

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY (EDA) MEETING

June 17, 2019

MEMBERS PRESENT: President Julie Lux Dan Butler Tim Harrington Tom Schulzetenberg
 Catherine Lancrain Steve Voss Brian Bezanson

ALSO PRESENT: Jack Davis, City Administrator

1.0 – Call to Order

President Julie Lux called the regular meeting of the EDA to order on June 17, 2019 at 7:00 pm at City Hall.

2.0 – Adopt Agenda

Mayor Voss moved and Mr. Bezanson seconded to approve the agenda as presented. Motion passed unanimously.

3.0 – Approve May 20, 2019 meeting minutes

Mr. Butler moved and Mr. Bezanson seconded to approve the May 20, 2019 meeting minutes as written. Motion passed unanimously.

4.0 – Discussion of Website and Update

Background Information:

At the May 20, 2019 EDA meeting, Staff requested comments and input from the EDA on suggestions for website content and functionality changes.

There were many valuable and constructive suggestions received. Some of the recommendations can be implemented before the content cutoff deadline (August 23), and will be available before the redesign is complete. Staff will begin the process of formatting the following modifications to the Economic Development page:

- Link to the GIS map
- More prominent link to the drove video
- Link to MNCAR
- Link to ACRED for start-up businesses and existing businesses to know what East Bethel has to offer, and what help is available to start-up businesses
- Link to the Open to Business program
- Information and a link to EastBethelJobs.com
- More demographic information, such as the types of families living in East Bethel, lower land values, top educational city, etc.
- Cross-linking between the EDA page and the Economic Development page

Mr. Davis noted items can always be added later.

Other proposed changes will not be available until after the software upgrade, and will not be seen until after the new design is launched (October 10).

- Condensed content layout: less scrolling or clicks to get to the bottom of the page
- More photos included throughout the website
- Drone video to play directly from the Economic Development page
- Information about current commercial development projects within East Bethel, accessible from the home page
- Static map of available development sites

Mr. Davis believes a test page may be available before going live with the redesigned website, however, he will check to verify and will bring the answer to the July meeting. Mr. Butler asked who will be responsible for timely updates to the webpage. Mr. Davis said Carrie Frost will oversee updates with assistance from Cindy Hillyard and Amy Norling. If there are suggestions, Ms. Frost is the person to contact.

5.0 - Drone Video Discussion

Background Information:

The City and the EDA utilized the services of Sarah Cade of Cade Imagining in 2017 and 2018 to produce drone videos of the City scenes and development projects in East Bethel. These videos have been used as a marketing tool in our economic development activities.

Videos are a powerful and effective means of showcasing and displaying all the positive aspects of the City and are rapidly becoming a major means of communication. Drone videos can provide dramatic views of projects and facilities, increase video traffic and video sharing, and provide a spatial perspective that is superior to overhead and oblique aerial and still photographs.

This type of messaging is an extremely effective method of connecting with the City's audience(s) and recognizing the value this type of imagery has in portraying the City in a favorable light.

As a second consideration relating to video promos, the cost of their production may invite the discussion of the City purchase of a drone. For the cost of two (2) videos, the City could acquire a professional model drone with high quality imaging and recording capabilities. Use of our equipment would allow us to reduce costs, control content and editing of recordings independent of weather and contractors' schedules, produce a wider variety of videos for website use and allow the expansion of our audiovisual capabilities for promotional and marketing use.

Drone usage can present both real and perceptual problems regarding privacy matters. The benefits of this technology must be balanced with the issues relating to intrusive access and surveillance concerns. These matters would need further discussion to address any of the apprehensions regarding the use of this equipment.

Should the City/EDA consider this as an option of interest:

- Policies, protocols and limits would have to be adopted to regulate the use of this equipment
- Our insurance policies would have to be reviewed to ensure the City has appropriate coverage for this activity
- Operators would have to be trained and registered under a public operation registration or comply with FAA guidelines for commercial pilot registration.

Mr. Davis invited feedback and if a 2019 video should be done.

Mr. Schulzetenberg referenced a drone could be purchased for the cost of two videos, was there a plan for two videos? For the \$1400 video, how long was the video planned for? Who in the City can produce and edit a video? Mr. Davis said for the cost spent on videos for 2017 and 2018 the City could purchase a very high-quality drone with the capabilities the City needs. The \$1400 was based on the 2018 video cost which included editing and production; the more minutes the more it costs. Mr. Davis has not been given direction to move forward with a 2019 video, so he does not know what the cost would be. Mayor Voss said he thought the last two videos were about 2-3 minutes long. Currently, several staff are competent to be trained in video editing and production. Ms. Frost has experience, plus 2-3 other staff can be trained in a very short time period.

