

City of East Bethel
Economic Development Authority Agenda
Regular Meeting – 7:00 PM
Date: December 17, 2018



AGENDA

		<u>Item</u>	
7:00 PM		1.0	Call to Order
7:01 PM		2.0	Adopt Agenda
7:02 PM	p. 2-4	3.0	Approve October 15, 2018 Meeting Minutes
7:03 PM	p. 5	4.0	Year in Review
7:20 PM	p. 6-10	5.0	Work Plan
7:35 PM		6.0	Commission Opening
7:40 PM		7.0	Council Report
7:45 PM		8.0	Adjournment

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY MEETING
October 15, 2018

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

MEMBERS PRESENT: President Julie Lux, Tim Harrington, Dan Butler, Doug Welter, Catherine Lancrain

ABSENT: Brian Bezanson, Steve Voss,

ALSO PRESENT: Colleen Winter, Community Development Director
Jack Davis, City Administrator

1. Call to Order President Julie Lux called the meeting to order at 7:00 pm.
2. Adopt Agenda **Mr. Welter moved and Mr. Harrington seconded to adopt the agenda as presented. Motion carried.**
3. Approve Minutes **Mr. Welter moved and Mr. Harrington seconded to approve the September 17, 2018 minutes as written. Motion carried.**
4. Discussion of TIF 1-4 and Resolution Background Information:
The Trident Group, a real estate development company, met with the City on July 26, 2018 to officially discuss a Senior Housing Project in East Bethel. The location of the proposed project is a site owned by Our Savior's Lutheran Church on Taylor Street.

Trident has signed a purchase agreement with our Saviors Lutheran Church for a 7-acre site east of the church on Taylor Street. The proposed project would be a three-story, 70-unit assisted living and memory care facility.

Trident has made an application to the City requesting Tax Increment Financing (TIF). Based on the preliminary information identified in the application, there is a gap in financing that would require the use of TIF for this project. The City's financial consultant, Ehlers, has been engaged to complete a TIF analysis and a recommendation as to the amount and term of TIF for this project. Trident and the City have met and agreed to the terms for the TIF District as follows:

1. Pay as you go TIF in the amount of \$1,175,000.00
2. 14-year Term
3. 20% of the units will be affordable to persons at or below 50% of the area median income
4. Lookback provisions written into the Developer's Agreement at the time of stabilization of the project

Lookback provisions go to three different categories. 1. They talk about if the development is sold in the first seven years, a determination will be made if they are capturing the increment spread over the 14 years. If it is above what is written, then there is a payback provision to the City. 2. Looking at project costs at the three-year stabilization mark, if costs come in significantly lower less of an increment will be needed and money could be paid back to the city. 3. This

lookback warranted the most discussion. It is based on the developer's cash and cash return. The developer was looking at 14% and the City was looking at 10%, both parties settled on 11% for cash and cash return at the three-year stabilization mark. A consensus from both parties was reached on all three items.

The Planning Commission held a public hearing at their September 25, 2018 meeting to consider the Planned Unit Development for this project. City Council will be approving the PUD at its regular October 17, 2018 meeting.

No property tax is collected on property owned by Our Saviours Church.

With the development there should be 40-45 new jobs, senior housing with assisted living and memory care, and a deferred tax base after the 14th year of approximately \$85,000 per year. In the interim, the developer is paying the tax, but they get it refunded. If the lookback shows income revenue is being exceeded, how will it affect the City, county and school district? This TIF is a 50% payback, so the City splits the difference with the developer. Administrative and other costs are exempt from the money given to the developer. School bond referendums are exempt and taxes need to be paid.

If the property is sold after the seven years, does the new owner have the option to assume the TIF note or does it need to be paid off? Ms. Winter was not sure of the answer. However, she believes the Plan does address that possibility.

What risks does the City have with this development? The City has no financial risks. It is a pay-as-you-go note and the City is not funding this upfront. There is no risk to tax payers. The land is purchased so if the developer walks away from the project, taxes will have to be paid on the land.

In Ehlers report, a 3% rate is used, this rate is agreed upon by both parties.

Mr. Welter moved and Mr. Harrington seconded to recommend to City Council the approval of the TIF Plan 1-4 and Resolution as it is stated. Motion carried.

This will go before City Council on November 7th when a public hearing will be held.

5. Discussion of UpRiver Event and MNCAR

Background Information:

The City of East Bethel and EDA will once again be participating in the MNCAR Expo Event and the Anoka County Broker's event, commonly referred to as the UpRiver Event.

