

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY MEETING
September 19, 2016

The Economic Development Authority (EDA) met for a regular meeting at East Bethel City Hall.

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

ABSENT: Brian Bezanson

ALSO PRESENT: Colleen Winter, Community Development Director

1. Call to Order Chair Butler called the meeting to order at 7:00 pm.

2. Adopt Agenda **Mr. Granquist moved and Mr. Mundle seconded to adopt the agenda as presented. Motion carried.**

3. Approve 8/15/16 Minutes **Mr. Mundle moved and Mr. Voss seconded to approve the August 15, 2016 minutes as written. Motion carried.**

4. Bruce Lawrence business request Informational item only.

City staff has met with Mr. and Mrs. Lawrence who have an interest in leasing property at 21217 Highway 65 NE for a used car lot and Recreational trailer sales lot in an area zoned B2 – Central Business District. Used car sales shall only be allowed when they are an integral part of a new automobile vehicle dealership or if such vehicles are located completely inside a principal or accessory building. Recreational trailers would fall under the category of manufactured home sales and are only allowed under a Conditional Use permit in an established Manufactured home park. The Lawrences were told by City staff that the current zoning does not allow the location of the type of business that he is proposing. The business model as proposed requires that vehicles and trailers to be displayed outside and B2 zoning only allows for 100 feet of Exterior storage.

While this is in part a zoning issue, there are relations to economic development. Staff expressed to the Lawrences that from an economic development perspective the business model is not something that fits with the overall economic development vision for the City. There will be very few jobs created and it will simply be acreage that will be used for the parking of cars and trailers. The Lawrences wanted an opportunity to discuss this with the EDA; they were at tonight's meeting.

Bruce Lawrence, owner of Vehicle Maxx Sales, understands this would be a nonconforming business per the City requirements. However, he is looking at opening a new park model RV franchise and is not looking to open another junk yard dog used car dealership. Trading in cars, RVs, ATVs will be a part of this business. Mr. Lawrence is a Fortune 500 turn-around specialist who has traveled

the world extensively. Even though his business will not employ many people as other businesses might, he is an entrepreneur at heart and his loyalties are to East Bethel. There is no other business like Vehicle Maxx from Minneapolis to Mora, so it could help East Bethel become more of a destination city. The business would be a sales lot for various vehicles, similar to the Bunker Lake Park and Sell. Mr. Lawrence plans to use his profits to improve the property with clean-up and landscaping. The property he is proposing currently is unattractive and is located next to other businesses that are working hard to enhance the beauty and economic development of the City.

An RV destination park model is moved to a site where it remains, it's not meant to be moved around. The RV does not have a motor and is not considered a vehicle, it is more of a modular home with axels to be moved to a permanent site. Mr. Granquist suggested that maybe there is another classification to look at for this type of business, given that these are not vehicles. Mr. Lawrence was asked what the visual look ratio would be between destination park models and vehicles taken in for trade. He stated it would depend on the merchandise that is traded in. He stressed that his plan is to have a very nice looking business with landscaping and attractive vehicles on view.

Mr. Lawrence was thanked for presenting his proposal to the EDA.

5. Greater MSP request

City staff received an alert through Greater MSP. Greater MSP was contacted about an international company considering the Greater MSP region, along with other regions, for a manufacturing project. The company is a universally recognized brand with over \$2B sales in 2015. The company is experiencing rapid growth in North America. The company's history has a large focus on R&D (many new products and patents annually) and partnerships with local universities and research institutions for training programs. The company is looking at approximately a \$265M capital investment, 700 full-time jobs, a R&D center with 30 scientists and a training program of \$30M. The company would like to make a site decision by the end of 2016 with construction beginning the latter part of 2017. This project has many information requests. The Business Investment and Research teams at GREATER MSP will be covering many of these requests, however, they do need the Cities to respond if they meet the following criteria:

Site: City of East Bethel has two to three potential sites.

Electrical Energy Requirements (potential for a renewable energy supply preferred) – City is working with Connexus Energy and has been told the capacity exists.

Thermal Energy Requirements – City is waiting to hear back from CenterPoint and Xcel Energy.

Water Service Requirements – City has the capacity.

No specific requirements for sanitary sewer

Data Service Requirements - City has been assured by MIDCO and ZAYO that the requirements are available.

Financial Incentives - The City of East Bethel currently has the ability to offer Tax Increment Financing. Tax abatement is also an option IF Anoka County is

willing to participate. Infrastructure – There will be costs associated with bringing infrastructure into all of the sites. SAC and WAC deferrals or partial waivers. Other incentives as approved by the City.

