

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY (EDA) MEETING  
May 15, 2023

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

MEMBERS ABSENT: Catherine Lancrain.

ALSO PRESENT: 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

**Bezanson moved and Schulzetenberg 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 Schulzetenberg seconded to approve the April 17, 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 – BR&E Program Update

Davis presented the staff's report indicating the East Bethel EDA has begun discussion for needed revisions to the current BR&E Plan which was adopted in 2016. 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 culture and the evolving business climate environment as it exists in 2023. The EDA is also interested in any ancillary programs that would complement and enhance the BR&E.

Davis indicated Christine Costello, the City's Community & Economic Development Representative for Connexus Energy, attended the April 17, 2023 EDA Meeting and reviewed the services Connexus provides through their economic development programs and discussed what they may be able to offer in the update of our BR&E Program. Ms. Costello was scheduled to be present at our May 15, 2023 meeting but notified staff on May 11, 2023 that she would be unable to attend this meeting.

Davis stated Michael Darger, with University of Minnesota Extension Service and one of the primary authors of the current BR&E Plan, was in attendance and would provide a review of potential updates and/or direction to the plan.

Davis noted staff met with the East Bethel Chamber of Commerce at their May 11, 2023 and updated the Chamber on the on the EDA's initiative to revisit our current BR&E Program and requested their participation going forward with the BR&E update. By our June/July meeting we can coordinate with Connexus, University of Minnesota Extension Service and the East Bethel Chamber of Commerce regarding the focus of the plan.

Michael Darger, University of Minnesota Extension Services, stated in 2016 there were four basic things that were on their plan with one being marketing. He indicated East Bethel has set up East Bethel Jobs that went live in 2016 and people were posting jobs, but it had been challenging to get people to send postings in.

Mr. Darger stated he was now running what they are calling the Connecting Businesses and Community Program. He indicated he had spoken with Joe Lisanti at the Ohio State University today about East Bethel and Mr. Lisanti had stated that East Bethel had an interesting approach.

Mr. Darger indicated Eric King, who was not in attendance at this meeting, was available to the City whenever they needed assistance if he was not available. He indicated Mr. King had some good experience and they also work with the team at UMD. He noted whether the City decided to go with the traditional approach, or do the Ohio State approach, they could do that. He indicated he could review the traditional approach as well as the Ohio State approach for the EDA if they wanted.

Mundle asked if Mr. Darger had a follow-up program that could be applied to the traditional program as a follow-up and to see how things are going. He stated he was not sure the EDA wanted to do the entire traditional program again but would be interested in hearing about what other programs would be available.

Mr. Darger responded they do not have a follow-up program. He noted they did have a bunch of things on their little menu of stuff that no one has every purchased though. He stated the City could either do the traditional program again, or they could do nothing. He indicated though that the Ohio State program was kind of in between.

Mr. Darger summarized the traditional University of Minnesota approach noting this was the program the City did the last time. He stated this program had three steps which included organization, data gathering and visiting businesses, and the third step was the implementation step.

Mr. Darger stated the City had completed all of the steps the last time.

Mr. Darger summarized the Ohio State program. He indicated that program uses an electronic survey and then they send out visitors later to the businesses if the businesses request a visit, which was a different approach than the University of Minnesota uses. He noted their program started in Ohio and both programs were good programs. He stated if the EDA was interested in the Ohio State Program, they could discuss this option also.

Mr. Darger stated while they don't have a standard follow-up program, the EDA could put this out to every business and see which businesses wanted a visit. He did not believe all of the business would be interested in a visit, but if they all did, the EDA would have a lot of work to do. He noted the more businesses that would like a visit(s), the more teams the City would need to put together to do those visits.

Mundle inquired about modifying the program and just send out surveys and do the interviews. Mr. Darger stated if they were going to do interviews in person, then he recommended they do their large survey. He noted it could be modified if that was what they wanted also.

Schulzetenberg asked other than the electronic survey were there any other differences with the Ohio State Program and what did Mr. Darger see lacking in this approach. Dr. Darger responded the Ohio State Program had one report, but he was not sure what kind of strategic acts and planning they did. He indicated their program used the two reports system, which was an 80-90-page report and from that report then they have a three-to-4.5-hour meeting.

Schulzetenberg stated personally he thought they should start out with an electronic survey. He indicated he was familiar with the survey program they were using.

Lux asked if they went the traditional route, could the City start with the electronic survey. Mr. Darger responded he believed a lot of the traditional approach would be a part of the City's program, even if they did the electronic survey up front.

Lux believed they might get more of a response and then they can look at the list manually and compare it to the master list to figure out who they had not heard from and then see if they can add to it that way. Mr. Darger stated they could do it this way and then fill in the gaps.

