

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY MEETING  
May 16, 2016

The Economic Development Authority (EDA) met for a regular meeting at 7:00 pm at City Hall.

MEMBERS PRESENT: Dan Butler, Chair      Doug Welter      Julie Lux  
                                 Brian Bezanson      Brian Mundle      Steve Voss  
                                 Oskar Granquist

ALSO PRESENT: Jack Davis, City Administrator

1. Call to Order      Chair Butler called the meeting to order at 7:00 pm.
2. Introduction of new member      Chair Butler introduced Oskar Granquist as the newest member to the Economic Development Authority.
3. Oath of Office      Mr. Granquist took the Oath of Office.
4. Adopt Agenda      **Mr. Bezanson moved and Mr. Voss seconded to adopt the agenda as presented. Motion carried.**
5. Approve 4/18/16 Minutes      **Mr. Bezanson moved and Ms. Lux seconded to approve the April 18, 2016 minutes as written. Motion carried.**
- 6.0 Proposed 2017 EDA Budget      Background Information:  
Staff is proposing that the EDA consider recommending a proposed budget for 2017 in the amount of \$101,500 to the City Council. The 2016 Budget was \$123,022. The reduction of \$21,522 is proposed due to an accumulated balance of EDA rollover funds that could amount to approximately \$130,000 by December 2016. This balance is due to unexpended funds in the contingency, yearly project funds and legal items in previous year's budgets.  
  
By Statute (469.107) 0.0183% of the City's taxable market value may be levied as a tax to support the activities of an EDA. The taxable market value for East Bethel for 2016 is \$831,251,008 and the maximum EDA levy could be \$150,706 for 2017. The proposed EDA levy for 2017 is 97,500 and \$4,000 will be received as a special assessment for an outstanding HRA utilities loan. This loan will be repaid in 2020 and the EDA will receive \$4,000 per year through the loan term.  
  
2017 work projects budget category could include funds for the comprehensive plan, broad band initiatives, BR & E/economic development projects and/or service road utilities. The utilization of the Project Fund category within the budget would be determined as needs are required. With the proposed budget and EDA balances, there would be sufficient to funds available to address a priority project or multiple projects depending on the costs.

Recommendation:

Consider approval of the proposed 2017 EDA Budget for presentation to City Council.

Ms. Lux asked if East Bethel receives funds from the Minnesota EDA Foundation. Mr. Davis stated no, the City does not. The EDA funds are strictly based on a special levy and that is where the funds for this authority are generated. Ms. Lux asked if it is possible to access EDA Foundation funds to use toward a project. Mr. Davis said the EDA could apply for funds.

Chair Butler would like to see a separate line item for MN Car Expo in 2017 for \$2,500, so that the Authority can measure cost and benefit of that particular item. He also asked about the possibility of raising the reader board by Viking Blvd. and Hwy. 65 so that both north bound and west bound traffic could more easily read the board. Mr. Mundle asked if being unable to read the board has been brought up by any other resident. Chair Butler said he could not read it. He believes either the Linwood church sign should be lowered or the reader board raised to eliminate the problem. Mr. Davis said it would probably be more economical to move the church sign. The height of the reader board was fixed based on the steel post from the old sign, but staff can check into the cost of raising the sign if it is still a problem after moving the other sign. In response to Chair Butler’s first inquiry regarding having the MN Car Expo as a separate line, Mr. Davis said it could be a line item under Conferences/Training, then remove \$2,500 from the future projects cost and put it under Conferences/Training. Consensus of the Authority was to have it as a line item under Conferences/Training. **Mr. Welter moved and Mr. Bensanson seconded to recommend the City Council adopt the 2017 EDA budget with MN Car Expo listed as an individual line item under Conferences/Training.** This will be presented as a preliminary budget to City Council to use for budgeting purposes when a preliminary city budget will be submitted in September. **Motion carried.**

7.0 Discussion of a Proposed Light Industrial Zoning Amendment

Chair Butler reminded audience members that no public comments will be heard at this meeting.

