City of East Bethel
Economic Development Authority

Regular Meeting – 7:00 p.m.
Date: October 19, 2015

AGENDA

		Item	
7:00 PM		**1.0**	**Call to Order**
7:01 PM	p. 1	**2.0**	**Adopt Agenda**
7:02 PM	p. 2-5	**3.0**	**Approve September 21, 2015 Meeting Minutes**
7:03 PM	p. 6-19	**4.0**	**East Bethel Royalty Donation request**
7:15 PM	p. 20-23	**5.0**	**Business Recruitment**
7:50 PM		**6.0**	**Chamber Update**
8:00 PM		**7.0**	**BR&E Update**
8:05 PM		**8.0**	**City Council Reports**
8:10 PM		**9.0**	**Other**
8:15 PM		**10.0**	**Adjournment**

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY MEETING

September 21, 2015

The East Bethel Economic Development Authority (EDA) met for a regular meeting on September 21st, 2015 at 7:00 P.M at City Hall.

MEMBERS PRESENT:	Dan Butler*	Doug Welter	Julie Lux	Steve Voss
* Chairperson	John Landwehr	Brian Bezanson	Brian Mundle	

MEMBERS EXCUSED: None

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

1. Call to Order

Mr Butler called the Economic Development Authority meeting to order at 7:00 pm.

2. Adopt Agenda

Mr Bezanson motioned to adopt the agenda with the addition of Item 2A. East Bethel Royalty Presentation. Mr Voss seconded the motion. All members were in favor; motion carried.

2A. East Bethel Royalty Presentation

Miss East Bethel Karley Landwehr and Princess Tori Larson presented a request for assistance in updating the float used for parades throughout the year. They would like to replace the deck and update the décor including new paint, replacing the fringe and new speakers. The float is used in approximately 80 parades/events each year.

The cost of the proposed upgrades is estimated at $4-5,000. Mr Mundle suggested using "composite" for the deck so that it would last longer – 15 – 20 years. Mr Landwehr asked if the float will be competing with other communities' floats and received a positive response. Members suggested other fundraising options but the group is not allowed to use programs like "Go Fund Me" or "Kick Start". They can only accept donations and have their own fundraisers. Donors may have their names on the float if they choose.

Mr Voss suggested that the group submit a letter describing their proposal to City Staff for further discussion.

3. Approve August 17, 2015 Meeting Minutes

Mr Voss motioned to approve the minutes as written. Mr Welter seconded; all others in favor. Motion carried.

4. Presentation by Director of Community and Governmental Relations for Anoka County

Karen Skepper, Director of Community and Governmental Relations for Anoka County, shared information about resources available to assist with economic development. The county has an Economic Development Authority committee as well.

The "Open to Business" program provides prospective and existing entrepreneurs with free one-on-one counseling with a business advisor (Kathleen DuChene). The program provides assistance in the following areas:

- financial management

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- loan packaging
- business plan assistance
- real estate analysis
- marketing assistance
- strategic planning
- business regulations
- professional referrals

Small Business Loan Program
Open to Business advisors can also assist entrepreneurs to identify borrowing needs and accessing financing options. Advisors work with clients to help them find the financing that best meets their own unique needs. Metropolitan Consortium of Community Developers (MCCD) also provides direct financing and loans in partnership with banks and nonprofit lenders. Funds can be used for inventory, working capital, asset and equipment purchases, real estate acquisition, and start-up costs.

Anoka County Economic Gardening Program
Economic Gardening services target growth oriented companies identified and selected by local economic developers or entrepreneur support organizations, and provide a suite of high-end, high-speed business growth resources. Fifteen companies are selected each year for this nine month program provided at no cost to the participating businesses. Ms Winter stated that information about this program has been provided to local businesses.

5. Business Recruitment Strategy

Mr Davis reviewed the following information:

The City has provided varying forms of administrative assistance that have supported the expansion of existing business and recruitment of new business. These efforts, with the exception of the creation of one TIF District, have been primarily staff support relating to guidance through City zoning and ordinance requirements and provision of information and data needed for business development decisions.

In addition to the basic administrative support, other forms of City assistance need to be discussed to determine what level the EDA and ultimately City Council believe to be appropriate for consideration. Absent a defined policy, evaluations of any type of offers of assistance should considered on a case by case basis.

Financial assistance is the primary tool that is most commonly used by other Cities in their efforts to retain and attract business. A Cities ability to offer this form of incentive is based on its capacity to assume debt and/or forego revenues while the need to participate in this type of offers depends on a City's position in relation to its need for development and the competitive environment with other Cities who are our competitors in this market.

The forms of financial incentives are varied but most commonly associated with the following forms:

Tax Increment Finance Districts
Tax Abatement

Sales of Public Lands and Buildings
Subsidies
Modification of City Fees
Participation wholly or partially in Infrastructure Improvements.

Staff requested that the EDA discuss forms of administrative and financial assistance that could be considered as acceptable for recommendation for use in particular opportunities to attract or retain business.

Mr Landwehr commented that the incentives need to be tailored to the situation – what does the business bring to the community? – the more they bring, the more the City would try to incentivize.

