

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY (EDA) MEETING
April 17, 2023

MEMBERS PRESENT: President Julie Lux, Vice President Tom Schulzetenberg, Mayor Tim Harrington, Councilmember Brian Mundle, Catherine Lancrain, Brian Bezanson, Suzanne Erkel.

MEMBERS ABSENT: None.

ALSO PRESENT: Aaron Berg, Interim Community Development Director
Jack Davis, City Administrator

1.0 – Call to Order

President Lux called the regular meeting of the EDA to order at 7:00 pm.

2.0 – Adopt Agenda

Mundle moved and Bezanson seconded to approve the agenda as presented. Lux asked any discussion? To the motion, all in favor say aye. **All in favor.** Lux asked any opposed? That motion passes. **Motion passes unanimously.**

3.0 – Approval of Meeting Minutes

Bezanson moved and Erkel seconded to approve the February 20, 2023, meeting minutes as written. Lux asked any discussion? To the motion, all in favor say aye. **All in favor.** Lux asked any opposed? That motion passes. **Motion passes unanimously.**

4.0 – Christine Costello, Connexus Energy Presentation

Davis presented staff's report stating Christine Costello has replaced Bruce Saylor as our Community & Economic Development Representative for Connexus Energy. Christine will review the services Connexus provides through their economic development programs and discuss what they may be able to offer in the update of our Business Retention and Expansion Program.

Davis indicated Connexus was a major participant in the development and approval of current BR&E plan in 2025-2016 and provided \$5,000 of the \$12,000 cost of the project.

Davis stated as this program is seven years old, it may be time to review and update the plan to reflect the new challenges faced by small business in the post pandemic and the evolving business climate environment.

Davis noted Connexus participation and support of the BR&E efforts are critical to establish the base for moving forward on this plan. Michael Drager, with University of Minnesota Extension Service and one of the primary authors of the current plan, will meet with us at our May 15, 2023 meeting to continue to identify update needs to the document.

Davis indicated staff will also meet with the East Bethel Chamber of Commerce at their next Executive Committee Meeting to enlist their participation going forward with the BR&E update. By our June meeting we can coordinate with Connexus, University of Minnesota Extension Service and the East Bethel Chamber of Commerce on the direction for revisions to the plan.

Christine Costello, Connexus Energy Community & Economic Development Representative, stated she has been working for Connexus Energy for five months and she came from a local government background. She gave a PowerPoint presentation on Connexus Energy. She indicated she has experience with Business Retention and Expansion. She stated she was happy to participate in any way possible with the City.

Mundle stated he believed the City would be very interested in her participation in the future upcoming BR&E. He noted right now they had just started discussing and starting this up again and he invited her

to all future meetings which involved this subject. Ms. Costello responded she was willing to do that. She indicated she liked the BR&E process and believed it was important for a community to do and anyway she can help she was happy to.

Lux asked how long ago did Ms. Costello start a BR&E program with Cottage Grove. Ms. Costello responded in 2016, 2018, and 2019 at which time she switched roles. She noted Cottage Grove still continued the program every other year. She noted they found involving the Chamber of Commerce was also important.

Lux believed what they needed to figure out and discuss among themselves was when this was originally done it was 2016 and now they were a different City with more businesses. She knew the desire was not to start from scratch, but it might be helpful if Ms. Costello would look at what they did last time to see if there is any useful data sets they used last time that they can build upon. She asked Ms. Costello to help them chart their course.

Mundle stated he would be interested in seeing if the U of M had a follow-up program also. Lux stated she would like to interview the businesses again also. Mundle agreed and stated they would especially want to interview the new businesses since 2016.

Davis stated the U of M had several different types of off shoot programs that could complement this. He indicated that was one thing they could get Michael to address next month.

Lux stated she believed they all wanted Connexus Energy's participation and asked Ms. Costello if it was possible she could attend next month's meeting as well. Ms. Costello responded she would if it was possible with her schedule.

Davis stated Ms. Costello was welcome anytime she wanted to come.

Bezanson stated he understood a significant amount of Connexus Energy's power was through solar and wind and he believed there was significant opposition to solar gardens in parts of the State feeling that productive farmland was being used. He asked if Connexus Energy's solar gardens were within their coverage area, or did they buy it from other areas. Ms. Costello responded wind power they do not own any windmills, so that was purchased. In terms of solar, she indicated they have some smaller solar gardens in Ramsey that Connexus owns otherwise it was purchased. She noted solar community wise was a touchy subject on both sides. She indicated there was something called agri-soil where the land can be grazed by cows, goats, etc. She noted in one of their solar gardens they have perennials, beehives, and produced honey. She stated there were other options for solar gardens.

Bezanson stated he understood iron lithium batteries appeared to be the "new" thing. He asked if Connexus would be building any of those. Ms. Costello responded she did not know, but she would check and she would let the Commission know.

Davis asked Ms. Costello if there was any information she needed from them to start this up again. Ms. Costello responded she had read most of the report, but she might want to have a tour of the City and she would like to know what developments have taken place since the 2016 study.

Davis informed Ms. Costello that anytime she wanted a tour of the City to let him know and he can get it arranged for her.

Lux asked if there were any take aways or lessons learned from what Ms. Costello started in 2016 versus the subsequent years. Ms. Costello responded for her it was the communication and making sure that she knew what available resources there were for businesses.

