

**City of East Bethel**  
**City Council Agenda**  
Work Meeting - 6:00 PM  
Date: March 6, 2013



	<b>Item</b>	
6:00 PM	<b>1.0</b>	<b>Call to Order</b>
6:01 PM	<b>2.0</b>	<b>Adopt Agenda</b>
6:02 PM	<b>3.0</b>	<b>Potential Water Park Project</b>
	Page 2-82	
6:40 PM	<b>4.0</b>	<b>Revolving Loan Program for City SAC and WAC Charges</b>
	Page 83-91	
7:15 PM	<b>5.0</b>	<b>Adjourn</b>



# City of East Bethel City Council Agenda Information

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**Date:**

March 6, 2013

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**Agenda Item Number:**

Item 3.0

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**Agenda Item:**

Water Park Project

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**Requested Action:**

Discuss the direction and next steps for a potential Water Park Project

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**Background Information:**

At the Economic Development Authority meeting on February 25, 2013 there was a lengthy discussion regarding a water park development and the level of interest in this type of facility in East Bethel. The EDA reviewed and examined the water park proposal and the geographic advantages and amenities of East Bethel as a potential recreation destination for Anoka County. The EDA did not take any action on the presentation.

The water park idea originated as a recreational amenity that was identified in a Booster Day/needs assessment survey that was conducted in July 2012 and has since evolved into an image that includes a vision of the City becoming a recreation destination for the North Metro Area . The concept is a bold an innovative proposal that creates as many questions as it does opportunities for our economic development options and initiatives. The conceptual phase of this proposition has evolved into a plan that proposes to attract a private developer to construct a hotel with convention facilities and an attached indoor water park as the central focus of the project. It would also require the spin-off development of additional recreational and commercial facilities as peripheral attractions that are needed to provide the secondary support activities and services necessary for a development of this scale. Even though this type of facility would need to be located along the Hwy. 65 Corridor, no specific site has been recommended for this project and any discussions regarding potential site locations should remain confidential at this time.

Projects of this magnitude can have a tremendous economic impact and serve as the magnet/anchor to attract additional development. This proposed project is still in the discussion stage and has reached the point that requires Council advice as to the direction staff should follow concerning the advancement of the proposal.

The basic question regarding this project is one of marketability and the potential for attraction that would appeal to a private developer. That is the issue with this proposal and until we can provide that answer, the status of this proposal is indeterminate. As in the case of these matters, it may require a financial commitment to proceed with the determination of feasibility. One of the next steps for consideration is a feasibility study to provide the City necessary data that will be required to establish the practicality of this venture. The costs to perform a feasibility study could

vary widely, with basic costs estimated to range between \$8,000 to \$20,000, depending on the depth of analysis that is requested. As such and should authorization be considered and approved, it would be advisable to put this out as a Request for Proposal (RFP) for a Water Park Feasibility Study. The feasibility study would provide the marketing information required for making a sound business decision on this proposal. The development of the RFP would require minimal staff time and incidental costs for office supplies, postage and other materials necessary for preparation. Staff would submit any RFP to Council for review prior to any submissions for proposals.

The purpose of the discussion before Council is not a referendum on a water park project/recreation destination area but rather a means for Council to guide staff on the direction to proceed on this matter. Regardless of the direction we proceed with this proposal at this time, this, along with any other potential economic development project, will always be open for deliberation and on our menu of options.

We have reached a point in the research of this matter that involves consideration of expenditures for marketing consultant services to assist in determining the feasibility of this proposal and Council input. This decision concerning expenditures is beyond the staff level and requires Council approval to proceed or provide alternate recommendations to advance and promote the proposal.

Attached is information that relates to the concept of this project and its relation to our economic development plan.

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**Attachments**

1. Booster Day Survey
2. Ady Voltedge Community Survey dated March 12, 2012
3. Economic Development Action Plan presented by Ady Voltedge on March 25, 2012
4. Water Park/hotel ERU's

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**Fiscal Impact:**

As described above.

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**Recommendation(s):**

Staff is requesting direction from City Council as to the preferred course of action concerning the next phase of this project.

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**City Council Action**

Motion by: \_\_\_\_\_

Second by: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Vote Yes: \_\_\_\_\_

Vote No: \_\_\_\_\_

No Action Required:\_\_\_\_\_

# City of East Bethel

## 2012 EDA Survey – Results Summary

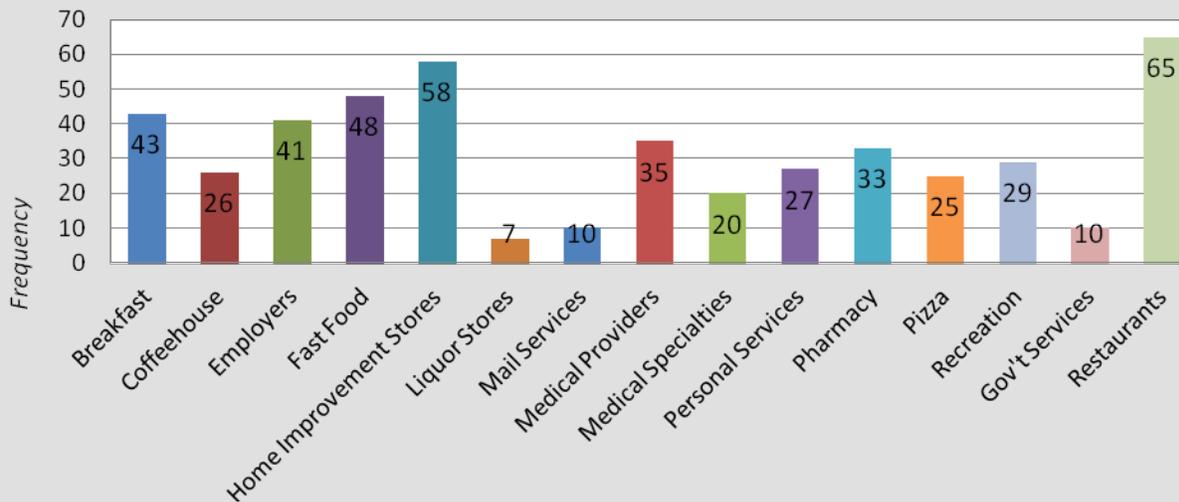
This summary presents results from the 2012 EDA Survey for the City of East Bethel. The survey collected residents’ preferences and opinions of the direction the City should take regarding what business types and franchises should be recruited for the Highway 65 Corridor.

### Participation:

A total of **157** responses have been received. There were 89 returned in the drop box at the booth on Booster Day (July 21<sup>st</sup>), and 66 have been completed online. 2 responses have been received in the box at City Hall. Only 5 responses have indicated that they are non-residents (3.18%).

### Categories:

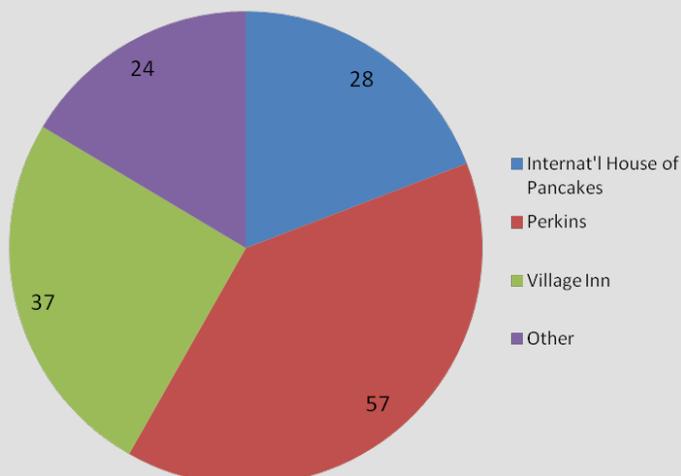
Participants were asked to indicate the top categories that they would *most likely use or most desire* to be in East Bethel.



### Providers:

Participants were asked to indicate their favorite provider(s) from each category.

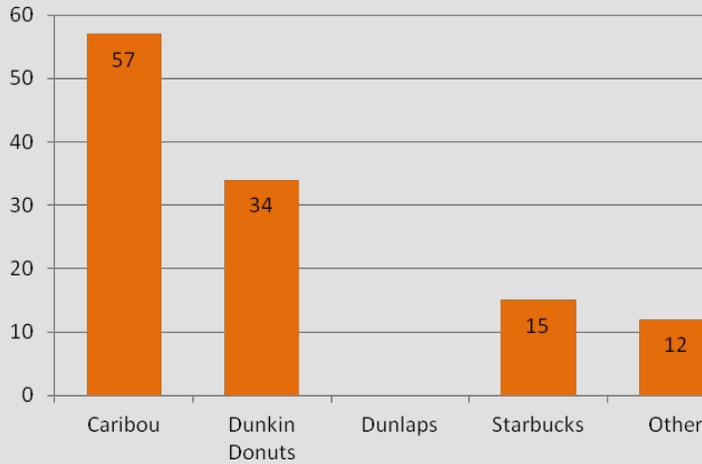
#### Breakfast



#### Other providers/ notes written in:

- McDonald's (2)
- Homemade Café
- Private Owned
- Non Franchise Diner
- None
- Creamery Café
- Home Cooking Rest
- Individually Owned
- Denny's (5)
- Independent (2)
- Keys Restaurant (2)
- Panera
- Embers
- Pannekoeken
- White Castle
- Mom's House
- Waffle House
- Mom and Pop's Local (3)
- All Above

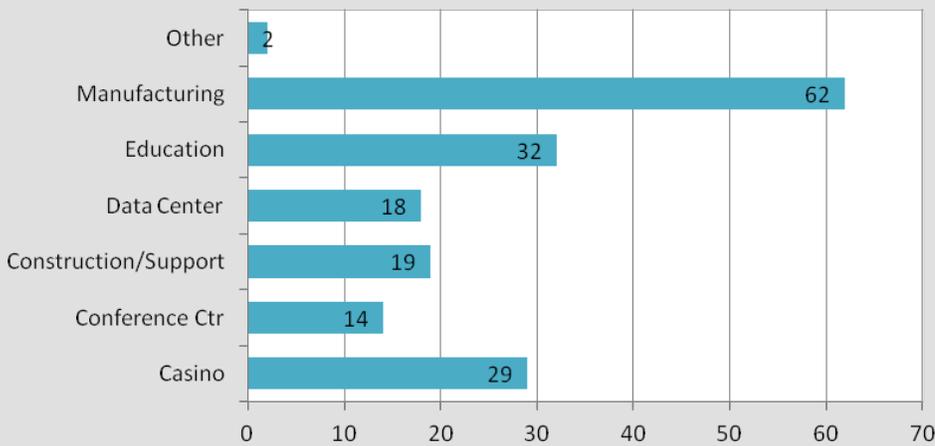
## Coffeehouse



### Other providers/notes written in:

- Private Owned
- None (2)
- Dunn Bros. (8)
- Any or All Above
- Bruegger's Bagels

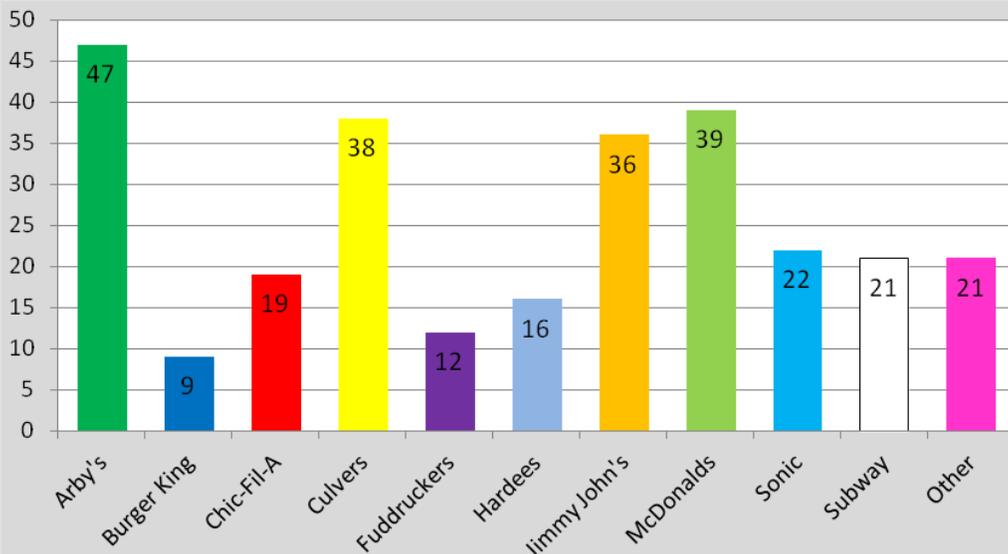
## Employers



### Other providers/notes written in:

- Enough People Already Unemployed (in reference to Construction/Support)
- Video Game Store/Water Park
- WalMart

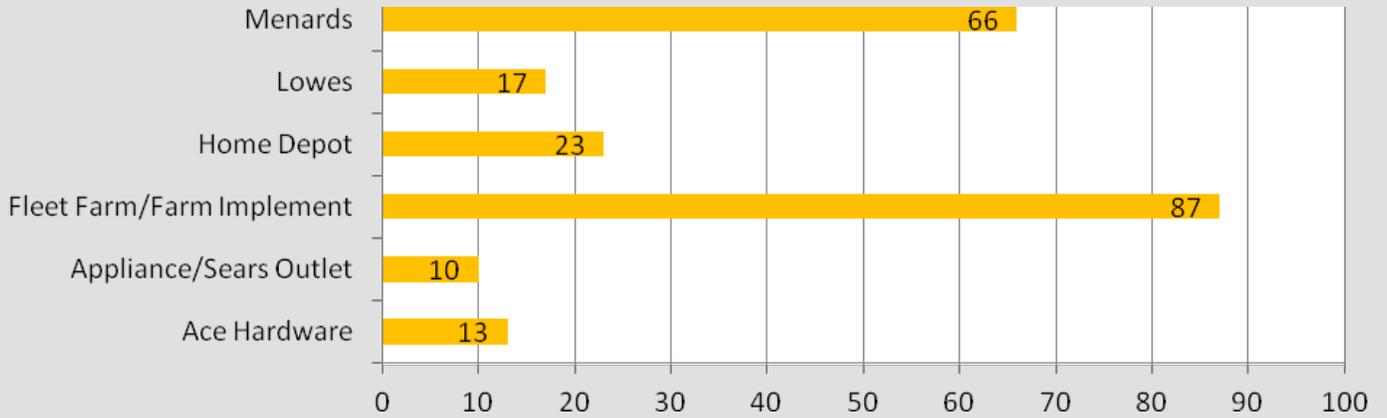
## Fast Food



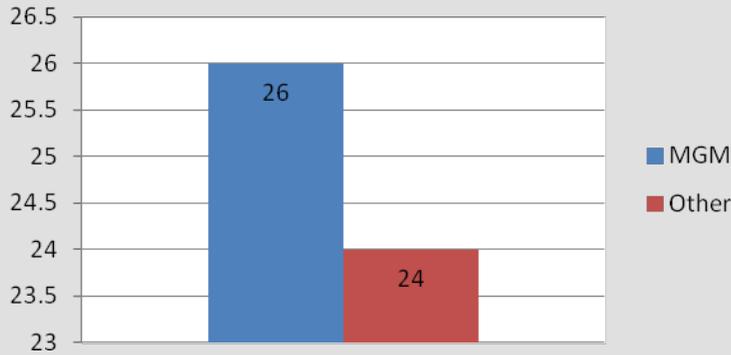
### Other providers/notes written in:

- A Nice Sit Down Restaurant
- Red Robin (3)
- Texas Roadhouse
- Taco Bell/Taco John's (5)
- Chipotle (4)
- Jersey Mike's
- Leeann Chin
- KFC
- Quiznos
- White Castle
- Ethnic food – Viet, Italian
- No Fast Food
- Mexican or Asian, we already have Subway

## Home Improvement



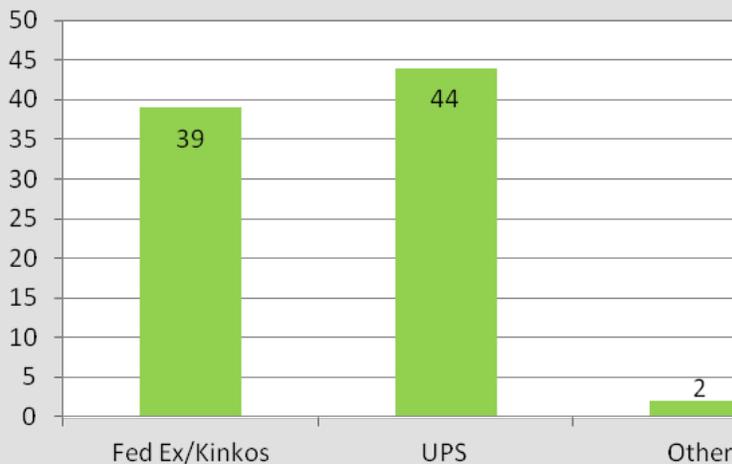
## Liquor Stores



### Other providers/notes written in:

- WalMart
- Super Target
- None/We have enough already (10)
- Cheap One
- Wayne's Liquor (3)
- Bill's (3)
- G-will (3)
- Cellars
- Coborn's

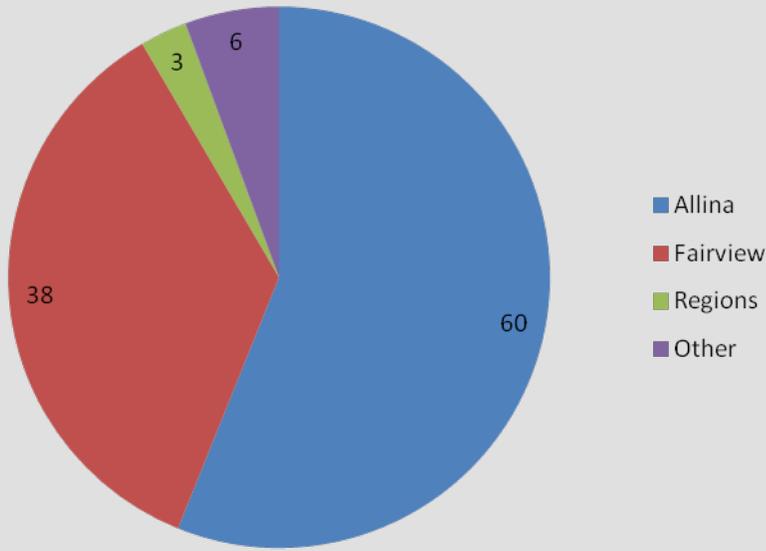
## Mail Services



### Other providers/notes written in:

- U.S. Postal Service (2)

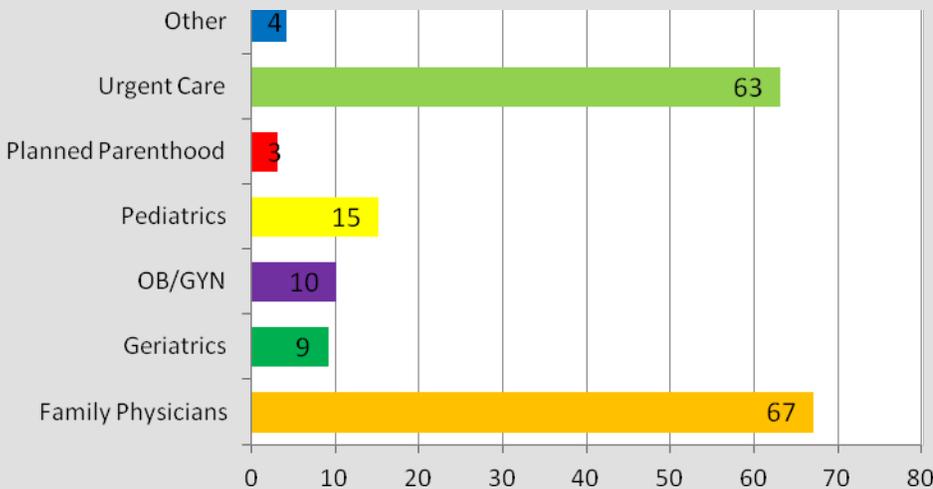
**Medical Providers**



**Other providers/notes written in:**

- Multicare Assoc. of the Twin Cities
- Health Partners (2)
- North Memorial
- Humana
- Medica

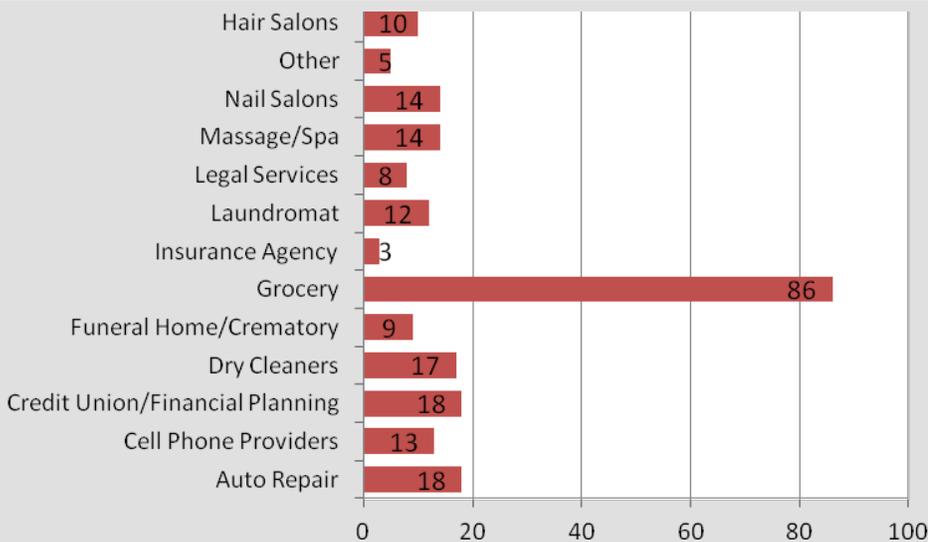
**Medical Specialties**



**Other providers/notes written in:**

- Mercy Hospital
- Dermatology
- G.I.
- Dental
- Surgery Center

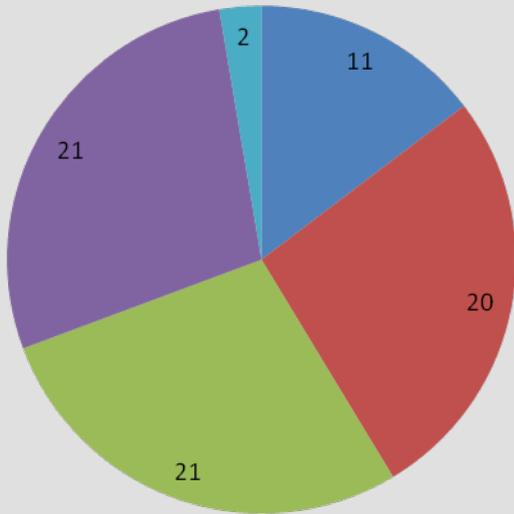
**Personal Services**



**Other providers/notes written in:**

- Gas/Convenience Stores (2)
- Costco
- Thrift Stores
- None
- Super Walmart/Target
- Trader Joe's (2)

**Personal Services, Continued – Hair Salons**

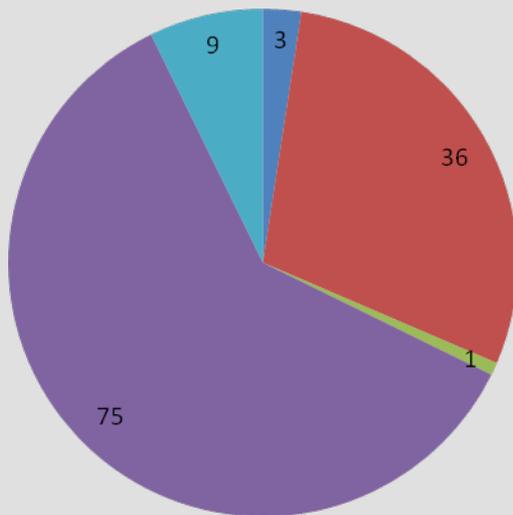


- AVEDA
- Fantastic Sams
- Great Clips
- Independent Salon

**Other providers/notes written in:**

- Master Cuts
- Barber shop
- Sport Clips (2)
- Some other fast service hair salon that is not common to our neighboring cities – Great Clips and Fantastic Sam’s are everywhere!