Bezanson noted a lot of the businesses in the City were sole proprietors and the City did not have a lot of heavy industrial businesses. He stated he was struggling with how much they could get from a mail or an electronic survey. He indicated they have done that in the past and for him the results were disappointing. Mr. Darger acknowledged there was definitely survey fatigue, so if they were going to do this the EDA needed to point out through social media and the press that this was a very important survey and what the goals of the survey were. He stated if they marketed the survey as just another electronic survey, they would not get much of a response.

Bezanson expressed concern that the City did not have a sufficient workforce base to support the businesses. Mr. Darger noted they pay a lot of attention to workforce. He indicated whether they chose to do an electronic survey up front and follow up visits from there, or the traditional approach or some modification of the traditional approach, he believed they could still get a good report based on their data and other data that's out there. He believed there's probably more of an opportunity to do individual responses and they could get more than 43 businesses to respond.

Mr. Darger asked if the City had a Community Development Director. Mundle responded not – that the City had one, but the new Council eliminated their position.

Mr. Darger acknowledged they didn't have much staff capacity for this, but asked if they could get community volunteers to be part of the visitation teams. Bezanson responded in looking at the previous list of volunteers, he believed two-thirds of them were businesses owners in the City.

Mr. Darger stated they should also get government employees and elected or appointed officials involved. He recommended they get the Chamber involved too. Mundle indicated the City was discussing this with the Chamber who is willing to be involved and help out.

Mr. Darger asked how many members the Chamber had. Erkel responded over 100 members.

Davis asked if Mr. Darger should send the EDA a proposal application to look at. He indicated he would like to invite the Chamber to the next EDA meeting also. Mr. Darger responded he could get the information to staff by the end of the month.

Erkel believed very little was implemented from the first study. She acknowledged the City worked on four businesses. She stated they could still do implementation things. She asked if they needed to do a whole study when there was the packet of information of where they can go and get committees and volunteers without the U of M. She asked why they would spend their money on this when they already had the information. She believed they could go out and talk to the businesses themselves. She noted she has been on the Chamber of Commerce and has attended their meetings for two years. She stated she has asked businesses at those Chamber meetings if they have said nobody has contacted them since 2016 or 2017. She stated they needed to visit the businesses to let them know the City cares. She did not believe they needed to spend additional money. She indicated if more information was needed after they visit the businesses, then they can go back and do a new study. She stated they have the information and the data from the previous study and nothing has been addressed on it.

Mr. Darger responded the EDA had done a good job last time and a lot of the issues would be the same, but the pandemic had happened and there would probably be some changes. He acknowledged there was still some good information even at seven years old.

Lux believed what the EDA would be obtaining from a study would be the training of the volunteers and the coordination. Otherwise, she noted somebody would need to take on that role.

Mundle agreed it would be the advising and getting the expert advice.

Lux stated it would be a major coordination effort and she did not know who they would ask to that on that role.

Schulzetenberg stated this was a good point. He asked why they would want to do another survey if the City staff itself lacks a Community Development Director to not only spearhead this, but also implement it. He did see a valid point in updating this, considering all that has happened with the pandemic. He believed City staff was also strapped as well. He asked who would be the person responsible for implementing this.

Mr. Darger stated if the EDA wanted to do their own electronic survey, they could, but there is a methodology to it and he wanted to make sure it was good and that was one thing they could help with. He acknowledged they are used to working with a City who had an Economic Development Director and had more staff involved. He stated they would need very committed volunteers and leadership team if they would do this themselves.

Bezanson stated he did not want to only concentrate on two businesses. He believed they did well the last time. He stated when he was previously asked for his high points, he was interested in tech industries. He believed it was hard to have a lot of results when they are dealing with a fairly small number of businesses and they did a good job the last time.

Erkel stated she wasn't saying nobody did anything, but the plan was not completely implemented and she believed more could have been done and could still be done before they do a full study again.

Lux responded that was a valid point, but pointed out that the City has new businesses and some of the businesses that were in the City for the prior study are no longer in the City. She indicated it would be good to take stock of what they've got now, rather than working off of old data.

Davis stated whatever the results are on what they want to do, they will get the Chamber involved this time and the Chamber is not the same Chamber as it was last time. He indicated they are not at staff capacity to do this like before either and it is going to take somebody who can be the leader and has the drive to get this done.

Mr. Darger stated it was all about coaching if they wanted to do the work themselves.