Background Information:

City Code, Appendix A, Zoning, Section 48, Light Industrial was adopted in 2007. Due to a previous City Moratorium on all development in the Hwy. 65 Corridor, the recessionary period of 2009 -2012 accompanied by the associated slow recovery from this economic downturn and the City’s geographic location in relation to the surrounding and immediate market areas of Blaine, Forest Lake and Cambridge, commercial and industrial development in East Bethel has been dormant since 2008.

As a result, the application of the Light Industrial section of the City Code has never been used to evaluate a proposed use within this zoning designation. A proposal by CST Companies to locate in the City has been the first test of this section of the City Code and, as such, revealed a number of material weaknesses in our Ordinance. The issues with this section of the Code that need to be

addressed include but may not be limited to the following:

- Definitions of Light Industrial, Permitted, Conditional and Interim Uses
- Expansion of Performance Standards
- Elimination of any Inconsistencies between the Code and the Comprehensive Plan

Staff is of the opinion that amendments are needed to this section of the Zoning Ordinance to remove the existing ambiguities that currently permit most any activity. A proposed revision would only be an interim modification and a final review of this section would be performed during the 2017 preparation of the Comprehensive Plan. This change would provide protection from uses which may be inconsistent with the Comprehensive Plan and beyond the objective of the intended goal of this portion of the Ordinance.

Proposals for these changes will be presented to the Planning Commission at their May 24, 2016

Meeting and will include:

- A definition of Light Industrial Use
- A more definitive description and definition of permitted uses
- Prohibition of Trucking and Trucking Terminals as a permitted use in this zone
- Inclusion of additional or modification of performance standards particularly as it relates to outside storage areas (Appendix A, Zoning, Section 23-Screening and Section 24-Exterior Storage).

Recommendation(s):

Staff is seeking input from the EDA to insure that interim changes to Light Industrial zoning requirements address the immediate needs for clarification but do not have unintended consequences for development activities that this proposed change would effect.

Mr. Davis noted that in the packet materials he highlighted items that will be up for consideration. One of the major items to consider is if there are any changes, what are the consequences to existing or proposed development in other areas of the City. There is a section that gives the number for outdoor storage, which just mentions that outdoor storage be limited to the size of the building footprint. The wording shown is for guidance only, it is not a specific recommendation at this time. The Planning Commission will explore outdoor storage further, but will be seeking staff input and will welcome the EDA's input also.

In the summary review, Mr. Granquist questioned determining the scope of the language and its actual intent. This may involve delving into the interpretation of the original language versus where the Authority sees it going further and how it would impact the community.

Mr. Mundle questioned Item F. "Exterior storage shall meet the screening requirements as contained in Section 23 and be limited to an area not to exceed to the square footage of the principal structure on the site." He asked if the intent of item F. was for the screens not to exceed the square footage of the principal

structure. Mr. Davis said the intent was to meet the screening requirements, but that the amount of exterior storage would be limited to the square footage of the principal structure. Mr. Davis reiterated that this was suggested wording on how to clarify this item. He also noted that there are two inconsistencies in the ordinance relating to exterior storage, which are included as attachments 2 & 3. One states that 50% of the rear yard can be used for exterior storage, and the other states that there will be no exterior storage. The City attorney's opinion is the more specific statement trumps the general statement; in his opinion the 50% statement rules in this matter. When you have a large site with a lot of acreage, in the specific case that is talked about now, there could be 15-20 acres of exterior storage; staff believes that is beyond the intent of the ordinance.

Chair Butler questioned what designates exterior storage - trucks, equipment, machinery used for the business or manufactured product? Under Item C. discernable discharge what is the definition of discernable discharge? Mr. Davis acknowledged these items will have to be defined. With regard to construction equipment, presently it is considered external storage. However, as of now construction, sales, and service is permitted under a PUD. When the Planning Commission looks at this either for the interim change or for the long-term change several of these uses need to be re-examined because they may be outside of the original intended ordinance. Mr. Davis believes the different industrial zones need to be reviewed during the review of the Comp Plan.