**Pharmacy**

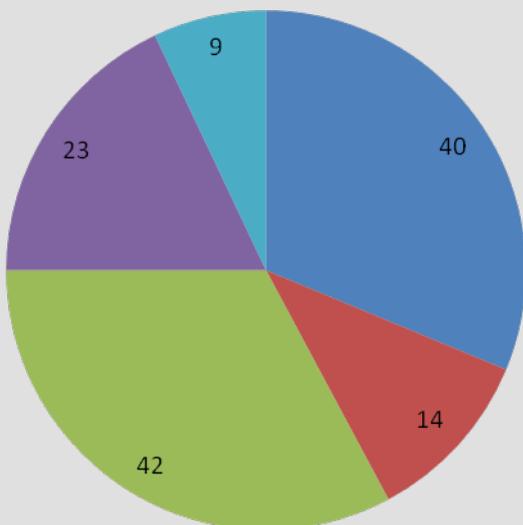


- Albertsons
- CVS
- Rite-Aid
- Walgreens
- Other

**Other providers/notes written in:**

- WalMart (3)
- Any
- Good Rich Pharmacy
- Target (2)
- Snyders
- Coborn’s

**Pizza**

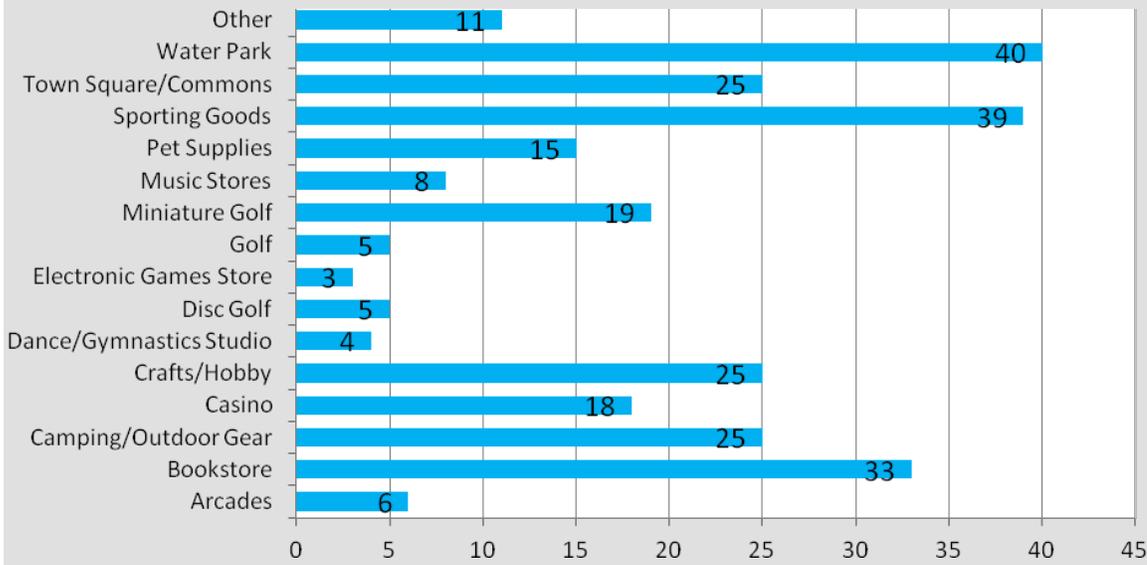


- Broadway Pizza
- Papa John's
- Papa Murphy's
- Pizza Hut
- Other

**Other providers/notes written in:**

- Tasty
- Domino’s
- Red Savoy
- Davannis
- Umbria
- Five Dollar Pizza (2)
- Carbones
- Shakees
- GodFathers
- Little Caesar’s

**Recreation**

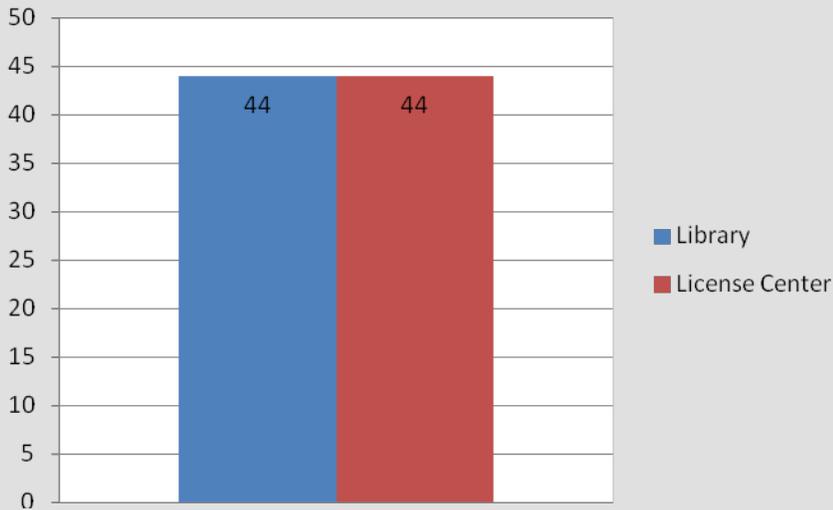


**Other providers/notes**

**written in:**

- City Pool
- WalMart
- Sewing Store
- Bait Shop
- Indoor Swim Pool/Rec. Center
- Campground
- Bicycle Shop
- Dog Park
- Lifetime Fitness
- Concert venue
- Think out of the box- go-carts, soccer, archery, rollerblading

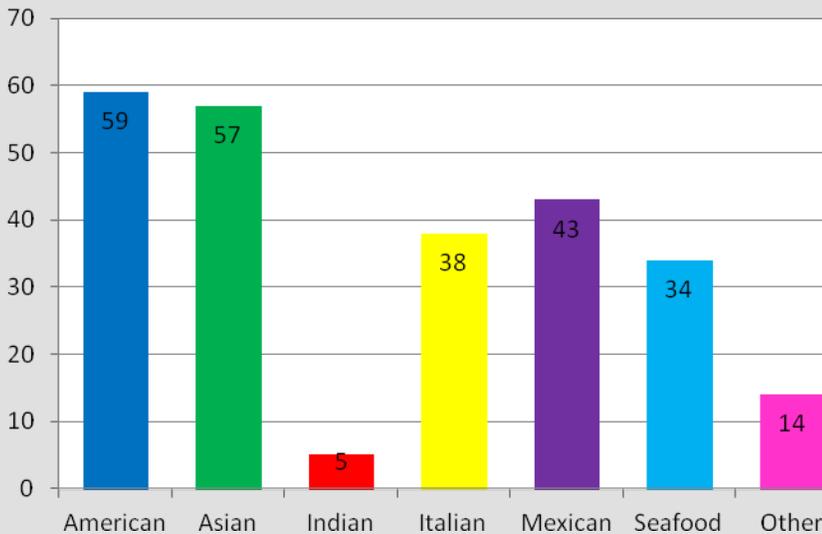
**Government Services**



**Other providers/notes written in:**

- No more gov't services please
- Anoka County libraries will not be building any new libraries.

**Restaurants**



**Other providers/notes written in:**

- Steak – Non Franchise
- Any/All (4)
- Texas Roadhouse
- Family Friendly (2)
- TGIF
- Olive Garden
- Family Style Burger King
- Applebees
- Supper Club
- El Toro
- Noodles
- Again, think out of the box and bring in a draw. Do not duplicate efforts that we already have or are already close to our area.

# East Bethel Community Survey

**March 12, 2012**

**Janet Ady, President  
Ady Voltedge**

**Ady Voltedge**

*retain, expand, attract*

## Background...

- Convenience (snowball) sample.
- Results should be generalized with caution.
- Excellent survey response; total of 588 respondents

## How to understand this report...

- **Charts show percentages** (not counts) unless otherwise noted
- **Attitude salience and behavior** – extreme scores emphasized (psychological research has shown that attitudes are poor predictors of behavior except when most salient [extreme])
- **Statistical significance**;  $p=.05$  unless otherwise appropriate (adjusted using modified Bonferroni method for multiple comparisons)
- **Chi-square** (crosstabs) - non-significant items not reported

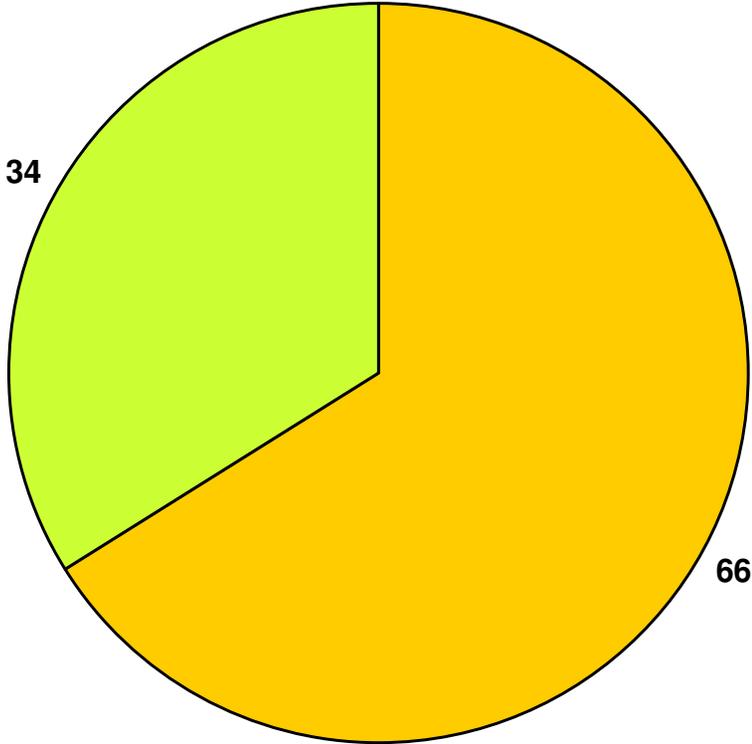
## How to understand this report

- **Key drivers** analysis (regression) – helps to determine how many variables work together to drive an outcome
- **Factor analysis** was used for several questions in this report to help reveal underlying themes that respondents use when thinking about particular issues.

For example, 12 questions might be asked about the community support for business development. These questions might reduce to three primary themes (e.g., business support, infrastructure, and financial barriers). These themes can be targeted as the primary contents of marketing messages.

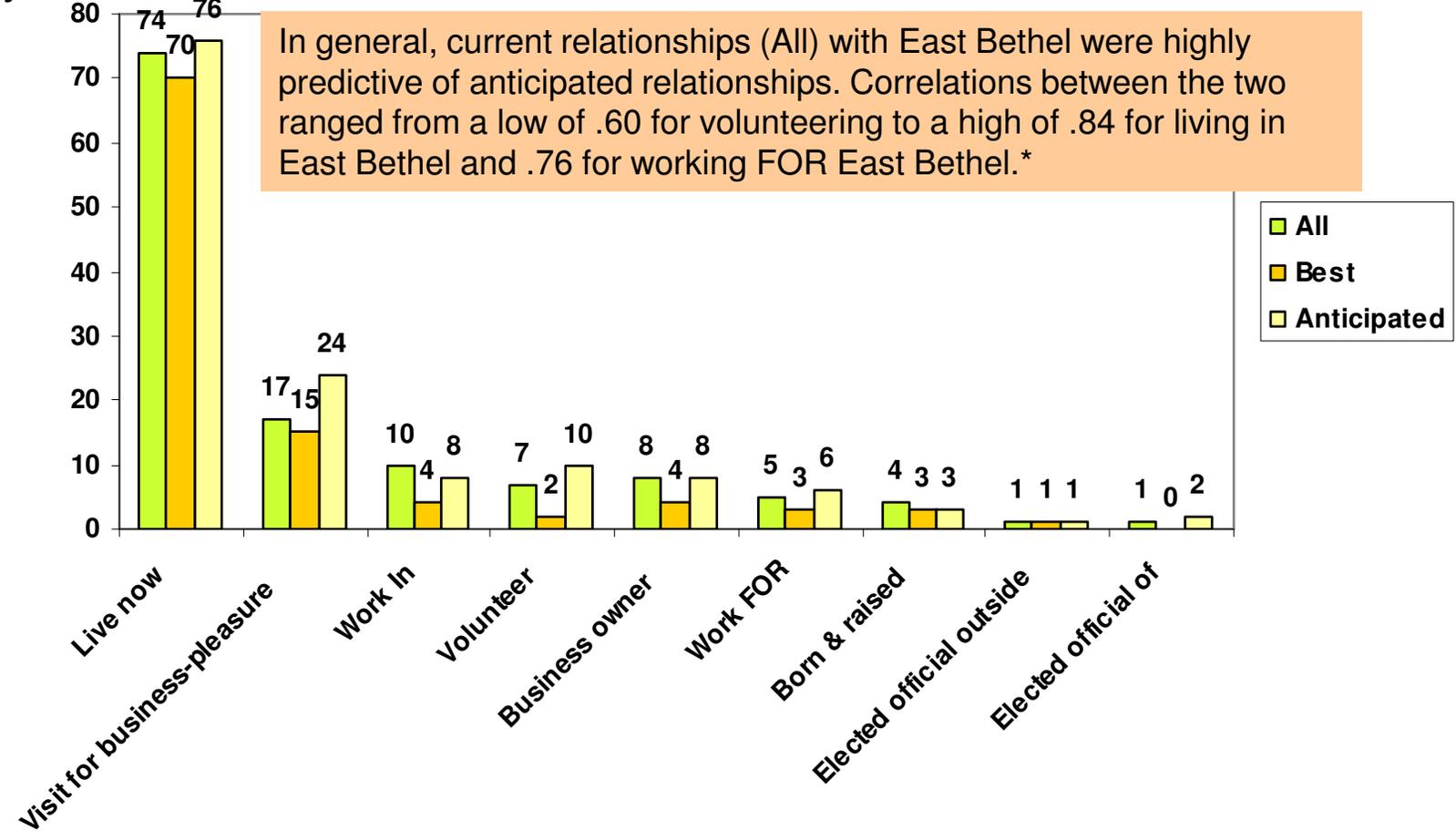
Q1. How familiar are you with East Bethel? (based on a map image)

Perhaps owing to the sampling method, about two-thirds of all respondents were 'extremely familiar' with East Bethel (9 or 10 on 10-point scale).



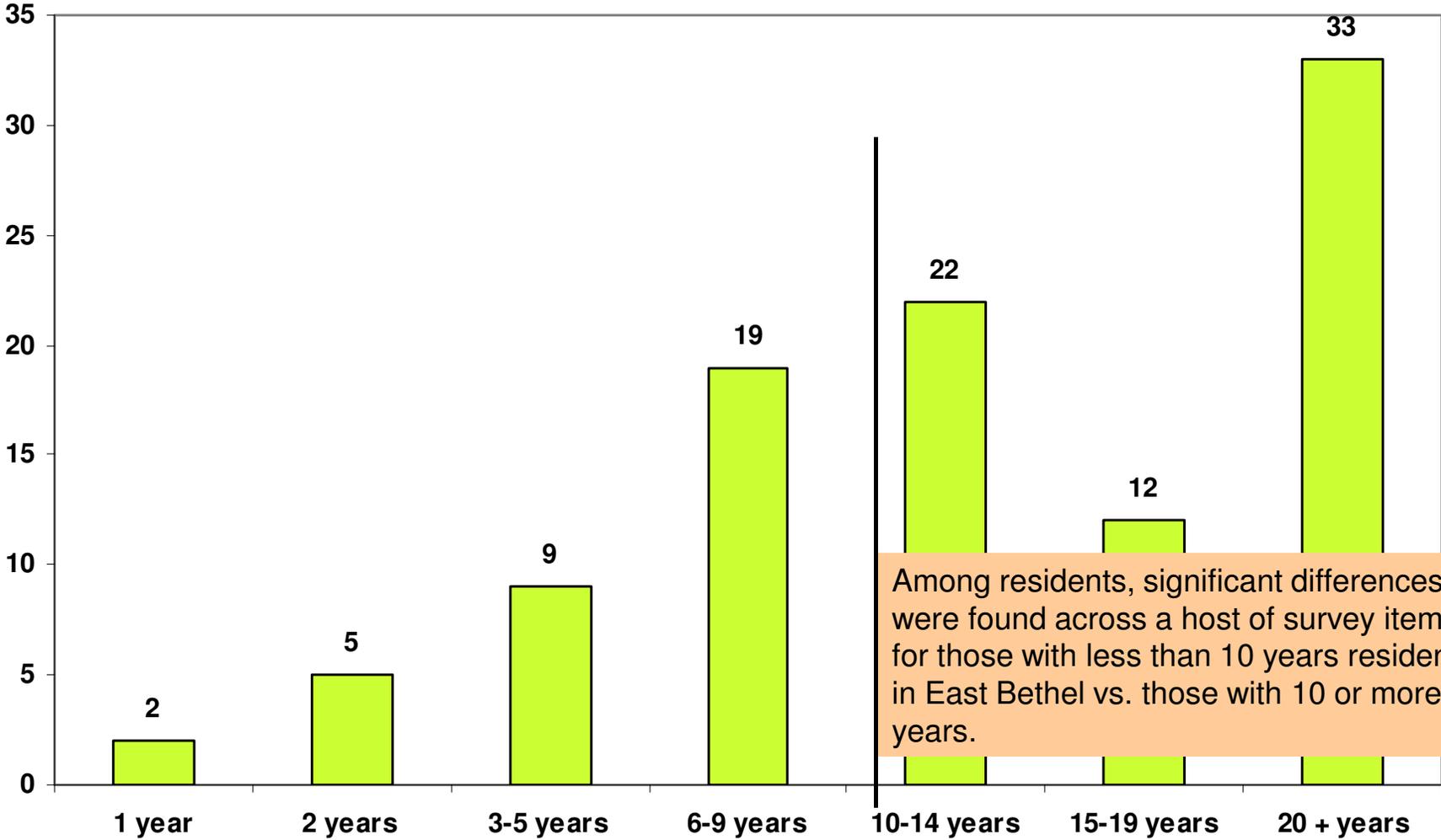
- Extremely familiar
- Not extremely familiar

Q2-3 & 11. Which of the following relationships do you have with East Bethel, which one best describes you and which do you expect will describe you in 2-3 years?



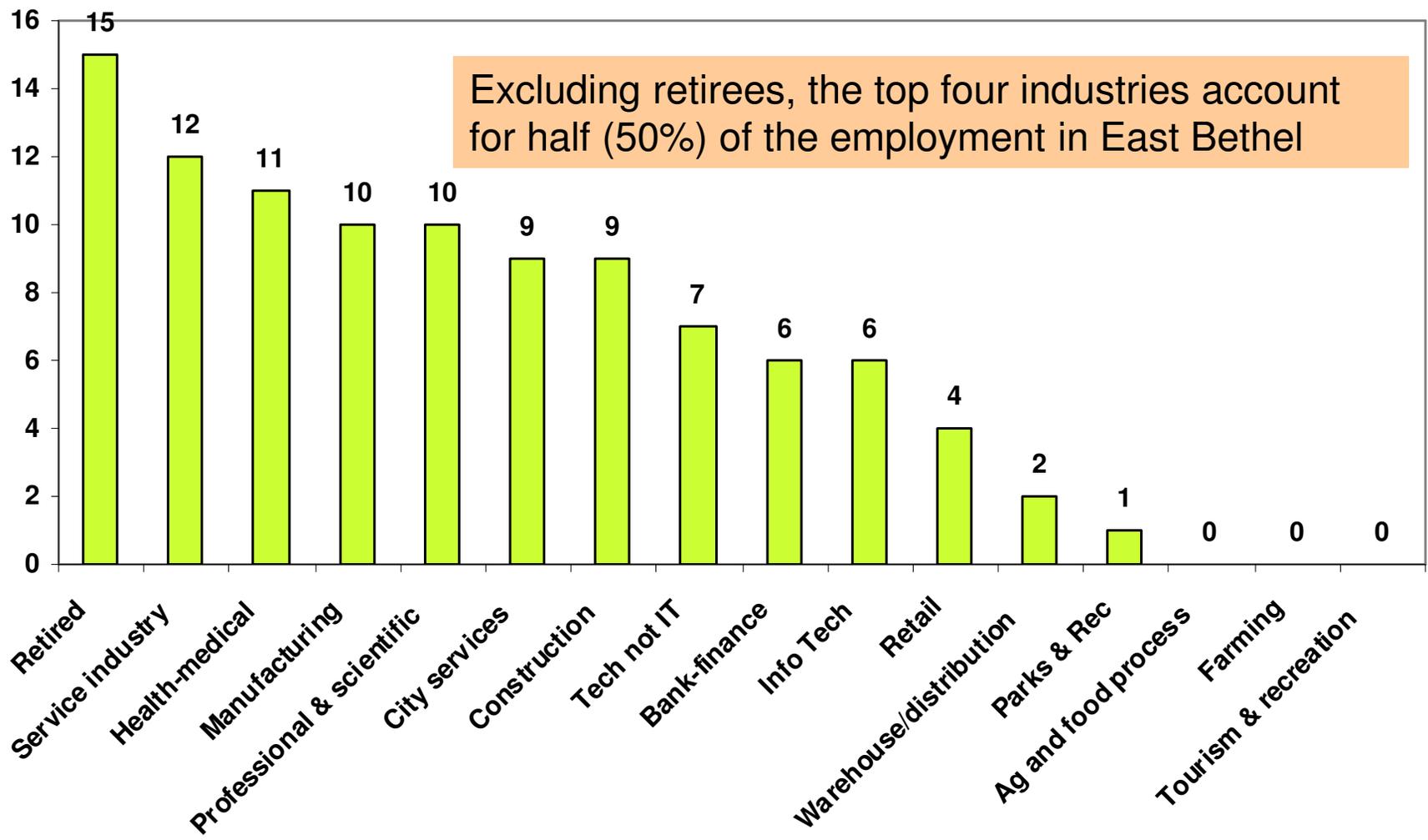
\*Ignores elected official due to small N.

