

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY MEETING  
June 20, 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: Colleen Winter, Community Development Director  
                         Jack Davis, City Administrator

1. Call to Order                      Chair Butler called the meeting to order at 7:00 pm.
  
2. Adopt Agenda                      **Mr. Voss moved and Mr. Granquist seconded to adopt the agenda as presented. Motion carried.**
  
3. Approve 5/16/16 Minutes                      **Mr. Bezanson moved and Mr. Welter seconded to approve the May 16, 2016 minutes as written. Motion carried.**
  
4. Business Development Report April-June 2016                      City Staff has assisted with or provided direct action on the following:
  - Working on Site Plan review for Second Generation Chimneys who will be locating on lot 1, Block 1, Sauter Commercial Park. They are building a 6,500 square foot facility for their office and shop, with future expansion for an additional 6,000 sq. ft. They rebuild chimneys and are a HVAC contractor.
  - Working with Lisa Palm owner of the Ponds of Hidden Prairie. Ms. Palm is proposing to build a 10,000 sq. ft. wedding event center on 221st Avenue NE. Site plan will be submitted shortly.
  - Working with Jill Hoffman – Granny May’s. Jill has applied for an Interim Use permit to operate a commercial kitchen out of her garage for three years.
  - Working with George Cossette, George’s Boatworld. George is looking at expansion at his current location.
  - Working with CST, they are required to complete an EAW and we are waiting for their response to the EAW.
  - Working with a local developer interested in platting a rural subdivision.
  - Met with Don Shaw on his Viking Preserve development. He is currently completing site work including filling in a portion of a pond and bringing in fill to make house pad corrections.
  - Met with Don Shaw on his expansion plans for Shaw Trucking. Mr. Shaw is planning to construct a 6,400 sq. ft. cold storage facility and expanding his storage area.
  - Completing building plan review for Garfish brewery who will be locating in Bethel, MN
  - Final BR&E report presented to the City Council and three committees formed: Connect 17 – Broadband, Communication, Recruitment

Other Development Assistance Activities and Information:

  - Assistance provided to Tom Sauter for the Sauter Commercial Park 2nd addition plat
  - Continue to participate in the TH Hwy. 65 Coalition

- Completed RFP (request for proposal) for Comprehensive Plan update
- Intersection improvements at Hwy 65 and Viking Boulevard

Ms. Winter clarified that the rural subdivision currently is a 40 acre field and the developer would like to divide it into 16 two acre lots that would be on private septic and well. The developer is trying to get 16 lots on this property and would like to have preliminary work started by fall to have lots available for purchase spring of 2017.

#### 5. Strategic Plan

In March 2016 the EDA adopted a Strategic Plan. Items I, II, and VI are in progress or substantially completed.

Item IV – Marketing. City Staff is requesting that the EDA discuss and move forward with the plans as outlined under this item: Define the vision of the City and development of a marketing concept, Marketing study, Competitive/Non-competitive, Ecommerce and social media, Network, Available Land and Building inventory, and Update of marketing materials. Ms. Winter noted that many actions have been taken in moving forward with the EDA Strategic Plan. The Comp Plan is underway and business recruitment is off to a great start. One thing needed is a defined marketing concept for the City. The City has a wonderful website with a lot of great information, however, a cohesive tagline is missing. East Bethel will be at MNCAR and it was discussed having a flash drive presentation that talks about the benefits of locating a business in East Bethel. To do that it should be defined what makes East Bethel the place for a developer to locate. A target marketing plan would help with this endeavor. There is also another opportunity for East Bethel to be part of the Anoka County Brokers program that will take place in October. Having a defined tagline and consistent marketing will help to move this forward. Part of the EDA Strategic Plan is to define what the vision of the City is and to develop that marketing concept that applies to achieving that realization, i.e. “If your business was here you’d already be home” or “If you worked here you’d be two hours closer to the cabin”.