Ms. Lux asked if equipment costs have come down. Mr. Davis said the price of drone equipment has been drastically reduced and that technology has emerged in the past couple of years. Last year, two

similar quotes were received. Because Sarah Cade had done the 2017 video, the City went with her to revise the 2018 video which included material from 2017.

Mr. Butler noted that the 2018 video has music attached to it. What are the licensing issues involved in getting music to play with the video and picking and coordinating that with the scenery? To him it is a talent to make a video look professional with music. He questioned whether staff is capable to produce a professional looking video. Mr. Davis noted Ms. Frost said there are applications available to add music. Ms. Frost owns two drones herself and knows how to pilot and use drones and has done editing on her own videos. Mr. Davis believes she will be perfectly capable of producing a video. If not, she could easily adapt to that very quickly. Mr. Butler referenced the League of Minnesota Cities (LMC) Municipal Use and Regulations regarding drone weight and not flying over 400 ft., etc. In terms of the regulations, he believes the City hiring a professional videographer is the right way to go. Mr. Davis said for the short-term going with a videographer is correct, however, for the long-term in keeping the website fresh and exciting, videos will help. We live in a video society and are attracted to videos. The drone could also be used by the Park Commission, Road Commission and for city events (Booster Days) etc.

President Lux clarified that for the 2019 video the City will contract with Sarah Cade. Mr. Davis said it would have to be hired out. A drone purchase could be in next year's budget, as the City is not ready to purchase one this year.

Mr. Bezanson said it will be interesting to see how the LMC evolves its regulations, policy, warrant search and seizure. This is new stuff and there will be change formulating guidelines. Mr. Davis agreed. Some type of system will have to be signed off on when using a drone, along with the drone footage being subject to Data Practices and Retention Law; footage will have to be stored for a certain time period.

Mr. Harrington would like to know if any other cities in Anoka County are using drones and what the pros and cons are of using city owned drones. Mr. Davis said he sent inquires to cities but has not received many responses back. Plymouth just purchase three and plan to use them for safety purposes, Public Works department and expanding its website video production. To date, the main use of drones has been for public safety – Anoka Sheriff's Department has two drones.

Mr. Butler moved and Mr. Bezanson seconded that the Economic Development Authority recommend City Council authorize the expenditure of up to \$1800 for the cost of a video for the 2019 website and an additional cost not to exceed \$3500 for the purchase of a drone and any additional training involved with owning and operating the drone. Motion carried with Mr. Schulzetenberg voting nay and Mayor Voss abstaining.

6.0 - Fund Transfer – 189th Ave Project

Background Information:

As of May 31, 2019 the unaudited cash balance for the EDA was \$48,000. The 2019 EDA Levy of \$113,500 will be received in equal installments in July and December of 2019. City staff anticipates \$10,000 in additional EDA operational expenses for 2019 and a fund transfer of \$70,000 for the 189th Avenue Utility Extension Project. The projected EDA account balance at year end 2019 is expected to be \$81,500.

Upon receipt of the \$56,000 first half levy payment in July to the EDA, a fund transfer of \$70,000 will be made from this account to the Street Capital Account to pay the EDA share of the water and sewer extension for the 189th Ave Project. An HRA fund transfer of \$100,000 will also be made at the same time to complete utility costs for the service to Cambia Hills.

\$35,000 of the EDA transfer is assessable for tax year 2020. Amortization will be over a ten-year period at 4% interest and will amount to \$4,310 annually. This sum will be returned to the EDA over this time period.

The remaining balance of \$35,000 is a deferred assessment on three parcels on the north side of 189th Ave. These assessments will become effective upon the sale or development of these properties.

The City portion of this project is on schedule and will be substantially complete by the June 30, 2019 contract deadline.

7.0 - Discussion of Adoption of a City Tag Line

Background Information:

At the May 20, 2019 EDA Meeting, there was discussion of adoption of a tag line for the City. The unofficial slogan "Rural Character/Metro Accessibility" was taken from an annotation that was included as a description of a segment from the 2017 City promotional video. Community Development Director, Colleen Winter, informed the EDA that this catchphrase has never been officially approved and was seeking direction as to further action on this matter.