# Q4 How long have you lived in East Bethel?



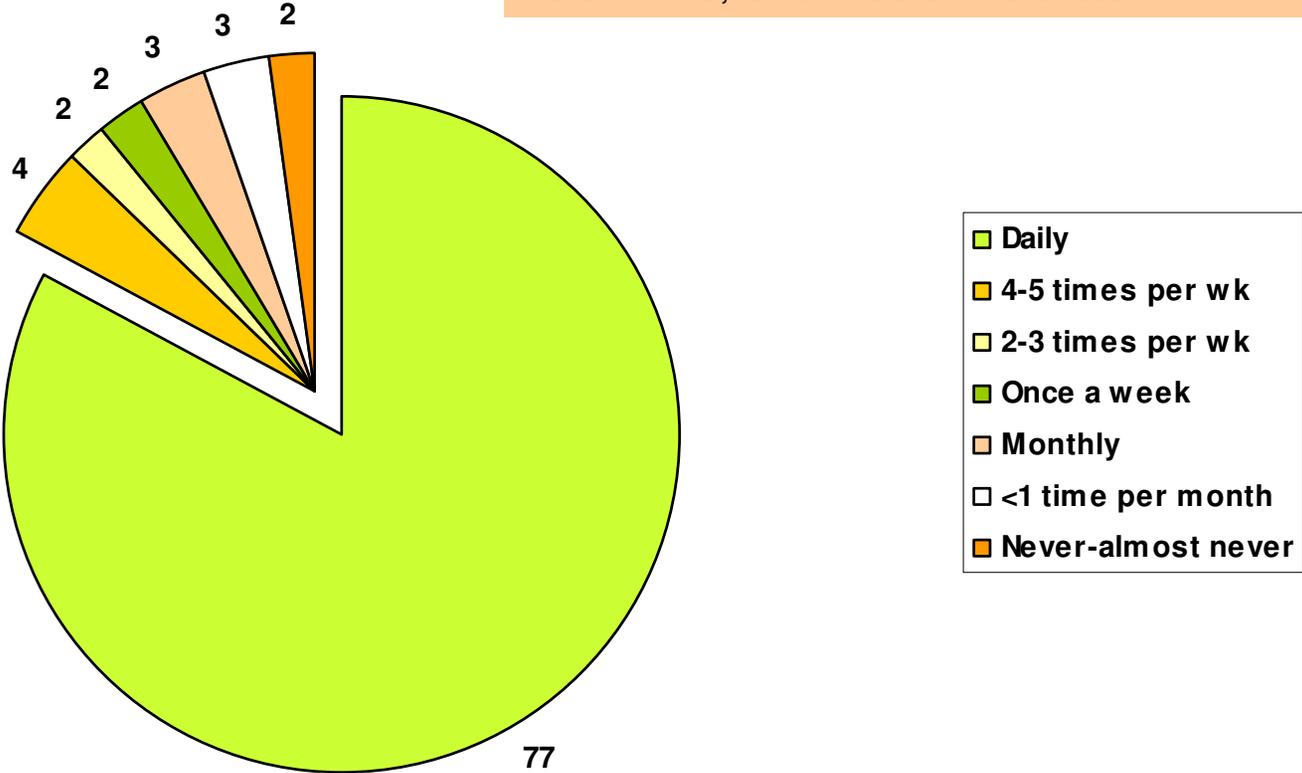
Among residents, significant differences were found across a host of survey items for those with less than 10 years residence in East Bethel vs. those with 10 or more years.

Q5. In what industry are you employed (asked only of East Bethel residents)?

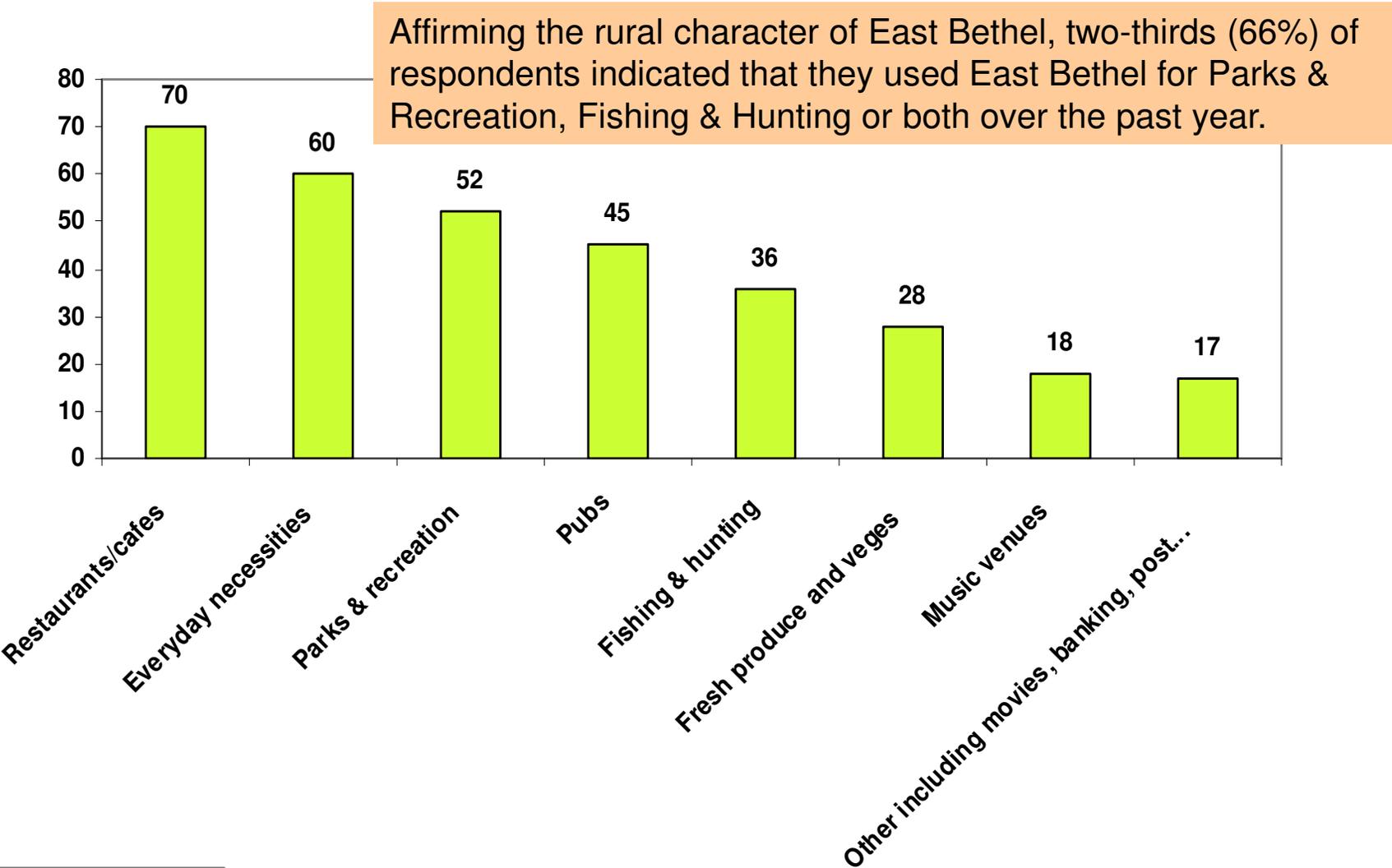


Q7 Over the past year, how often you have been in East Bethel?

91% of residents are in East Bethel daily. Visitors are least likely to be in East Bethel daily (14%) compared with groups such as volunteers, business owners etc.



Q9. Please check all the following items for which you have used East Bethel over the past year.



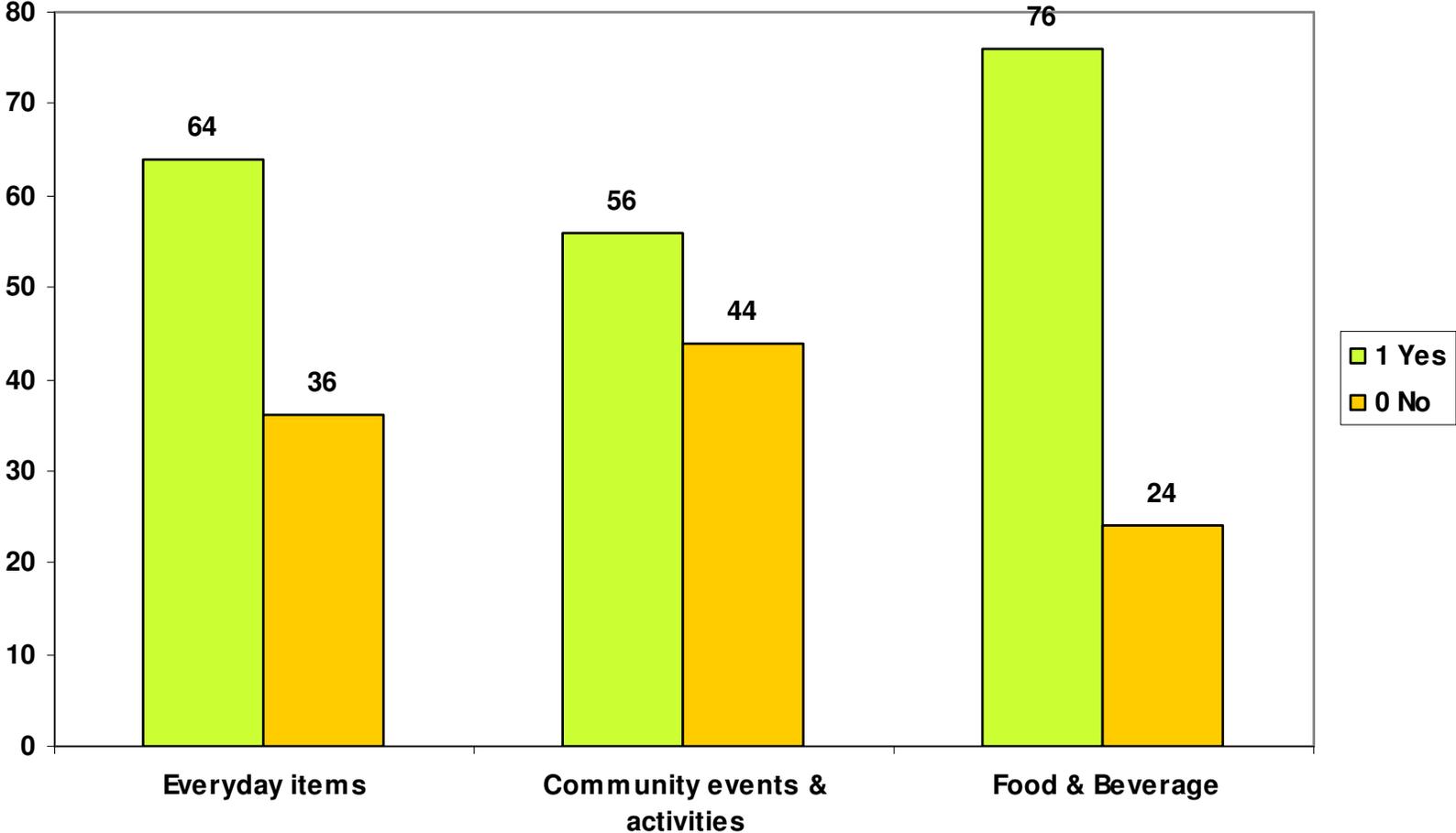
Q8 Factors. Please check all the following items for which you have used East Bethel over the past year.

**Three factors were found for the 11 items concerned with ‘reasons for using’ East Bethel...**

- Everyday (everyday necessities, fresh produce & vegetables)
- Community (music venues, community fairs)
- Food & beverage (pubs and restaurants/cafes)

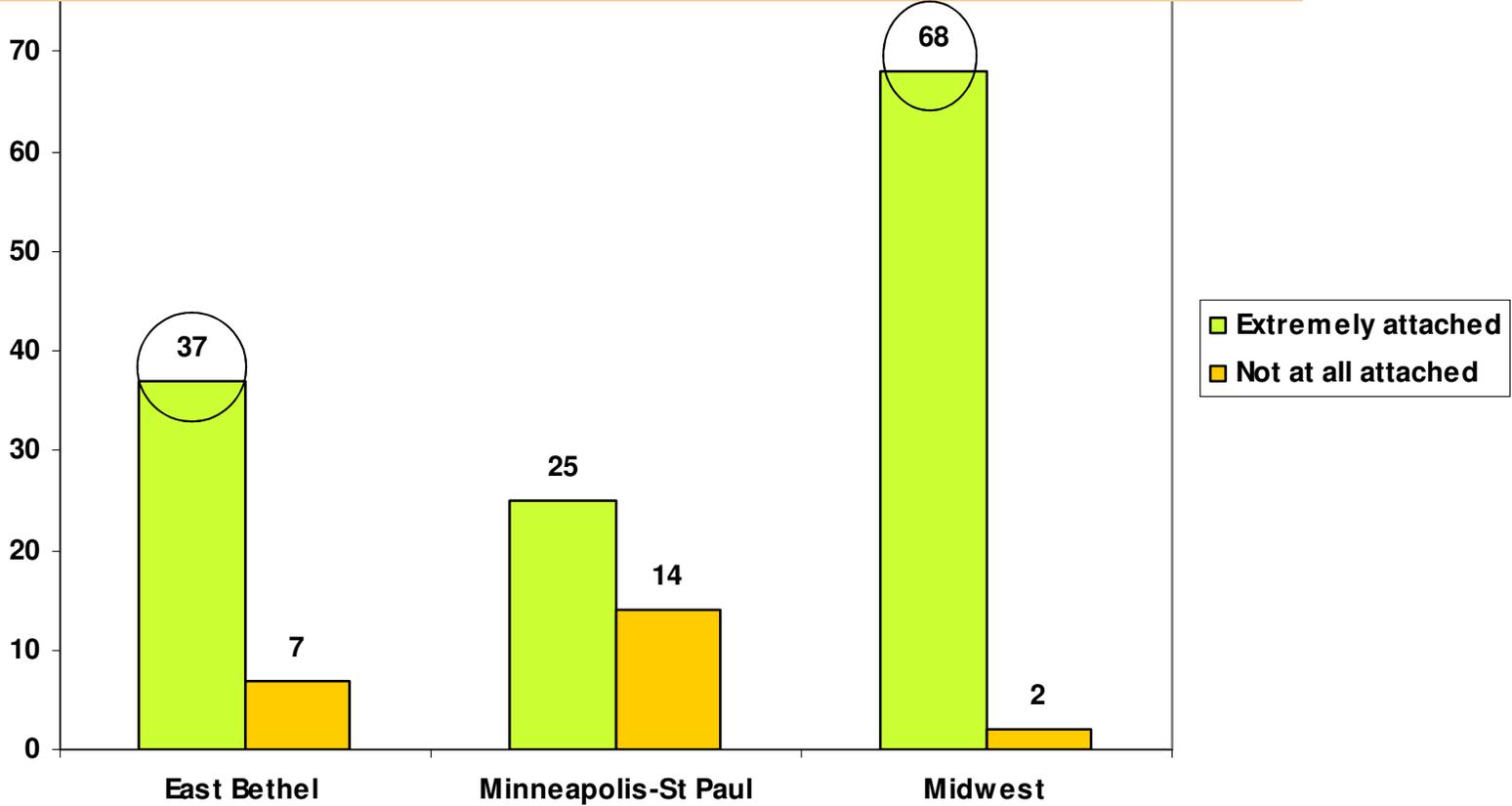
# Q9 Factor Scores. Please check all the following items for which you have used East Bethel over the past year.

Over half of all respondents indicated that they use East Bethel for the 'everyday', for its community events & activities, and for its restaurants & bars.



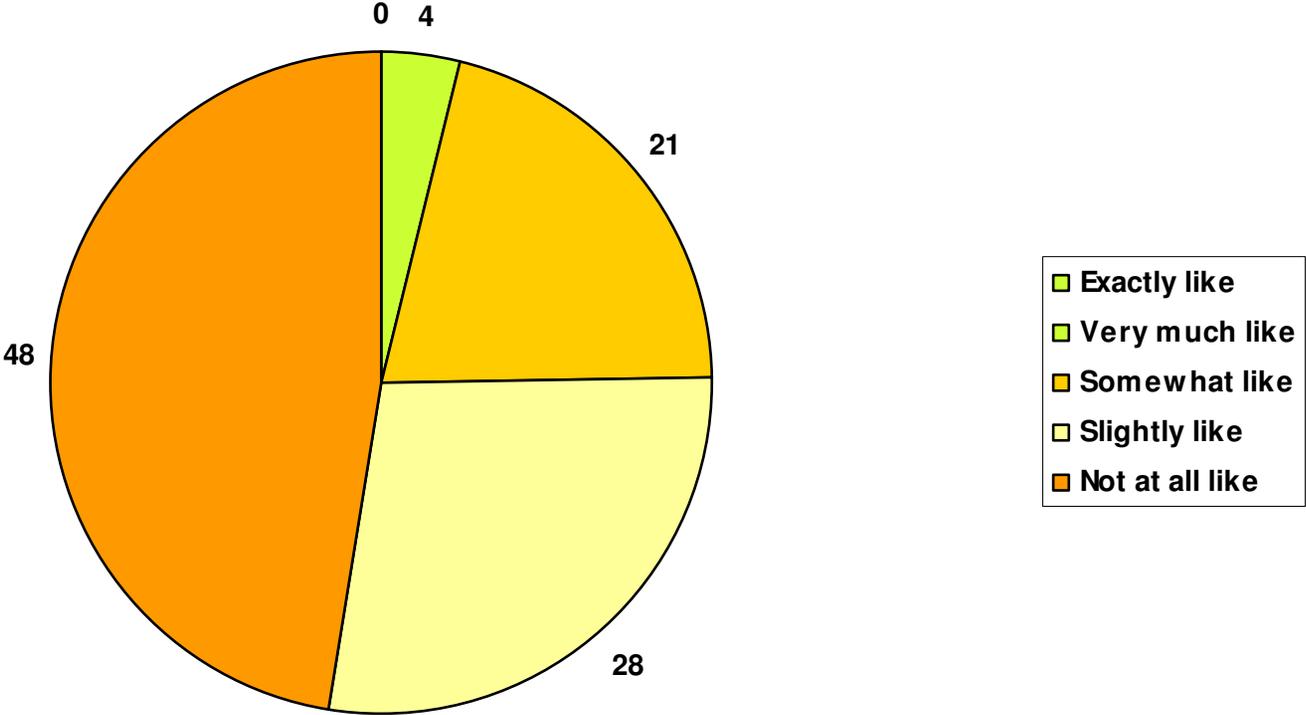
Q9-10. Please rate how attached you feel to East Bethel and to either the Minneapolis-St Paul region or the Midwest?

'Felt attachment' to the Midwest was greater than felt attachment to either East Bethel or the Minneapolis-St. Paul area; meaning efforts to characterize East Bethel as a truly Midwest kind of place might prove fruitful.



Q12. To what extent do you think East Bethel is a carbon copy of communities in the Minneapolis-St Paul (N=570) region?

Perceptions of community similarity between East Bethel and the neighboring Minneapolis-St Paul are nonexistent. Over three-fourths of respondents hold East Bethel to be 'not at all' or 'slightly' like (76%).

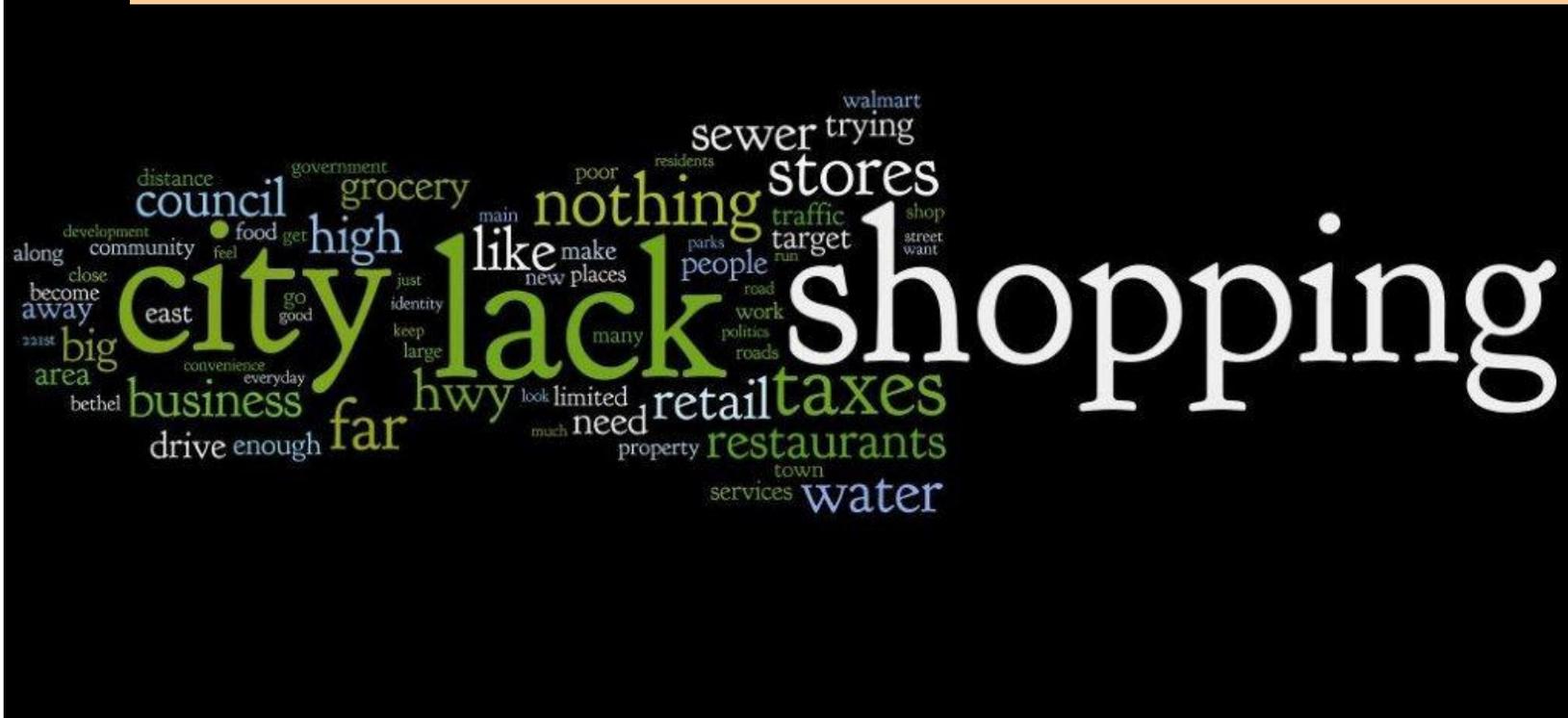






Q19. In a word or two, what do you like LEAST about East Bethel?

Lack of shopping, stores and distance from them were among the least liked issues related to life in East Bethel. Ad hoc comments from a sizeable minority indicated need for superstores such as Target, Wal-Mart etc. A smaller minority were equally opposed to such stores.



Q20. In the next 2-3 years, what would you like to see East Bethel ADD?

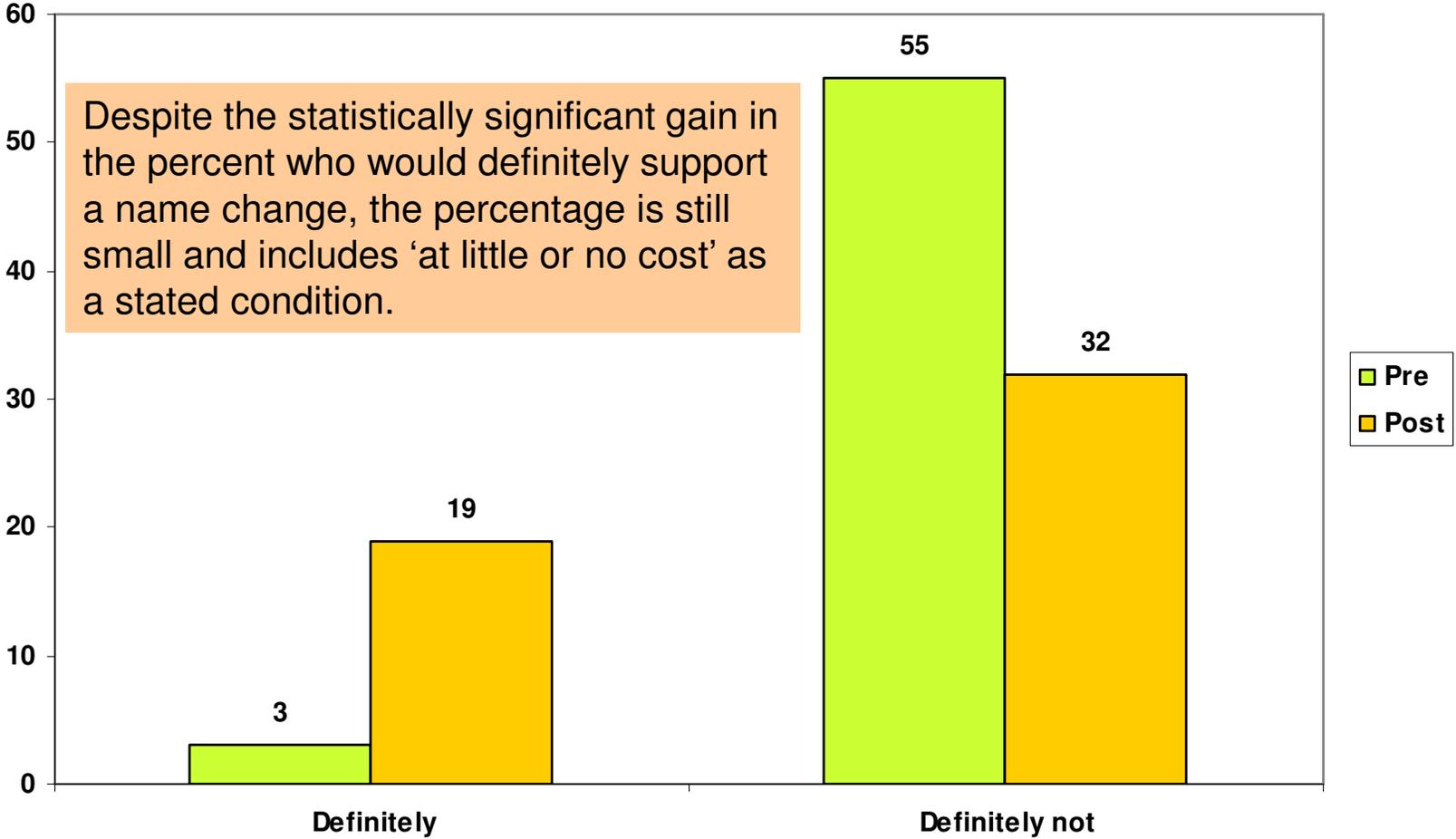
Related to what was 'least liked', calls for improved shopping and retail predominated.