Mr Davis noted that Tax Increment Finance Districts (TIF) is the only method used by the City so far with very good results. Mr Mundle suggested creating a tool with examples for each category of incentive and how they might work to be shared with potential businesses. Predicting examples of how an incentive might be used may be difficult without knowing more about the potential business. Mr Welter stated that it may be necessary to know what a business might bring to the community before the City can offer any incentives.

Mr Butler suggested that this topic be discussed by the City Council in a working group session. Mr Davis stated he already plans for this. Mr Voss commented that Mr Welter and Mr Davis are working together on a good project to guide this area and agreed that incentives may not be based on specific criteria but on a case-by-case basis with potential businesses.

Mr Bezanson stated that the community has land available for businesses and that it is just a matter of time before more businesses are interested in the East Bethel area.

6. Business Development Report, August – September 2015

- Builders by Design has completed their business relocation and expansion to 21058 Davenport St NE.
- PlowWorld has relocated to 1815 Viking Blvd NE
- North Metro Motors is a new company to East Bethel, having recently been located in Ham Lake. They have moved into 2817 Viking Blvd NE. North Metro Motors is a transport and auto repair business. Their main customers are auto dealerships.
- Emergency Management Solutions is also a new company to East Bethel and are going to be locating at 4817 Viking Blvd NE. They provide safety equipment to Fire and EMS departments.
- Marathon has been sold to Super America
- Continuation of the development of the BR&E program

The Piwik Analysis for August is at Attachment 6.1.

7. Chamber Report

Mr Butler reported that the next Chamber meeting will be on October 8th with a business breakfast. A board meeting will be held on September 22nd and they are hoping to recruit new board members.

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8. Business Retention and Expansion (BR&E) Update

Mr Welter reported that 29 people attended the two interview training sessions earlier this month with a couple of individuals still needed one-on-one training. Almost all 80 interview packets are out for interviews. The Leadership Team will review the results as they come in for any "red flag" areas needing rapid intervention. It is hoped that all data will be available for review in November.

9. City Council Report

Mr Mundle reported that the Metropolitan Council Environmental Services Proposed Contract Amendment #2 has been approved. They are still working on the plan for cleaning up the Castle Tower Water Treatment Plant. There are several community activities coming up including the Fall Recycle Day and an Open House and Chili Cook Off at Fire Station #1. Details are on the City website.

Mr Voss reported that the Council passed the levy which will now move on to the County for approval.

10. Other Business

None

11. Adjournment

Mr Mundle made a motion to adjourn the meeting at 8:25 p.m. Ms Lux seconded; all in favor, motion carried.

Submitted by:
Susan Lori Irons
Recording Secretary

Attachment:
6.1) August 2015 Piwik Analysis

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City of East Bethel
Economic Development Authority
Agenda Information

* *

Date:
October 19, 2015

* *

Agenda Item Number:
Item 4.0

* *

Agenda Item:
East Bethel Royalty Donation Request

* *

Requested Action:
Consider a Recommendation to the City Council Relating to the East Bethel Royalty Donation Request

* *

Background Information:

At the September 21, 2015 EDA Meeting, Miss East Bethel Karley Landwehr and Princess Tori Larson with the East Bethel Royalty presented a request for a donation to renovate the Royalty float that was used in 20 parades in 2015. The donation would fund the replacement of the deck and frame, the update of the décor and the installation of a new sound system on the float. After discussion of the matter, Mayor Voss suggested that the group submit a letter describing their proposal to City Staff for further review.

The Royalty submitted the letter (Attachment 1) and presented their request to the City Council on October 4, 2015. After discussion of the request, Council voted to direct the EDA to consider the request for a donation to the East Bethel Royalty and provide a recommendation to City Council.

There is an issue with this request. Without express authority by charter or statutory provision, Cities have no authority to appropriate or give public funds as donations to any person, corporation or private institution. The City Attorney has opined that Cities are deemed by law not to have the authority to make donations of taxpayer funds. The exception is that the City may make “Grants” to community based events and organizations that it determines generate a broad based community benefit under the criteria outlined in the attached LMC memo (Attachment 2). The memo outlines the tests for validating public expenditures and specifically addresses donations to organizations under II. (i).

While donations are not considered a lawful public expenditure, there could be differing ways to approach this request. From a City perspective, though, that is not the primary issue. There is more concern with the precedence and perception this would establish. Approval of this request could be interpreted by other civic and non-profit groups that the City may be a funding source for their needs and projects.

The other question related to an appropriate public expenditure is the value of the advertising derived by the presence of the float in parades. Though participation in the parades of other Cities does provide exposure to East Bethel, the advertising value as economic development tool needs to be clearly demonstrated .

Prior to exploring the possibility of a donation from the City, it is recommended that the East Bethel Royalty undertake the following as a means to establish their attempt to meet their financial goals without City assistance:

- Focus efforts for donations on private business, civic and non-profit groups and other sources of support before approaching the City.
- Conduct Community Service Activities that are fund generators
- Develop a Sponsorship Program
- Consider registering with the Department of Alcohol and Gambling Enforcement (AGE) to become eligible to receive charitable gambling proceeds.
- Determine if a 501 C3 designation, as opposed to the current legal status of the organization, is needed for donations to be IRS recognized as tax deductible.

