

***ANDOVER ECONOMIC DEVELOPMENT AUTHORITY MEETING–  
JULY 21, 2020 - MINUTES***

The Meeting of the Andover Economic Development Authority was called to order by President Julie Trude July 21, 2020, 6:00 p.m., at the Andover City Hall, 1685 Crosstown Boulevard NW, Andover, Minnesota.

Present: Commissioners Sheri Bukkila, Jamie Barthel, Valerie Holthus, Ted Butler, Kari Kafer and Greg Mueller

Absent: None

Also present: EDA Executive Director, Jim Dickinson  
Community Development Director, Joe Janish  
City Attorney, Scott Baumgartner

***APPROVAL OF MINUTES***

*June 16, 2020, Regular Meeting:* Correct as amended.

Commissioner Holthus stated on page 4, line 37 and 38 the sentence “The proposed developer is working on an easement description for the property” should be removed as it is in the paragraph twice.

***Motion*** by Holthus, Seconded by Butler, to approve the minutes as amended. Motion carried unanimously.

***DISCUSS CARES GRANT PROGRAM***

Mr. Janish stated the EDA may recall from previous meetings staff had presented a loan program for local businesses. The Governor approved the CARES Act Funding Program, the City received funds July 6<sup>th</sup>. There have been some modifications to the program. The program is now a grant program verses a loan program. As long as that business can show the financial impact was due to COVID-19. There is an application process. Mr. Janish continued the funds are also available for the City to recoup costs accrued due to COVID-19.

Mr Janish reviewed the program, indicating the City could be audited if falling within the criteria. Mr. Dickinson reviewed the federal single audit process.

Mr. Janish indicated the Federal Government set the criteria of what the funds could be used for. The applicant would need to show hardship to receive the funds.

Mr. Janish reviewed the application and the reporting of what the funds were used for that would be required by the applicant. There will be an application deadline.

Mr. Dickinson indicated the application would ask for basic business information and will be verified. The intent of the grant program is to keep it simple and to get the funds in the hands of the small businesses. He stated the funds that are not allocated will go back to Anoka County.

Commissioner Butler stated he felt the proof of expenses was redundant in the application. Mr. Dickinson explained the proof of expenses is to show the business is not “stacking” grant programs.

Commissioner Mueller asked what does the applicant get from the City. Mr. Janish answered staff would provide the application and assist the applicant through the process. Commissioner Mueller stated the Objectives section is well written and he suggested putting that section also on the application.

Commissioner Barthel asked if the \$10,000 cap was removed. Mr. Janish stated the cap was removed. Mr. Dickinson indicated the EDA can set a cap. Commissioner Barthel indicated he feels \$10,000 may not be enough, which is why he wanted to see that cap removed.

Commissioner Bukkila asked if the program as two phases would non-profit businesses be eligible to apply in Phase 2. Mr. Dickinson indicated the thought process of two phases is if there are funds available after the first phase, phase two would be available for expenses accrued after August 1, 2020 and for those businesses who did not apply in phase one.

Commissioner Holthus asked what non-profits could apply if there is a Phase 2. Mr. Dickinson replied they would have to be a 501C3.

President Trude asked about small businesses not being registered being eligible to apply. Mr. Dickinson indicated staff would need to verify they are indeed a small business and if they are operating as a business, they will have a State ID number. Verifying the State ID number will be the easiest way confirm they are a registered business.

President Trude stated after talking to staff she suggested the 50 FTE be lifted for Phase 2. The goal is to distribute as much as the funds as possible to Andover businesses rather than returning the funds to the County.

Mr. Dickinson gave an overview of the funds. The City received \$2.4 million. The City has been evaluating eligible costs that meet the criteria. At this time, the City will hold back \$500,000 to \$600,000 for eligible city costs. That leaves \$1.8 million for this program.