Q22. The City (and its reputation) has changed a lot over the past few years, and it is now substantially larger than the City of Bethel for whom it is named. If it cost little or nothing for the City to change its name to Cedar Creek, would you be in favor of doing so?



## Qualitative Input on Changing the City's Name: Perceived Disadvantages

- **Cost**
  - “Cost for citizens to change all of their records to a new city name.”
  - “There is nothing wrong with the current name, and any cost whatsoever is too much in an economy that is failing.”
  - “Changing the name of a city will not change views of the city. Changing the name is a waste of tax revenue.”
  - “You know, one thing I think we should always keep in mind is that government of any kind cannot spend even a penny without taking that penny from someone else. We all work hard to survive in this world, I think we have to work even harder in this economy. Please be wise with our money.”
- **Confusion**
  - “That would be too confusing! Leave things alone.”
  - “What could would this possibly do? The metro area will be laughing at us. They laughed when Coon Rapids thought about changing their name a few years ago.”
  - “Everyone would be scratching their heads for years trying to figure out where Cedar Creek is.”
  - “Don't we already have a community right by us called Cedar?”
  - “Postal addresses would be more confusing – that post office services Cedar, Oak Grove, East Bethel addresses, and then to add one more...”

## Qualitative Input on Changing the City's Name: Perceived Disadvantages

- Focus on Key Challenges, Not Name Change
  - “The city should concentrate on improving its image (city council, horse abuse) rather than changing its name. Changing the name strikes as a childish deflection of the challenges this city faces.”
  - “Just leave the name alone and try harder to get businesses along 65.”
  - “Nobody cares about the name. This is exactly the stupid things the city council members are pissing our money away on.”
  - “Changing a name doesn't change who or what you are.... It's still the same thing. Creating a new name only seems to indicate repackaging, not an improvement.”
- Doesn't Reflect City History
  - “Changing the City name won't improve the perception people have of our City government. Actions speak louder than words. East Bethel has always been larger than the City of Bethel, both in area and in population. The unique circumstances regarding Bethel Township's incorporation, the involvement of the Minnesota Supreme Court, and legislative action needed for East Bethel to become a village are historical events that should not be cast aside.”
  - “Changing the name of the city is throwing away the history that the City has. The worst thing that a new un-liked council could do is to attempt to change the name.”

## Qualitative Input on Changing the City's Name: Perceived Advantages

- A Reason to Revitalize and Clean Up the Area as a Showing of Civic Pride, Set a Plan for Growth
  - “First time I’ve heard the name, but it could be a start of an image change if followed up with a plan to change the image to progressive thinking – otherwise, don’t change the name.”
  - “New name, new employees, start fresh and new!!”
  - “Maybe if it came with a facelift, we could shed the ugly stereotype.”
  - “I would be for it if the city has plans to rise above and offer something to give people a sense of pride in the community. I see many other local communities with residents that have great pride and belonging. I just have not felt that in East Bethel. A lot of that stems from the fact that we are in St. Francis School District and are spread far and wide from the center ‘action’ so to speak.”
  - “Change is good and may remove stagnation that can plague any town. Fresh starts are generally difficult but positive.”
  - “The name of Cedar Creek instills an image within the mind of a person; it creates a pleasing visual consistent with our abundance of lakes, creeks, woods, and spacious settings.”
- Lessen Confusion
  - “People (like me) often get confused when you are talking about Bethel and East Bethel. Changing the name of one of them should have been done to avoid confusion.”

## Other Qualitative Input (last open-ended question)

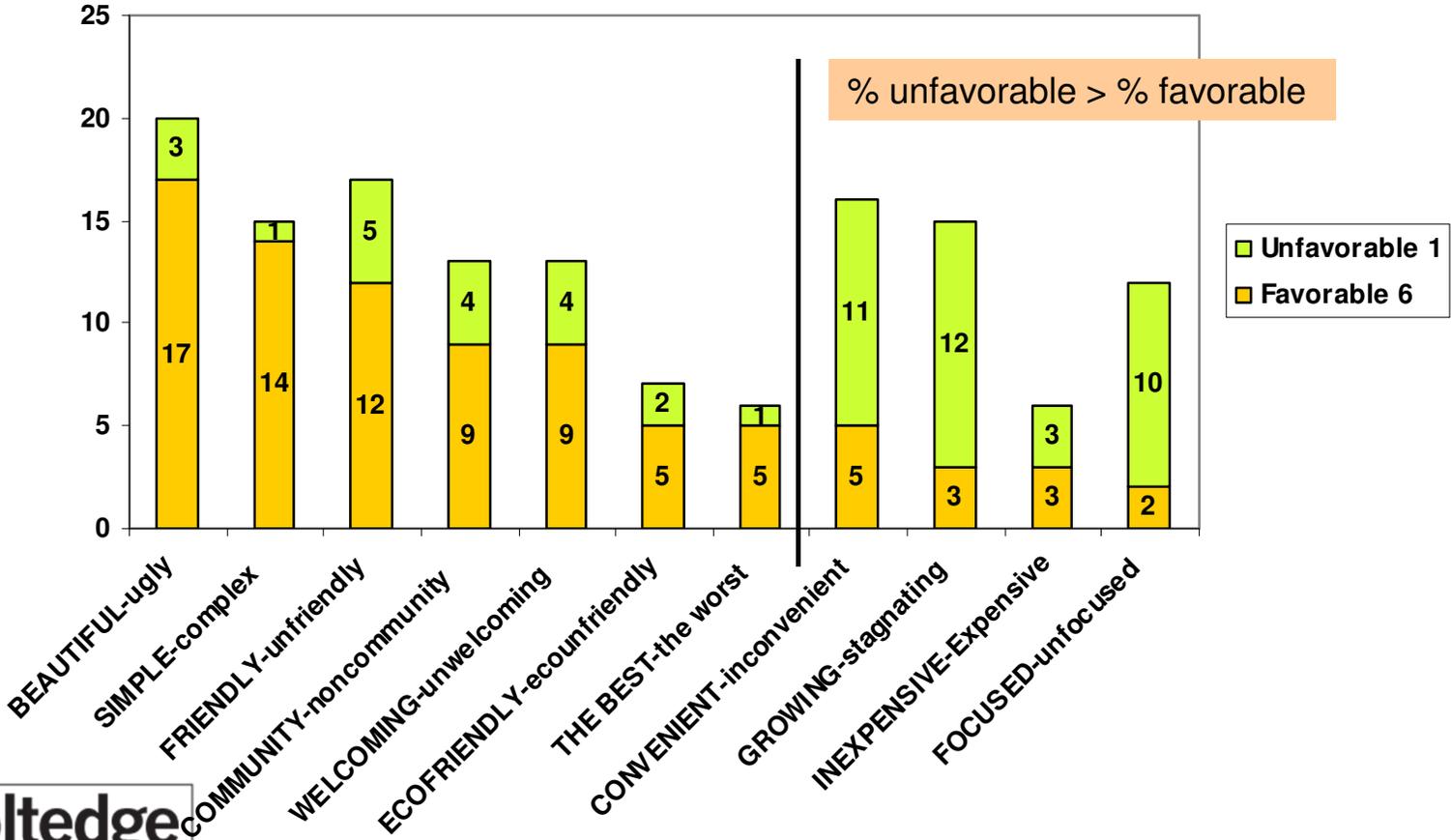
- General agreement to clean up the businesses and yards, removing junk, tearing down old buildings.
- Complaints about the City Council.
- Conflict between “less government”/lower taxes and “more services.”
- Conflict between having more shopping available in East Bethel and keeping East Bethel rural
- Want more sense of community – with multiple zip codes, school districts, and no central downtown, it’s a challenge
- Many thank-you’s for sending out the survey, seems to be an untapped need for input

## Other Qualitative Input

*“Just update like other cities have, Blaine, Andover, etc. Bring in some modern amenities, shopping and places to eat. Get way from “old school” mentality and move on with the future and new development to modernize our city. It can still be rural but have conveniences, new houses, etc.”*

Q23-34. Please rate the following word pairs by clicking the number that best corresponds to your first impression of East Bethel.

No one word was affirmed by a majority of respondents (50% or more) as a first impression of East Bethel—perhaps indicating an opportunity to shape/enhance its identity.

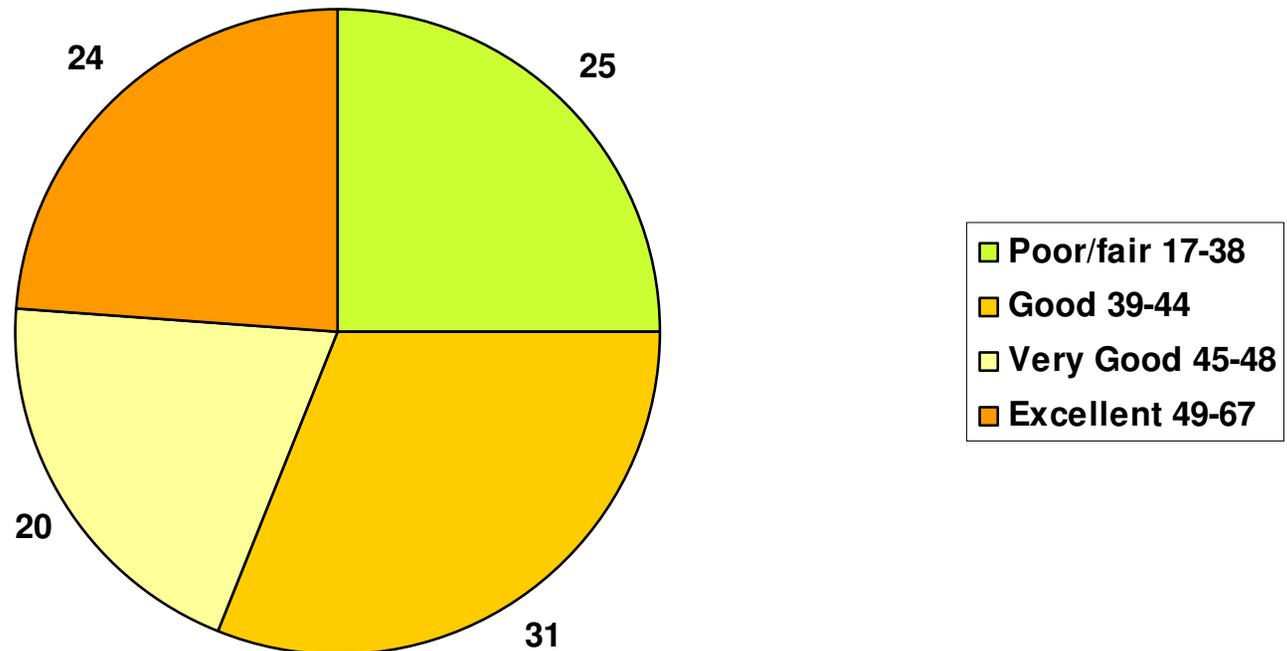


Brand index score\*: A measure of total image and its favorability

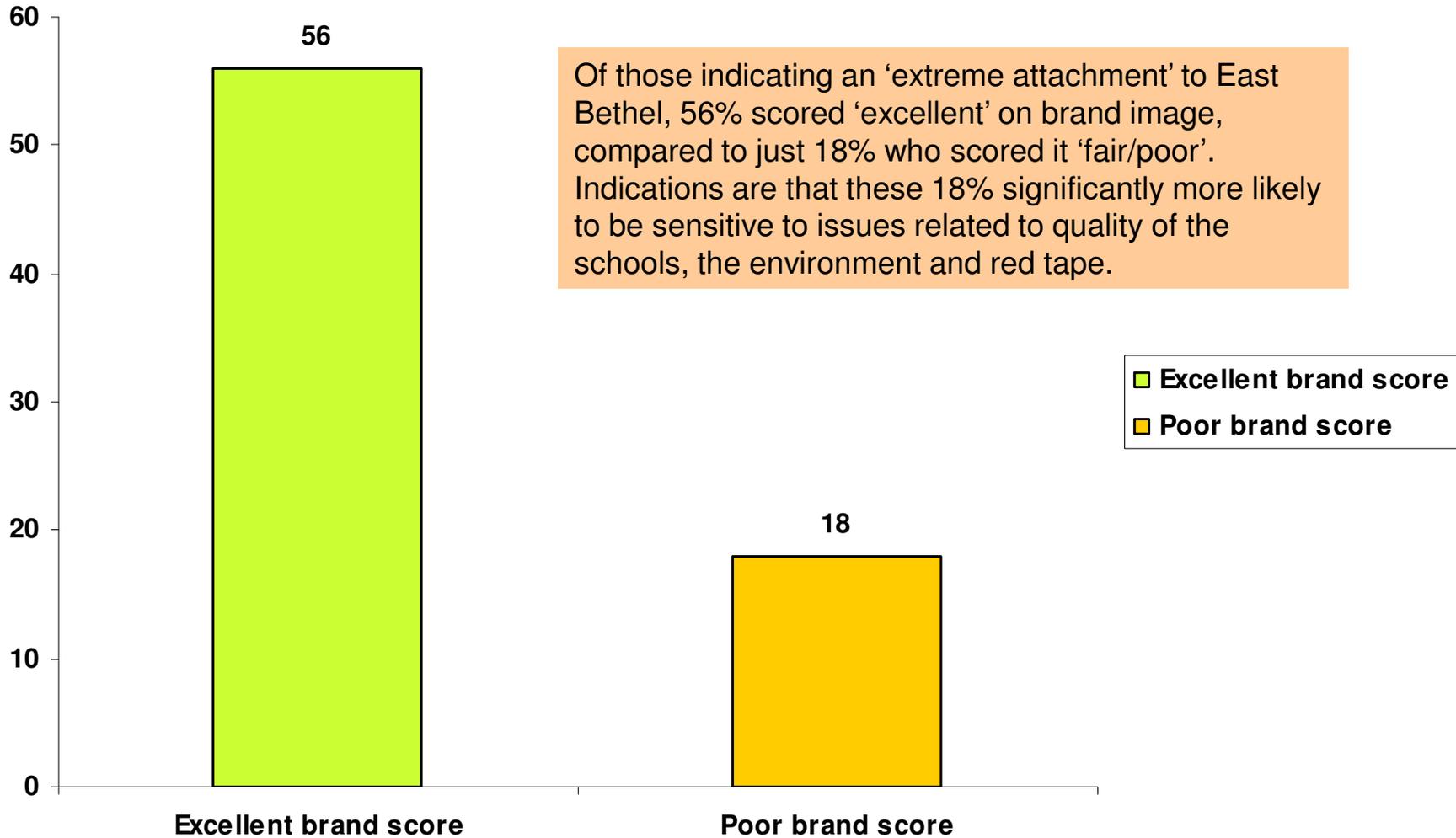
- Sum of 12 bipolar adjectives ranging from 1 to 6.
- Examples: 1=worst 6=best; 1=stagnating, 6=growing
- Minimum possible score: 12
- Maximum possible score: 72
- Median: '42'
- East Bethel minimum obtained: 17
- East Bethel maximum obtained: 68
- East Bethel mean/median obtained: 44/44

\*The brand index score is a measure of the brand image of East Bethel. The higher the score, the more favorably East Bethel is viewed across a host of bipolar adjectives and the more likely respondents are to be 'extremely attached' to East Bethel and to be frequent visitors to East Bethel. Familiarity was not a determinant of higher brand score.

## Member Brand Index Score Quartiles (relative)



# Extreme Attachment to East Bethel by Brand Score



Q23-34. Please rate the following word pairs by clicking the number that best corresponds to your first impression of East Bethel.

Two factors emerged...

### **Factor 1: Community balance**

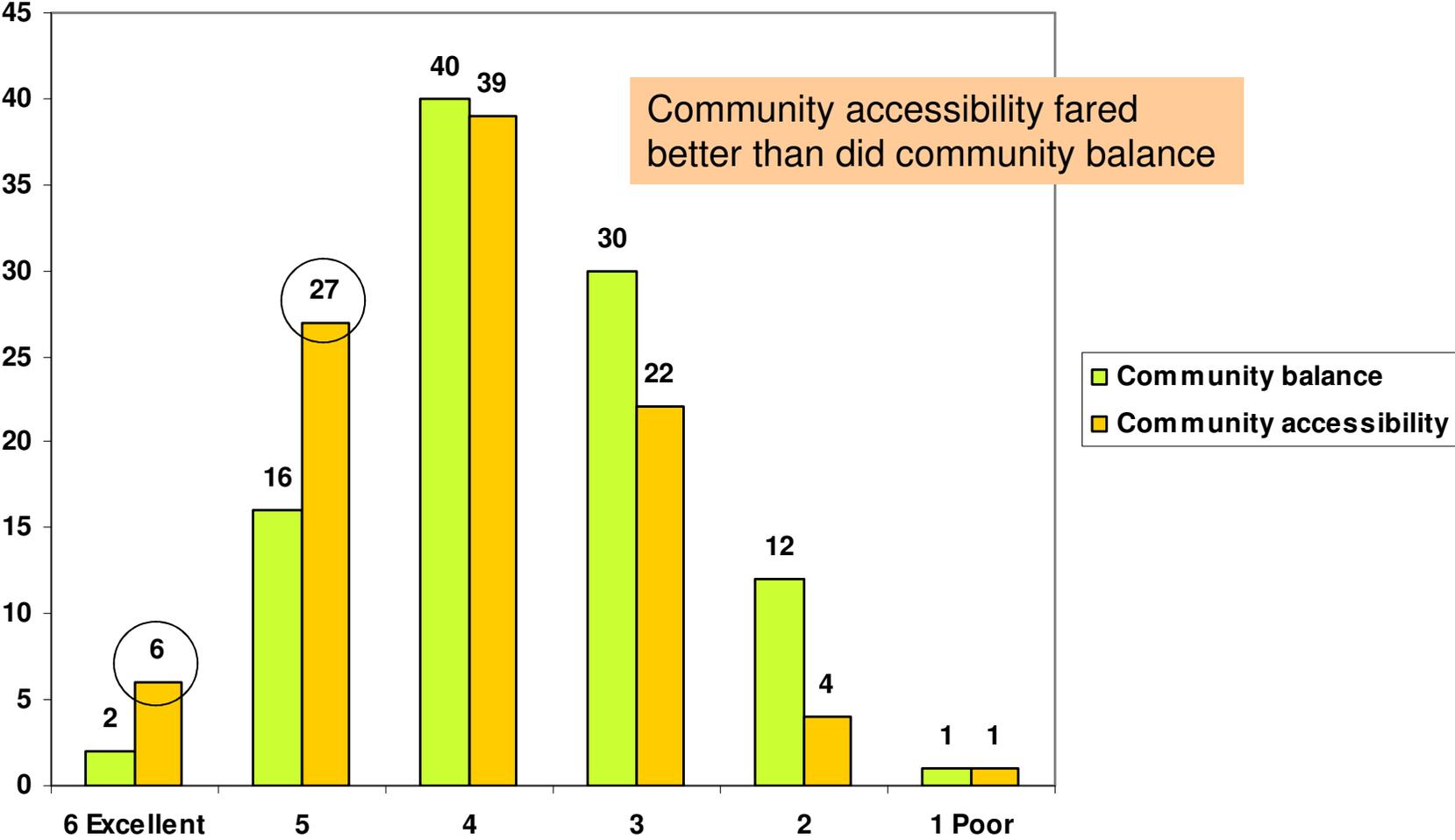
- Community-noncommunity
- Focused-unfocused
- Welcoming-unwelcoming
- Growing-stagnating
- Beautiful-ugly
- Eco friendly-eco unfriendly

The first factor is ‘Community Balance’—meaning that the balance struck by East Bethel is the first consideration in the minds of respondents when thinking about East Bethel (it does not necessarily mean East Bethel is ‘balanced’).