Ms. Winter made mention of the phrase "Rural Character/Metro Connection" as an alternative consideration. The EDA response was additional discussion would be needed to recommend a marketing tagline for the City (see the June 17, 2019 EDA Agenda Item 3.0 for additional narrative on this discussion).

Staff is seeking direction from the EDA as to further action on this item.

Mayor Voss suggested waiting to discuss this item until the new Community Director is hired. Ms. Lancrain agreed with waiting for a new perspective. Mr. Davis said this item will be postponed to the September 2019 meeting.

8.0 - Listings for City Properties

Background Information:

The City owns two non-tax forfeit properties that are served by public utilities. These sites are 1015 189th Ave. and the 14.99-acre Castle Towers/Whispering Aspen Waste Water Treatment Plant (WWTP) site.

The 1015 189th tract is 6.3 gross acres/4 net developable acres. The property has 1,300' frontage on Taylor Street and is zoned City Center. This site is served by City water and sewer. An adjacent 7-acre tract sold for \$380,000 in 2018 and the City approved a selling price of the same amount for our site.

The unaddressed WWTP site on the north side of 244th Ave. adjacent to the Whispering Aspen Development is 14.99 gross acres/10 net developable acres. The property is accessed by Pierce Street and is zoned R-2. The site has access to City water and sewer service from 244th Avenue. The site has not been appraised but is adjacent to the Whispering Aspen Development where 1/4 acre lots are selling for approximately \$50,000 - \$60,000 apiece. It is projected that this site could be platted into 25 - 30 lots. Site development costs for grading, roads, water and sanitary sewer are estimated to range from \$500,000 - \$600,000 or approximately \$20,000/lot.

As these properties were acquired by General Revenue Funds, use of the sale proceeds would be unrestricted and limited only by expenditures that are for appropriate public purpose. It is estimated that the City could realize in the order of \$700,000 or potentially more with the sale of both properties. Staff is seeking direction from EDA on further action for both items. City staff would like to make it well known that these properties are available for sale as great residential sites via the website and submission of this information with a fact sheet and a photo to developers and key players.

President Lux asked if the WWTP is still on the northern site. The WWTP was decommissioned and removed from the site in 2016. All MPCA requirements have been met for the decommissioning and removal of the plant and have met the two-year waiting period required before the property can be repurposed. Does Mr. Davis believe there are any remaining perceptions about the use of the property for housing? Mr. Davis does not think so. He reiterated site development i.e. grading, 1500 linear feet of roads, water and sanitary sewer extensions are estimated to range from \$500,000 - \$600,000. Along with the streets there will be curb and gutter and stormwater. This is a good property to let people know about its availability. The infrastructure in Whispering Aspens should be able to support about 30 additional homes but then it would be maxed out to the limit. A new storage treatment facility for water, whether for a temporary solution like an in-ground tank or an elevated tank (yet to be determined), will need to be looked at in the future for fire protection storage needs. Sanitary lines will be able to handle 300-400 new customers. Is the water and sewer already stubbed in? Water and sewer run along 244th Ave. When this was done six water and sewer stubs were extended to the north side of the street in case the front lots were to be sold. The main service would come from Pierce Street and 244th and extend north into the site to service the houses. Has the City been approached with inquiries about the property? No. Mr. Davis believes a reason for this is no one knows it exists. How is the cost of water handled in Whispering Aspens? Whispering Aspens pays a higher water bill than customers south of Viking Blvd. mainly because the loans were set up under different contracts. The City is trying to get those rates equalized. The same sewer rate is paid. Whispering Aspens has its own water system with two 12" wells producing about 1200 gallons per minute. There are two more phases to Whispering Aspens to be done, so at some point a new water storage facility will need to be constructed. How much water is pumped to the south side of Viking Blvd.? Mr. Davis believes 600-800 gallons per minute, along with half a million-gallon storage tank.

Mr. Davis asked if the EDA would like to give recommendations to City Council to start actively marketing these two sites. President Lux questioned the price for the northern site. Is it something the City has looked at? Mr. Davis believes more examination would need to be done to verify development costs and some other potentials before a price could be set. Mr. Bezanson believes the best use of this property would be for residential. Mr. Bezanson said the property off Taylor Street could be used for a variety of purposes other than residential. Mr. Davis said the only drawback to the Taylor Street property is its linear shape, however, it does have a multitude of uses.