Commissioner Bukkila asked for a ballpark number of businesses in the City. Mr. Janish answered staff figures about 107 businesses could qualify for the program. Mr. Dickinson added the business has to be a conforming business.

Commissioner Kafer asked if this program is a first come, first serve or after the deadline staff will review all the applications. Mr. Dickinson replied all applications will be reviewed after the deadline. Commissioner Kafer also asked what will determine if the applicant receives funds from the program. Mr. Dickinson stated staff will put together a “review checklist”.

Mr. Dickinson explained what would qualify as a justifiable expense for a business.

The EDA discussed the number of FTE and amount to cap for the program. The consensus was to keep the FTE at 50 and a \$50,000 cap for Phase 1.

President Trude stated she would like to see in the policy a better explanation of expenditures that qualify for the funds. She also asked about marketing the program to the businesses.

Commissioner Mueller stated on page 4, Section B Eligible Business Details, he suggests duplicating that paragraph under Section A Eligible Expenditures. He believes it is clearer if located in both sections.

Mr. Dickinson indicated based on the amendments requested by the EDA; staff will make the changes to the program policy.

***Motion*** by Barthel, Seconded by Holthus.

Commissioner Holthus withdrew her motion for further discussion on the FTE number and the dollar amount cap for the program.

The EDA discussed the dollar amount cap.

***Motion*** by Barthel, Seconded by Holthus approving the CARES Act Program with 50 FTE and a \$50,000 cap. Motion carried unanimously.

### ***APPROVE ACQUISITION OF PROPERTY***

Mr. Janish indicated staff will be closing on the property at 2527 Bunker Lake Boulevard on August 3, 2020. He is looking for the EDA to consider ratification of the Purchase Agreement and also include authorization for EDA Executive Director Mr. Dickinson to sign the Purchase Agreement.

***Motion*** by Bukkila, Seconded by Barthel approving the Purchase Agreement and authorizing Executive Director Mr. Dickinson to sign the Purchase Agreement. Motion carried unanimously.

Mr. Dickinson updated the EDA on the redevelopment area. Indicating active negotiation on a property on 138<sup>th</sup> Avenue. Staff has been in contact with another property owner as well. Staff will continue to monitor the area.

***OTHER BUSINESS  
COMMERCIAL PROJECT ACTIVITY***

Mr. Janish updated on the following:

***Upper Midwest Athletic Construction*** – The applicant has made a few changes by moving the pond further to the west. Staff is working with them again as part of the review process of the Commercial Site Plan. Two different site plans were submitted pending the outcome of the potential fence amendment at tonight’s Council meeting.

***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.

***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 completed and is in full operation, fuel is expected to be active the week of July 27, 2020. Some final grading and seeding yet to take place. The Memorial is underway, some finishing materials will be completed by City staff, plaques are coming in a little slower than anticipated, once several are ordered then they will be installed.

***Andover Community Center, 15200 Hanson Boulevard*** – Interior work is occurring. Some site work is still needed.

***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. Working on punch is items.

***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. Developer has been attempting to record RLS and deed transfers.

***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.

***Casey's, 15246 Bluebird Street*** – A permit application 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 an on-sale liquor license on February 18, 2020. Permit review is complete.

***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 133<sup>rd</sup> Avenue Monument Sign*** – This should be underway soon. Some items have been ordered and Demars Signs has taken the lead on this project. Electrical work is expected to be run to the site.

***7<sup>th</sup> 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. Surveying work for boundaries have been completed according to the developer.

***2557 Bunker Lake Boulevard*** - Asbestos removal is complete. An adjacent owner has indicated that their well is tied into ours at this property. This has slowed the demolition as staff is investigating the well situation at this time.

***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. See also CARES Grant Program.

***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.

***ADJOURNMENT***

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**Motion** by Bukkila, Seconded by Barthel to adjourn. Motion carried unanimously. The meeting adjourned at 6:54 p.m.

Respectfully submitted,

Michelle Hartner, Recording Secretary