### **Factor 2: Community accessibility**

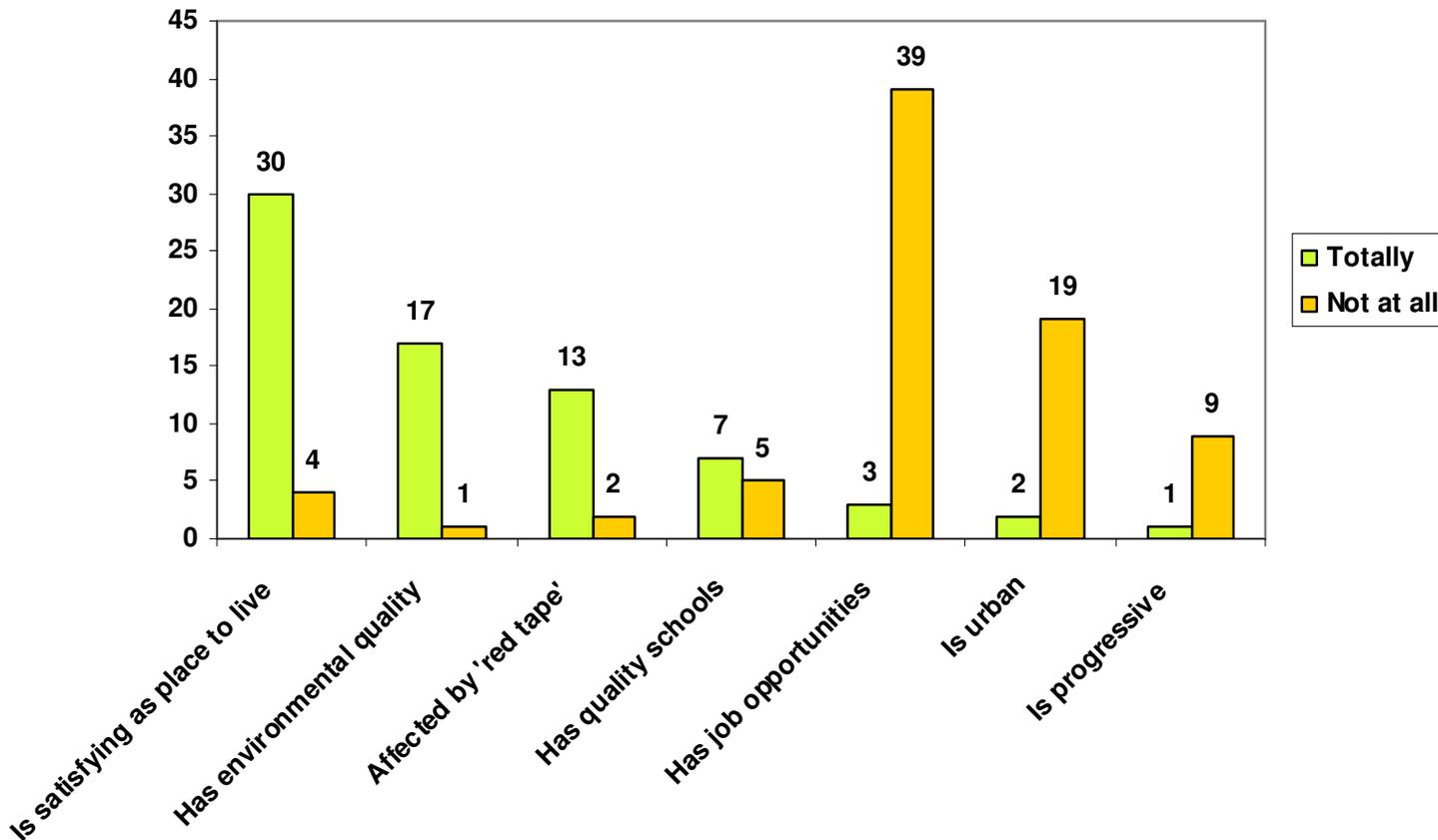
- Inexpensive-expensive
- Simple-complex
- Friendly-unfriendly

Q23-34. Bipolar Factor Scores: Please rate the following word pairs by clicking the number that best corresponds to your first impression of East Bethel

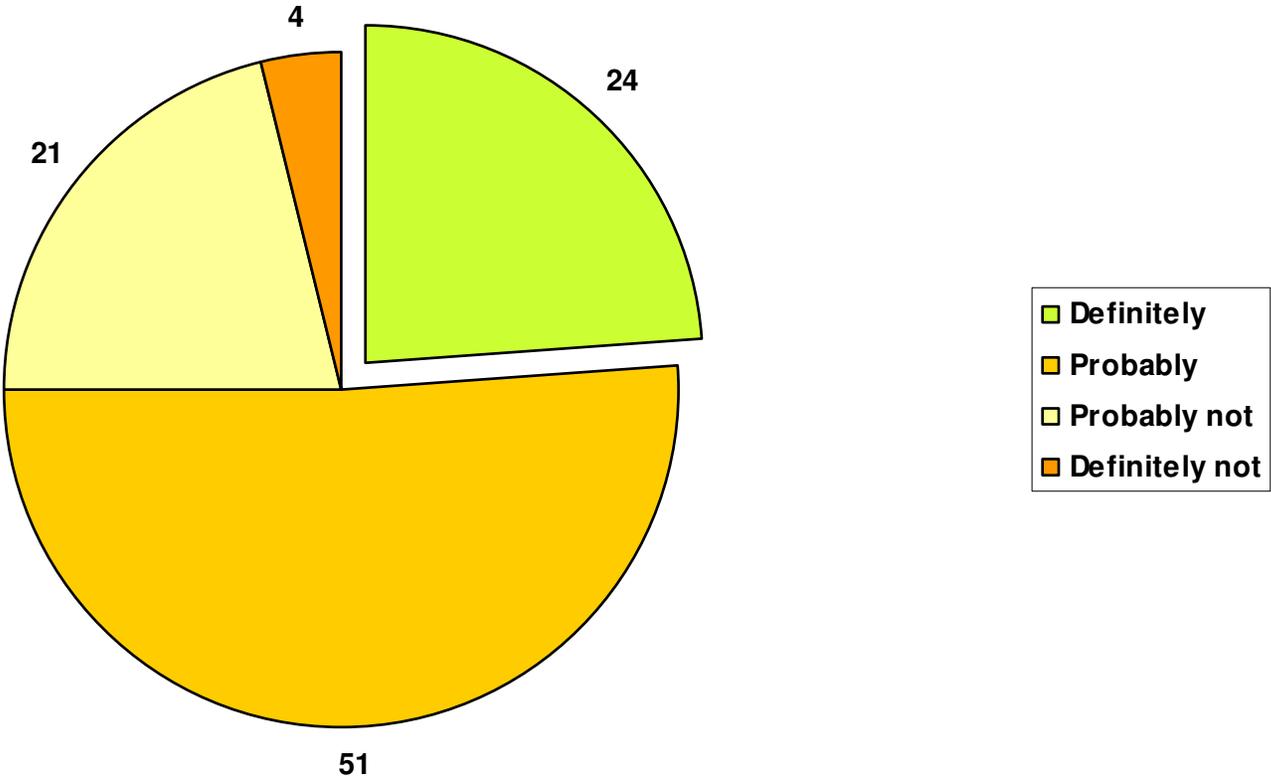


## Q35-42. To what extent do you think East Bethel....

Satisfaction with East Bethel as a place to live was related to perceptions of the quality of its environment and schools, and of its progressiveness and job opportunities. Other items such as 'red tape' and 'urbanity' were not related.



Q43. Would you recommend East Bethel to friends & family as a place to live?



Q44. Below are various community Quality of Life attributes. Thinking about your relationship with East Bethel, (1) how important are each to you and (2) how satisfied are you with the performance of East Bethel on each?

Mean Importance (6 pt scale)	Item Description	Mean Satisfaction (6 pt scale)	Mean Difference (satis-import)
<b>5.5</b>	<b>Safety &amp; cleanliness</b>	<b>4.1</b>	<b>-1.4</b>
<b>5.5</b>	<b>Police &amp; fire</b>	<b>4.7</b>	<b>-0.8</b>
<b>5.4</b>	<b>Internet access</b>	<b>3.9</b>	<b>-1.6</b>
<b>5.4</b>	<b>Property tax</b>	<b>3.2</b>	<b>-2.2</b>
<b>5.2</b>	<b>Cost of living</b>	<b>3.7</b>	<b>-1.5</b>
<b>4.8</b>	<b>Parks &amp; recreation</b>	<b>4.1</b>	<b>-0.7</b>
<b>4.9</b>	<b>Grocery stores</b>	<b>2.6</b>	<b>-2.3</b>

Enhance  
vs. grow

**Bold Italic=statistically** significant (includes Bonferroni adjustment)

\*\*\*Negative mean differences indicate possible opportunity for improvement

\*\*Positive and non-significant (non-bold) mean differences indicate improvement may not be necessary

Q44. Below are various community Quality of Life attributes. Thinking about your relationship with East Bethel, (1) how important are each to you and (2) how satisfied are you with the performance of East Bethel on each?

Mean Importance (6 pt scale)	Item Description	Mean Satisfaction (6 pt scale)	Mean Difference (satis-import)
4.7	<b><i>Sales tax</i></b>	3.8	-0.9
4.6	<b><i>Restaurants</i></b>	2.9	-1.6
4.5	<b><i>Other retail</i></b>	2.6	-1.9
4.4	<b><i>Transportation</i></b>	3.3	-1.1
4.3	<b><i>Commute times</i></b>	3.6	-0.7
4.1	<b><i>Community activities</i></b>	3.6	-0.5
4.0	Libraries	4.0	0

***Bold Italic=statistically*** significant (includes Bonferroni adjustment)

\*\*\*Negative mean differences indicate possible opportunity for improvement

\*\*Positive and non-significant (non-bold) mean differences indicate improvement may not be necessary

Q44. Below are various community Quality of Life attributes. Thinking about your relationship with East Bethel, (1) how important are each to you and (2) how satisfied are you with the performance of East Bethel on each?

Mean Importance (6 pt scale)	Item Description	Mean Satisfaction (6 pt scale)	Mean Difference (satis-import)
3.9	Senior services	3.9	0
<b>3.5</b>	<b>Housing availability</b>	<b>4.2</b>	<b>0.7</b>
<b>3.1</b>	<b>Average home age</b>	<b>4.1</b>	<b>1.0</b>
<b>3.1</b>	<b>Nightlife</b>	<b>3.7</b>	<b>0.6</b>
<b>2.7</b>	<b>Arts &amp; culture</b>	<b>3.4</b>	<b>0.7</b>
<b>2.2</b>	<b>Hotels</b>	<b>3.7</b>	<b>1.5</b>

Rural vs.  
Urban

**Bold Italic=statistically** significant (includes Bonferroni adjustment)

\*\*\*Negative mean differences indicate possible opportunity for improvement

\*\*Positive and non-significant (non-bold) mean differences indicate improvement may not be necessary

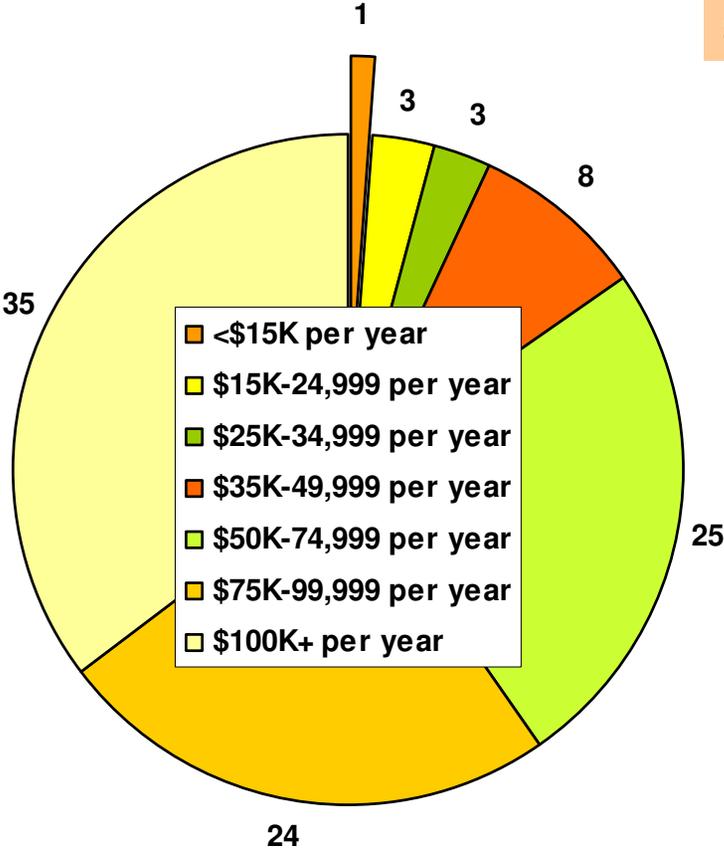
## Respondent Demographics

### Overview of family constellation and education...

- Mean age 50 (median age 50)
- Mean number of persons in household 3.0 (median 3)
- Mean number of children under 18 in household 1.6 (median 2)
- Mean number of adults 24-45 in household 1.8 (median 1)
- Mean number of adults 24-35 in household 1.7 (median 1)
- 30% of respondents hold a Bachelors degree, 8% have an advanced degree
- 2% of respondents are full-time students

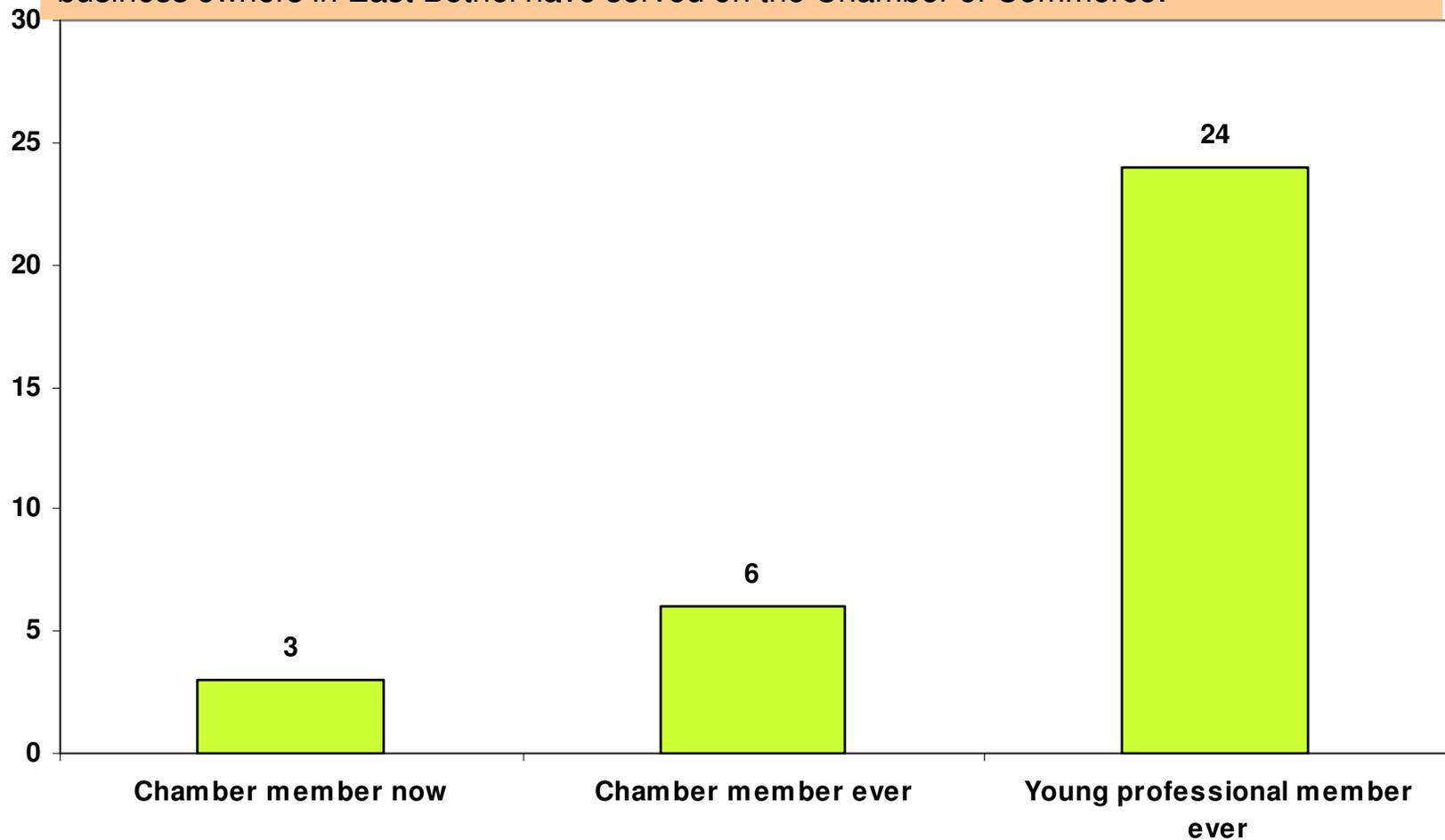
# Respondent Demographics: Household Income

Over half of respondents (59%) reported household incomes of \$75,000 or more.



## Membership in East Bethel Chamber of Commerce or Young Business Group

Unlike what has been found for other surveys conducted by the researchers, none of the business owners in East Bethel have served on the Chamber of Commerce.



# SEGMENTATION

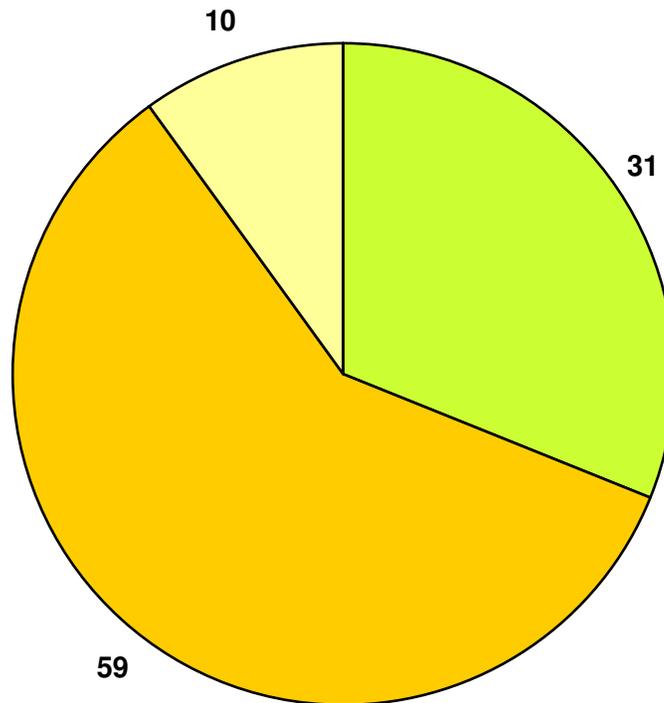
A special analysis (Cluster Analysis) was conducted across a host of demographic/psychographic variables to determine what types of different groups exist within the East Bethel community and to determine how they differ with respect to other survey items such as Quality of Life perceptions.

A three-group segmentation was found based on the simultaneous consideration of four demographics/psychographics:

- Length of residency (10 years plus) vs. less than or not
- Felt attachment to East Bethel (extremely attached) vs. not
- Self-reported familiarity with East Bethel (extremely familiar or not)
- Frequency of use of East Bethel (daily or not)

**The groups differed significantly across a multitude of survey items.**

## Three-Group Segmentation: Engaged, Involved, and Uninvolved Segments



- **Engaged:** High attachment, long-standing resident, daily user, high familiarity
- **Involved:** Low attachment, non-resident, daily user, high familiarity
- **Uninvolved:** Low attachment, non-resident, occasional user, low familiarity

## Three-Group Segmentation: “Engaged”

### **Engaged: 31% of respondents**

Description: 59% extremely familiar with East Bethel, 92% live in East Bethel, 22% are retired (22%), a majority are employed in the manufacturing industry (14%), professional-scientific (12%) and health-medical (11%).

98% are in East Bethel daily, 77% are extremely attached to East Bethel, while 65% are extremely attached to the larger region (Minneapolis-St. Paul or Midwest).

None are East Bethel business owners, 25% have household incomes of \$100K or more, 30% have bachelors degrees or higher, 16% are 20-42, while 32% are 59-86.

## Three-Group Segmentation: “Involved”

### **Involved: 59% of respondents**

Description: 86% extremely familiar with East Bethel, 69% live in East Bethel, 9% are retired, a majority are employed in the service industry (15%), health-medical (11%), city services (10%), professional & scientific (10%) and manufacturing (10%).

76% are in East Bethel daily, 40% are extremely attached to East Bethel, while 61% are extremely attached to the larger region (Minneapolis-St. Paul or Midwest).

5% are East Bethel business owners, 40% have household incomes of \$100K or more, 41% have a bachelors degrees or higher, and 30% are 20-42, while 19% are 49-86.

## Three-Group Segmentation: “Uninvolved”

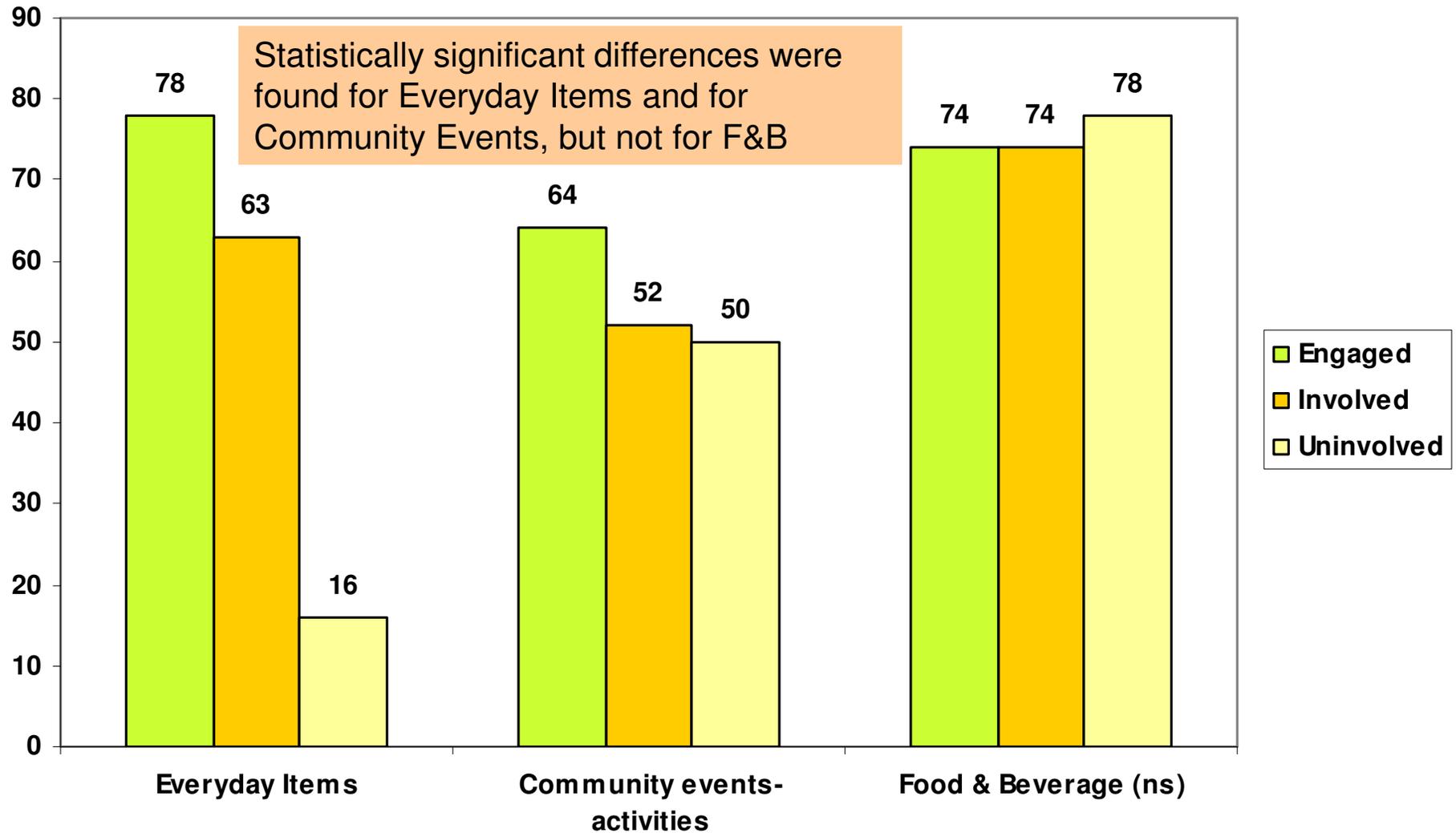
### **Uninvolved: 10% of respondents**

Description: None are extremely familiar with East Bethel, 16% live in East Bethel, 21% are retired, and a majority are employed in city services (21%) the service industry (15%), health-medical (12%), construction (9%) and IT (9%).

