to request we have a special meeting the following week. We can go ahead, and we want to give people time to apply. It probably wouldn't be until July for people to respond. DeRoche said doing it hastily is not good. Moegerle said we need to give people lead time.

**Chamber Update**

Chamber had an event last Thursday and Mike gave a presentation on the City finance. It was very well attended. There will be a chamber golf outing on July 18<sup>th</sup>. There are two golf teams which challenged each other. It is for Booster Days. He thought he brought some sign up for the golfers. The East Bethel Chamber was invited to participate in the Ham Lake Chamber golf event in August. The July 18<sup>th</sup> event is open to everyone. You can come out and network. Please come out, network and enjoy yourself. The Ham Lake golf outing has been going on for 39 years. We have 41 members on the Chamber.

**Other Business and Council Report**

Moegerle said we have had three or four people at the septic system renewal project. Can we really trust the City if we reveal we have a failed septic? That tells us what reputation the City had with residents. Davis said the residents which were in attendance didn't have those problems. On Wednesday, Thursday and Friday is the League of Minnesota Cities conference in St. Cloud. It is the brightest and the best. She sits with my friends from Spring Lake Park and Mounds View. She is always tries to meet new people. She comes back energized and somewhat relieved. The last thing on Wednesday is the legislative review. She might be late for Council. If the economy doesn't improve this quarter, we are looking at being back in a recession. Do look at the minutes from the May Roads Commission on what MnDOT had to say on frontage roads.

DeRoche said he was at the meeting at Coon Lake and he didn't get the impression which people didn't trust the City. We told them about the new systems and gave them applications. We have a difference in opinion on that. The State of MN has an attitude on frontage roads since the Johnson Street project was cancelled. He would have thought the money would have been better spent in the sewer water project area. The project on Johnson started out one way, and they would give use more funding and if we would get the access to the Hwy 65 would be closed off. There were some things said at one level and higher ups did something different. There were discussions down on 187<sup>th</sup> stop light and he thinks it will be like 221<sup>st</sup> and have some deaths. He has no regrets on voting on how we did. The City doesn't have to be strapped, and held down to do what they want. They want us to reconsider it. There was a pole barn ordinance passed. Square footage increased. The fourteen foot wall was kept as it was. We just passed it a few months ago. To him if it is a small building he doesn't know what you will put up there. He hears good things, he talks to other mayors. He talks to people at the County and hears good things. It has turned around. Fortunately, we have been able to figure out how we will pay for things we are doing well.

**Adjournment**

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

Submitted by:  
Jill Anderson  
Recording Secretary