If the process of soliciting donation/revenue sources has been exhausted, then requests could be made to the City. At a minimum requests should be:

- Reasonable in the amount of the donation sought.
- Documented as to efforts to secure other donations and the proposed donations benefit to the City.

Attachments:
Attachment 1- Letter of Request
Attachment 2- LMC Public Purpose Expenditures Memo
* * * *

East Bethel Scholarship Program

October 7th, 2015

EDA Council Members,

The East Bethel Scholarship Program offers an exceptional experience for young women and girls in East Bethel and the surrounding communities. We promote growth and development of confident, well-rounded individuals, with a focus on leadership, volunteerism, community involvement, public speaking, and overall enjoyment through authentic and educational experiences in the candidate and ambassador programs. This past year we attended over 30 community service events.

The East Bethel Scholarship Program logo (pictured in the heading) shows the meaning and significance of our program. The heart in the center signifies the love and service to our community. The blooming flower, encompassing the heart, symbolizes how young women will grow and bloom into confident, well-rounded individuals. The jewel on top shows how individuals will truly shine bright in all they do.

Our program is fully volunteer run and it depends on the dedication and support of our generous program sponsors. There are several different ways to support our program: through a time donation by volunteering in our program; through a specific item donation; or through a financial contribution. A specific donation list with items and their costs are included in this letter.

We use our float to spread the goodwill and cheer of the community of East Bethel all over the state of MN and into WI. This past year we visited over 20 cities with our float, these cities included:

Albertville	Andover	Anoka	Big Lake	Cambridge
Coon Rapids	Fridley	Hanover	Isanti	Lino Lakes
Maple Lake	Monticello	New Brighton	North Hudson, WI	Northfield
Princeton	Rockford	Spring Lk Pk	St. Francis	Zimmerman

Due to the amount of cities we visit and the wear and tear caused by traveling around the state and from inclement weather, we would like to completely redo our float. The appearance of the float is very important to our program as it represents how our city is viewed by other cities, business, and organizations. Having a float that is well maintained and looks presentable is essential to ensure our program's mission statement and objectives are carried out.

Currently our float is in need of a few upgrades that would improve the safety of the float for the royalty as they ride in the float, the crew that sets up the float, and the drivers that pull the float. We need to secure seats to the float for the royalty to sit on. There is a need for a way to stabilize the float when it's not hooked up to a vehicle as the float is heavy in the rear and can flip back easily if someone were to climb on it. Also we need to redistribute the weight throughout the trailer to lessen the load on the hitch. A new trailer to support the new float would be ideal.

We also would like to use higher quality material to keep the maintenance upkeep costs to a minimum. Currently the float is built from repurposed wood and we spend $500 a year, on

average, on the maintenance of the float, this includes new turf for the surface of the float and other decorations. If we used composite or treated decking as the surface we wouldn't need to worry about rotting wood or soggy turf after a rainy parade. The initial cost would be more, but the yearly maintenance would be significantly less.

Our sound system is also in need of an upgrade. We are currently using an in-door stereo system, however a stereo system that is designed for out-door use, such as a boat stereo system, would be a great improvement. This would allow our float, which represents the city of East Bethel, to have high quality, professional sounding music projected from our float.

With all these upgrades the likelihood for our city to win awards for the best looking float at parades is a greater possibility. You can see an example of such an award in the City of East Bethel's showcase where we won Frist Place during the Anoka parade for our decorated Halloween float.

Depending on the quality of the items used to build a new float we would need a $10,000 to $15,000 donation. This would not include a new trailer, with a new trailer the donation would need to be higher, how much more would depend on the quality of the trailer.

If you have any questions or need any additional information please feel free to contact us at EastBethelRoyalty@hotmail.com or visit our web-site at www.EastBethelRoyalty.org/home.html

Thank you so much for your consideration!

Amanda S. Millsap
Treasurer, East Bethel Scholarship Program

East Bethel Scholarship Program Donation List

$1,100 – Coronation Costs
- $350 – Coronation Chair Rental
- $350 – Coronation Programs
- $150 – Coronation Reception Cookies/Punch/Water
- $100 – Coronation Flowers
- $65 – Coronation Spotlight Rental (price for one)
- $50 – Coronation Candidate Drawing Prize

$1,000 – Royalty Wardrobe ($300 Miss/Princess; $200 Little Miss)

$975 – Queen Aquatennial Entrance Fee

$800 – Queen/Princess Scholarship (price for one)

$500 – Annual Float Maintenance

$450 – Winter Carnival Entrance Fee (price for one)

$200 – Little Miss Scholarship Experience (price for one)

$200 – Crowns (average cost per year)

$150 – Sashes (average cost per year)

$150 – Spaghetti Dinner Food Costs

$140 – Website Annual Fee

$120 – Royalty Plaques

$100 – Magnetic Royalty Name Signs

$100 – Candidate T-Shirts

$75 – Royalty Necklace & Earrings

$50 – Recruiting Costs (Flyers, etc)

$50 – Royalty Items (Crown Pins, Crown Box, Duffel Bag)

$35 – Name Badges

LEAGUE OF MINNESOTA CITIES

INFORMATION MEMO

Public Purpose Expenditures

Find general criteria that must be met in order for a public expenditure to be valid such as having a public purpose and direct or implied authority in law. Specific common expenditures are analyzed for the city's ability to make payment. Examples include donations to organizations, economic development activity, certain employee expenses and more.