Mr. Granquist noticed that with the discernable usage between 50% manufacturing interior space (presumed) and the remainder being exterior, a concern is if the operation wanted to get into secondary or tertiary type of processes and they built a temporary outdoor type of processing or cleansing or filtering section, or a shed area, would that fall under the physical 50% of manufacturing even though it's a secondary process? Mr. Davis said in a situation like that for what the original concept for what light industrial use is that would not be accepted. That is why he believes there needs to be another zone for medium or heavy industrial use, as this will provide less potential for conflict with adjoining land uses. Ms. Lux agreed that there is a need for two different industrial classifications. Mr. Granquist thought one would almost have to apply for a variance once it is set up, regardless of the industry.

Mr. Davis said these comments are useful and that he will pass them onto the Planning Commission. The Planning Commission will be charged with developing definitions for any change that occurs now and in the future.

Mr. Bezanson noted 2H and 2I and 3A are all areas that definitely need better definition. When looking at the screening requirements, he asked why the height is limited, why can't it be 10-12' for certain operations? Why are the screening heights different for the two different classifications?

Mr. Voss said it will be good to have EDA comments that go with its vision to use during the review of the Comp Plan, as the EDA wasn't formed when the last Comp Plan was written and now the EDA can provide a broader view from a business standpoint. The Planning Commission will decide on the specifics to

the ordinance. Mr. Bezanson said he would like to see is the commercial industrial equivalent to a PUD ordinance. Mr. Voss said there already is an ordinance like that; Mr. Bezanson said that ordinance is for residential. Mr. Davis clarified that there are two areas that have PUDs – the City Center District has a PUD overlay, and the intersection of 221<sup>st</sup> and Hwy 65 has a business PUD overlay. Mr. Bezanson said he would like to have language that works in the City's favor so it has more discretionary powers to be able to negotiate or craft an agreement with a business or developer that is coming into an industrial park. Mr. Voss said that is good feedback from Mr. Bezanson, as the City previously had to fight to get a PUD by the City Center corner.

Mr. Welter had three questions –

1) Is there a target date for the completion of the rewrite of this ordinance? Mr. Davis said staff would like to present some type of draft proposal to the Planning Commission for review at its May meeting. If the Planning Commission thinks the draft is acceptable, they can recommend City Council adopt the ordinance or can schedule it for further discussion.

2) How would this change affect current businesses? Mr. Davis said that is one reason why staff wanted to bring this up at tonight's meeting. It is recognized and needed to have different industrial districts for different types of industrial businesses. As far as existing businesses go, this would have no impact on those that are established. For business expansion, it would have no immediate impact that he is aware of, but that is why he wanted the EDA's comments and input. One item discussed was a moratorium. A moratorium could solve some of the issues until they are sorted out. However, a moratorium could have a lot of negative impacts on 2-3 businesses that do have expansion plans.

3) How could possible changes affect the CST proposal? This probably will not affect the proposal as it stands now, anything that will be enacted will not be retroactive. However, there could be some possibilities with the truck terminals, depending on how that works out. What it will do is provide the City with some measure of protection for anything that happens between now and when the final Comp Plan is adopted.

Chair Butler went back to definitions - under warehousing and distribution there is an exclusion to trucking and truck terminal operations, but when people are in the warehousing and distribution business they are obviously going to be distributing product via motor truck. There needs to be clear definitions of trucking, truck terminals, trucking operations, truck activities, etc. Also, Under 4A occupying no more than 50% of the rear yard, some businesses have both side and rear yards. So it needs to be clear if they can occupy 50% of the rear yard and 100% of the side yard. Chair Butler would like to see a Comp Plan that works in favor of both residents and businesses. Mr. Davis agreed that the Plan should not be too restrictive, however, it must be much clearer and defined/concrete. Mr. Voss agreed on the need for different definitions of different types of industrial zonings for businesses.