Does the city have any carrying costs on either of these properties? No, these are tax-exempt properties; no revenue is derived from them. Mayor Voss asked how long the City should hang onto these properties with the value increasing. President Lux said not necessarily increasing. Whispering Aspens has about 15 lots available in the 1st Phase of building. Will the other phases be competition for the 244th property to be developed? Mayor Voss believes an interested bidder may be the property owner to the south of the northern property. It was questioned if another developer would be willing to develop this with Whispering Aspens looking at further development.

Mr. Davis said even if both properties are marketed the City still controls the sale of the property. The City can decide as to what is proposed for each property. He believes over the long-term the properties will increase in value. Zoning is R-2 for both properties. A guesstimated timeline of development from sale to roads and utilities installed could be as early as three (3) months. Mr. Butler voiced concern for possible competition with existing developments in progress. Will the City end up with half completed projects? Ms. Lanrain said the northern property presents a further challenge because it is located so much further north and people wanting a quarter acre lot. Mr. Davis noted that lot sizes in Whispering Aspens are a quarter of an acre. Any area where there is sewer and water, a quarter acre lot size is going to be the norm. Mayor Voss said he isn't sure if the City is in a rush to sell these properties, specifically the one off 189th (Taylor Street). That property may be a wait-and-see on what is happening in that area.

The City is in control of what happens with that property. What may be thought to be the best use now may not be in 3-4 years from now.

Has anyone been interested in the 6.3-acre property? Mr. Davis said there was one interested party about a year and a half ago. Price Custom Homes out of Blaine was interested in doing 18 townhomes which would have been a PUD project that fit nicely with that property. The City was reluctant to discuss the sale of that property, so Price Custom Homes moved on. President Lux would like to wait to see what the flow of this area is and what may be needed. Possibly a medical clinic? She prefers to hold off on marketing this property.

Mayor Voss said the City Council has not had discussions concerning revenue. Trying to sell this from a revenue perspective is not the driving force. City Council would like the EDA's recommendations on marketing these properties. The property will require City investment to market it, i.e. rough design, estimates on the proper sale price, etc.

Mr. Butler moved and President Lux seconded to have the Economic Development Authority recommend to City Council to consideration the pros and cons of marketing the Taylor Street property and to refrain from marketing the 244th Avenue property based on the City investment costs needed to obtain a correct market value of the property. President Lux believes the City should hold off on marketing the 6.3 acres until the other infill gets done. The motion was reiterated for clarification. President Lux asked if the intent is for City Council to provide the pros and cons to the EDA for review. Mr. Butler said City Council can decide what to do based on discussions on the topic. He believes that with all the activity going on in that area it might increase interest in development of other acreage south of Our Saviour's Church which could help with City funding and continue the momentum of development activity in the area. Mr. Davis asked if it would be appropriate to come back to the EDA with more analysis on the pros and cons of trying to sell this property before the recommendation is forwarded to the City Council. Mr. Butler said the pros and cons should be considered by the City, with all the other development going on in the area the earliest he sees this being developed would be next year. **Motion carried with Mr. Bezanson opposed.**

9.0 - Community Development Position Update

Background Information:

The City has advertised for the Community Development Director position, vacated by the resignation of Colleen Winter. The job ad was posted on May 24, 2019 in the Anoka Herald Union, the League of Minnesota Cities, East Bethel Jobs.Com, the City Website and personal notification to known potential candidates. Applications for the position will close on June 21, 2019.

The schedule for the selection process will be:

- June 24 -28, 2019: Evaluate and rate applicants
- July 1 -12, 2019: Interview applicants
- July 22-26, 2019: Conduct second round of interviews if necessary
- August 12, 2019: Recommend candidate to City Council
- September 3, 2019: Position commencement

Dependent on the number of applications received and how the interviews go, this could be moved up two weeks. The City has received three applications and Mr. Davis is hoping to receive 3-4 more. The number of candidates may be restricted by the location of the position.

10.0 - City Sign at Highway 65/181st Avenue

Background Information:

The City Sign at 181st Avenue and Hwy 65 was installed as an Eagle Scout Project approximately 20 years ago. The sign, located on property owned by Osborne Development, is dated and showing the effects of weathering.