RELEVANT LINKS:

I. Criteria for valid public expenditures

In order for an expenditure of public funds to be lawful, it should meet both of the following standards:

- Public purpose. There must be a public purpose for the expenditure.
- Authority. There must be specific or implied authority for the expenditure in statute or in the city's charter. Specific authority is usually fairly clear. In contrast, whether authority is implied by a particular statute or charter provision is subject to interpretation. Cities should consult with their city attorneys as to whether authority for a specific expenditure is implied.

Minn. Const. art. X, § 1.
Minn. Const. art. XI, § 2.

The Minnesota Constitution requires that taxation must be for a public purpose. It also generally prohibits giving or loaning the credit of the state to aid any individual, association or corporation.

Minn. Const. art. XII, § 1.

Although a state law may be passed to give a city authority to spend money on various purposes, the Minnesota Constitution prohibits the Legislature from passing any local or special law that authorizes public taxation for a private purpose. Thus, a public expenditure must always be for a public purpose.

Visina v. Freeman, 252 Minn. 177, 89 N.W.2d 635 (1958).

This leads to the question of what is meant by "public purpose." The meaning of "public purpose" is constantly evolving. The Minnesota Supreme Court has followed a liberal approach, and has generally concluded that "public purpose" means an activity that meets all of the following standards:

- The activity will benefit the community as a body.
- The activity is directly related to functions of government.
- The activity does not have as its primary objective the benefit of a private interest.

City of Pipestone v. Madsen, 287 Minn. 357, 178 N.W.2d 594 (1970).

The Minnesota Supreme Court has also held that the general objective of a public purpose is to promote the following for all of a city's residents:

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RELEVANT LINKS:

- Public health.
- Safety.
- General welfare.
- Security.
- Prosperity.
- Contentment.

By no coincidence, these interests are the foundation of all legitimate council actions. Council members are elected or appointed to govern by and for these interests and to be the specialists on what best serves the local population. Therefore, a council's written determination of a valid public purpose based on reasonable findings of fact and the advice of the city attorney cannot and should not be underestimated. It is, after all, a city council's fundamental job to determine valid public purposes and to act in their service.

Minnesota Energy & Economic Dev. Auth. v. Printy, 351 N.W.2d 319 (Minn. 1984).

Attorney general opinions can be useful for guidance in determining whether a public expenditure is valid. However, the opinions are not legally binding and the courts make the final decision. The proper focus of inquiry for a court is whether the expenditure will benefit the community as a whole and if it is related to the functions of government.

If an invalid public expenditure is made, the city could find itself dealing with the following problems:

- Taxpayer lawsuits. The council could have the expense of defending itself in a taxpayer lawsuit. If the taxpayer is successful, the expenditure might be found to be illegal. Personal liability for the expenditure might also fall upon the individual council members in some situations since they have a fiduciary responsibility to spend the public's money for a public purpose.
- Non-compliance finding by the state auditor. The state auditor could find that the city has made an unauthorized expenditure of public funds. This could result in future special audits and embarrassment for the city.
- Public mistrust. The council could lose the trust of the people in the community.
- Law changes. If the violation is substantial, the event could prompt the adoption of more restrictive legislation on city expenditures.

Appendix A, Public Purpose Expenditure Chart.

A later section of this memo contains a checklist cities can use to make a preliminary determination of whether specific expenditures will be a proper use of public funds.

RELEVANT LINKS:

II. Common questions on public spending

This section outlines the areas where public officials have often had questions regarding public expenditures. Please note this section is not meant to be an exhaustive list of all valid or invalid city expenditures.

In many statutes, the ability to spend money in a particular way may be limited to certain types of cities. An example of this would be a statute that gives particular spending authority only to statutory cities or only to home rule charter cities.

Minn. Stat. § 410.01.

Many statutes give authority for certain expenditures only to cities of a certain class. A city's class is determined by its population. Cities are classified as follows:

- First class cities. A first class city has a population over 100,000. (Cities do not generally lose first class status if their population drops below 100,000, unless the population drops more than a certain amount).
- Second class cities. A second class city has a population over 20,000, but not more than 100,000.
- Third class cities. A third class city has a population over 10,000, but not more than 20,000.
- Fourth class cities. A fourth class city has a population that is 10,000 or less.

Minn. Stat. § 410.33.

This section is primarily designed for statutory cities since home rule charter cities may have additional authority for expenditures in their city charters. These cities should check their charters for more details. Home rule charter cities may use a general law that applies to statutory cities as authority for an expenditure, as long as all of the following conditions are met:

- The city's charter is silent on the particular matter.
- There is no general law that prohibits a city charter from making the expenditure.
- There is no general law that expressly provides that a city's charter prevails over general law on the particular matter.