Erkel asked what was implemented from the 2016 study to help the businesses. Mundle responded there were two areas, one referred to as Red Flag Items, which were items that needed to be addressed right away and the City addressed as many of those as they could at that time. He indicated with the other

items, he believed there were four main areas that was found lacking and the participants of BRNE took it upon themselves to form groups to address those items. He stated those groups worked for up to a year or two afterwards implementing some things. He noted that was where East Bethel jobs came from, internet survey, broadband study, etc.

Lux believed the business interviews and the connectivity with the businesses along with the assistance of Anoka County was needed. She noted it was to quantify a result, but the communication really helped.

Mundle stated it opened up a lot of doors.

Bezanson stated one of the company's interviewed was TEK, which was a structural steel manufacturer, who was complaining about having a hard time finding help. He believed TEK was surprised during the interview when he suggested Anoka County Vo-Tech as a source for them. He did not know if that worked out for them, but they were having serious problems finding help.

Lux believed the East Bethel Jobs had a great committee and set up job fairs, websites, and signage to let people know within the community because the outflow of employees was so much more than the people who stayed in the community to work. She indicated they did not have any way to quantify this though.

Bezanson stated when they look back at the changes that have happened due to Covid and how people source jobs, etc., the pandemic changed a lot of things and flipped things upside down in a lot of ways.

Ms. Costello noted workforce is always an issue and unfortunately people are not going into trades anymore. She noted this was about changing the mindset of parents to tell their kids to be an electrician, journeyman, etc.

Lux believed the Chamber was a big help also.

5.0 – Town Hall Meeting

Davis stated the East Bethel Town Hall Meeting is scheduled for Wednesday, April 26, 2023 at the East Bethel Senior Center/ City Hall.

Davis requested that the EDA staff a table for the informal session in the Senior Center. This will be an opportunity to present EDA activities to the public. City Staff will be available to assist at the table. Staff and the EDA will review the types of displays and information material that will be needed for this presentation at the April 17, 2023 Meeting.

Lux stated she would be there for the entire time.

Bezanson stated he would also be there.

Mundle noted if they are looking for people for the BRNE, they can start recruiting there also.

Schulzetenberg suggested also adding a handout as why there is an EDA and why it was important to be involved in it.

Davis noted they also needed to add a marketing line to everything.

Lancrain stated she would be interested in doing something with business expansion and retention. She did not think people had heard about East Bethel and the City needed to get out there more.

Davis said he would send everything out to the Commission before the Town Meeting for their suggestions, comments, etc.

6.0 – 2024 EDA Budget Proposal

Davis presented staff's report stating the Economic Development Authority and City Council are required to approve and submit a preliminary levy to Anoka County by September 30th of every year for the City EDA Budget.

Davis indicated the 2023 EDA Budget levy is \$136,200 and the 2023 EDA expenditure budget was \$133,800. The EDA cash balance as of March 31, 2023 was {\$40,174.40}. The negative balance reflects the \$120,000 transfer that was made to the General Fund in January 2023. The City will receive the 2023 levy settlement amounts in installments from the county in July and December. These payments will make this account whole and provide an approximate balance of \$85,000 at year end if there are no additional un-budgeted expenditures during 2023. Staff recommends that the EDA set a levy that is at a minimum equal to the 2023 amount of \$136,200 for 2024.

Davis noted the 2024 EDA budget is proposed to be \$135,000. This amount would be used to support the Executive Director, City Planner/Community Development Director, Finance Director, and Administrative Support for EDA related work, EDA projects and marketing efforts. The maximum statutory levy that can be adopted by an EDA is 0.01813 percent of the previous year's estimated market value of all property in the City. In 2023 the total estimated market valuation of all property in the City was \$1,752,111,100 which could produce a maximum levy of \$317,658.

Davis recommended that the East Bethel EDA recommend a minimum 2024 budget levy of \$136,200 to City Council.

Bezanson stated I'll make a motion to accept the 2024 proposed budget of \$136,200.

Schulzetenberg stated I'll second. Lux asked any discussion? To the motion, all in favor say aye. **All in favor.** Lux asked any opposed? That motion passes. **Motion passes unanimously.**

7.0 – Business Activity/Staff Report

Davis presented a summary of development projects in the City including Wasche Commercial Finishes, demolition of Speedway, the Elevage project, Kwik Trip, and Certus Financial.

Davis noted staff attended the East Bethel Chamber of Commerce Executive Committee and ACRED meetings in March. He indicated staff met with a local business to explore expansion possibilities within the City.

Davis stated the City finished 2022 on a positive financial note and will begin 2023 with a tax rate that is in the lower third of Anoka County Municipalities. For pay, 2023 East Bethel's tax levy of 0.9% was the lowest in Anoka County. The City's tax rate has dropped from 59.0% in 2015 to 37.61% for 2023. The City will receive its 2022 Audit Report at the April 24, 2023 City Council Meeting.

8.0 – City Council Report

Councilmember Mundle updated the EDA on recent Council actions.

9.0 – Adjournment

Mundle moved and Erkel seconded to adjourn at 7:54 pm. To the motion, all in favor say aye. **All in favor.** That motion passes. **Motion passes unanimously.**

Submitted by:

Kathy Altman

TimeSaver Off Site Secretarial, Inc.