Mr. Granquist shared that he choose to relocate to East Bethel because of the closeness to Fortune 100 businesses and he is able to live in an area where many people choose to vacation. He believes those two points would be great selling points. One could live where they would vacation – staycation. Being conscience of the different types of businesses that would stimulate a stronger socio-economic impact as far as a tax revenue basis, i.e. medical, pharmacology, pharmaceutical, and bio-firm firms in the Twin Cities area, he believes that if they had more information such as proximity to the airport, proximity to downtown, and all the good things in East Bethel such as environmental type of attractions, the outdoors, there might be a target market to look at if you did an external SWAT analysis with sister cities and looked at the pros and cons that each has used as their selling points. This is a very unique geographical area where people could have pharmaceutical labs and/or dental labs that could downsize the number of commuters on Hwy 65 and Hwys 35E and 35W into the Twin Cities. Mr. Granquist would like to discuss further the “think tank” ideas presented in order to consider other genre businesses for the area.

Ms. Lux said that being an affiliate member of MNCAR, the EDA should be able to send broadcast emails to 400-600 brokers every month cuing them up for the MNCAR Expo and telling them about East Bethel's shovel-ready sites or however the EDA wants to phrase the availability of land. She believes this is a great way to market for free. Closer to the event, there will be a list of attendees to further cater the marketing to.

Mr. Welter asked what type of deliverables does the City want; does it want a tagline or a vision and which one does it want first? Once that is decided, members can think of ideas to be brought to a future meeting, rather than trying to come up with something at a meeting. Maybe somehow these ideas could be shared prior to a meeting and then synthesize the ideas at the meeting. Mr. Mundle asked if this could be in conjunction with the magazine ad to be addressed later in the meeting. What are a couple of words that could sum up East Bethel and what are some of the best ideals? This could be a starting point to segway into marketing. Ms. Lux said such as Woods, Water, Workers.

Mr. Bezanson said a great appeal is that East Bethel has reasonably priced undeveloped land and is located on what could be deemed a good transportation system or a bad transportation system, depending on the time of day it is being used. He believes a partnership with Cedar Creek Natural History Area would be good marketing for East Bethel on an agricultural/environmental basis. Is there a location in East Bethel where a business headquarter could be on a sewer system and have land in back to do different experiments with or on?

Chair Butler has always viewed northern Anoka County as a gateway both going south and north. Why not promote East Bethel as a gateway city? Also, East Bethel has all types of events going on that draw anywhere from 200-3,000 people from all over the state and outside of the state. These could be people to capitalize on to carry the message out to where they came from.

Mr. Granquist shared that he believes the features and benefits of this area outweigh the travel time to MSP or the Twin Cities. He also finds it plausible that a light rail system could expand its way into northern Anoka County if there is commerce to support it.

Ms. Winter recapped the different shared ideas – deliverables for a tagline is unknown, low taxes, available land, commute times, undeveloped land at an excellent price, potential connection with Cedar Creek, gateway to north and south, and talked about woods, workers, and waters being critical elements. Ms. Winter believes the work force needs to be emphasized, because that is one thing that Anoka County is in a better position with than other counties. She believes that northern Anoka County may have a unique opportunity to promote itself differently from the rest of Anoka County. Moving forward with MNCAR and possibly the Anoka County Brokers event, it would definitely be an advantage to have a tagline and/or marketing ideas. Staff is going to put together a tax comparison to get a good idea of where East Bethel stands tax wise, raw land value and what the costs are there, as well as commuting times, which will be based on major markets to commute to. Ms. Lux thinks Greater MSP probably has a lot of that information for the counties. Ms. Winter said they do, however, East Bethel does not show up on their marketing materials.

Mr. Mundle encouraged contacting Cedar Creek. There is a new director there who seems to want to take it in a new direction and wants to be a steward in the community and involved with the City.

Chair Butler said another three word alliteration that comes to mind – land, location, labor. Mr. Welter said using the word “balance” came to his mind – balance between close in and far out, balance between rural and suburban, the idea of having balance. Mr. Voss sees balance as the best of both worlds for a lot of definitions. Maybe not using the word balance, but some way of communicating that thought/idea.

Mr. Voss sees this marketing campaign almost as a marketing blitz – getting out there all at once to all different entities and if done correctly he believes people will start asking why they haven’t heard of East Bethel and that maybe they should look into it. Create some excitement all at once, rather than a little here and a little there; create the buzz. Mr. Bezanson said it may not do much now, but may in the future; EDA moves at a glacial pace.