A.G. Op. 59-a-3 (Jan. 15, 1959).
Minn. Stat. § 471.93.

A last consideration in determining the validity of expenditures is that the attorney general has made a distinction between authority to spend money for a specific purpose and authority to give money to an organization generally committed to that purpose. For example, the attorney general said the authority to appropriate money for purposes of historical preservation permits a city to contract with a county historical society for specific services, but not to donate funds to the society to spend in its own discretion.

RELEVANT LINKS:

A. Advertising

Minn. Stat. §§ 469.187-.189.

City officials often ask if they may spend money on advertising. Generally, there is authority for making advertising expenditures. However, sometimes the authority may be limited to a particular kind of advertising.

A.G. Op. (Jan. 30, 1930).

Although cities have authority to spend money on various types of advertising, council members should carefully review these expenditures beforehand to ensure the facts support that it is an advertising expenditure. The attorney general has said that a donation under the guise of advertising is not proper.

A city seeking to make advertising expenditures that are not outlined in this memo should contact the League for further information or consult its city attorney for a legal opinion.

1. Second and third class cities

Minn. Stat. § 469.188.
Minn. Stat. § 410.01.

Any second or third class city (whether a statutory or home rule charter city) may levy a tax for the purpose of advertising the following:

- Agricultural resources of the community.
- Industrial business of the community.
- All other resources of the community.

2. Second, third, and fourth class cities

Minn. Stat. § 469.189.
Minn. Stat. § 410.01.

The governing body of any second, third, or fourth class statutory or home rule charter city may annually appropriate money to advertise the city and its resources and advantages. The money may only be used:

- To advertise the city.
- For cooperative programs of promotion for the area by more than one municipality and its resources and advantages.

3. Statutory cities

Minn. Stat. § 469.186.
Section II–GG, *Tourism*.

Any statutory city may spend money to create a bureau of information and publicity for the purpose of furnishing tourists information and for outdoor advertising. In addition, these bureaus can serve the purpose of preparing, publishing, and circulating information and facts concerning the recreational facilities and business and industrial resources of the community.

RELEVANT LINKS:

B. Airports

Minn. Stat. § 360.032.
Minn. Stat. § 360.043.
Minn. Stat. §§ 360.011-.076.

All cities, towns, and counties in Minnesota have the power to acquire, maintain, and operate airports. In addition, cities, towns, and counties may assist other municipalities with powers that those municipalities have under the aeronautics code.

C. Bridges

Minn. Stat. § 441.26.
Minn. Stat. § 410.01.

All statutory cities may spend money to assist in the improvement and maintenance of roads and bridges outside the city limits, as long as they lead into the city. Fourth class home rule charter cities also have this authority.

Minn. Stat. § 441.48.
Minn. Stat. §§ 441.47-.55.

All cities have the power to acquire, purchase, construct, maintain, and operate bridges and the bridges' approaches. In order to use this authority, however, a city must pass an ordinance determining to exercise powers granted by certain state statutes.

D. Businesses

Minn. Stat. ch. 469.
Section II-K, *Economic development*.
Minnesota Department of Employment and Economic Development, 332 Minnesota Street, Suite E-200, St. Paul, MN 55101; (651) 259-7114 or (800) 657-3858.

A number of statutes empower cities to provide money or real property for economic development purposes under various programs. Likewise, there is limited authority to provide low-cost land for housing redevelopment purposes. These different programs are briefly discussed in a later section of this memo. For further information, contact the League or the Minnesota Department of Employment and Economic Development (DEED).

E. Cemeteries

Minn. Stat. § 412.221, subd. 9.

Statutory cities may acquire, hold, and manage cemetery grounds. Cemeteries may be acquired by purchase, gift, devise, condemnation, or otherwise.

Minn. Stat. § 471.84.
Minn. Stat. § 410.01.

Any statutory city, town, or fourth class home rule charter city may appropriate up to $10,000 per year to any public or privately owned cemetery located within or outside the city's boundaries. The cemetery must be used for burial of the dead without restriction. The statute does not specify a particular use of the money by the cemetery.

F. Community celebrations

City officials often ask if the city may hold a celebration for the community or contribute to an organization that will be holding a community celebration. Although there is no general authorization for festival expenditures, there is some statutory authority to support these expenditures in limited circumstances.

RELEVANT LINKS:

1. County fairs

Minn. Stat. § 38.12.

Any city or town may appropriate money to a county and district agricultural society or association if the following conditions are met:

- The society or association must be a member of the Minnesota State Agricultural Society.
- The city or town must have a county fair held within its corporate limits or in close proximity.

2. Memorial Day observances

Minn. Stat. § 465.50.

All cities have the authority to spend money for Memorial Day observances in commemoration of the noble and valiant deeds of the nation's dead soldiers. Cities may spend up to $300 annually for each 75,000 of population.

3. Centennial and historical celebrations

Minn. Stat. § 471.93.
Section II-Q, *Historical.*

The statutes do not specifically authorize cities to spend money for city centennial celebrations. An argument can be made, however, that cities may spend money on such local celebrations under a statute allowing cities to spend money to commemorate important historical events that occurred in the city. A later section of this memo discusses this authority in more detail.