The UpRiver event will be taking place on October 17, 2018 where Dave Hartford, PRTF Administrator of Cambia Hills will be the keynote speaker. There will also be a panel discussion regarding healthcare and medical facilities and how cities can recruit these businesses to come into their communities.

There will not be any city booths displayed at the event. Instead there will be a slideshow that highlights available land, buildings, etc. in the communities. For the City of East Bethel the property that will be highlighted will be the available land off Taylor Street, Sauter Commercial Park and the Osborne property. These properties were chosen due to the accessibility to city sewer and water. Each city is given the opportunity to highlight a max of three properties.

MNCAR will be held on Oct. 23, 2018 at the Minneapolis Depot and this year the City of East Bethel is teaming up with the City of St. Francis to have a joint display booth. Like years past, the City will be giving away flash drives that include East Bethel's new marketing video and a larger prize such as a Google Pixel Book or Google mini will be given away.

The budget for both these events is \$2,500.00.

6. Business Activity Report

Business activity reporting will be done on a quarterly basis.

Ms. Winter showed the updated drone video for the City of East Bethel.

7. Council Report

City Council Liaison Tim Harrington reported:

- Council approved a Conditional Use Permit (CUP) for Dave and Brennan Herzog of Reliable Truck Service.
- Fall Town Hall meeting will be November 8th at 6:00pm.
- Council approved Resolution 2018 – 52, Modifying the Fees to be Collected by the City of East Bethel in 2018

8. Adjourn

Mr. Harrington moved and Mr. Welter seconded to adjourn at 7:28 pm. Motion carried.

Respectfully submitted,

Gail Gessner, Recording Secretary
Submitted 10/21/18



City of East Bethel Economic Development Authority Agenda Information

Date:

December 17, 2018

Agenda Item Number:

Item 4.0

Agenda Item:

2018 Year in review

Requested Action:

Information only

Background Information:

City Staff will present a report of the 2018 activities.

Attachments:

None – PowerPoint presentation to be handed out at the meeting

Fiscal Impact:

As noted in the PowerPoint presentation.

Recommendation(s):

None at this time. Information only.

EDA Action:

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



City of East Bethel Economic Development Authority Agenda Information

Date:

December 17, 2018

Agenda Item Number:

Item 5.0

Agenda Item:

2018 Strategic Plan and 2019 Work Plan

Requested Action:

Review the EDA Strategic Plan and Discuss the 2019 Work Plan

Background Information:

The Strategic Plan is a document that outlines a broad strategy to address our efforts to recruit and retain business. This plan was adopted by the EDA in early 2016 and there are 7 major components of the plan. The plan elements include:

- Creation of a Business Friendly Image and Reputation
- Comprehensive Plan
- Financing
- Marketing
- Business Recruitment,
- Business Retention and Expansion
- Business Assistance.

Attached is the 2018 Strategic Plan and **highlighted** notations of items that have been implemented in 2018. Looking ahead to 2019, are there changes that need to be made to the Strategic Plan? The EDA will also want to discuss what areas to focus on in 2019 including:

- Grocery Store/Retail development
- Additional housing opportunities
- Service Roads (east side)
- Update of zoning ordinance and sign ordinance

Attachments:

- 1.) Strategic Plan

Fiscal Impact:

To be determined.

Recommendation:

Staff requests that the EDA review the Strategic Plan and develop a draft work plan for 2018.

Economic Development Authority Action:

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

2018 Projects

Service Roads identified and constructed – ongoing; lack of funding

Senior Housing – approved

Viking Preserve – under construction

Grocery store/Retail – ongoing; challenges – finding land that works and has access and city sewer and water

Comp Plan – ongoing; requested extension hope to have completed in early 2019

2018 City of East Bethel

Strategies and Directions for Business Retention, Expansion and Recruitment

The Mission of the East Bethel Economic Development Authority (EDA) is to promote the recruitment, retention and expansion of business as a means to further economic development within the Hwy. 65 Corridor.

The essential components required to achieve the objective of a Mission Statement are:

I. Dedication to and Promotion of a Business Friendly Environment

- Demonstrate and maintain the City’s positive, progressive and accommodating character in all contacts with the Public by Staff, Commissions and City Council. – *Ongoing. Additional communication efforts between City and East Bethel Chamber*
- Evaluate City policies and procedures to insure the courteous, efficient and timely response to requests, provision of information, issuance of permits and action on issues requiring Commission or Council review and approval. –

Community Development Dept Goals for 2018 include:

- *Hiring of additional staff*
- *Website updates*

II. Update the Comprehensive Plan

- Complete the Comprehensive Plan update by 2018. – *In Process*
- Focus on those elements that will enhance opportunities for economic development and create a land use pattern within the Hwy 65 corridor that maximizes the growth potential of the Corridor. – *Part of the Comp Plan*

