

**ANDOVER ECONOMIC DEVELOPMENT AUTHORITY MEETING–
SEPTEMBER 4, 2018 - MINUTES**

The Meeting of the Andover Economic Development Authority was called to order by President Julie Trude, September 4, 2018, 6:01 p.m., at the Andover City Hall, 1685 Crosstown Boulevard NW, Andover, Minnesota.

Present: Commissioners Sheri Bukkila (arrived at 6:03 p.m.), James Goodrich, Valerie Holthus, Mike Knight, and Joyce Twistol

Absent: None

Also present: EDA Executive Director, Jim Dickinson
Community Development Director, Joe Janish
Public Works Director/City Engineer, Dave Berkowitz
Others

APPROVAL OF MINUTES

August 21, 2018, Regular Meeting: Correct as written.

Motion by Knight, Seconded by Twistol, to approve the above minutes as written. Motion carried unanimously.

COMMERCIAL ACTIVITY UPDATES

Mr. Janish reviewed the following:

The Shops @ Andover, 13650 Hanson Boulevard – AT&T, Natural Nails, Dunkin Donuts, Joy Kitchen, Twin Cities Dental and SportClips are all open.

Estates at Arbor Oaks/Trident Development, 1753 156th Lane – In the process of renting out units. Within 30 days, they expect to be 72% full. Apartments are rented for \$1,600 to \$2,859 per month.

Domino's Pizza, 2256 Bunker Lake Boulevard – A portion of the tenant space occupied by Belli Capelli Salon is being remodeled to become a Domino's Pizza take-out. The City Building Department was able to negotiate no charges for SAC units saving the owner around \$25,000.

Growing Generations, 15216 Bluebird Street – Is open. They held an open house but do not expect to have a Grand Opening.

FedEx/Walmart Tenant Build Out, 1851 Bunker Lake Boulevard – A FedEx services office is being built into one of the tenant bays at the front of the Walmart Store.

Anoka Parks, Activity Center Greenhouse Demolition and Renovation, 550 Bunker Lake Boulevard – Demolition of the existing greenhouse area will give way to an outdoor patio area. Footings are in. Other improvements are to renovate the site approach and provide for better accessibility and general renovation.

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

Upper Midwest Athletic Construction – A CUP was granted for outside storage, staff is waiting for the Commercial Site Plan to be submitted. The owner is working with a civil engineer on a swale that runs through the property. Staff is drafting a letter to the owner, if their Commercial Site Plan is not submitted staff will request Council to revoke the CUP and they would need to cease operations for outside storage.

Hearth Development, 1714 Bunker Lake Boulevard – Staff continues to review the Commercial Site Plan (CSP) and the contractor recently submitted for a building permit. Staff is waiting for what is believed to be the final plan submittal for a counter review.

Interest in Hughes Industrial Park – Interest in the area has quieted down.

Clocktower Commons – Tom Roberts, the property owner has indicated he has some interest in Lot 4. Mr. Roberts is looking at some adjustments to Lot 4 including changing the Brio drive thru to flow to the north.

President Trude asked if the interest in Lot 4 is for a “sit down” restaurant. Mr. Janish answered Mr. Roberts has not indicated what the type of business is interested in the parcel.

Andover High School, 2115 Andover Boulevard – Construction is in process. The project has a value expected around \$11.9 million-dollar project. All demolition work is complete. Footing and foundation work is about 80% complete. The west wall is started and will be the 2-story area for science classrooms.

Overall Marketing – Staff continues to work with parties interested in investing in Andover and marketing all commercial sites.

REDEVELOPMENT UPDATES

Mr. Janish stated staff met with a developer who expressed interest within the City. The developer’s interest would be in constructing affordable housing and may be looking at the City for financial help, such as a TIF District.

Mr. Dickinson indicated he has been in contact with a broker for another developer interested in

another area within the City. Again, the interest would be for affordable housing with financial help from the City.

Mr. Dickinson noted all the developers staff has been in contact with indicate affordable housing projects, not market rate housing. Staff is looking for direction from the EDA.

The current higher density areas of the City were discussed.

Mr. Dickinson reminded the EDA the areas are zoned high density, any developer that would come in is looking to maximize those areas to make a profit.

Commissioner Bukkila asked why there is no interest in market rate housing. Mr. Dickinson replied the developer would need to bring their own money to the table or have the project completely financed by a bank. He continued with affordable housing you have the government credit programs involved, where there are tax credit programs for financing plus there are tax benefit advantages on income for providing affordable housing.

Commissioner Bukkila asked is there a way to give an incentive for market rate housing. Mr. Dickinson answered yes, you can but the facility would still have to provide 20% affordable housing in that facility.

The EDA Commission concurred to stay with their current plan.

OTHER BUSINESS

7th Avenue & Bunker Lake Boulevard - Mr. Janish stated a master developer has a letter of intent and a signed purchase agreement with the Sonstebly Family for the purchase of all 113 acres. 5 acres is zoned Commercial and the rest Multi-Family. The purchase agreement is contingent on the developer working out acquisition from Centerpoint Energy for access.

President Trude asked how many acres are available for housing. Mr. Janish replied approximately 20 acres. North of Bunker Lake Boulevard would be higher density Multi-Family and south of Bunker Lake Boulevard may be a Single-Family housing project.

The area was discussed.

Commissioner Twistol toured the Dominion River North senior affordable facility in Coon Rapids. She was very impressed and thought it was great.

Mr. Dickinson explained the TIF deal for the Coon Rapids facility.

Mr. Dickinson stated the City does not have to agree to provide all eligible TIF that may be requested by a developer.

Mr. Dickinson reviewed with the EDA on what they would like to see in the area, market rate

housing, senior housing facility and a senior affordable housing project would be considered but not a 4-story building. The EDA concurred with the summary.

EDA Commission Candidate Interviews – Mr. Dickinson indicated staff received two candidate applications for the EDA Commissioner vacancy. The EDA Commission concurred to schedule an EDA meeting on September 18, 2018 at 6:00 p.m. to conduct candidate interviews to make a recommendation to the City Council for appointment.

ADJOURNMENT

Motion by Bukkila, Seconded by Knight to adjourn. Motion carried unanimously. The meeting adjourned at 6:56 p.m.

Respectfully submitted,

Michelle Hartner, Recording Secretary