

***ANDOVER ECONOMIC DEVELOPMENT AUTHORITY MEETING–
MAY 19, 2020 - MINUTES***

The Meeting of the Andover Economic Development Authority was called to order by President Julie Trude May 19, 2020, 6:00 p.m., at the Andover City Hall, 1685 Crosstown Boulevard NW, Andover, Minnesota.

Present: Commissioners Sheri Bukkila, Jamie Barthel, Valerie Holthus
(arrived at 6:04 p.m.), Ted Butler, Kari Kafer and Greg Mueller

Absent: None

Also present: EDA Executive Director, Jim Dickinson
Community Development Director, Joe Janish

APPROVAL OF MINUTES

March 2, 2020, Regular Meeting: Correct as written.

Motion by Bukkila, Seconded by Barthel, to approve the minutes as written. Motion carried 4 ayes and 1 present (Butler).

SWEAR IN NEWLY APPOINTED COMMISSIONERS

Mr. Dickinson administered the oath of office to the newly appointed Commissioners Kari Kafer and Greg Mueller.

COMMERCIAL PROJECT ACTIVITY

Mr. Janish updated on the following:

Upper Midwest Athletic Construction – City Council recently granted a CUP for Interim Performance Standards to utilize parking stops vs. high back curb. This project has received approval with the requirement that we reevaluate the screening once complete to be certain it works. The City Code allows for the Council to require review of any outside ordinance so if concerns exist after the completion there is room to work with the applicant to provide additional screening.

Hearth Development, 1714 Bunker Lake Boulevard – Two tenant spaces remain to be leased.

Clocktower Commons, 15190 Bluebird Street – The final building pad location interest is relatively low at this point.

Andover High School, 2115 Andover Boulevard – Phase 2 is underway. Footings are being completed for outdoor education classrooms and new field house.

Interest in Hughes Industrial Park – Interest in this area comes and goes. A 10-acre property east of the park has been on the market and City Council reviewed with the landowner desired roadway connections through the parcel at a past workshop.

Andover Public Works Maintenance Building, 1900 Veterans Memorial Boulevard – Working on punch list items and the move in process has been initiated.

Andover Community Center, 15200 Hanson Boulevard – Multi-purpose rink floor is in place, mechanical for hockey facilities are being installed, running track is in and bleachers shop plan is approved.

YMCA Expansion, 15200 Hanson Boulevard – Is under construction, which will include a new gymnasium. Mechanical rough-in is complete, structure is in place, fireproofing is complete and elevator shaft is in place.

Beberg Landscaping (self-storage), 13535 Grouse Street – After staff completed the commercial site plan review, staff was contacted that the developer desires to adjust each building by six inches which requires a resubmittal of plan sets. RLS is approved by the City Council. Staff continues to work with deed transfers and easements.

Legacy Christian Academy, 3037 Bunker Lake Boulevard – Construction is underway to build a three-story classroom addition between the existing buildings to replace temporary classrooms.

Riverdale Church, 3210 Bunker Lake Boulevard – Continues to work on their interior remodel which they hope will create an “open design” to provide a more modern appeal and allow for more interaction for all ages.

Integra Dental, 13783 Ibis Street, Suite 400 – Expansion is underway to add additional workstations, the work is almost complete.

CVS Pharmacy, 3633 Bunker Lake Boulevard – CVS Health Club is complete.

Casey’s, 15246 Bluebird Street – A permit was submitted for a full commercial kitchen and interior remodeling.

Restaurants/Fast Food – Currently staff is aware of companies continuing to look for land to locate to in Andover.

Margie’s Kitchen and Cocktails, 13735 Round Lake Boulevard, Suite 105 – City Council

approved a CUP for on-sale liquor license on February 18, 2020. Permit review is complete. They plan to open sometime in July.

TCF Site – TCF was approached by private parties about acquiring the lot from them. Staff has heard from three parties who have made offers on the site. Two uses would be allowed according to current zoning regulations. A third party contacted City staff indicating they also made an offer. Staff is unsure at this time if TCF has actually sold the parcel.

Train for Andover Station – Staff is attempting to follow up with a potential business on this particular lot. This lot is owned by the Association.

Hanson Boulevard and 133rd Avenue Monument Sign – This should be underway. Some items have been ordered and Demars Signs has taken the lead on this project.

7th Avenue and Bunker Lake Boulevard – Staff continues to work with Quest Development and CenterPoint Energy on acquiring a roadway easement through the CenterPoint property. CenterPoint has agreed to an alignment. The proposed developer is working on an easement description for the property. The proposed developer is waiting for title work on the property. Surveying work for boundaries have been completed according to the developer.

Holasek Property – This parcel has become relatively silent at the moment.

COVID-19 – The City has set up a page with several resources for businesses and residents on the City of Andover website.

Overall Marketing – City staff continues to work with parties interested in investing in Andover and marketing all commercial sites. Staff continues to work with Anoka County Regional Economic Development (ACRED) on marketing of the community and Anoka County.