- Examine existing and future land use within the Hwy. 65 corridor, and ensure that zoning addresses development needs in this area of the City. – *Part of the Comp Plan implementation*
- Develop a transportation plan component that identifies needs and prioritizes potential projects that advance highway safety, improve traffic flow and enhance access to areas with developmental potential. – *Part of the Comp Plan*
- Identify utility needs and outline strategies for extensions of these services within the Hwy. 65 corridor. – *Part of the Comp Plan*
- Implement policies to retain the rural nature of the City outside the hwy. 65 corridor. – *Part of the Comp Plan*
- Utilize the comprehensive plan as a tool to guide the development goals of the City.

III. Financing business expansion and recruitment

- Develop connections with local, regional and state agencies that can assist the City in financing both existing and new development with grant and loan programs.
- Develop strong relationships with local banks and financing entities and encourage these institutions to become an investment partner to stimulate business retention, expansion and recruitment.
- Develop a plan for City business financing and assistance.

IV. Marketing

- Define the vision of the City and develop a marketing concept that applies to achieving the realization of this objective.
- Prepare a marketing study that identifies target business and industry for the East Bethel market area. – **Done by Ady Advantage for Anoka County**
- Evaluate the factors that make the City competitive/non-competitive within our geographic area and the region -
- Examine and incorporate all appropriate aspects of e-commerce and social media in promotional campaigns that are specific to the City. – not completed
- Network with local and commercial realtors and realty organizations to promote the City's available properties. – *Ongoing, MNCAR, UpRiver*
- Continually update the City marketing information to ensure that all information is current and appropriate. – *Ongoing*
- **Addition of Regional Economic Development Coordinator and initiatives; Anoka County Regional Economic Development (ACRED)**

V. Business Recruitment

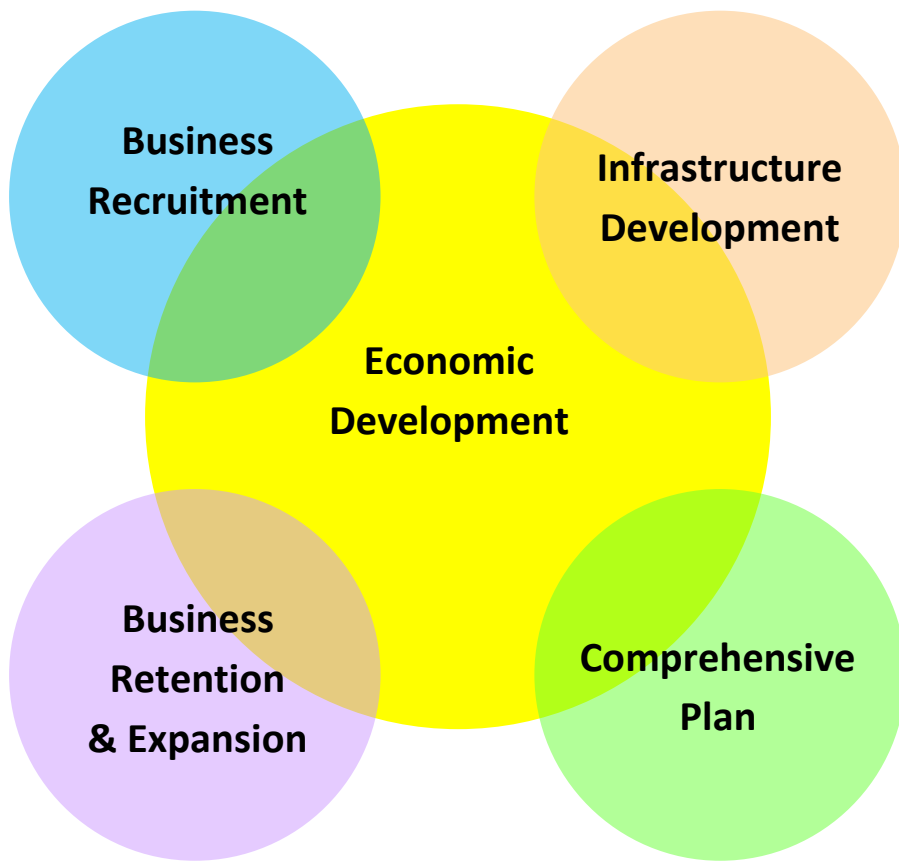
- Develop policies and guidelines that minimize competition conflicts with existing business.
- Utilize data from the marketing study to obtain location needs of identified businesses and develop procedures for contact and follow-up meetings. **ACRED**
- Establish connections and associations with DEED, MSP and other related associations and organizations to develop our profile with these groups and increase our exposure for industrial prospect references. – **ACRED**