Mr. Granquist asked Ms. Lux, since she is in commercial real estate, does she have access to GIS codes that would break down businesses by industry. If so, could she utilize it for narrowing down the blitz to specific industries such as R & D, pharma companies, companies that don’t want to pay the taxes in the city, but want to have proximity to the city, want a clean environment, want to be stewards of the community, and they also want to live there because it’s a great place to raise kids, great schools, and they’re not missing anything by not being in the city properly. Ms. Lux said that would be Standard Industry Code (SIC) codes. Mr. Granquist said the EDA could look at the top seven industries and decide which industries East Bethel could plausibly support. Or does East Bethel market it as a great future development for such an industry. Ms. Lux said if you are selective about the data, you could get a quality list. Mr. Granquist agreed that if the grouping is a little narrower and a little more specific, and weed out those businesses that are not unique or similar to others, then the EDA could narrow down the specific industries/businesses that they want to target market. Ms. Lux said all of these targets are working with developers. Greater MSP is an economic development quasi-public firm that works and travels constantly trying to promote business within the State of Minnesota. East Bethel has not had good luck with them so far, because people are looking for buildings that already exist. However, soon that will change when the buildings inventory runs out, then they’ll be looking for the land. Mr. Granquist asked if SCORE retired executives has been used, as they often offer pro bono work? If not, he would be willing to work with that group. Ms. Winter said that the Minnesota Department of Economic Development has five targeted industries for the state and that they continually promote. East Bethel could get its information from its labor market analyst, plus East Bethel has access to Reference USA, Sales Force, and Dunn and Bradstreet. The five target markets are bio sciences, manufacturing, data centers, clean technology and renewable energy, banking and finance, and health care services.

Chair Butler did note that there are firms that will do the marketing for you and they will track who is looking at the marketing. He is not sure of the cost

involved.

Mr. Davis said for marketing they are talking about condiments, but where's the beef? When the businesses come to East Bethel, what is there to show? There is no industrial park and there are some areas that could be suitable for commercial. The EDA needs to consider having something available to show potential businesses. For example, a pharmaceutical company wants to locate on 40 acres, where in East Bethel will they go? There is no place in East Bethel that could serve their immediate needs. Mr. Davis said it's good to have goals - attainable goals. Of all the prospects sent out by Greater MSP over the last four years, East Bethel has only be able to respond to one.

Mr. Granquist noted that the businesses he is thinking about offer a much smaller footprint and that that is something to be discussed at another meeting.

#### 6. Retail Market and Grocery Store Discussion

Per the retail analysis profile for the City of East Bethel there are three market sectors in the City where there is a surplus: Motor vehicle dealers, liquor stores, and drinking places.

All other categories indicate sectors that are either served by other areas or are opportunities for expansion/location in the City. Both the attached analysis and the Ady Voltge Study, identified grocery stores as the primary establishments as underserved niches in the East Bethel trade area.

Not only does the statistical information provide an indication of feasibility for this type of business, it is the near unanimous need expressed by residents for retail service.

In addition to discussing a proposed grocery store-outlot retail project with a developer, Staff has had previous contact with the following retail food store chains:

- Hy-Vee – Hy-Vee is currently expanding in the Twin Cities market and has just had plans approved in both Maple Grove and Brooklyn Park. A typical store is 90,000 square feet and the traffic generated in that size of store is 30,000 customer trips per week. Hy-Vee is focused in the more densely populated metro areas. The smallest market that Hy-Vee has located in this area is Farmington (south metro). At that location they built a 55,000 sq. ft. store.
- Lucky's (Colorado based operation)
- Meijer (Michigan based operation)
- Aldi – Staff has had contact with their real estate representatives.
- Coborn's – They are currently building a store in Isanti, MN. In discussions with their Real Estate Representative, they did not receive any incentives from the City of Isanti to locate in that community. Additionally, Coborn's was not recruited by Isanti but selected this location based on their market studies. A site in East Bethel was of potential interest to them but was unavailable at the time they made the decision to locate in the Hwy 65 corridor.

