

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY (EDA) MEETING
March 18, 2024

MEMBERS PRESENT: President Julie Lux, Vice President Tom Schulzetenberg, Mayor Kevin Lewis,
Council Member Bob DeRoche, Brian Bezanson, Catherine Lancrain, Suzanne Erkel.

MEMBERS ABSENT: None.

ALSO PRESENT: Matt Look, 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

Erkel moved and Lancrain 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 – Election and Appointment of Officers

Look opened the floor for nominations for EDA President.

Erkel nominated Lux for the EDA President.

The EDA Members unanimously elected Lux as the EDA President.

Lux requested nominations for the Vice Chair.

Erkel nominated Schulzetenberg as Vice Chair.

The EDA Members unanimously elected Schulzetenberg as Vice Chair.

The EDA Members unanimously elected Look as the EDA Treasurer.

The EDA Members unanimously elected as Jeziorski the EDA Assistant Treasurer.

The EDA Members unanimously elected Frost as the EDA Secretary.

4.0 – Approval of Meeting Minutes

Erkel moved and Schulzetenberg seconded to approve the November 20, 2023, meeting minutes.

Lux asked any discussion?

Lux requested on page one, line 42, change “ultra” to alta”.

Lux moved to approve the minutes as corrected.

To the motion, all in favor say aye. **All in favor.** Lux asked any opposed? DeRoche abstained. That motion passes. **Motion passes 5-0-1.**

5.0 – Presentation from 2024 Booster Day Committee

Stephanie Dorn stated presented an update for the 2024 Booster Days event noting the event will be rebranded as “the Party in the Park” to highlight local businesses and residents, with a focus on building awareness and involvement from City leadership.

Ms. Dorn highlighted the free events including a petting zoo, inflatables, and a talent competition. She also noted the Anoka County Sheriff’s Office will perform a canine demonstration, as well The Express Band will provide music for the evening street dance.

Ms. Dorn stated she would like the City to have a more visible presence at the event by setting up a booth and having City staff and Councilmembers rotate shifts throughout the day to connect with residents.

Ms. Dorn noted the Committee was seeking volunteers to help with various tasks on the day of the event, including supervising inflatables, checking in vendors, and general help.

Ms. Dorn indicated Route 65 and other local businesses were sponsoring the event through monetary donations and in-kind donations of goods and services. She stated business would also participate by renting a vendor space to advertise their goods and services as well as connect with the local community.

Lewis inquired if there was a date for the next East Bethel Bulletin. Look responded there was not a date. Lewis believed it would be useful to have space dedicated to Booster Days in the next Bulletin. Dorn stated she would draft an article for the Bulletin.

Lux stated it might be helpful to have a booth at Booster Days where residents could sign up to receive the Bulletin by email. Dorn responded she would make a note of that suggestion.

6.0 – Industrial Park Concepts

Look stated the current industrial park was filling up and the City staff was looking at what could be done once the current industrial park was full. He noted staff had prepared different maps of possible areas which he presented.

Look noted there was a discussion for a water tower and treatment plant to serve local schools, with potential for commercial development in the area. He requested the EDA discuss the path they wanted to recommend to the Council.

DeRoche and Bezanson outlined what had occurred in the past with respect to this.

DeRoche noted they needed to look and get specs of the pipes and exactly what was put in the ground as well as get a water test in the sewer water district. He recommended the City Engineer look at this. Look indicated Yochum had done an analysis on this and if that is the direction the EDA wanted to go, he would follow up with him further.

Bezanson stated he liked the idea of an industrial park, but they would need to add a lift station and have some fire protection. He noted it was expensive to put in fire protection if they were tapping into a public watermain. He acknowledged there were a lot of balls up in the air and they needed to figure out exactly where to go with them.

DeRoche asked how much of Whispering Aspen taxes were being put towards the water system. He noted if they were just going to be adding another water system for suppression so it could be added onto this development, he had an issue with that as the developer was a private developer, but if they were going for a commercial/industrial commercial park, the residents were going to benefit from this as their taxes would be going down. He expressed concern Aspen development would then say they would put more houses in the development. Look noted that development was already approved in terms of the phases and the issue becomes public safety in terms of the water that was available there.

Lewis believed they needed to focus more on industrial commercial as they pay property taxes at twice the rate the residential did; they do not have children to educate; and they provide jobs in the local community. He stated he liked Look's approach and he liked using other people's money as a facilitating tool. He stated residential development was great for retail spaces, but the commercial was a better next step in the economic development policy.

DeRoche asked Lewis if he had a preference where the industrial commercial was located. Lewis responded he did not have a preference.

