

***ANDOVER ECONOMIC DEVELOPMENT AUTHORITY MEETING–  
OCTOBER 20, 2020 - MINUTES***

The Meeting of the Andover Economic Development Authority was called to order by President Julie Trude October 20, 2020, 6:00 p.m., at the Andover City Hall, 1685 Crosstown Boulevard NW, Andover, Minnesota.

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

Absent: None

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

***AMEND AGENDA***

Mr. Dickinson requested the Closed Session be removed from the agenda and add to the agenda Approve Bunker Redevelopment Area Property Acquisitions.

***Motion*** by Butler, Seconded by Kafer, to approve the amended agenda. Motion taken by roll call:

President Trude: aye  
Commissioner Butler: aye  
Commissioner Holthus: aye  
Commissioner Barthel: aye  
Commissioner Kafer: aye  
Commissioner Mueller: aye

Motion carried 6 ayes and 1 absent (Bukkila).

***RECOGNITION OF SERVICE TO EDA – JOYCE TWISTOL***

President Trude recognized Joyce Twistol for her 15 years of service as an EDA Commissioner. President Trude thanked Ms. Twistol for her knowledge and passion for Andover she brought to the EDA Authority.

Ms. Twistol stated it was a pleasure serving on the EDA for 15 years.

***APPROVAL OF MINUTES***

*October 6, 2020, Regular Meeting:* Correct as presented.

***Motion*** by Kafer, Seconded by Mueller, to approve the minutes as presented. Motion taken by roll call:

President Trude: aye  
Commissioner Butler: aye  
Commissioner Holthus: aye  
Commissioner Bukkila: aye  
Commissioner Barthel: aye  
Commissioner Kafer: aye  
Commissioner Mueller: aye

Motion carried unanimously.

***REVIEW 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. The applicant is in the process of completing this project. Staff met with the applicant and due to the overhead power lines and concern with power company trimming in the future some adjustments were made to the plantings.

***Hearth Development, 1714 Bunker Lake Boulevard*** – Two tenant spaces remain to be leased. Staff was asked if a liquor store could be located in this building, however due to the property being zoned Industrial it would not be permitted.

***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. The northwest outdoor education classroom additions are completed and occupied. Walls for the new field house are being topped out and the structural roof steel has been installed. Interior remodeling is underway through the existing locker rooms.

***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. Staff has been contacted about contract warehousing for a home-based business.

***Andover Public Works Maintenance Building, 1900 Veterans Memorial Boulevard*** – This

project is complete.

***Andover Community Center, 15200 Hanson Boulevard*** – All areas are occupied, punch lists and final inspections are anticipated through the end of the year.

***YMCA Expansion, 15200 Hanson Boulevard*** – Complete, punch list items only.

***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 recorded the RLS and transfer of property.

***Legacy Christian Academy, 3037 Bunker Lake Boulevard*** – The Certificate of Occupancy has been issued.

***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. This project is underway.

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

***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 project is complete.

***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. Staff has meet with some home builders on this property. The density level has created issues with the developer as they have builders for more density and less and is difficult to hit the target.

***2557 Bunker Lake Boulevard*** - Asbestos removal is complete. Quote forms are distributed to the demolition contractors. City Council will consider demolition award in the near future.

**2526 138<sup>th</sup> Avenue** - Asbestos removal is complete. Quote forms are distributed to the demolition contractors. City Council will consider demolition award in the near future. The wells will be sealed.

President Trude asked about the timing of the demolition of the buildings. Mr. Janish replied the demolition should occur in mid-December.

President Trude asked if letters could be sent to the neighbors regarding when the demolition will occur. Mr. Janish indicated letters can be sent.

**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. The City of Andover also created the COVID-19 small business grant program. Funds have been distributed and advertisement has been removed from the City website.

**Housing** – Developers are looking for additional land for future developments. Several developers are trying to keep an inventory of lots but are having difficulty in finding locations. 115 new house permits have been issued this year.

**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.

### ***REVIEW/DISCUSS 2021 PROPOSED EDA BUDGET***

Mr. Dickinson reviewed the EDA budget information located in the packet. He stated the 2021 Fund Budget balance is getting quite low. A General Fund transfer to the EDA Fund to help continue this process may need to take place prior to 2022. Mr. Dickinson continued the EDA Fund has not been a tax levy item, the EDA has been working with redevelopment and managing TIF Districts. There are no active TIF Districts at this time. Personnel services historically have billed for staff time, now staff is not billing the EDA. The EDA commissioner salaries are the only staff personnel costs in the EDA budget.