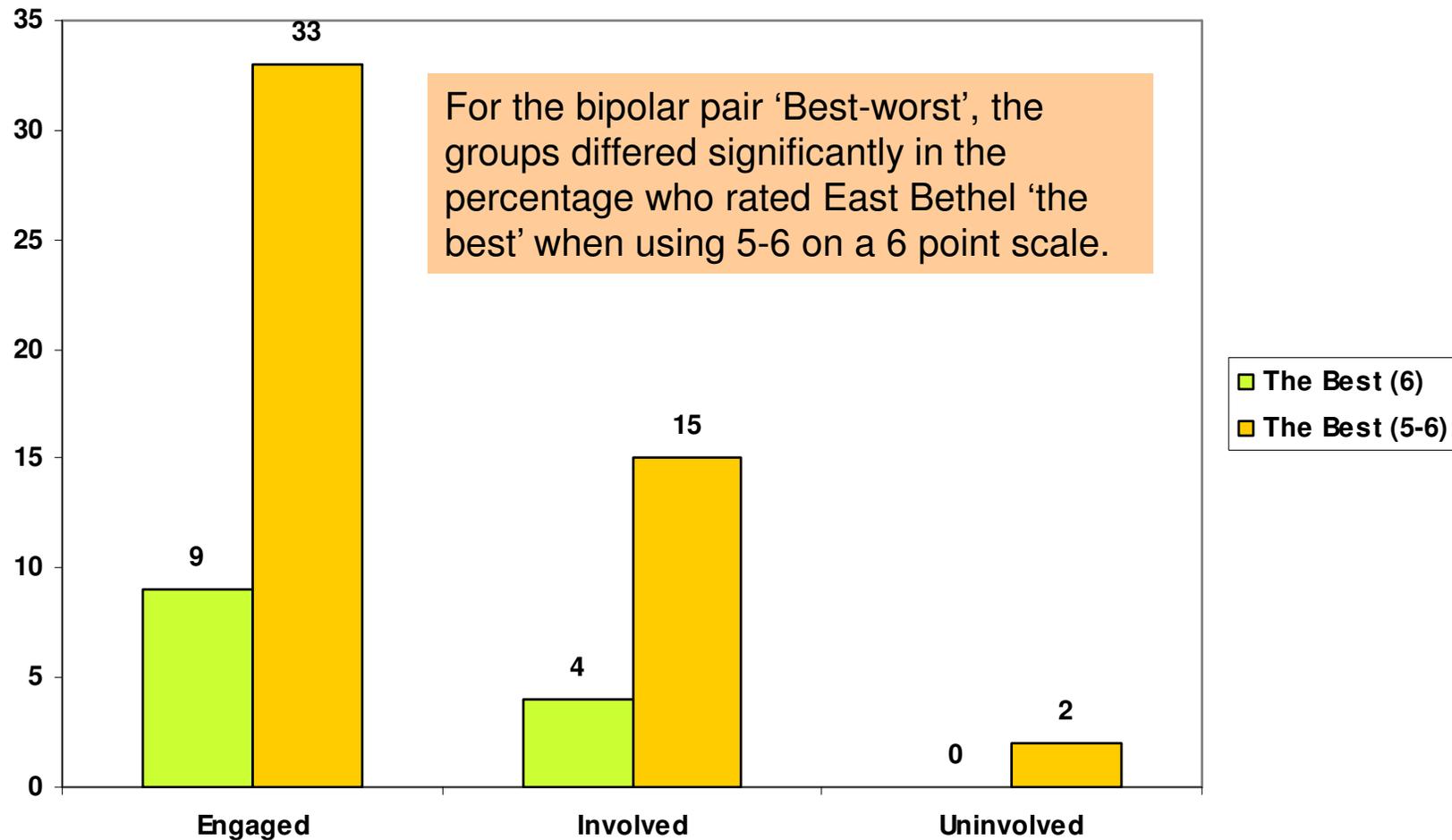
None are in East Bethel daily (30% visit 2-5 times per week), just 6% are extremely attached to East Bethel although a majority (65%) are extremely attached to the larger region (Minneapolis-St. Paul or Midwest).

6% are East Bethel business owners, 42% have household incomes of \$100K or more, 40% have a bachelors degree or higher, over one-fourth (27%) are 20-42, while 28% are 59-86.

# Three-Group Segmentation: Reason for visiting factors

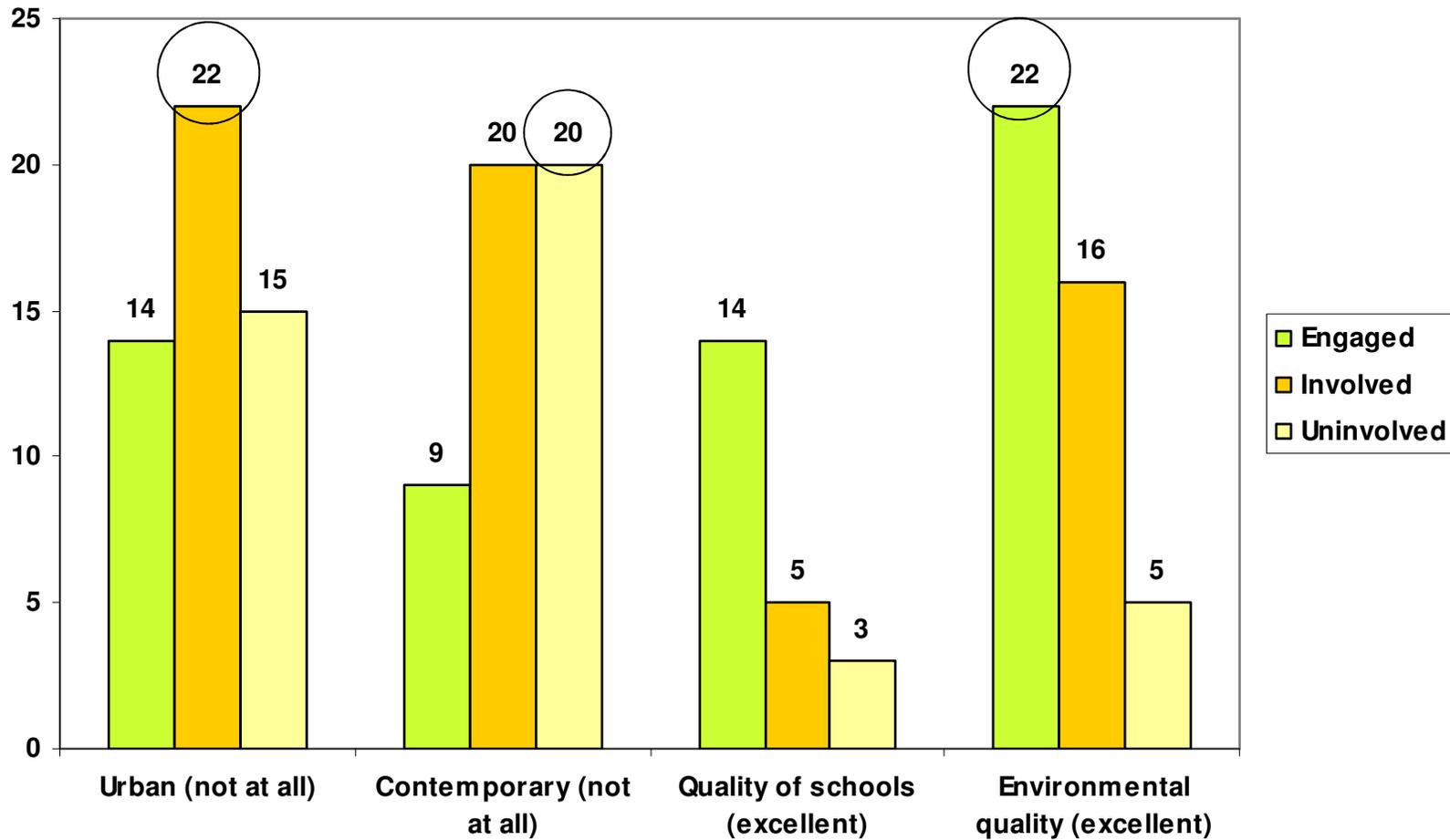


## Three-Group Segmentation: Ratings on The Bi-Polar Pair “The Best – The Worst”

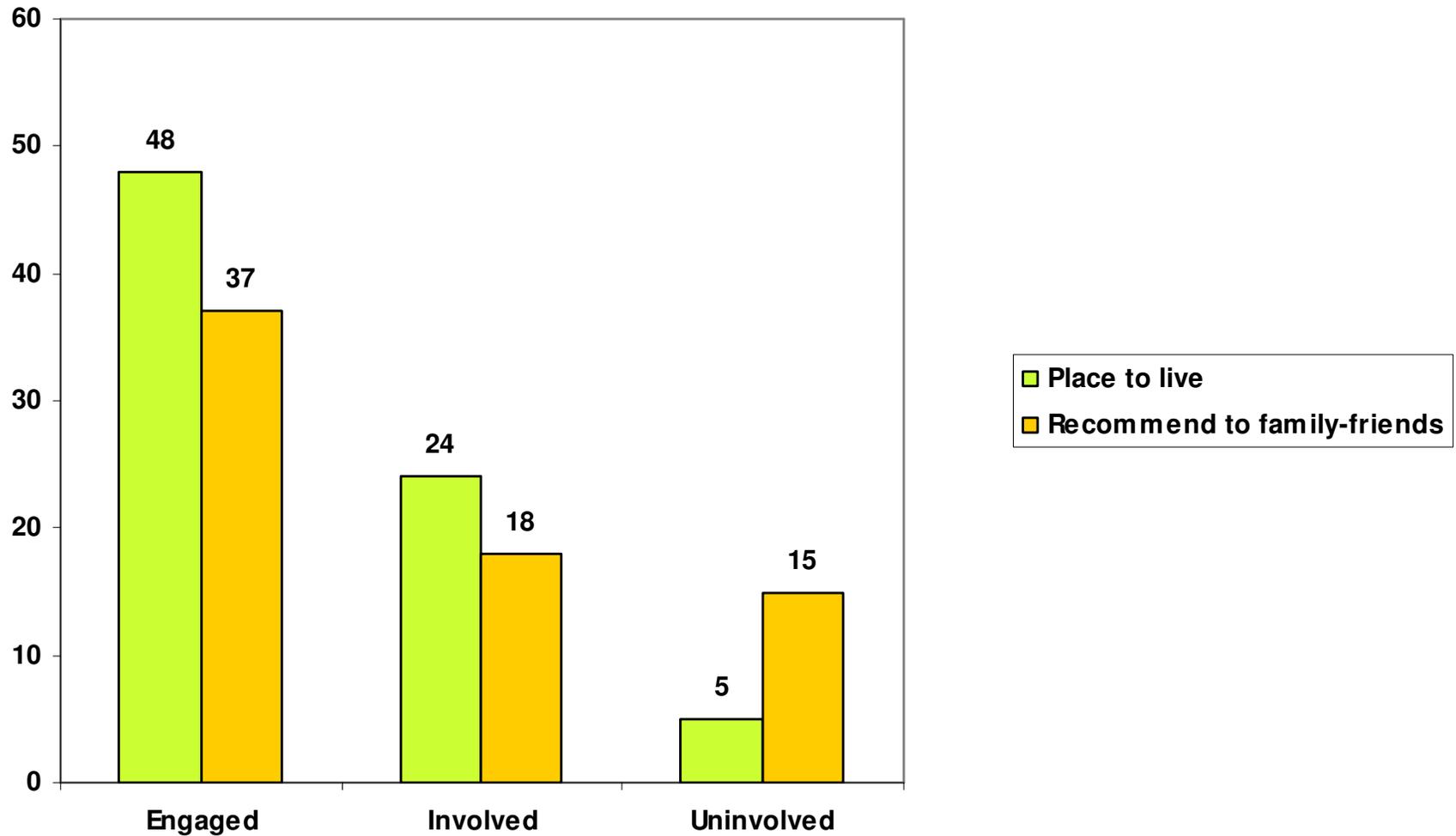


# Three-group Segmentation: Perceptions (totally/totally not) characterizing East Bethel

Not varying significantly by group were 'red tape' (13%) 'progressive' (1%) and 'job opportunities' (3%) and so are not shown here. Circles indicate highest percentage response for each group.



## Three-Group Segmentation: Overall Satisfaction and Loyalty to East Bethel



## Three-Group Segmentation: Family Constitution (medians)

No statistical differences in the following:

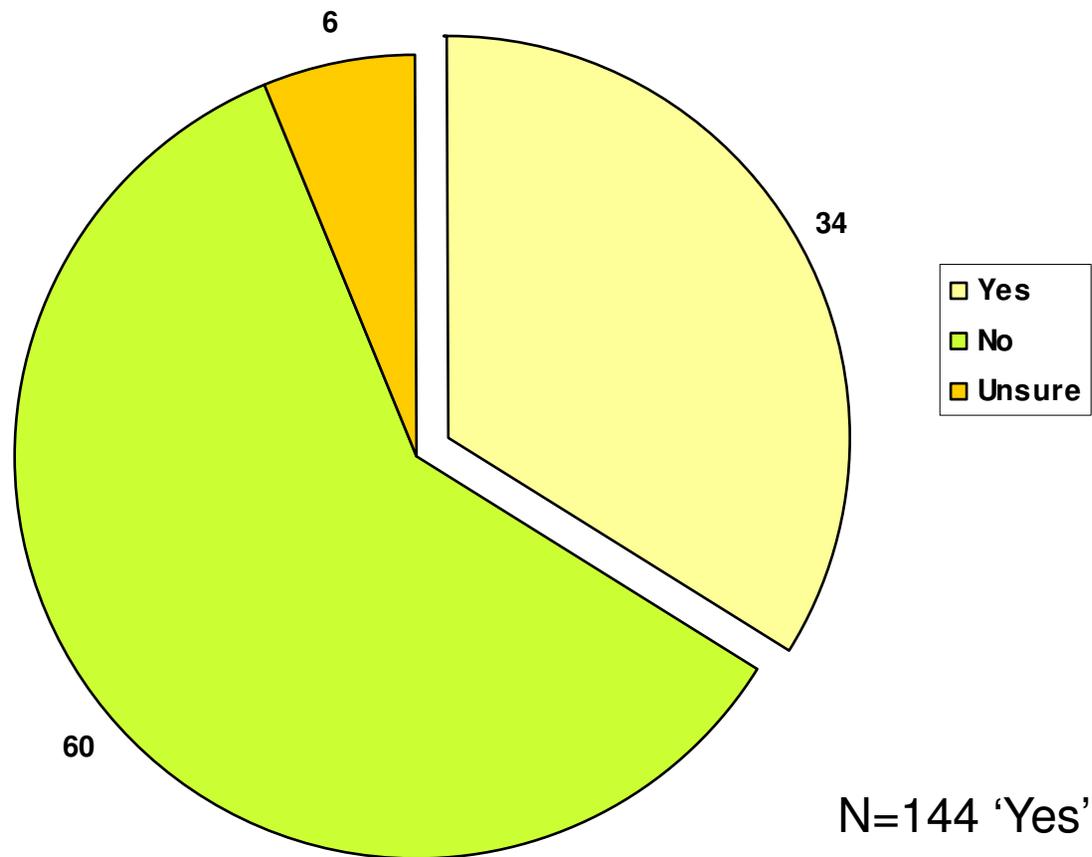
- Family demographics (family size, age distributions by group)
- Membership in Chamber of Commerce now or ever
- Student status
- Membership in young professional groups

BUSINESS GROUP ONLY

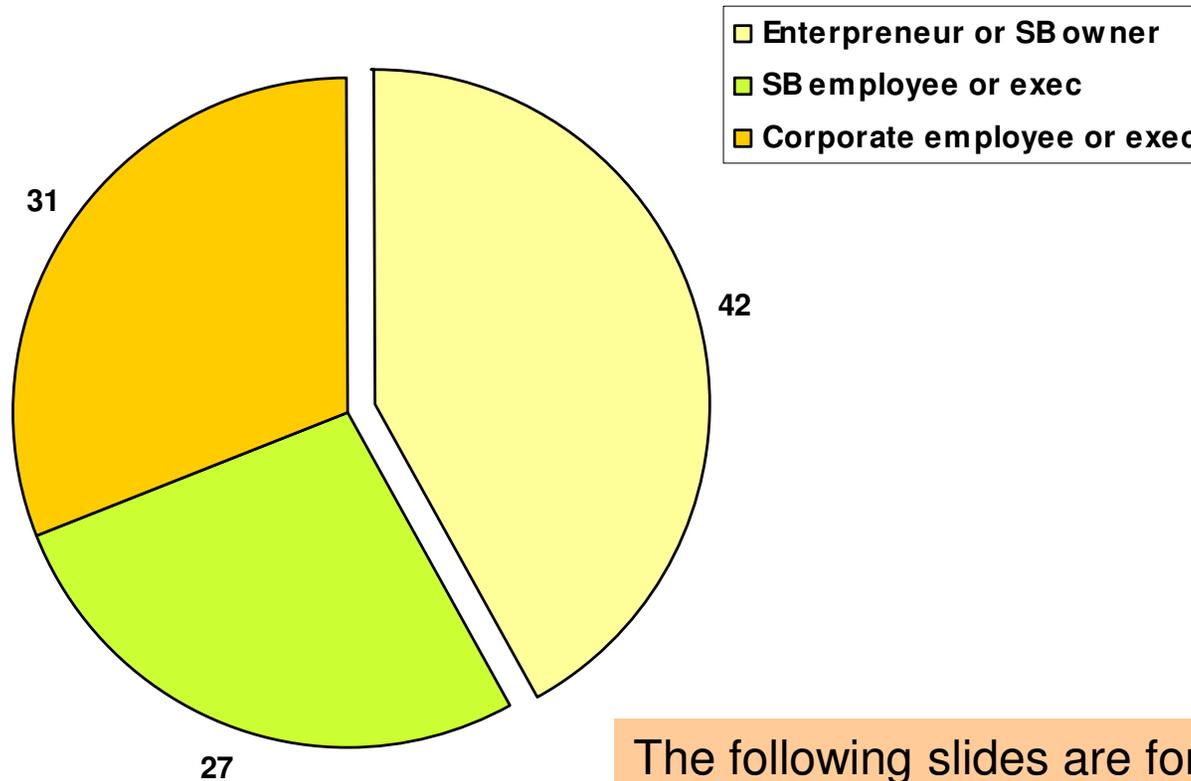


*retain, expand, attract*

Q58. Are you responsible for decision-making at your company/organization that affects (or is affected by) the region's business climate?



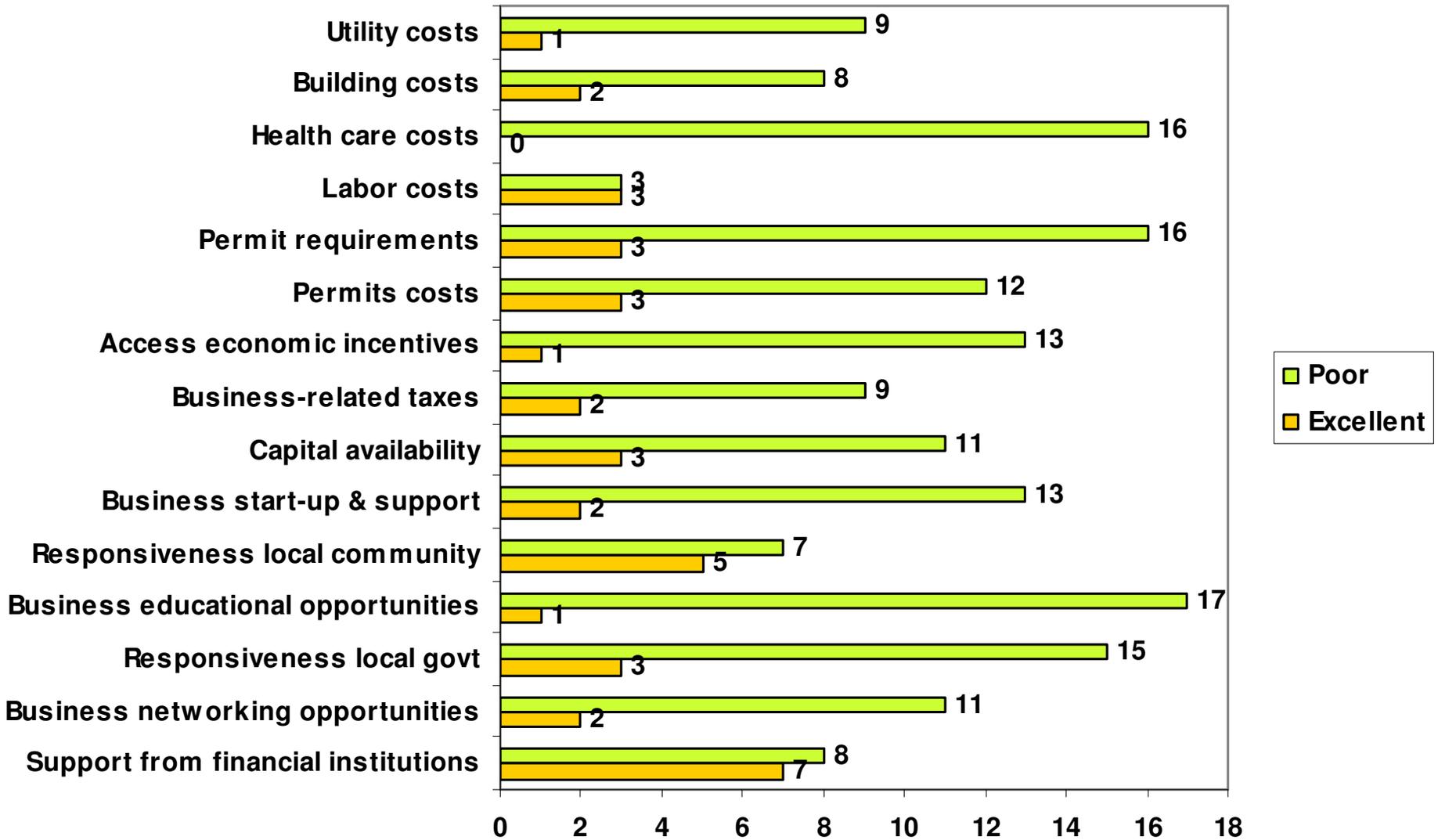
Q59. Which of the following best describes your role at your company/organization? (N=144)



The following slides are for the subset of those who affirmed that they are business decision-makers

Q60. Please rate your community for the following? (N=144)

Note some of these items are outside the control of East Bethel, but others are within it.



Q60. Factors: Please rate your community for the following? (N=144)

Three factors were found...