Look stated one of the challenges was when a commercial entity had to provide for their own well and septic, they had to have a half an acre plus versus if a commercial entity hooked up to City services, more density could be put in to use the land a lot better.

Bezanson believed the most valuable piece of property for development was sitting on the northwest corner of Highway 65 and 22. DeRoche noted there was not a sewage treatment plant there but rather a water reclamation plant, which made a big difference.

Look summarized the benefits of 200 plus acres of undeveloped existing commercial industrial zoned land.

Erkel asked why none of this was the developer's responsibility. Look responded historically developers did not pay for City services. He indicated developers would put in roads and curbs, but not City services such as septic, sewer, or water. He stated that was the responsibility of the City.

Erkel questioned the \$2 million fee for the water tower. Look responded they did have an estimate of \$2 million for the water tower.

Bezanson stated he would be interested to hear from Yocum had to say and if he had any insight or knew of any hydrological.

7.0 – SAC/WAC Business Loan Discussion

Look summarized staff's report stating in 2012 Met Council approved changes to the sewer availability charge (SAC) credit rules that simplify the rule and also provide a boost to both small businesses and redevelopment:

- SAC paid at any time on a particular site is sufficient evidence for potential credit
- If a property is redeveloped, and the demand for wastewater capacity is reduced from the previous use, the community will get "net credits"
- Net Credits from an actual SAC payment may be used at another site or left at the site at the communities' option
- For a site that was "grandparented" or is recorded as a continuous demand (but where no SAC was paid and demand is permanently reduced), "nonconforming" credits will also be available to offset the demand needed at that site. This will help reduce the cost of redeveloping long-vacant properties.
- The unused potential credits from a grandparented site will be available for business growth on the site for a period of 5 years from the initial grandparent determination

Changes that help Small Business:

- Minor SAC credit transfers will be allowed at the communities' discretion when the determination is 10 SAC units or fewer. This would allow a growing small business to move within a city to a site with no previous SAC determination and expand without paying their base SAC fees again.
- The Met Council will develop a SAC loan program specifically to assist communities in helping small businesses whose determination is 10 SAC units or less.

Look indicated staff has reached out to the Met Council to determine if the program is still in existence since 2012 and if changes have been implemented. Staff is awaiting response to those questions.

Look noted Councilmember Tim Miller inquired as to the options that are available to businesses, in the form of SAC/WAC loans from the City of East Bethel. As a reminder, the city charges SAC/WAC fees above and beyond what the Met Council charges. SAC/WAC access charges that the city charges business to utilize city water services. Fees are accumulated in enterprise funds and are used for depreciation and eventual replacement of city sewer/water lines stubbed to businesses (lines not part of the Met Council system).

DeRoche gave a historical summary of the water sewer from the previous time he was on the Council.

Look asked the Commissioners if they wanted staff to try to find businesses that could take advantage of this and how much did they want to allocate towards this every year. He indicated staff would put some parameters together and bring this back to the EDA for approval.

DeRoche stated he did not think this was a program that would be run through the EDA but should instead be run through the Council. Look responded it would be a recommendation from the EDA to the Council under the auspices of economic development.

Lewis inquired if the levy would need to be increased. Look replied he did not know about a levy increase at this time, but that would be a decision the Council would need to make at the appropriate time. He noted it would depend on what requests came forward.

Bezanson believed SAC/WAC fees would be huge along with a large cost to hire a contractor to put the pipes in the ground.

Look stated if the EDA wanted to make a motion to investigate this more, or they could recommend Council allocate a certain amount of funds to this.

Lewis believed this was a situation where you might want to hire someone with expertise in this. He indicated he was in favor of temporarily hiring people who had expertise, as opposed to putting on additional work on the City staff. Look believe

d they could craft something that was reasonable. He noted it might be over \$10,000 to hire someone, but staff could craft some criteria and see what other cities had done and attempt to duplicate that.

Lewis asked if Look had every run into this type of a situation before. Look responded he had not. He noted the credits were interesting because if a business went out of business, according to the Met Council, the credits would stay with the property. However, he noted the staff that had put this in place at the Met Council had changed since 2012 and some of that information may have been lost with the people that left, but if it were still in existence that would be a big benefit for people coming in if those credits could be utilized. He indicated the City was not involved in the credit though and this was through the Met Council.

Lancrain asked when would they disclose that information to the City if there was abandoned money there. Look explained the process for determining this.

DeRoche believed there would also be City records somewhere on all the information on how they figured everything out back in 2012.

Erkel stated she would like more information regarding this.