Mr. Dickinson indicated the main source of draw on the EDA budget in the last few years has been the monument signs.

Mr. Dickinson indicated the EDA's mission is provide for quality developments of commercial and industrial properties and keeping them strong and viable.

Mr. Dickinson stated he does anticipate making changes to the rentals and billing time for administration towards the rental properties.

Mr. Dickinson reviewed the Budget Detail items.

Commissioner Butler asked about the low fund balance and when would the transfer from the General Fund take place. Mr. Dickinson replied right now with the rental properties there is positive cash flow into the EDA Fund. He anticipates the transfer would take place the end of 2021.

President Trude asked if the 2021 budget numbers should be reduced. Mr. Dickinson replied staff can make adjustments but with COVID, costs are lower than usual then they would be in a “normal” year.

**Motion** by Bukkila, Seconded by Kafer to recommend the EDA Budget to the City Council.  
Motion taken by roll call:

President Trude: aye  
Commissioner Butler: aye  
Commissioner Holthus: aye  
Commissioner Bukkila: aye  
Commissioner Barthel: aye  
Commissioner Kafer: aye  
Commissioner Mueller: aye

Motion carried unanimously.

***APPROVE BUNKER REDEVELOPMENT AREA PROPERTY ACQUISITIONS***

Mr. Dickinson stated the closing for 2556 138<sup>th</sup> Avenue will take place October 30, 2020. The City closed on 2513 Bunker Lake Boulevard on October 15, 2020

Mr. Dickinson indicated the EDA is requested to consider the acquisition of two properties 2621 and 2607 Bunker Lake Boulevard. The purchase price would be \$460,000 each. At this time one 4-plex has 3 tenants and the other has 4 tenants. The renters are currently on a month-to-month lease. The closing would take place before December 30, 2020.

**Motion** by Barthel, Seconded by Bukkila approving the acquisition of 2621 and 2607 Bunker Lake Boulevard and authorizing the Executive Director to sign the purchase agreement.

Commissioner Bukkila asked how many acres the EDA has acquired in this area. Mr. Janish replied roughly 5 acres.

Mr. Dickinson reviewed the area.

Mr. Dickinson indicated the acquisition fund still has some funds available for 2021.

Commissioner Bukkila asked for a review of the tenant occupancy of the properties the EDA owns. Mr. Janish updated the tenant occupancy.

Motion taken by roll call:

President Trude: aye

Commissioner Butler: aye

Commissioner Holthus: aye

Commissioner Bukkila: aye

Commissioner Barthel: aye

Commissioner Kafer: aye

Commissioner Mueller: aye

Motion carried unanimously.

### ***OTHER BUSINESS***

#### ***STRIP MALL BUILDING IN FRONT OF TARGET***

Mr. Dickinson indicated the EDA does have covenants on the property which does restrict the amount of office space in that building. The owner of the building has a vacancy. A real estate company is interested in renting the 1,800 square foot space. The owner would like to seek a waiver from the EDA for this specific lease. The City Attorney advises not to sign a waiver as this could create issues in the future.

The property owner's attorney was able to secure a waiver from Target. Target is fine with the lease and did put together an extensive letter identifying what they are willing to agree with and setting limitations. The property owner's attorney is working to get 100% waiver sign off from all the businesses in that area. The waiver does indicate if the real estate company leaves the building the original restrictions go back into effect.

Commissioner Holthus asked if all the office buildings are full or do they just want to be on Bunker Lake Boulevard. Mr. Dickinson answered most of the office space in the area is rented.

Commissioner Kafer stated she does not agree with the real estate company going into the building. She would like to see a retail business go into the space that is going to serve more Andover residents than a real estate company would.

Commissioner Butler stated he is fine with the real estate company going into the space, he would like to see the space filled.

Commissioner Mueller indicated he agrees with Commissioner Butler especially during this current environment.

Commissioner Barthel stated he agrees with Commissioners Butler and Mueller. He would rather see the building full and does not like to tell business property owners what or what cannot go into their building.

Mr. Dickinson reviewed the restrictions Target put into their letter. He indicated Target does not want to see empty space in front of them. He feels filling the space is the right decision. President Trude and Commissioner Holthus agree with filling the space.

***ADJOURNMENT***

President Trude declared the meeting adjourned at 6:56 p.m.

Respectfully submitted,

Michelle Hartner, Recording Secretary