### Fiscal support

- Capital availability
- Support from financial institutions

### Responsiveness

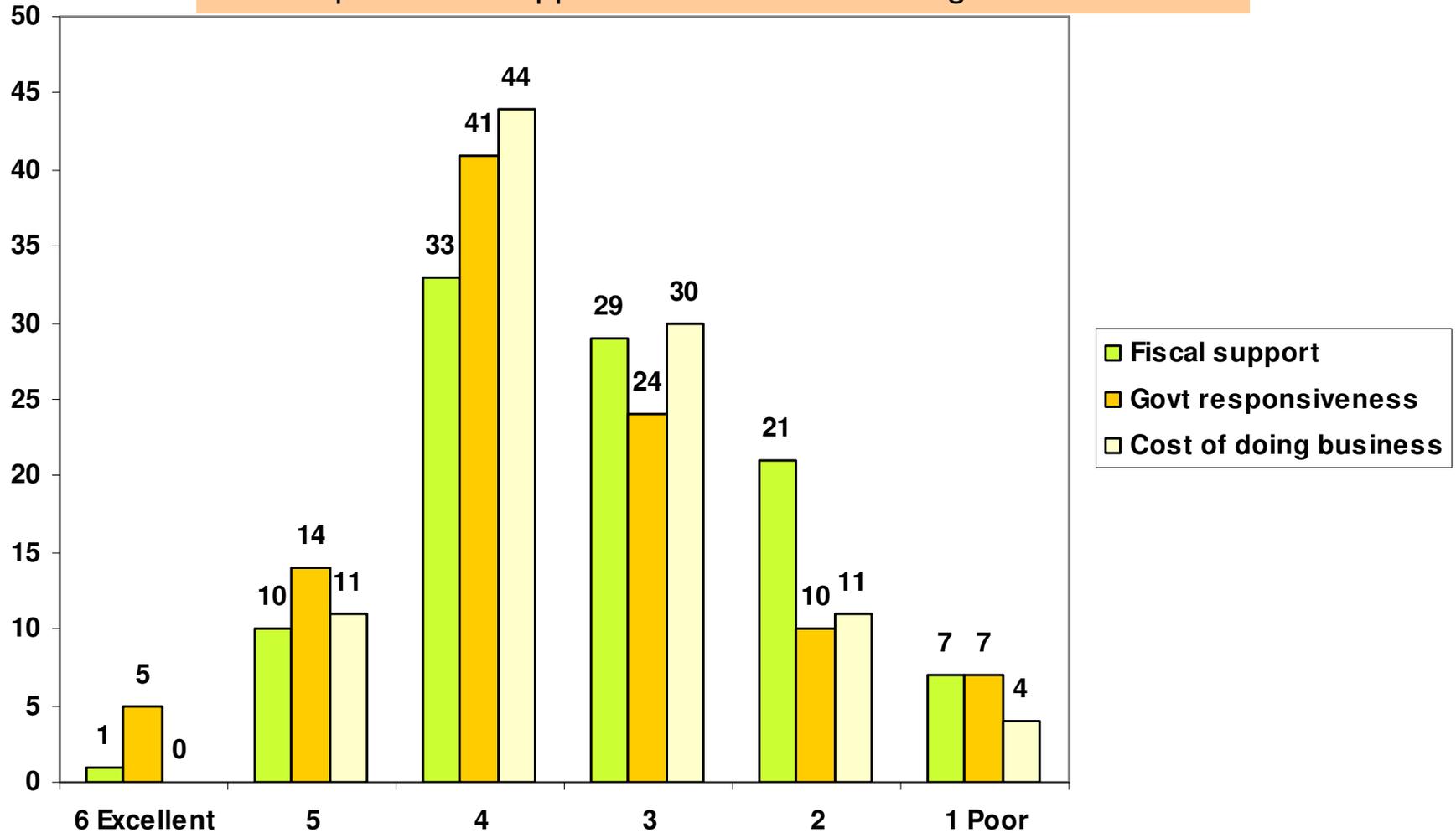
- Responsiveness of local government

### Costs of doing business

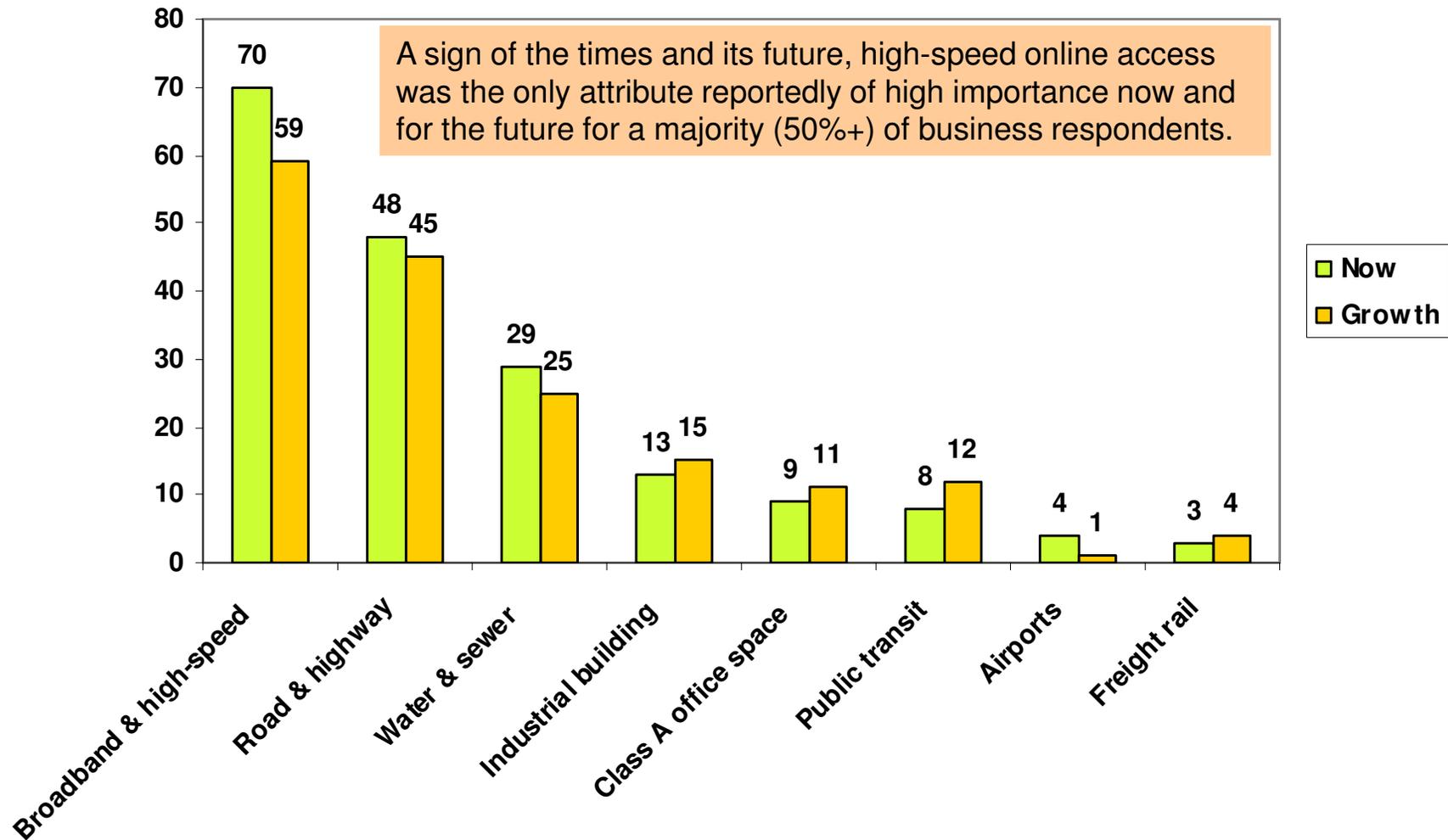
- Utility costs
- Building costs
- Health care costs
- Labor costs

# Q60. Factor Scores: Please rate your community for the following?

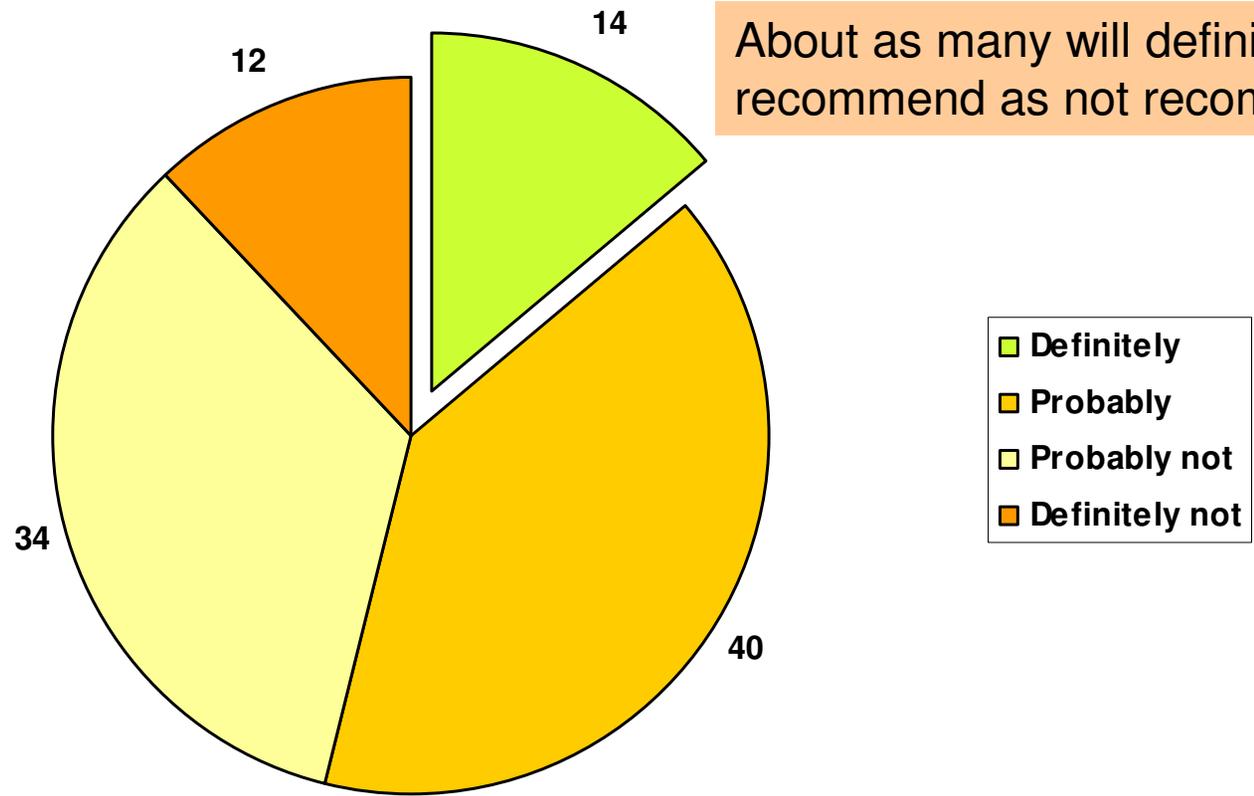
Among business decision-makers, East Bethel scores 'midland' with respect to its support for and costs of doing business



Q61 & 64. How important are each of the following to your business now and how important are each to your business growth? (N=144)



Q63. Would you recommend East Bethel as a place to establish a business?  
(N=144)



About as many will definitely recommend as not recommend.

Q62. How important are each of the following to you NOW and (2) how satisfied are you with the performance of East Bethel on each NOW? (N=144)

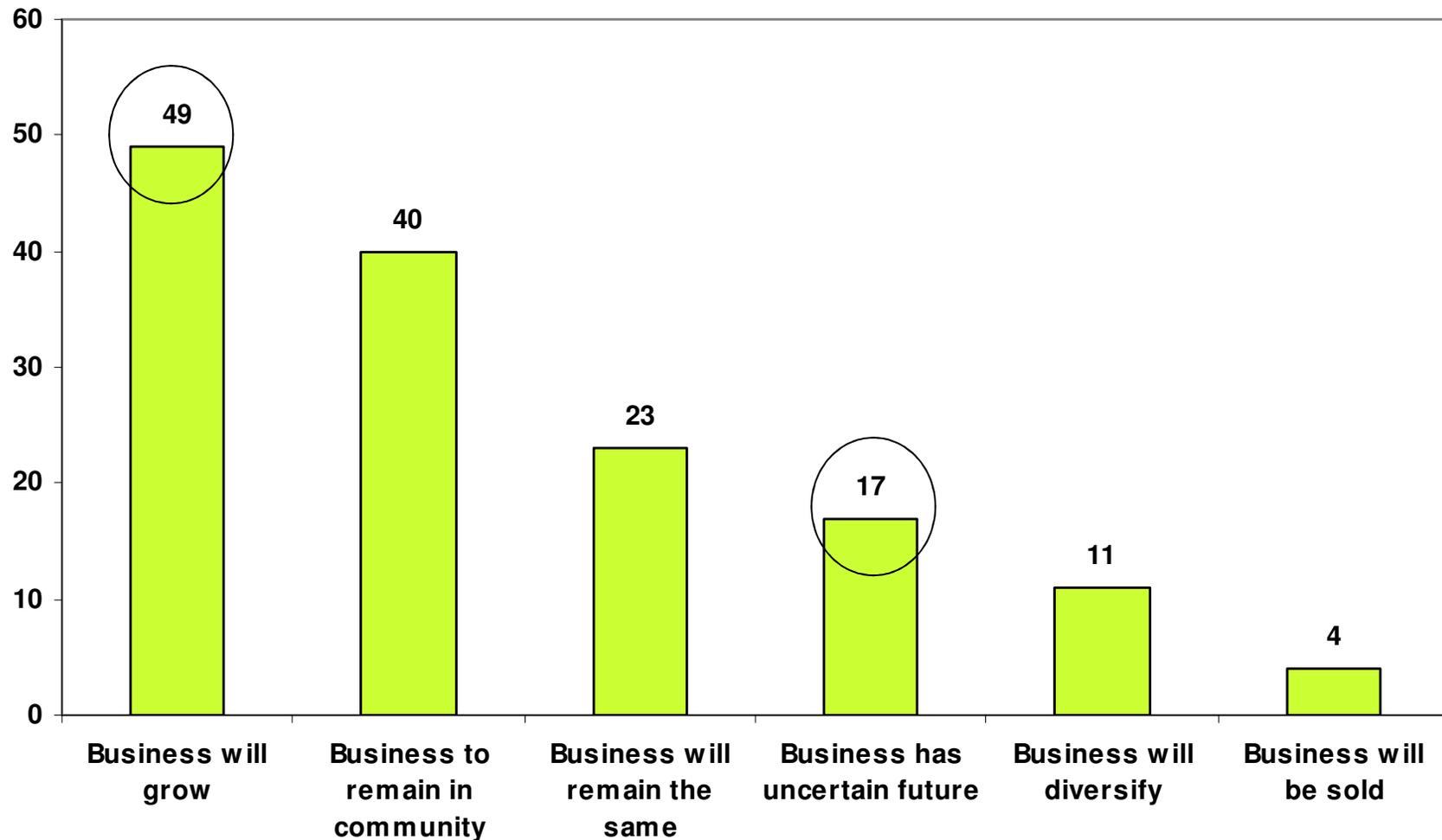
Mean Importance (6 pt scale)	Item Description	Mean Satisfaction (6 pt scale)	Mean Difference (satis-import)
<b>5.5</b>	<b>Broadband-High speed</b>	<b>4.0</b>	<b>-1.5</b>
3.7	Water & sewer	3.7	0
<b>3.3</b>	<b>Class A office space</b>	<b>3.9</b>	<b>0.6</b>
<b>3.3</b>	<b>Roads &amp; highways</b>	<b>4.1</b>	<b>0.8</b>
<b>3.2</b>	<b>Industrial building capacity</b>	<b>4.1</b>	<b>0.8</b>
<b>2.7</b>	<b>Public transit capacity</b>	<b>3.9</b>	<b>1.2</b>
<b>2.4</b>	<b>Airports</b>	<b>4.3</b>	<b>1.9</b>
<b>2.1</b>	<b>Freight rail</b>	<b>4.1</b>	<b>2.0</b>

**Bold Italic=statistically** significant (includes Bonferroni adjustment)

\*\*\*Negative mean differences indicate possible opportunity for improvement

\*\*Positive and non-significant (non-bold) mean differences indicate improvement may not be necessary

Q58. Which of the following describe your business plans for the long-term (next five years)? Please check all that apply. (N=144)



Thank you.

Janet Ady

Ady Voltedge

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608.663.9218



*retain, expand, attract*

## Phase II, Part B – Task 3: *Action Plan*

The purpose of having an action plan is to provide a roadmap for success. The action plan identifies key steps to be followed in order to achieve a successful outcome. The plan is more descriptive than prescriptive, and each step requires key leadership and/or resources to move forward.

It should be recognized that each action plan element calls for a specific person/group of persons to serve as the assigned leader(s). In some cases, an existing title (e.g., City Administrator) is used where it is clear that actions fall within the area of current responsibilities. However, in several elements the title of "Economic Development Administrator", a position that does not currently exist in the City's organizational chart, is identified as the leader. The associated activities may not necessitate the hiring of a full-time at this time. Duties could be split between existing staff or other options explored (e.g., hiring a part-time person, contracting with an individual or firm, or sharing a resource with another municipality or agency). The success of the City's economic development program will be strongly correlated to its ability to dedicate the necessary level of resources to these efforts.

It will be up to the City and the assigned leader to establish the fine grain details to implement each specific action element and to articulate an accurate budget. This action plan should be carefully reviewed and, if necessary, amended by City leadership. In the end, the City needs to take "ownership" over the actions in order to assure success.

The key elements of this plan are organized as follows:

- Economic Development Implementation
- Workforce Implementation
- Civic Infrastructure Implementation

Please note that the City is already taking on action on many of these items and that action items related to Branding and Marketing Implementation are in a separate document.

### **Economic Development Implementation**

*Purpose: To develop a comprehensive and proactive approach to business retention, expansion and attraction activities.*

*Issues: Staff capacities. Funding availability. Institutional preparedness.*

1. ***Review and enhance code enforcement activities.*** The City should review its code enforcement policies, procedures, and history. If necessary, priorities should be established so that high profile community gateways are enhanced and commercial areas held to a high level of aesthetic quality. If additional staff is required, that need should be identified and addressed. The initial review should also examine compliance history, including how municipal courts are dealing with offenders.

Priority: High

Leader: City Administrator

Difficulty: Moderate

2. **Review zoning ordinance relative to economic development goals.** The City's current zoning ordinance, while generally simple, may not be providing the desired level of flexibility needed to encourage development in targeted areas. Furthermore, it may not be optimally tuned to provide the level of environmental controls and insulation of residential areas that are desired. Hiring a consulting firm with advanced knowledge and experience in the use of contemporary zoning techniques is recommended.  
Priority: Moderate  
Leader: Community Development Director  
Difficulty: Moderate
  
3. **Update the comprehensive plan.** The current comprehensive plan is dated, but functional. New data sources are available and should be incorporated into a revised document. The Metropolitan Council has recently initiated the updating of its *Regional Development Framework*, so updating the City's plan might be scheduled to coincide with this process. One low-cost option might be to create a new *executive summary* that clearly reflects the new brand and development desires of the community. In addition, the Planning Commission may want to consider establishing a formal review and amendment process, with a specific timetable, so that local developers have a consistent schedule by which to request amendments (principally to the future land use plan). A reputable planning consultant should be engaged to assist with the update. Refer to the Comprehensive Plan Review.
  - a. **Update the entire plan document.**  
Priority: Low  
Leader: Community Development Director  
Difficulty: High
  
  - b. **Create a new Executive Summary.**  
Priority: High  
Leader: Community Development Director  
Difficulty: Low
  
  - c. **Develop a plan amendment process and schedule.**  
Priority: Moderate  
Leader: Planning Commission  
Difficulty: Moderate
  
4. **Create a TH65 Corridor Plan.** The single most strategic activity the City could undertake at this time is to develop a focused plan for the TH65 corridor. This plan should take a critical, parcel-by-parcel look at the planned land uses and their economic potential and feasibility. The plan can look at aesthetics and urban design goals. In addition, the plan needs to incorporate a fiscal impact analysis which addresses the water/wastewater needs of the corridor (and provides a detailed rationalization of the residential equivalent connection allocations). In addition to detailing infrastructure capacities, the final plan document will serve as a significant source of information for marketing the corridor to potential investors. Consideration might be given to paying for this project through a special assessment on affected property owners.  
Priority: High  
Leader: Community Development Director  
Difficulty: High

5. **Create a Town Center Plan.** What is currently described in the Comprehensive Plan as the Town Center Plan represents a single design concept. It currently lacks the level of detailed planning necessary to ascertain economic feasibility. There are questions regarding the proposed location of the Town Center and the appropriate mix of uses (especially with regard to the amount of public versus private development). A new plan should carefully address the economics associated with developing the desired Town Center. One option (see #11, below) might be to identify sites with willing owners and develop and distribute a "request for proposal" among the development community. This option would minimize the City's initial investment and would "test the waters" for what the private sector may be willing/able to deliver.

Priority: Low  
Leader: Community Development Director  
Difficulty: High
6. **Develop a Business Retention & Expansion (BRE) strategy.** One of the core economic development functions of any community is to help keep existing businesses in the community while helping them to grow. The primary mechanism for doing this is by establishing regular points of contact and building relationships between the City Staff and the business owner. This process does not generally require significant capital outlay, but it can require significant staff time. There are options that involve the use of surveys or other data collection techniques; however, these are second to establishing in-person contacts. The University of Minnesota-Extension can offer assistance in this area ([www.extension.umn.edu/businessretention/](http://www.extension.umn.edu/businessretention/))

Priority: High  
Leader: Economic Development Administrator  
Difficulty: High
7. **Develop a Business Attraction strategy.** The business attraction process requires a community to have a strong and proactive marketing process, but also to have the capabilities of responding to potential investors once they show an interest. The City should develop relationships with key organizations that are actively involved in the business attraction process, such as Greater MSP and the State Department of Employment and Economic Development. These groups can help to identify key opportunities for points of contact (e.g., they may sponsor trade shows or trade missions where the City can tag on). Also, many cities send delegates to national conventions, such as the International Council of Shopping Centers' annual convention (called RECon). Making direct contacts with targeted business prospects (e.g., Walmart, Target, Cabela's, Walgreens, CVS, etc.) is a fairly easy-to-do option.

Priority: High  
Leader: Economic Development Administrator  
Difficulty: Moderate

8. ***Create a policy and consistent approach to the City's financial participation.*** Part of being able to participate in the economic development "game" is being able to put your best offer on the table. The City needs to take stock of what "tools" they have available and develop a policy that will consistently guide the use of these tools. Does the City use Tax Increment Finance or Tax Abatements? If so, under what circumstances? Is it first-come-first-serve or is it laser-guided to attract specific types of development? Does the City have a revolving loan program or offer other grants? Are there other creative financial mechanisms the City might employ as differentiators? There are a number of economic development organizations (e.g., Greater MSP, Anoka County, State Department of Employment & Economic Development, University of Missouri-Extension, etc.) that can provide guidance in these areas. This would make a good topic for one or more EDA meetings (i.e., invite guest speakers, assign a working group, etc.).

Priority: High

Leader: City Administrator/Economic Development Authority

Difficulty: Moderate

9. ***Continue to use a streamlined review and permitting process for targeted development.*** One creative option some communities are utilizing is to streamline the development review process. This isn't about reducing the quality of the development, but rather it is focused on increasing the speed of the review process. For example, setting a "clock" can help keeping things moving (i.e., all reviews for development within designated fast-track zones will be reviewed within 120 days). Or the community might create handbooks, appoint a development "ombudsman" to help keep the review process on track, or they may find other ways, such as simultaneous review by multiple committees/commissions (if applicable). The City may also be willing to waive or reduce permitting fees for certain types of development or within certain designated zones.

Priority: Moderate

Leader: Community Development – Planning Committee

Difficulty: Moderate

10. ***Continue to keep the inventory of available properties up to date.*** The City's website currently lists several commercial parcels that are available for use. The site includes basic content information; however, it could be easily enhanced to include maps, photos, and more information from the locational-criteria list. Include zoning information related to each parcel. This area of the web site should also be maintained for accuracy and timeliness (see item #2, above). The City's web site also refers potential investors to the web sites of other organizations. Coordination with these groups should be increased. The City should also list its properties on the Greater MSP sites and buildings portal, and make an effort to keep these listing up-to-date.

Priority: Moderate

Leader: Economic Development Administrator

Difficulty: Moderate

- 11. Assemble and market targeted properties.** One of the best ways for the City to attract strategic development activity is to control the real estate. While owning property in fee title offers the highest level of control (and allows the City to write-down development costs by offering land at below-market rate), it is also generally the most costly as the City has to acquire and hold the land. Other options are limited largely by the level of creativity involved. For example, the City might sign low (or no-cost) development option agreements with property owners. Or multiple property owners may sign a joint marketing agreement that binds them to market and sell their property as a unit. Or the City may simply offer a request for (re-)development proposal over properties they do not directly control (but have indicated a clear development intention via the comprehensive plan or other planning documents). The objective is to identify specific land for specific types of development and then promote such development. An experienced real estate lawyer or property broker may provide the City with case specific counsel.

Priority: Moderate

Leader: City Administrator/Economic Development Authority

Difficulty: High

*retain, expand, attract*

### Workforce Development Implementation

*Purpose: To help provide a workforce that is prepared to engage in the types of industries and businesses that will be targeted for coming to the City of East Bethel.*

*Issues: Poor reputation of public school districts, despite higher than average graduation rates. Lower than average per pupil expenditure rates. Address the lack of high-skilled manufacturing employees.*

While the topic of workforce development is often beyond the scope of services provided by small and medium-sized communities, there are some basic activities which can be pursued with relative ease. Action items for East Bethel include:

1. ***Build a better relationship with the local school districts.*** School districts are often ignored in local economic development programs; however, their roles in the preparation of future workers and in reviewing *tax increment financing* proposals make them important stakeholders. In general, communication with the school districts can be improved through the outreach efforts of the city.
  - a. Invite school district officials to serve as members (*official or ex officio*) of important City bodies such as the EDA.
  - b. Invite school district officials to provide informational presentations on topics related to economic development (e.g., have their Tech Education instructors come speak or have Counselors talk about where students go after graduation, etc.).