Other stores that are expanding in the Metro area are: 365, Trader Joe's, Fresh Thyme. The City has not had no contact with these chains at this time.

Ms. Winter displayed a retail market analysis based on East Bethel's GIS system and reiterated those being captured by East Bethel - other motor vehicle dealers,

liquor stores, and drinking places (alcoholic beverages). All the other listed retail markets could be on East Bethel's radar. Grocery stores have been talked about for many years and are an underserved niche in the East Bethel trade area. There are many grocery store type of establishments that are looking to expand into Minnesota. Currently, someone owns land at Viking Blvd. and Hwy 65, however, future plans are unknown for that property.

Mr. Bezanson said it makes sense that East Bethel has captured the bar and liquor store businesses, most of East Bethel businesses are located on the highway. With regard to the property Ms. Winter referenced, Mr. Bezanson believes the owner bought that property to protect his market and until he believes there is enough market to capture this far east, the property will remain undeveloped.

Mr. Granquist believes many people shop by store name such as Aldi and Trader Joe's and that these stores do bring a somewhat unique shopping experience, yet are cost effective. Ms. Winter noted that Aldi is expanding to smaller market areas and that she had talked with a rep several times and sent information.

Ms. Lux knows the exclusive rep for Hy-Vee and has suggested locating in East Bethel. The rep said at this time it is not on the near term, however, she will continue to keep in contact with him. Ms. Winter noted that the main real estate person for Hy-Vee said the same thing, not now, but possibly in the near future.

7. Business  
Climate  
magazine ad  
space  
discussion –  
MNCAR  
update

Business Climate magazine has teamed up with the MN Dept. of Employment and Economic Development to publish the 2nd Annual Minnesota – Thriving in the North magazine. The annual print magazine reaches thousands of top business executives and site selectors worldwide. In addition to the printed magazine, there is also an online distribution component that can be viewed on a variety of digital devices. MNDEED utilizes the magazine as a primary marketing tool at events, tradeshow, and meetings both locally and globally. Many area communities will be advertising in this year's publication including Isanti, Cambridge, Coon Rapids, and Anoka County. The costs vary depending on the type of Ad that you place. A targeted distribution list was included in the packet, along with national exposure to a targeted audience information.

Ms. Winter showed two examples of two different types of Ad spaces and their associated costs - City Type full Cost and Cost w/out banner ads:

Blaine 1/3 page vertical ad \$3,395 and \$1,955

New Ulm 2/3 vertical bleed \$5,365 and \$3,565

Ms. Winter said a decision will need to be made soon on whether to do an ad this year or wait until next year. Discussion followed. Consensus of the EDA was that it is not ready to advertise at this time.

8. Chamber of  
Commerce  
Reports

There will be a golf outing on Friday, July 15 at Viking meadows. Hole-in-one prize will be a General Polaris ATV 2 up (\$18,000) and a Slingshot motorcycle (\$20,000). Thank you to Northway Sports for providing these prizes and monitoring the Hole-in-one contest. Thank you also to Tim Harrington, City Council and Liz Uram, Chamber of Commerce for heading up the golf outing teams. This is in conjunction with Booster Days.

9. City  
Council  
update

Chamber Events – August is MN Fresh Farms and there will be state and county political reps present. September will be a joint meeting with Ham Lake Chambers with the topic of Building Success – Turning Ideas into Action. Mr. Mundle reported that Friday, July 15 will be Movie in the Park night at Booster West showing the new Star Wars movie. There will be a costume contest with Star Wars cut-outs given out as prizes.

There was an administrative hearing on a detached accessory structure and discussion on the ambiguities with the code. City Council will send this to the Planning Commission for review and editing.

There was a joint meeting with the Planning Commission to discuss changes to the light industrial coding. Meeting was well attended by the public.

Council approved doing simple lot splits.

Authorized the purchase of property for connecting the new service road with the work to start in late summer/fall.

Council made a water ball challenge to Ham Lake.

10. Adjourn

**Mr. Bezanson moved and Mr. Voss seconded to adjourn at 8:20 pm.**

Respectfully submitted,

Gail Gessner, Recording Secretary  
Submitted 6/29/16