Erkel asked if they had any training programs or classes. Mr. Darger responded the next class they have is on June 20 and 21, 2023 at the St. Paul campus and the information is on their website. He indicated the class doesn't get into all of the details, but they will get the big picture of what this is about. He stated this was another option for them also. He noted the class did not work for everybody, but for people who like to go on the computer and just learn stuff by themselves, it was pretty good. He indicated he did not know if the class would actually take place as he did not have anybody signed up yet. He stated they needed ten people for the class. He indicated they had a lot of different options and flexibility which he would put in the proposal.

## **5.0 – Business Activity Report**

Davis summarized the development projects and discussions in the City that have occurred since the last EDA meeting including the demolition of Speedway at the intersection of 187th Lane and Highway 65; the Elevage project; the NDR wetland matter relating to the Kwik Trip project; the City approving a Resolution calling for a public hearing regarding conduit bond issuance for Nexus; and Designing Earth Contracting.

## **6.0 – Ordinance Review**

Bezanson stated he felt it was important that the EDA weighed in on this. He stated he had an opinion on this, but that his opinion would probably be ignored. He believed this was taking a step backwards.

Schulzetenberg stated he would like to hear Bezanson's thoughts and he believed this was the proper forum for him to share those thoughts.

Davis reviewed staff's report stating City Ordinance, Architectural Standards, Appendix A, Zoning, Section 28 is in the process of review by the East Bethel Planning Commission. The need for the review

was discussed by City Council at their April 3, 2023 meeting and was sent to the Planning Commission for comments on proposed changes to this ordinance. The Planning Commission discussed this matter at their April 25, 2023 meeting and this matter has been continued to their May 23rd meeting.

Davis indicated Brian Bezanson spoke at the May 8, 2023 City Council Meeting and requested that City Council include the EDA in the review of this Ordinance and have the EDA provide comments to these changes, particularly as to any impact they may have relating to economic development and marketing efforts by the City.

Davis recommended the EDA offer recommendations to Planning Commission for consideration at their May 23, 2023 meeting.

Bezanson noted the wood framing industry is very much evolving and he did not think they want to have the type of building that would be allowed by the Ordinance change going up on the vacant lots that are on Highway 65 frontage. He stated the City worked hard to implement substandard architectural standards and to throw that away was, in his opinion, a mistake. He indicated this opened up the possibility of having more. He believed this was taking a step backwards and he would like to see the decision delayed to be studied more as he believed this had long-term implications for the economic health of the City. He stated when he heard this was coming forward, he wanted to speak out.

Davis stated one of the first things is to allow painted steel siding is a next year finish for new construction. He noted Blaine allows architectural metals, which is the freeform panels that are corrugated in some sense and have some relief to them. He did not see too much of a problem with this because then it says they have to be incorporated 50 percent with two or more materials and either with the other material, rock, some kind of precast enhanced concrete finishes, glass, and things of that nature.

Bezanson stated he was talking generically, but pole barn steel is one type of steel siding or steel roofing. He believed what was very attractive siding was standing seam. He explained standing seam is where the panels come together and they go up there preformed and there is a clip that comes down and a cap that is put on top of that. He indicated that looked very nice. He stated when rules are loosened up, people would find ways to try to cheat even more.

Davis stated one of the things mentioned was modified language to ensure that new construction was not required to have windows on the side or back of buildings. He noted traditionally now they have, at least in the corridor what is called four-sided architecture where you have some elements of design on each wall. He stated he could see in certain instances where certain buildings that have whether it is up front office space in the back is more or less a warehouse, the blank walls do enhance your storage ability and you don't eat up on spaces that are occupied by the windows or other things of that nature.

Davis thought there's probably some flexibility to look at that one that suggested the next one is the combination of design requirements into two different districts. He believed this was more or less a procedural matter and it is just a matter of how you want to arrange the ordinance once it is written.

Davis stated the third was one adding architectural enhanced precast. He indicated the current Ordinance actually precast concrete panels were prohibited, but there is one clause in there that says, "or as approved by City Council." He indicated the enhanced precast concrete tip up panels the way they do them now can be very attractive and very enhancing building. He thought that was a good one to be changed in the Ordinance. He indicated this had to be defined but does not need to be changed to just specifically allow a good concrete definition.

Davis stated the other one was modifying the percentage of the façade facing the public right-of-way that must be glass. He believed the requirement was now 30 percent for commercial and 20 percent for industrial. He stated that's one where they could go down to 20 percent for both. He noted the other one is to remove a constraint on pole buildings in B-2, B-3 light industrial zones.

Davis stated the last one is a procedural matter on how they organize what changes were made.

Lux stated hypothetically if someone has a beautiful building design, somebody could build a pole building there. Davis responded if this was approved as written, that was correct.