G. Community centers

Minn. Stat. § 471.935.
Minn. Stat. §§ 471.15-.191.

Any city may appropriate money to support the facilities, programs, and services of a public or private nonprofit senior citizen or youth center. There is no specific authority for cities to finance other community centers, but many cities have done so through the state recreation statutes.

H. Decorations

Minn. Stat. § 412.221, subd. 34.

Statutory cities may spend money on decorations, signs, plaques, and attached accessories for public streets, buildings, and parks. Cities should be careful that decorations, such as those for the Christmas holidays, are not primarily religious in nature.

I. Donations to organizations

A.G. Op. 59-a-22 (Dec. 4, 1934).

Cities are often asked to make donations to organizations operating for good causes. Without express authority by charter or statutory provision, cities have no authority to appropriate or give away public funds as donations to any person, corporation or private institution. While there's no statutory authority to donate in general, there are some alternatives to consider. And there is statutory authority to donate for some specific causes or situations.

RELEVANT LINKS:

1. Nonprofit organizations in general

The attorney general has considered the question of donating public funds to various groups and found the following public expenditures to be improper due to a lack of specific authority to donate:

A.G. Op. 59-a-3 (May 21, 1948).
A.G. Op. 218-r (Aug. 15, 1951).
A.G. Op. 59-a-22 (Aug. 7, 1951).
A.G. Op. 476-b-2 (Apr. 20, 1944).
A.G. Op. 218-r (Feb. 10, 1942).
A.G. Op. 476-b-2 (Apr. 29, 1954).

- To support the Boy Scouts.
- To sponsor a local bowling team.
- To sponsor a local kittenball team (similar to softball).
- To help the American Legion build a Legion Hall.
- To help support the Red Cross.
- To support a campaign to stop expansion of a neighboring city airport.

Minn. Stat. § 412.221, subd. 2.
Minn. Stat. § 349.213.

There are, however, other options. One idea is for the city to use the contracting power to give effect to another power of council, such as contracting for a club to spend a Saturday cleaning up public grounds in exchange for money. Also, if a city maintains a fund created from gambling proceeds, those proceeds may be used for many types of charitable contributions.

2. Artistic organizations

Minn. Stat. § 471.941.

Counties, cities, and townships may appropriate money to support artistic organizations. The appropriation may be divided among multiple artistic organizations in proportions determined by the governing body.

An "artistic organization" is an association, corporation, or other group that provides an opportunity for people to participate in the creation, performance, or appreciation of artistic activities. The statute provides examples of "artistic activities" cities can support with this appropriation, but it is by no means an exclusive list.

3. Chamber of commerce

Minn. Stat. § 469.191.
A.G. Op. (June 27, 1997) (informal letter opinion to Staples).
Section II-J, *Dues*.

State law authorizes cities "to appropriate not more than $50,000 annually to any incorporated development society or organization of the state for promoting, advertising, improving, or developing the economic and agricultural resources of the city." The attorney general's office has opined that while this authority allows a city to contribute up to $50,000 annually to a chamber of commerce, it does not allow a city to become a member of the chamber of commerce, or to pay dues to it.

RELEVANT LINKS:

4. Community food shelves

Minn. Stat. § 465.039.
Minn. Stat. § 465.037.
Minn. Stat. § 469.191.
Sections II-R, *Hospitals and EMS* and II-K, *Economic development*.

Any city or county may appropriate an amount to provide grants to nonprofit organizations that operate community food shelves and provide food to the needy without charge. There is also authority to provide public money to support hospitals and certain economic development organizations. These circumstances are discussed in more detail in a later part of this memo.

5. Prevention of cruelty to animals

Minn. Stat. § 343.11.

If a city contains a society for the prevention of cruelty to animals (SPCA), it may appropriate for the maintenance and support of that SPCA "in the transaction of the work for which they are organized" any sum of money not otherwise appropriated. However, no part of such an appropriation may be expended for the payment of the salary of any officer of the society.

6. Solicitation of donations by firefighters

Minn. Stat. § 465.90.

In spite of any law or ordinance to the contrary, any city may by resolution allow full-time firefighters employed by the city while on duty, or volunteer firefighters serving the city while not on duty, to solicit charitable contributions from motorists. A city that wishes to do this must follow certain strict requirements provided in statute.

J. Dues

A.G. Op. (June 27, 1997) (informal letter opinion to Staples).

According to the attorney general, cities cannot join or become members of "private" organizations, absent specific statutory authority—even if there is specific authority to contribute to the organization. And without authorization for membership, there is no authority to pay for membership. However, as noted previously, instead of paying dues, a council may contract and pay for services generally provided by an organization if doing so achieves one of council's powers.

Minn. Stat. § 471.96.

All cities, counties, and towns may appropriate money for membership in county, regional, state, and national associations of a civic, educational, or governmental nature. The associations must have as their purpose the betterment and improvement of municipal governmental operations. This authorization also allows these public entities to participate in the meetings and activities of these associations.

Minn. Stat. § 465.58.