DISCUSS ABATEMENT AT 2557 BUNKER LAKE BOULEVARD

Mr. Janish explained the EDA owned property at 2557 Bunker Lake Boulevard is empty. The original direction from the EDA has been to demo buildings as they become vacant. After an asbestos inspection of the building it was determined there is asbestos material in the ceiling. Staff contacted three contractors that specialize in the removal of asbestos. The cost is significantly higher to scrape the ceiling verses removing the ceiling. Staff is recommending the removal of the ceiling panels. By removing the ceiling panels, it does prevent the Fire and Sheriff Departments from using the building for training exercises.

President Trude asked if the building can be demoed without removing the ceiling. Mr. Janish indicated by not removing the asbestos and just demoing all the building materials become hazardous.

The Bunker redevelopment area was discussed.

Commissioner Kafer asked if there has to be a disclosure regarding removing the asbestos sent to the surrounding houses. Mr. Janish replied no.

Motion by Holthus, Seconded by Barthel approving the removal of asbestos and demolition by Envirobate for 2557 Bunker Lake Boulevard. Motion carried unanimously.

DISCUSS COVID EMERGENCY LOAN FUND

Mr. Dickinson stated currently there is a bill in the process at the State Senate that would distribute funds based on a dollar amount per resident to local communities. The City could receive anywhere from \$1.6 to \$2.8 million. Staff began to look at what would be qualifying expenditures for the funds and developed a program to allocate funds to qualifying small businesses. Mr. Dickinson indicated there will be some City costs that will be recouped from the funds. The expenditures have to have been accrued during the COVID period through December 31, 2020.

Mr. Dickinson stated the program through application would assist small businesses upon re-opening.

Mr. Janish presented the highlights of the program:

- Maximum amount: \$10,000 or some other dollar amount determined by amount given and EDA approval.
- Term: up to five (5) years.
- Rate: 0%
- Deferment: first six (6) months of payments deferred.
- Forgiveness: up to 100% forgiven based on meeting set criteria.
- Eligible uses of funds: payroll, accounts payable, lease/mortgage payments, utilities, inventory, and other business-related expenses.

Businesses who are eligible to apply for funds through COVID ELF program must meet the following criteria:

- Have a physical non-residential location within the City. (In-home businesses would not qualify)
- Employ no more than 40 full-time employees.
- Faced mandated full or partial closure or were deemed non-essential by the State of Minnesota.

In order to apply the applicants would need to provide the following:

- Two most recent business tax returns.
- Credit check authorization form.
- Personal financial statement form.

- Payroll reports from the 1st quarter 2020 showing employment levels, details on if the position is full or part-time and wage.
- Next three (3) months of itemized operating expenses (May, June, July).
- Proof of business address
- Articles of incorporation.
- SBA form 1368.
- CMDC debt schedule form.

President Trude indicated she feels the criteria seems intimidating for a small “mom and pop” business. Mr. Janish stated the primary focus is the applicant proving they were operating as a business.

Commissioner Barthel indicated he would like to see LLC added as a qualifying criteria and he likes the idea of having a third party reviewing the applications.

Mr. Dickinson reiterated this is a bill making its way through the legislative process and may be altered. Staff is looking for EDA input at this time, if approved, staff will be looking for a formal motion at the June 2, 2020 EDA meeting.

President Trude stated \$10,000 seems like a low amount. Mr. Janish replied the amount can be changed.

Commissioner Butler asked what the EDA’s primary interest in this would be. Mr. Dickinson replied to help small businesses get started back-up.

The EDA discussed the program and concurred to move forward with refining the program to be prepared if funds are approved by the State.

ECONOMIC DEVELOPMENT STRATEGY DISCUSSION

Mr. Dickinson stated with new commissioners on the EDA he thought it would be a good time to discuss EDA strategies over the course of the next 1-2 years. Discussion points on where the EDA would like to see staff spend their time on EDA items. Staff has put together a strategy list:

- Strategy 1: Define the role of the Andover EDA
- Strategy 2: Market the City of Andover
- Strategy 3: Public Inventory/Assets
- Strategy 4: Private Inventory/Assets
- Strategy 5: Tools

Commissioner Bukkila asked about exploring a program that could help older homes in the City with exterior upgrades.

President Trude indicated Coon Rapids has a similar program in place. Mr. Dickinson said there

are some programs that offer housing rehab loans. President Trude suggested adding that to the list.

Commissioner Butler suggested prioritizing the projects, such as the redevelopment area on Bunker Lake Boulevard and getting that done first.

Commissioner Barthel agreed to add both those items to the strategy list.

Commissioner Mueller asked when there has been a formal review of the EDA By-Laws. Mr. Dickinson answered prior to 2004.

Commissioner Mueller suggested reviewing the By-Laws since there could be some changes that need to be made since the last review.

Commissioner Kafer agreed with reviewing the By-Laws and prioritizing the redevelopment area.

OTHER BUSINESS

There was none.

ADJOURNMENT

Motion by Barthel, Seconded by Bukkila to adjourn. Motion carried unanimously. The meeting adjourned at 6:57 p.m.

Respectfully submitted,

Michelle Hartner, Recording Secretary