The Planning Commission will be given a draft ordinance for review at the May meeting. Mr. Voss suggested having joint work meetings with the Planning Commission and City Council; he will address this at the next Council meeting.

8.0 Chamber of Commerce Reports Chair Butler reported there was a presentation last Thursday by Liz Uran and Mr. Welter at the Chamber event in the Senior Center.

There is a morning golf outing at Viking Meadows on Friday, June 15<sup>th</sup> preceding Booster Days. Sign-up is available at the Chamber website [EastBethelChamberofCommerce.com](http://EastBethelChamberofCommerce.com) and there is a Facebook page as well.

Mr. Welter gave an update on the BR & E commencement meeting on April 27<sup>th</sup> which had about 35 attendees. The business retention and expansion background was reviewed, with the highlight being that three teams were formed around three projects that will be implemented for East Bethel. The first is called Connect 17 which will work to increase broadband reliability and availability city-wide, the second one has to do with communication, specifically improving communications between city government and business owners in East Bethel, and the third is titled [EastBethelJobs.com](http://EastBethelJobs.com) that will work to provide resources to East Bethel businesses to aide in the identification, selection, and retention of employees. These three teams are working to identify more specific goals. All three teams will meet about once every three months for updates, accomplishments, and more goal setting. The leadership team is still meeting with its primary goal to identify a routine way to provide progress communications back to the City Council and city businesses. Chair Butler gave a brief description to the audience of what the BR & E is and the reason for having it. Everyone was encouraged to become a part of the BR & E committees.

Mr. Davis complimented Mr. Welter on his presentation at the Chamber meeting. He did ask Mr. Welter what the EDA's and City's roles are in order to help achieve the desired goals. Mr. Welter said the EDA was the kick-off and sponsor of the BR & E and that the City has been very supportive of the whole program. He sees the EDA role as staying informed on what is happening and to provide any overview, suggestions, and advice on where to go, and the same from the City. Suggestions on how to communicate updates to the community at large would be great.

The website domain name [EastBethelJobs.com](http://EastBethelJobs.com) has been approved and is being sponsored by Aggressive Hydraulics. Mr. Welter was unsure of the live date of the site. More information should be available at the May 24 meeting. Mr. Mundle reported that the previous surveys showed that businesses in the city are having troubles finding local employment and finding skilled employment that can be hired from East Bethel. One of the projects is to undertake how to find more local labor for local businesses in order to keep businesses here, rather than moving to where there are better employment options. Thus, the development of the website where businesses can post employment listings.

9.0 City Council Report

Mr. Mundle reported:

- Council was updated on the new A/V system that will be installed in Council Chambers, with work being completed by the second Council meeting in June.
- Council adopted a new shade tree ordinance to protect trees on public and park

property.

- Congressman Tom Emmer visited the last Council meeting to talk about what he is doing and some of his special interests. He hopes to attend more Council meetings and/or Town Hall meetings and wants to be more involved and available locally with East Bethel and surrounding communities as well.

- Council ordered an Environmental Assessment Worksheet (EAW) be completed for the proposed CST project.

- Booster Day is July 16<sup>th</sup>. Committee is looking for both food and non-food vendors. Applications can be found on the City website.

- City is looking to hire two seasonal maintenance workers to do various types of manual labor in the general maintenance of the Park Department.

Applications can be found at the City website.

Mr. Voss noted that the Chamber June agenda includes Comp Plan update.

Because these businesses are directly affected by possible changes to the light industrial ordinance, he wants to make Chamber members aware of the interim changes being discussed.

10.0 Adjourn **Mr. Granquist moved and Mr. Bezanson seconded to adjourn at 7:46 pm. Motion carried.**

Respectfully submitted,

Gail Gessner, Recording Secretary  
Submitted 5/20/16