

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
- 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.
- Plow World 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.

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