All cities and urban towns in Minnesota may appropriate money to pay dues to become members of the League of Minnesota Cities.

RELEVANT LINKS:

K. Economic development

Minn. Stat. ch. 469.

A number of statutes empower cities to provide money or real property for economic development purposes under various programs. Although the specific requirements of these statutes are not within the scope of this memo, the following is a summary of some of the more common tools available:

Minn. Stat. § 469.185.

- Conveyance of city-owned land for a nominal amount to encourage business and industry, under certain conditions.

Minn. Stat. §§ 116J.993-.995.

- "Business subsidies," including contributions of personal property, real property and/or infrastructure.

Minn. Stat. § 469.191.
Minn. Stat. §§ 469.124-.134.

- Grants to certain economic development organizations.
- Creation of development districts.

Minn. Stat. §§ 469.090-.1082.
Minn. Stat. § 469.192.
Minn. Stat. §§ 469.1812-.1816.

- Economic Development Authority programs.
- Economic development loans.
- Tax abatement.

Minnesota Department of Employment and Economic Development, 332 Minnesota Street, Suite E-200, St. Paul, MN 55101; (651) 259-7114 or (800) 657-3858.

For further information about economic development programs, contact the League or the Minnesota Department of Employment and Economic Development (DEED).

L. Elections

Cities can spend money to hold general and special elections they are authorized by law to conduct.

1. Special elections/advisory elections

A.G. Op. 472-o (July 31, 1959). A.G. Op. 185-b-2 (June 28, 1962). A.G. Op. 185-b-2 (Apr. 6, 1962). LMC information memo, *City Special Elections*.

Special elections that are authorized by statutes or charter provisions are considered a valid public expenditure. But elections on questions the public is not authorized by statute or charter provision to answer are considered advisory elections and are prohibited. Therefore, no public money may be spent on them.

Many home rule charter cities have charters containing initiative and referendum provisions. These provisions give these cities additional powers with regard to the types of questions that can be put on the ballot at a special election. Voters in these cities often have the right to petition for special elections in certain circumstances.

2. Advocating/educating on a ballot question

A common question is whether a city can spend money for advertisements encouraging voters to support the city's position on a local ballot question, such as a "yes" vote for a special election to issue bonds or a "no" vote on a city charter issue.

City of East Bethel
Economic Development Authority
Agenda Information

* *

Date:
October 19, 2015
* *

Agenda Item Number:
Item 5.0
* *

Agenda Item:
Business Recruitment
* *

Requested Action:
Perform SWOT analysis and discuss next steps
* *

Background Information:

Over the past several meetings, the EDA has been discussing both Business Retention and Recruitment. The Business Retention is well underway with the BR&E project and should yield some goals and results in early 2016. The Recruitment process while discussed has never been defined and goals have never been set. As a first step, the EDA will be conducting a SWOT (strengths, weaknesses, opportunities and threats) exercise that will help us define our current economic development readiness and move forward with a plan of action for business recruitment.

Attachments:
Attachment 1- Business Recruitment and Assessment Checklist
Attachment 2- SWOT chart

* *

Fiscal Impact:
To be determined.
* *

Recommendation:
Staff is requesting that the EDA perform the SWOT exercise and determine next steps in defining a work plan for business recruitment.
* *

Economic Development Authority Action:

Motion by: _____ Second by: _____

Vote Yes: _____ Vote No: _____

Business Recruitment and Assessment Checklist

- **Current Situation**
  - Analysis of strengths, weaknesses, opportunities and threats
  - Our guideline/vision for economic development
  - Inventory of assets
  - Strategy and goals for economic development
- **Target Businesses**
  - What types of businesses are attracted to a location like East Bethel
  - What types of businesses are a good fit for East Bethel
- **Impact of Influential Agencies/Organizations**
  - State
  - Federal
  - County
  - Watershed Districts
  - Consultants
  - Businesses
  - EDA
  - Chamber of Commerce
  - Planning and Zoning
  - City Council
- **Tools and Programs**
  - What incentives will East Bethel Consider for attracting new business
  - What factors will influence the willingness to provide incentives
  - How selective will East Bethel be to assist/discourage businesses that are not a good fit

- How can we better utilize influential organizations to facilitate our goals

- **Communication Plan**
  - Who is the target
  - What is the content/message
  - What is the frequency
  - Who owns implementation and management
  - Typical business needs/concerns
    - Buildings
    - Land
    - Highway access
    - Water and sewer
    - Proximity to customers or markets
    - State, county and local taxes
    - Workforce availability
    - Educational support/jobs training
    - Financial support
- **Marketing Plan**
  - How is the city viewed
  - How does the city want to be viewed
  - How is the desired view created and reinforced
  - Who is the target audience
  - Who owns the process