Lux believed this was a mistake. Davis stated another way to look at it is there may need to be a different zone created that might allow some of these types of structures and maybe where you have water and sewer is one area where you don't have this architectural standard. He indicated pole buildings have so many things you can do with them now from an architectural standpoint that were not available 20 years ago and you can dress them up.

Erkel believed a lot of businesses were not coming to the City because the City had too many micromanaging rules. She stated they were costly requirements and it decreases opportunities for businesses to move here. She did not think the City was business friendly. She believed most of the changes being proposed were cosmetic and there are no serious proposals to change anything that would matter and she agreed with the changes.

Lux stated from a structural standpoint, there was a big difference between tilted panels in a pole building. Erkel stated nothing would change in what the inspectors would be looking for. She indicated they would still have electrical and plumbing inspections that are the important ones. She stated cosmetics were not that important.

Bezanson stated pole buildings do not go on footings, per se; they go on a path that is put down underneath the pole down below frost depth. He indicated there was a huge difference in the structure between the two of them. He indicated Erkel has never built a building, so they are walking in water that is way over your head.

Erkel stated she had never built a building, but they had just built an addition where her husband did all of the work and she was there and she saw what went into it. She indicated she was not stupid.

Lux believed Bezanson was implying that there is big structural differences between the kinds of buildings and then when it's finished, you get a painted steel silo site and when you look at the building 15 years down the road, it is sun bleached and discolored. She stated there are huge differences and asked if this is what they would want in their business park.

Schulzetenberg asked from a development perspective, what was Lux's assessment of this and how would it potentially affect future businesses coming into the City. Lux responded they need to look at the success they have had in their business park. She indicated the difference was in construction costs and she couldn't venture a guess on what percentage difference they are talking about.

Bezanson noted commercial buildings were subject to special inspections and City building inspectors don't normally come out to take a look at the concrete and masonry being placed. He noted a special inspector had to come out to do this because of the level of professionalism that is involved in that type of construction.

Lux stated for a bank to take a look at financing a pole barn versus a differently constructed building with other materials and insurance rates are a huge difference. She indicated people who are building in the industrial park right now were there for the long run and they are investing in the community – it's just more long-term. She asked if they wanted someone to build a \$4,000 pole barn and said they have a business.

Erkel stated it was her opinion that they want the businesses. Lux responded they do want businesses, but they need to put a lot more definition in the areas and she believed they needed to talk about this more with particular zones.

Bezanson believed this was written up by someone who handed it to a Councilmember and now he's running with it. He asked what the next thing was. He asked if they are going to no longer require fire protection. He stated right now they had to have fire protection. He stated the concept that they are going to build a commercial building and have it be a pole barn was not logical, especially since he believed the next step was why they would require fire protection. He stated he could not think of a worse thing for the few remaining lots where they have water and sewer. He did not see loosening up the architectural standards as aiming for the highest and best use.

Erkel stated there were a lot of pole buildings on both sides of Highway 65. She believed Davis had some good ideas about making a zoning district that allows pole buildings. She stated if they went a bit north on Highway 65, she did not see any problem with "plopping" pole buildings all over the place.

Bezanson agreed with Erkel about the possibility of having an area that is zoned that way. He believed eventually pole buildings would be bull dozed and nice buildings would be put in because a pole barn was not a large investment. He stated maybe they should only be allowed in a certain area in the City. He stated he wanted this to be studied more.

Mundle stated if pole buildings were allowed would they have their own architectural standards for them. Erkel stated she was thinking the same thing and this was a good point.

Bezanson believed pole buildings in residential areas were reasonable. Mundle noted if they mix pole buildings with the traditional buildings, it will wreak havoc on the property values also.

Bezanson stated when he saw all of the vacant lots on the highway, he believed at some point there would be some retail use there. Davis stated there might be a service type business, such as a hotel/motel, but as far as retail on the west side of Highway 65, he did not think they will see any more service-oriented businesses.

Davis stated he got an indication of what they are going to recommend to the Planning Commission is maybe do a bit more study and maybe there needs to be certain areas for these. Lux responded that sounded reasonable.

Erkel stated she did not know about needing to study this more but did agree with drawing lines. Davis stated when he said study this, he meant they are going to have to set up some definitions and make sure everything is clarified. He stated he would draft something up to send to the Planning Commission and if any EDA Commissioner had any further comments, to let him know.

## **7.0 – City Council Report**

Mundle updated the EDA on recent City Council actions.

Harrington stated the Girl Scouts and Lions were going to clean up CR 22 on Saturday and asked people to drive carefully in the area.

## **8.0 – Adjournment**

**Erkel moved and Bezanson seconded to adjourn at 8:55 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.*