Priority: High

Leader: Mayor/City Administrator (aka City Economic Development Administrator)

Difficulty: Low

2. ***Develop a collaborative relationship with Anoka Technical College.*** The College has a wide variety of professional and technical programs capable of producing job-ready employees. By developing relationships with the College and gaining familiarity with their resources, the City could be better prepared to address questions and needs identified by employers and prospects. In addition, since the main campus is approximately 20 miles away from East Bethel, long range planning might consider how the City could collaborate to create a satellite campus in East Bethel.
  - a. Invite College officials to serve as members (*official or ex officio*) of important City bodies such as the EDA.
  - b. Invite College officials to provide informational presentations on topics related to economic development (e.g., have their instructors come speak at various meetings and events).
  - c. Initiate conversations with College representatives about their need for satellite facilities.
  - d. Serve as a catalyst for conversations between College representatives and major employers regarding special training needs and opportunities.

Priority: High

Leader: Mayor/City Economic Development Administrator

Difficulty: Low

- 3. Assist in acquiring grants to help facilitate workforce preparedness.** The State of Minnesota has a variety of grant programs that are targeted to educational institutions and employers to help with job training and retraining. The City should have a level of familiarity and be prepared to assist employers/potential employers in tapping these funds. City staff should research and inventory the agencies (and staff contacts,) responsible for the distribution of workforce development dollars (Workforce Investment Act), and the purposes for which they can be used.

Priority: Moderate

Leader: City Economic Development Administrator

Difficulty: Low

*retain, expand, attract***Civic Infrastructure Implementation**

*Purpose: Develop the public/private relationships necessary to support a comprehensive economic development strategy.*

*Issues: Overcome reputation as an unsophisticated community. Tap the energy and resources of public and non-profit organizations. Create public/private partnerships to bring new resources to the game.*

1. ***Increase participation with Metro North Chamber of Commerce, the Twin Cities North Chamber of Commerce, and Greater MSP.*** Improving relationships with regional business organizations can help to overcome the perception that the City is anti-business. By sending an "official" delegate from the City to be a member of and engage with local chambers is superior to other less formal relationships. Being a member means being an active participant in Chamber functions and events (which may cost a few dollars). But these activities are intended to help build business-to-business relationships, and the City should come to view itself as a "business" in this regard. Fostering these types of relationships also opens the door for more mutually-beneficial activities, such as participating in joint advertising. It also creates a wide range of opportunities to converse with businesses that may be looking to expand or relocate. Some of these organizations (e.g., Greater MSP) can offer significant technical assistance, as well as access to other private sector resources (such as venture capital funds).

Priority: High

Leader: Economic Development Administrator

Difficulty: Low

2. ***Enhance relationship with Anoka County, the Minnesota Department of Employment & Economic Development, and the U.S. Economic Development Administration.*** Economic development is largely about relationship building. Getting to know key players at other economic development agencies can be a significant help. If you have a personal relationship with these individuals, they will help to steer resources and prospect your direction – if they know what your goals and targets are. Building these relationships requires more than the occasional informal encounter. Lead staff should schedule regular meetings and arrive prepared to inform their peers what the City's latest activities and objectives are.

Priority: High

Leader: Economic Development Administrator

Difficulty: Low

**3. Create an East Bethel Ambassadors program to educate and engage local residents in ED activities.**

Many deals have been lost when key investors come for site visits and they encounter poor service or people who speak ill of the community. One creative idea is to create an East Bethel Ambassadors program. There are lots of variations that can be emulated. The basic idea is to combine a bit of “hospitality training” with some good old fashioned community pride, and then to enlist people to serve as Ambassadors. Given the high number of retired residents in the community, this type of program should prove very popular. The local technical college or University of Minnesota-Extension may be able to provide technical assistance to develop this effort.

Priority: Low

Leader: Community Development Director

Difficulty: Moderate

**4. Formalize and fund a proactive approach to creating, marketing, and managing community events and eco-tourism activities.**

In the community surveys and stakeholder interviews, “community events” were consistently held out as examples of things people love about the community. These types of events are also great economic development tools as they help to advertise the community and provide a positive message about the can-do attitude of the City and its residents. The best of these efforts are joint public/private initiatives. Often there is a need for some sort of city tourism or special events committee that can serve as the coordinating body and provides an interface with the City. Developing a master schedule, working on advertising, helping to fund-raise, and delivering the events can all be parts of growing a reputation for an “amenity-led” economy. The direct economic impacts of such activities tend to be small, however, building a positive reputation can be invaluable. The City has also recently begun to explore opportunities to become more focused on “eco-tourism” activities. Clearly, one of the City’s differentiators is its access to world-class natural areas. Building on this foundation makes great sense. However, in addition to being focused on coordination activities, the City also has to focus on the infrastructure issues. For example, to build a high-level “birding” market, there is a need to provide hotels, restaurants, places for tour buses to stop and eat (or motor coach waste dumping stations). It is a two-pronged approach: first, getting people to come for a specific program or purpose; second, finding ways to get them to extend their stay as long as possible (so as to maximize their economic impact on the community).

Priority: Low

Leader: Community Development Director

Difficulty: Moderate

*retain, expand, attract*

<i>Action</i>	<i>Priority</i>	<i>Timeline</i>	<i>Leader</i>	<i>Difficulty</i>
<b>Economic Development Implementation</b>				
<i>1. Review and Enhance Code Enforcement activities</i>	High	Q2 2012	City Administrator	Moderate
<i>2. Review zoning ordinance relative to economic development goals</i>	Moderate	Q3 2012	Community Development Director	Moderate
<i>3. Update the comprehensive plan</i>	Low	Q3 2014	Community Development Director	High
<i>a. Update the entire plan document</i>	High	Q2 2012	Community Development Director	Low
<i>b. Create a new Executive Summary</i>	Moderate	Q4 2012	Planning Commission	Moderate
<i>c. Develop a plan amendment process and schedule</i>				
<i>4. Create a TH65 Corridor Plan</i>	High	Q3 2012	Community Development Director	High
<i>5. Create a Town Center Plan</i>	Low	Q3 2013	Community Development Director	High
<i>6. Develop a Business Expansion &amp; Retention strategy</i>	High	Q2 2012	Economic Development Administrator	High
<i>7. Develop a Business Attraction strategy</i>	High	Q2 2012	Economic Development Administrator	Moderate
<i>8. Create a policy and consistent approach to the City's financial participation</i>	High	Q2 2012	City Administrator/ Economic Development Authority	Moderate
<i>9. Develop a streamlined review and permitting process for targeted development</i>	Moderate	Q1 2013	Economic Development Authority	Moderate
<i>10. Update the inventory of available properties</i>	Moderate	Q2 2012	Economic Development Administrator	Moderate
<i>11. Assemble and Market targeted properties</i>	Moderate	Q3 2012	City Administrator/ Economic Development Authority	Moderate
<b>Workforce Development</b>				
<i>1. Build a better relationship with the local school districts</i>	High	Q2 2012	Mayor/City Administrator (Economic Development Administrator)	Low
<i>2. Develop a collaborative relationship with Anoka Technical College</i>	High	Q2 2012	Mayor/ Economic Development Administrator	Low
<i>3. Assist in acquiring grants to help facilitate workforce preparedness</i>	Moderate	Q4 2013	Economic Development Administrator	Low
<b>Civic Infrastructure</b>				
<i>1. Increase participation with Metro North Chamber of Commerce, the Twin Cities North Chamber of Commerce, and Greater MSP</i>	High	Q2 2012	Economic Development Administrator	Low
<i>2. Enhance relationship with Anoka County, the Minnesota Department of Employment &amp; Economic Development, and the U.S. Economic Development Administration</i>	High	Q2 2012	Economic Development Administrator	Low
<i>3. Create an East Bethel Ambassadors program to educate and engage local residents in ED activities</i>	Low	Q2 2013	Community Development Director	Moderate
<i>4. Formalize and fund a proactive approach to creating, marketing, and managing community events and eco-tourism activities</i>	Low	Q4 2012	Community Development Director	Moderate

From: Nye, Jessica [jessica.nye@metc.state.mn.us]  
Sent: Wednesday, February 27, 2013 6:53 AM  
To: Jack Davis  
Subject: RE: MOA Waterpark

They were charged 266 SAC based on rooms, pool & restaurant.

Jessie Nye  
SAC Program Administrator

Please visit our SAC website at:  
[www.metrocouncil.org/environment/RatesBilling/SAC\\_Program.htm](http://www.metrocouncil.org/environment/RatesBilling/SAC_Program.htm)

-----Original Message-----

From: Jack Davis [mailto:jack.davis@ci.east-bethel.mn.us]  
Sent: Monday, February 25, 2013 4:54 AM  
To: Nye, Jessica  
Subject: FW: MOA Waterpark

Jessica,

Do you have any information on the question below. Thanks.

Jack Davis  
City Administrator  
City of East Bethel  
2241 221st Avenue NE  
East Bethel, MN 55011  
Direct - 763-367-7850  
Fax - 763-434-9578  
jack.davis@ci.east-bethel.mn

-----Original Message-----

From: Heidi Moegerle  
Sent: Sunday, February 24, 2013 9:06 PM  
To: Jack Davis; Colleen Winter  
Subject: MOA Waterpark

How many ERU's are assessed to the Waterpark at Mall of America?

Thanks!

Heidi Moegerle  
East Bethel City Council  
(651) 464-2595

No one does anything uncharacteristic of who they are.



# City of East Bethel City Council Agenda Information

\*\*\*\*\*

**Date:**

March 6, 2013

\*\*\*\*\*

**Agenda Item Number:**

Item 4.0

\*\*\*\*\*

**Agenda Item:**

SAC and WAC Revolving Loan Program

\*\*\*\*\*

**Requested Action:**

Review a Proposed SAC and WAC Revolving Loan Program Proposal

\*\*\*\*\*

**Background Information:**

In order to minimize the impact of City SAC (Sewer Access Charge) and WAC (Water Access Charge) charges to existing businesses in the sewer district, Staff is proposing the creation of a City SAC and WAC Revolving Loan Program. This program would provide loan funds to these businesses to assist them in paying their City SAC and WAC charges in the event other resources are not available or they could not qualify for a bank loan for this purpose. This could provide an alternative and a last means option of financing to those businesses that would be affected by the mandatory SAC and WAC fees.

The basic framework of the program would be as follows:

- The City HRA by resolution would loan the City \$XXX,XXX as seed money to create the loan fund. The city would repay the HRA as loan repayments were collected. The loan could be no interest or at a rate established by Council.
- Businesses that met the requirements of the loan policy could finance up to 10 SAC and WAC assigned units over a period of five years. The loan would subject to an upfront payment of 20% of the charges and at an interest rate to be determined by Council.
- Businesses would be required to apply for the loan, meet loan policy requirements and pay an application fee of \$XXX. The application fee would cover the cost of staff time for processing the loan and discourage those that did not have a legitimate interest in the program. The loan would be approved by Council based on requirements of eligibility.
- The program could be utilized for other businesses as utilities are extended through the Hwy. 65 Corridor.
- The owner of record would need to execute an agreement and waiver wherein the amount of the loan shall be recorded and assessable to the property in the event of default according to the terms of the agreement and payment of all property taxes or any other fees owed to the City must be current.
- This program would not be available to the construction of single family homes.

For 2013 the City SAC and WAC fee for each ERU( Equivalent Residential Unit) is \$5,600. If the Revolving Loan Program (RLP) is approved, a business that is assigned a single (1) ERU rating could borrow this money from the fund to pay this charge. The City would receive the

money upfront to escrow for bond payments and the business would pay \$1,120 (20%) as the down payment cost and pay annual installments of \$989.10 for five years if the interest rate were 4%. These payments would used to pay down the HRA Loan.

As to the case described above, the City would make \$465.50 in interest which could be applied to Municipal Utilities Project or applied to the HRA loan debt to accelerate the pay off. A preliminary estimate for of initial fund needs could be \$251,000. This estimate is based on the assumption that 80% of the customers in the sewer district (14 customers and 56 ERU's ) would use the program. As we are loaning money to ourselves, the capital amount could be adjusted as required.

We would also incorporate appropriate measures to secure the loan and include means of collection in the event of default.

This program has been discussed with EDA on numerous occasions and the Authority, at their meeting on February25, 2012, voted to recommend that City Council consider adopting the Revolving Loan Fund Program to include the necessary and appropriate details for the application and administration of the fund.

**Attachments**

- 1. Sample RLF Policy

\*\*\*\*\*

**Fiscal Impact:**

As described above

\*\*\*\*\*

**Recommendation(s):**

Staff is seeking Council input regarding this proposed program.

\*\*\*\*\*

**City Council Action**

Motion by:\_\_\_\_\_

Second by:\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Vote Yes:\_\_\_\_\_

Vote No:\_\_\_\_\_

No Action Required:\_\_\_\_\_



2015 First Avenue, Anoka, MN 55303  
Phone: (763) 576-2700 Website: [www.ci.anoka.mn.us](http://www.ci.anoka.mn.us)

**CITY OF ANOKA, MINNESOTA  
RESOLUTION**

**RES-2012-XX**

**APPROVING LOAN AGREEMENT BETWEEN MARIS SCHILLING AND THE CITY  
OF ANOKA FOR SEWER AND WATER ACCESS CHARGES OWED TO THE CITY  
OF ANOKA, MINNESOTA AND TO THE METROPOLITAN COUNCIL  
(2516 4<sup>th</sup> AVENUE NORTH, ANOKA, MINNESOTA)**

WHEREAS, the property at 2516 4<sup>th</sup> Avenue North, Anoka, Minnesota, is being remodeled for apartments; and

WHEREAS, the owner of the property owes Sewer and Water Access charges to the City of Anoka and to the Metropolitan Council; and

WHEREAS, the amounts due are as follows:

(1 Credit equivalents) Met Council SAC Units @ \$2,365 each:	\$2,365
(1 Credit equivalents) City SAC units @ \$1,100 each:	\$1,100
(1 Credit equivalents) City WAC units @ \$2,000 each:	\$2,000
<u>TOTAL DUE:</u>	<u>\$5,465</u>

WHEREAS, at this meeting on October 1, 2012, the Anoka City Council approved the Loan Agreement and Promissory Note, as attached hereto, and

WHEREAS, the payments shall commence on April 15, 2013 and shall be bi-annual payments due on the 15<sup>th</sup> day of each April and October until paid in full; and

WHEREAS, the entire loan amount (including principal and accrued interest at 5% per annum and any late payment fees charges to the borrower) shall be paid in full by October 15, 2017.

NOW, THEREFORE, BE IT RESOLVED that the Anoka City Council hereby approves the loan agreement between Maris Schilling and the City of Anoka for sewer and water access charges owed to the City of Anoka, Minnesota and the Metropolitan Council and hereby authorizes and directs the execution of the loan agreement hereto attached by the Mayor and the City Clerk.

Adopted by the Anoka City Council this 1<sup>st</sup> day of October 2012.

ATTEST:

\_\_\_\_\_  
Amy T. Oehlers, City Clerk

\_\_\_\_\_  
Phil Rice, Mayor

Attachment #1

## LOAN AGREEMENT AND PROMISSORY NOTE

THIS LOAN AGREEMENT AND PROMISSORY NOTE, is made this 1<sup>st</sup> day of October, 2012, by and among Maris Schilling, 17025 Round Lake Blvd., Andover, Minnesota 55304 (hereinafter "Borrower"), and the City of Anoka, a municipal corporation, 2015 First Avenue North, Anoka, Minnesota 55303, (hereinafter "Lender"). In determining the rights and duties of the Parties under this Loan Agreement, the entire document must be read as a whole.

### PROMISSORY NOTE

FOR VALUE RECEIVED, Borrower promises to pay to the order of Lender, the sum of Five thousand, four hundred, sixty-five dollars and 00/00 (\$5,465.00) together with interest thereon at a rate of five percent (5%) per annum on the unpaid balance with interest to be compounded annually (hereinafter, "the Loan Amount"). While the Loan Amount will be amortized over a five (5) year period, it is expressly understood that the entire outstanding Loan Amount (including principal and any accrued interest) shall become fully due and payable by Borrower on or before October 15, 2017; upon Borrower selling property or upon demand of Lendor at any time subsequent to October 15, 2012.

### ADDITIONAL LOAN TERMS

The Borrower and Lender further set forth their rights and obligations to one another under this Loan Agreement and Promissory Note and agree to be legally bound as follows:

- A. **Purpose of the Loan:** the purpose of the loan is for the payment of Borrower's Sewer and Water Access Charges owed to the City of Anoka and the Sewer Access Charges owed to the Metropolitan Council.
- B. **Loan Repayment Terms.** The Borrower shall, without demand, pay the Lender the sum of Six Hundred, Twenty-four dollars and forty-two cents (\$624.42) every six months during the term of this Loan Agreement, the first of such payment to be due and payable on or before April 15, 2013, and subsequent bi-annual payments to become due and payable on the 15<sup>th</sup> day of each April and October thereafter until paid in full, with the final payment amount due of Six Hundred, Thirty-nine dollars and Sixty-nine cents (\$624.47).
- C. **Method of Loan Payment.** The Borrower shall make all payments called for under this loan agreement by sending check or other negotiable instrument made payable to the following individual or entity at the address indicated:

City of Anoka  
2015 First Avenue North  
Anoka, Minnesota 55303

If Lender gives written notice to Borrower that a different address shall be used for making payments under this loan agreement, Borrower shall use the new address so given by Lender.

D. **Default.** The occurrence of any of the following events shall constitute a Default by the Borrower of the terms of this loan agreement and promissory note:

1. Borrower's failure to pay any amount due as principal or interest on the date required under this loan agreement
2. Borrower seeks an order of relief under the Federal Bankruptcy laws
3. A federal tax lien is filed against the assets of Borrower

E. **Additional Provisions Regarding Default:**

1. Addressee and Address to which Lender is to give Borrower written notice of default:

Maris Schilling  
17025 Round Lake Blvd.  
Andover, Minnesota 55304

If Borrower gives written notice to Lender that a different address shall be used, Lender shall use that address for giving notice of default (or any other notice called for herein) to Borrower.

2. **Cure of Default.** Upon default, Lender shall give Borrower written notice of default. Mailing of written notice by Lender to Borrower via U.S. Postal Service Certified Mail shall constitute prima facie evidence of delivery. Borrower shall have 15 days after receipt of written notice of default from Lender to cure said default. In the case of default due solely to Borrower's failure to make timely payment as called for in this loan agreement, Borrower may cure the default by making full payment of any principal and accrued interest (including interest on these amounts) whose payment to Lender is overdue under the loan agreement and, also, the late-payment penalty described below.
3. **Penalty for Late Payment.** There shall also be imposed upon Borrower a 10% penalty for any late payment computed upon the amount of any principal and accrued interest whose payment to Lender is overdue under this Loan Agreement and for which Lender has delivered a notice of default to Borrower. For example, if the agreement calls for monthly payments of \$300.00 upon the first day of each month and Borrower fails to make timely payment of said amount, Borrower (after receipt of a default notice from Lender) shall be liable to Lender for a penalty of \$30.00 (i.e., \$300.00 x 10%) and, to cure the default, the Borrower must pay to Lender the overdue loan amount of \$300.00, interest upon the overdue loan amount, and a penalty of \$30.00.
4. **Acceleration.** If the Borrower fails to cure any default on or before the expiration of the fifteen (15) day cure period that starts on the date Borrower receives written notice from Lender that an event of default has occurred under this Loan Agreement, the entire unpaid principal, accrued interest, and penalties under this Loan Agreement shall accelerate and become due and payable immediately.

5. **Real Property Assessment.** In the event Borrower fails to submit the entire unpaid principal, accrued interest, and penalties within ten (10) days following acceleration and demand by Lender that said amount be paid, Lender shall have the right to assess and collect with property taxes any and all unpaid principal, accrued interest, and penalties against that certain real property legally described as set forth in Exhibit A attached hereto and made a part hereof.
  6. **Indemnification of Attorneys Fees and out-of-pocket costs.** Should any party materially breach this Loan Agreement, the non-breaching party shall be indemnified by the breaching party for its reasonable attorneys fees and out-of-pocket costs which in any way relate to, or were precipitated by, the breach of this Loan Agreement. The term "out-of-pocket costs", as used herein, shall not include lost profits. A default by Borrower which is not cured within 15 days after receiving a written notice of default from Lender constitutes a material breach of this Loan Agreement by Borrower.
  7. **Waiver of Trial by Jury -** THE PARTIES HEREBY JOINTLY AND SEVERALLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT. NO MEMBER OR OFFICER OF EITHER PARTY HAS THE AUTHORITY TO WAIVE, CONDITION OR MODIFY THIS PROVISION.
- F. **Parties that are not individuals.** If any Party to this Loan Agreement is other than an individual (i.e., a corporation, a Limited Liability Company, a Partnership, or a Trust), said Party, and the individual signing on behalf of said Party, hereby represents and warrants that all steps and actions have been taken under the entity's governing instruments to authorize the entry into this Loan Agreement. Breach of any representation contained in this paragraph is considered a material breach of the Loan Agreement.
- G. **Entire Agreement.** This Loan Agreement sets forth the entire agreement between the Parties with regard to the subject matter hereof. All prior agreements, representations and warranties, express or implied, oral or written, with respect to the subject matter hereof, are hereby superseded by this Loan Agreement.
- H. **Severability.** In the event any provision of this Loan Agreement is deemed to be void, invalid, or unenforceable, that provision shall be severed from the remainder of this Loan Agreement so as not to cause the invalidity or unenforceability of the remainder of this Loan Agreement. All remaining provisions of this Loan Agreement shall then continue in full force and effect. If any provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope and breadth permitted by law.
- I. **Modification.** Except as otherwise provided in this document, this Loan Agreement may be modified, superseded, or voided only upon the written and signed agreement of the



**LENDER:**

City of Anoka

Dated: \_\_\_\_\_, 2012

By: \_\_\_\_\_  
Phil Rice, Mayor

Dated: \_\_\_\_\_, 2012

By: \_\_\_\_\_  
Amy Oehlers, City Clerk

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF ANOKA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2009, by Phil Rice and Amy Oehlers, Mayor and City Clerk of the City of Anoka, a municipal corporation under the laws of Minnesota, on behalf of the municipal corporation.

(SEAL)

\_\_\_\_\_  
Notary Public

**EXHIBIT A**

Address – 2516 4<sup>th</sup> Avenue North, Anoka, MN  
 PID 0630124320121

Lots 12 13 & 16 Block 4 Slaughter & Creightons Add, Ex N 15ft of Sd lot 12 for Rd, Subj to  
 Ease of Rec

That part of Lots 12, 13 & 16, Block 4 of the Town, now City, of Anoka, Anoka County,  
 Minnesota.

Principal amount: \$5,465.00

Interest rate: 5.00%

5 year

Period	Principal Balance	Principal Payment	Interest	Late Fees	Total Payment	Principal Balance
10/15/2012	\$5,465.00					\$5,465.00
04/15/2013	\$5,465.00	\$487.80	\$136.63		\$624.42	\$4,977.21
10/15/2013	\$4,977.21	\$499.99	\$124.43		\$624.42	\$4,477.22
04/01/2014	\$4,477.22	\$512.49	\$111.93		\$624.42	\$3,964.73
10/01/2014	\$3,964.73	\$525.30	\$99.12		\$624.42	\$3,439.42
04/01/2015	\$3,439.42	\$538.43	\$85.99		\$624.42	\$2,900.99
10/01/2015	\$2,900.99	\$551.90	\$72.52		\$624.42	\$2,349.09
04/01/2016	\$2,349.09	\$565.69	\$58.73		\$624.42	\$1,783.40
10/01/2016	\$1,783.40	\$579.83	\$44.59		\$624.42	\$1,203.57
04/01/2017	\$1,203.57	\$594.33	\$30.09		\$624.42	\$609.24
10/01/2017	\$609.24	\$609.24	\$15.23		\$624.47	\$0.00
		\$5,465.00	\$779.25		\$6,244.25	