Erkel stated I'll make a motion for the City to further investigate loans and lower interest rates to businesses for a second WAC along with researching notes, credits, etc. Bezanson stated I'll second. Lux asked any discussion?

Erkel inquired if staff would be coming back with what the interest would be if the City would need a levy along with any other extra costs to the City. Look responded there would be multiple steps. He indicated they did not know how many businesses might apply for this as to whether there would be an increase in the levy, or some other investment avenue such as an internal loan transfer which staff would need to look at and come back to both the EDA and the Council.

To the motion, all in favor say aye. **All in favor.** Lux asked any opposed? That motion passes.

Motion passes unanimously.

8.0 – BR&E Program Update Discussion

Lux summarized the people she had recently met with to figure out a framework for the new BR&E program. She noted Christine Costello had taken a new job and was no longer working for Connexus, which put a “wrench” in this as she was going to be on the leadership team. She stated she assumed Connexus was going to fill the vacation position and she hoped the new person would have the same level of commitment, but she did not know what was going to happen. She recommended the EDA wait to see what happens with Connexus and the new person who was hired.

Look noted he had reviewed the information from 2016 and he believed a survey would be critical for the businesses as well as getting a more current look at what do you determine to be the local concerns. He stated from a community development standpoint, they would help in the aid of this as well and compile some of the survey questions.

Lewis stated he had suggested using Survey Monkey for a resident’s survey, and they could also use Survey Monkey with the business community as well.

DeRoche believed they were going to request businesses be registered in the City (with no fee) for a record for the Police and Fire Departments. Look responded staff was discussing business licensing mostly for fire protection. He agreed Survey Monkey would be a good tool to use for surveys.

Lux noted while an electronic survey might be good for some of the businesses, she believed it was important for the businesses to also be able to meet someone in person which would help build trust and rapport with the City. However, she acknowledged they needed to be sensitive to staff’s time in this also. She believed they needed a longer discussion of what this would look like in terms of City time and resources for this study. Look responded staff was looking at this in trying to determine how to free up some of the Community Development Director’s current responsibilities. He indicated staff might need to come back and say they need to go out and look for professional help or services to get this done.

Erkel believed they were “reinventing the wheel” and they had someone speak to them awhile ago who informed them that the answers of new surveys were almost identical to past surveys. She indicated they already had a lot of the answers they needed.

DeRoche noted nobody had done anything with the past study that was done. Bezanson believed they were just burning dollars at that time. He stated a lot of people who were enthusiastic and had the energy previously were no longer in the City also. He indicated he was not a “big believer” in surveys either because they did not get a large enough statistical sample back, but he did like that they did not cost a lot of money and they were easy to do. He agreed with Lewis to look at this from a service standpoint to the businesses.

Lux believed the survey as it relates to businesses was just a small part of this and it was really the business interviews with the personal touch of connecting with the business leaders was where the value was.

DeRoche agreed meeting face-to-face with a good approach to get information.

Look noted Ramsey had a business appreciation breakfast which gave an opportunity for their EDA members to interface with the businesses and ask questions, which might be something East Bethel could look at doing also. Erkel agreed everyone liked free food and the Chamber breakfasts were well attended.

Lewis stated the surveys could be a collection of things whether in print, electronic, or in person meetings. He again recommended they look into hiring temporary expertise. He indicated he did agree with everything that had been said tonight though. He noted he had been on the EDA since last June and they keep talking about the same thing, but nothing has been done. He stated he would like to get a Survey Monkey survey out soon to get things going.

Look suggested the EDA members commit to going to the Chamber breakfast to represent the City.

9.0 – Business Activity Report

Look stated the staff report summarized what was happening with the following projects: Elevage project; Capstone Homes Preliminary Plat Application; Hidden Prairie Rural Residential subdivision; Design Earth Contracting construction; Matt's Plumbing Solutions CUP; inquiries regarding the 7.1 acre City owned property south of and adjacent to Cedar Creek Senior Living; the Strandlund Farm Rural Residential subdivision; Classic Commercial Park 5th Addition Preliminary Plat and Final Plat; and TEAM Drywall, Inc. expansion.

Lewis asked how many people were consistently watching the City Council meetings. He indicated the Council was on a trend with having shorter meetings, and they were getting things done also.

Erkel suggested if the City had a booth at Booster Days, they should put up maps and other information on poster board with all of the activity that has been happening in the City.

Look gave an update on Highway 65 relating to the various intersections north of Bunker leading up to 22 and 65.

10.0 – City Council Report

Lewis updated the EDA on recent Council activity.

11.0 – Adjournment

Lewis moved and DeRoche seconded to adjourn at 9:06 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.