Replacement of the sign would also require the City acquisition of a lease from Osborne Development for use of the location. Staff has discussed this need with Doug Osborne and he has indicated he is favorable to the request.

Staff is requesting direction as to obtaining quotes for the replacement of the current sign and a lease for the sign site.

The City is not sure whether to go with a static sign or an electronic sign. With the RCI, traffic doesn't stop at the traffic light at Viking Blvd. unless turning left. This diminishes the sign observation time. Relocation of the sign may be a consideration or stay with a repainted/touched up static sign with landscaping.

Mr. Schulzetenberg asked with the updating of the website, is the City logo going to be updated too or remain as is. City Council consensus is not to change the logo. President Lux said the sign is tired looking and outdated. It would be great to see a redesigned/updated sign or at least explore it. With the installation of the RCI Mayor Voss suggested looking into the relocation of this sign. 181st would be an ideal location since it is the border of the City. Mr. Schulzetenberg agreed that being at the border of the City it should make an impact and be welcoming, but not a redundancy of the sign at Viking Blvd. Mr. Davis noted that moving the sign to 181st would incur costs due to the power source being 700' away. The site at 181st is closer to the highway than the one at Viking Blvd. making it easier to read at higher speeds.

Mr. Butler asked what the easement agreement is with Mr. Osbourne, is it a permanent easement and are there any restrictions of height/dimensions. That hasn't been discussed yet. The current agreement with Mr. Osbourne is a gentlemen's agreement with a handshake. He has allowed the City to use this site for a sign for years. If a sign investment were to be made there, some type of permanent easement will be done. Also, a permanent easement would be needed if the property is to be developed.

Mr. Bezanson likes the current sign and believes it is a true representation of the City of East Bethel. A reader board belongs further off the highway. He is in favor of painting the sign and improving the landscaping. Mayor Voss asked if the City is maintaining the landscaping. A garden club used to maintain the landscaping and now the City maintains it. Chances are Mr. Osbourne would not like a reader board on his property. President Lux would rather see a low maintenance welcoming sign than a flash, flash, flash reader board sign.

Mr. Schulzetenberg asked if solar lighting could be used to highlight the sign. His dad has done signs for small cities in Stearns County and lighting has added to the welcoming feel to the City. Mr. Harrington also suggested once a City tagline is developed that it could be added to the bottom of the sign to dress it up a bit. Ms. Lancrain agreed with repainting the sign, updating the landscaping and adding lighting to make it more of a presentation into the City.

Mr. Bezanson moved and Mr. Schulzetenberg seconded to direct Staff to explore ways and costs of lighting the sign, refresh the paint and update the landscaping, and to obtain a permanent easement from Mr. Osbourne. President Lux asked if obtaining quotes to replace the existing sign is something the EDA wants to explore in addition to the lighting. **Mr. Bezanson amended his motion and Mr. Schulzetenberg his second to include exploring ideas and costs to replace the existing sign. Motion carried unanimously.**

11.0 – City Council Report

Background Information:

City Council member(s) will update the EDA on developments and issues related to the Authority's business.

Mr. Harrington reported:

- Council approved two variances for septic setback at 19351 East Front Blvd.
- Passed Resolution 2019-29 Resolution Accepting Bids for the 2019 Street Surface Improvement projects
- Approved amending the 2019 Fire Department fee schedule
- Approved changes to Appendix A Zoning Section 04-10 for variances (this is being done to match the State language)
- Approved changes to Appendix A Zoning Ordinance Section 10-19 Home Occupation Ordinances

Mayor Voss reported:

- City was contact by Jaquel of ACRED for names of East Bethel businesses to attend the PGA tournament. Mayor Voss provided names of businesses to Mr. Davis that he believes may be interested. Mr. Butler suggested including Cambia Hills. Mr. Davis agreed, but chose to focus on East Bethel's existing businesses to have first choice. Mayor Voss said he would include Cambia Hills on the list. Further business suggestions should be emailed to Mr. Davis by tomorrow.
- Council is actively working on next year's budget with another work meeting coming up soon.

Mr. Harrington encouraged everyone to visit Earth Elements to see all the neat items for sale; it's a unique store.

12.0 – Adjournment

Mr. Schulzetenberg moved and Mr. Butler seconded to adjourn at 8:09 pm. Motion carried unanimously.

Submitted by:

Gail Gessner

Recording Secretary