Additional Information – The company has little to no knowledge about the Twin Cities region therefore all 14 counties in the Greater MSP area are in play for this project. Greater MSP is completing the bulk of the response and will include ALL responses that fully addresses the bullet points in the alert. Joel Akanson (Greater MSP) suggests that responses need to show the city really wants to land the project.

Other Cities – Many communities will be submitting proposals and in some cases if they have City owned property they are able to sell it for \$1.00/acre.

Ms. Winter said the City is close to having all the required items met; it comes down to the financial part and how the City wants to proceed. This is brought before the EDA to decide what it is willing to do for a project such as this. Ms. Winter has coordinated the items required for the October 29th deadline. **Mr. Voss moved and Mr. Granquist seconded to recommend City Staff proceed with the Greater MSP request.** It was asked if there are any downsides to this venture. Ms. Winter said she does not know any downsides at this time. Ms. Winter is aware of three other counties responding to this request, plus expects there will be many more responding. Ms. Winter sees the biggest challenge/opportunity as showing the area is able to provide the technical employees required by this business. **Motion carried.**

6. Update on upcoming events
 - UpRiver Event
 - MNCAR Expo

The City is participating in two events.

UpRiver Event is sponsored by Anoka County on October 18 from 9:00-11:00 am at the Blaine National Sports Center. This is an event for commercial real estate professionals. Individual communities have table displays. Anoka County is working on a video showing the participating communities. Two businesses from East Bethel were interviewed for the video. Each community will be allowed three slides of information. Anoka County hopes to continue with this annual event and to rotate where it is held based on the different communities involved.

MNCAR Expo is a premier real estate broker event held on November 9 at the Depot in St. Paul. This is another opportunity for the City to have a booth and have people see and talk about what East Bethel has to offer. East Bethel has a great location at this event. Flash drives will be given away, along with a wireless speaker. Ms. Winter would like to see more Chamber of Commerce members supply business coupons for distribution.

7. Chamber Update

Mr. Welter reported that the last event was a joint venture with Ham Lake Chamber of Commerce. A Building Business for Success presentation was given on turning ideas into results.

Next event is Sunrise Breakfast on October 13 at 7:30 pm at Route 65. Keynote speakers will be Sheila Kauppi from MNDOT, Jack Davis from City of East Bethel, and Doug Fisher from Anoka County Hwy Department. They will be discussing road projects – specifically reduced intersection conflict projects,

what is happening in the county with roads, and East Bethel's service road.

8. City Council Update

City Council liaison, Brian Mundle reported the following:

- The Preliminary and Final Plats for Prairie Ridge were passed.
- The Preliminary Plat for Viking Preserve was passed.
- WSB and Associates was chosen as the consultant for the Comprehensive Plan. A special meeting was held where Council was presented with a timeline and WSB's plan for public engagement, which includes Town Hall meetings, city events, and Planning and Zoning meetings. There will be more meetings in addition to those listed. A website widget will be available for the public to provide their input.
- Town Hall meeting will be on November 17 at 6:00 pm at the Senior Center.
- Preliminary budget was passed with an additional \$10,000 added to the HRA Levy to start replenishing the fund which will be drawn down after the utilities for the service road and to ensure that the HRA balance stays at the City level for taxation purposes.
- Temporary easement for Ponds of Hidden Prairie was approved.
- Council approved reinstating the employee recognition program.
- A personnel hearing was conducted.
- City has received all the right-of-ways for the service road from Classic Commercial Park north to Viking Blvd. Anticipated schedule - October have the permitting wetland completed, November advertise for bids, December open bids, late December award contracts, January muck construction to start, May begin service road construction, with an October 2017 service road completion.

9. Other Reports

Chair Butler reported that BR & E Connect 17 met. An item from that meeting is that the city engineers need to keep the Midco and Century Link people informed, as they were not aware of the backage road projects. It would be ideal if Staff could put a confirmation process in place to show the companies have been informed. It reduces the companies' costs by 70% if they can put their wiring in when the trenches are open. Ms. Winter clarified that Connexus has the rights to the trenches, so the other companies are bound by Connexus timing and procedures.

10. Adjourn

Mr. Mundle moved and Mr. Granquist seconded to adjourn at 7:57 pm.

Respectfully submitted,

Gail Gessner, Recording Secretary
Submitted 10/2/16