BUSINESS RECRUITMENT – EAST BETHEL

Access to markets

Available Land and Buildings

Business friendly

Demographics

Incentives

Infrastructure

Skilled/entry level workers

Transportation

Zoning and Building Codes

strengths

weaknesses

opportunities

threats

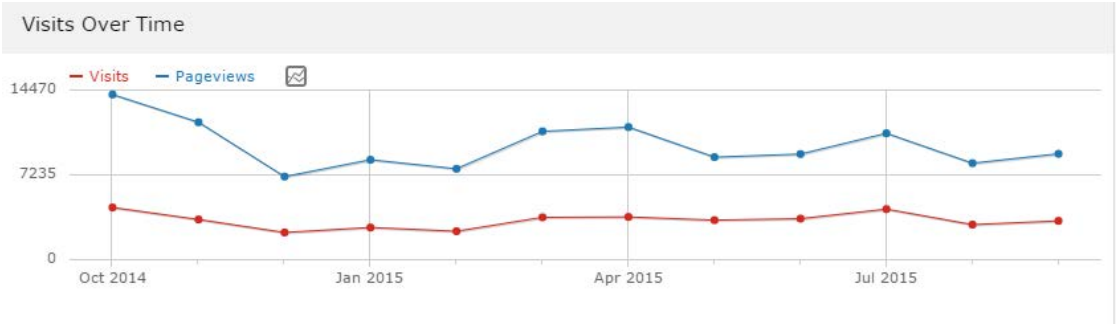
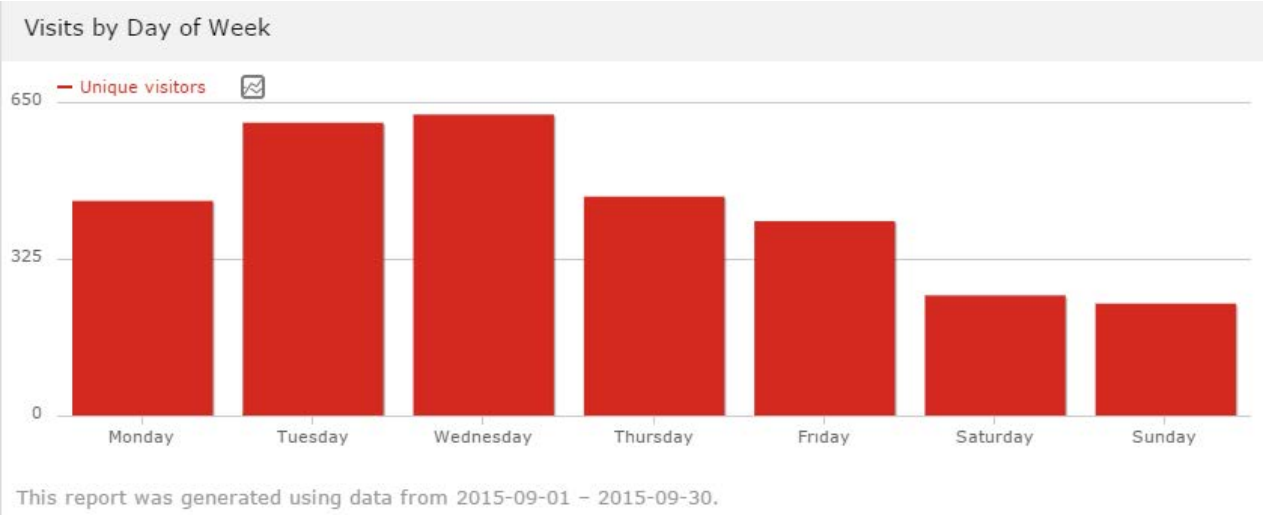
September 2015 Piwik Analysis

Most frequently viewed webpages this month		
Label	**Total Pageviews**	**Bounce Rate**
East Bethel, MN - Official Website	1703	44%
East Bethel, MN	612	45%
City Maps	197	62%
Building Inspections & Permits	196	36%
City Council	126	35%
GIS	116	90%
City Code	98	35%
Residents	95	0%
Add Job Posting	52	100%
Agendas & Minutes	52	25%
Fire	51	46%
Building Permit Applications	48	0%
Planning Commission	46	0%
Administration	45	75%
Community Development	44	50%
Building Dept. FAQ	38	0%
Government	36	0%
Finance	34	80%
Recycling Events	34	83%
Public Works	33	67%
Planning Division	32	0%
Parks & Recreation	31	45%
Road Commission	31	50%
Recycling Options	30	73%
Garbage & Recycling	29	0%

Searches within our Site this month	
Searched	**# of searches**
gis	9
hunting	5
parcels	5
search	5
wendy warren	4
zoning map	4
fence	3
jobs	3
accessory building	2
andy nelson	2
budget	2
easement	2
fence permit	2
fencing regulations	2
fire suppression permit application	2
internet options	2
maps	2
permits	2
prosecutor	2
public records request	2
rental application	2
rental housing application	2
rental license	2
sign permit application	2
zoning discription	2

27% of users viewed our site via mobile devices this month.

Website visitors and pageviews over time ending in September



Most Downloaded Documents from our Website	
Document	# of times downloaded this month
East Bethel Resident Guide	204
Official Zoning Map of the City of East Bethel	86
City of East Bethel Employment Application	48
Accessory Structures Pamphlet	43
Official Map of the City of East Bethel	41
Map of the Shoreland Overlay District	30
Quick Reference for Residential Setbacks	29