Business Retention and Expansion

- Continue to support and promote the BR&E program and projects. - *Ongoing*
- Encourage expansion of membership in the East Bethel Chamber of Commerce. – *Ongoing*
- Continue to work with start-up businesses to provide guidance and information. – *Handled primarily by participation in Open to Business program. City Staff handles Planning aspects*

VI. Evaluation of Strategies

- Provide a definition of Economic Development to provide a basis for establishment of the high level goals to assess program progress .
- Identify actionable goals that have reasonable expectations of attainment.
- Establish standards to gauge and measure progress of business retention, expansion, and recruitment.
- Examine initiatives of other City's that are successfully implementing and economic development programs and identify and apply those that are specific to the needs of the City of East Bethel.

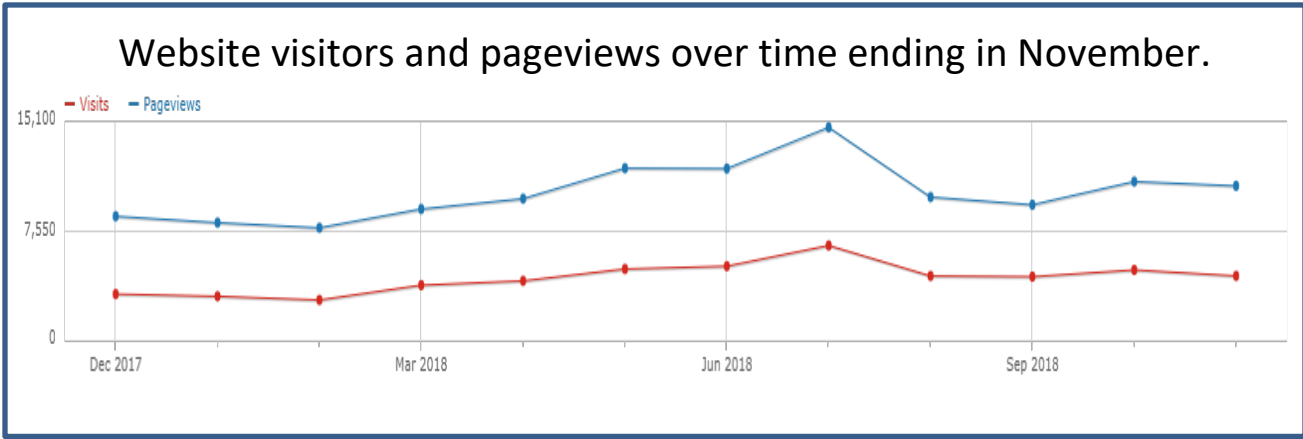


November 2018 Piwik Analysis

Most frequently viewed webpages this month		
Label	Total Pageviews	Bounce Rate
East Bethel, MN	4222	47%
East Bethel, MN - Official Website	3141	33%
Elections	388	43%
City Council	500	36%
Building Inspections & Permits	288	47%
City Maps	235	38%
City Code	235	13%
Agendas & Minutes	139	18%
GIS	118	25%
Residents	104	50%
City Government	88	11%
Planning Commission	101	40%
Newsletters	50	67%
Community Development	39	0%
Parks & Recreation	42	83%
Fire	39	59%
Departments	41	25%
Senior Resources	41	40%
Public Utilities	38	38%
Recycling Events	35	68%
Planning Division	53	0%
Administration	31	50%
Police	28	50%
Public Works	24	50%
Recycling Options	24	57%

Searches within our Site this month	
Searched	# of searches
search	6
variance	4
iup	3
permits	3
property taxes	3
variance permit process checklist	3
zoning map	3
2018 general election day	2
accessory structure 120-199 sq ft	2
dog ordinance	2
election results	2
fire	2
gis	2
gravel policy	2
gravel road policy	2
hardship	2
lot lines	2
mailbox ordinance	2
maps	2
permit	2
r1 zoning	2
septic	2
septic system as-built	2
"gravel road"	1
11/6/18 ballot	1

43% of users viewed our site via mobile devices in November.



Most Downloaded Documents from our Website

Document	# of times downloaded this month
East Bethel Resident Guide	116
2018 Fee Schedule	90
Accessory Structure Pamphlet	63
Quick Reference to the Firearms Ordinance	52
Amended 2014 Zoning Map	47
Zoning Map	46
Electrical Permit Application	38
Quick Reference to the Farm Animal Ordinance	31
Quick Reference to the Septic Ordinance	30
Variance Application	26

