

***ANDOVER ECONOMIC DEVELOPMENT AUTHORITY MEETING –  
MARCH 16, 2021 - MINUTES***

The Meeting of the Andover Economic Development Authority was called to order by President Sheri Bukkila March 16, 2021, 6:00 p.m., at the Andover City Hall, 1685 Crosstown Boulevard NW, Andover, Minnesota.

Present: Commissioners Jamie Barthel, Ted Butler (remote) Valerie Holthus (remote), Randy Nelson, Kari Kafer, and Greg Mueller (arrived at 6:05 p.m.) (remote)

Absent: None

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

***APPROVAL OF MINUTES***

*February 16, 2021, Regular Meeting:* Correct as written.

***Motion*** by Barthel, Seconded by Nelson, to approve the minutes as written. Motion taken by roll call:

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

Motion carried unanimously.

***COMMERCIAL PROJECT ACTIVITY***

Mr. Janish updated on the following:

***Upper Midwest Athletic Construction*** – Staff received the as-built of the improvements, a few corrections are needed in the spring. There is grading to be done on the property.

***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, 2018 Additions and Renovations, 2115 Andover Boulevard*** – Interiors of the new field house, locker rooms and weight room are being installed. Final inspections for building and fire safety are occurring and occupancy is expected March 10<sup>th</sup> through March 15<sup>th</sup>.

***Interest in Hughes Industrial Park*** – The owner of the 10-acre parcel has again contacted staff asking questions about the roadway.

***Andover Community Center, 15200 Hanson Boulevard*** – All areas are occupied, punch list and final inspections are anticipated soon.

***YMCA Expansion, 15200 Hanson Boulevard*** – Only a few punch list items remain, including roof drain and overflow roof drain adjustments.

***Beberg Landscaping (self-storage), 13535 Grouse Street*** – The Building Department is working with the applicant on structural drawings for review.

***Crooked Lake Elementary, Energy Management System Phase II, 2939 Bunker Lake Boulevard*** – A rooftop energy management system is being installed in three phases at the school. The second phase is underway, and ATS&R has submitted an acceptable plan for the rooftop equipment. The large rooftop units installed will be painted to match the building.

***Hanson Builders, 13432 Hanson Boulevard*** – A second floor sales area has been constructed, including an elevator and restrooms. The first floor is also being remodeled and the interior finishes are nearly complete.

***Anoka County Sheriff, Forensic Lab Remodel, 13301 Hanson Boulevard*** – The forensic lab is being remodeled to accommodate a new fume hood and more accessible lab stations.

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

***TCF Site*** – Staff was contacted by an individual indicating he expects to close on the property in the next 30 days. At this time there are no specific plans for what will be constructed. Staff suggested a restaurant or fast food.

***7<sup>th</sup> Avenue and Bunker Lake Boulevard*** – Quest Development has closed on the property and will sell the south portion of the property to a housing developer. An apartment developer is still looking into the north side. Capstone is pursuing the south side and is in the process of working on the preliminary plat.

**Holasek Property** – A developer contacted staff on February 10<sup>th</sup> related to possible multi-family housing. At a work session the City Council indicated they would not be supportive of increasing the density beyond what is currently identified in the Comprehensive Plan.

**COVID-19** – The City of Andover has distributed its COVID-19 Funds. Anoka County has another program available based on a first come first serve basis provided criteria is met.

**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. Several sites are being reviewed and looked at. In 2020 the City had 139 new housing starts. 22 new home permits have been issued for 2021. Lot inventory is low.

**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.

***CONSIDER VOLUNTARY COST SHARING AGREEMENT FOR ANOKA COUNTY  
ECONOMIC DEVELOPMENT (ACRED)***

Mr. Janish reviewed in late 2016 communities within Anoka County started having discussions with Connexus Energy, Metro North Chamber of Commerce and Anoka County on how Anoka County can place themselves on the map from an economic development standpoint. They worked with Ady Advantage to develop an economic development road map. Through the process ACRED was created and an individual was hired to work on the plan that was developed. ACRED is currently in the process of hiring a new individual to work on ACRED items.

Mr. Janish indicated the City has been participating through a memorandum of understanding since the inception of ACRED. The cost sharing agreement outlines the following:

- Budget for 2021 of \$20,000
- The City agrees to contribute \$0.057 per individual resident within its city limits, which would be \$1,855 for 2021

All communities in Anoka County, along with Connexus Energy and Metro North Chamber have been participating. The agreement is in the packet for the EDA's consideration.

Commissioner Holthus asked for any significant accomplishments from this program. Mr. Janish answered connections have been made and they also have access to the MNCAR Program, Tech Corridor, and the Minneapolis Real Estate Journal. From Andover's perspective if the business does not find a location in Andover by keeping the business in Anoka County it is increasing the tax base.

Commissioner Kafer asked if the program is geared towards commercial property. Mr. Janish stated that is correct, commercial, and industrial property.

President Bukkila asked if this is an annual fee. Mr. Janish indicated yes, with the contribution based on the number of residents in the City.

**Motion** by Kafer, Seconded by Barthel, to approve the Cost Sharing Agreement for ACRED.  
Motion taken by roll call:

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

Motion carried unanimously.

***EDA FINANCIAL UPDATE/YEAR-END 2020***

Mr. Dickinson indicated he brought this item to the EDA to review where the EDA funds come from. In the City's Comprehensive Financial Report, the EDA has a section in the report called Statement 23. The EDA is a separate governmental unit but is a blended component unit with the City and is not required to report separate financial statements. He reviewed the EDA Fund Statement 23.

Mr. Dickinson reviewed the Cash Flow Analysis-TIF Project Accounts. This document shows the residual funds from TIF Districts 1-1 The Downtown Center and 1-2 Andover Station. This fund will expire when the EDA has reached their goal of redevelopment in the Bunker Lake Boulevard area and the area on 141<sup>st</sup> Lane, adjacent to the landfill. These two areas are where the funds can be spent. The funds that remain after the goal has been reached will be distributed between the City, County, and School District.

Mr. Dickinson indicated he wanted to review the acquisition of the properties in the Bunker Lake Boulevard area since he has received questions from residents about taking these rental properties off the City tax roll. Mr. Dickinson explained that does not happen, the City is paying yearly taxes on all the active rental properties.

Mr. Dickinson reviewed TIF District 1-5 Arbor Oaks, the transaction expires in 2028. The EDA could renegotiate the deal to continue. TIF District 1-6 TE Connectivity, there is a shared parking lot for Andover Station North Ball Fields with the City. This TIF District will automatically expire in 2024.

Mr. Dickinson reviewed the TIF Rental Properties revenue for 2020. The goal is to generate enough funds to cover the demolition of the buildings when vacant.

Commissioner Kafer asked how much was spent in 2020 for demolition. Mr. Dickinson replied

approximately \$50,000.

Commissioner Nelson asked how many tenants are behind in their rent. Mr. Dickinson answered approximately 20% of the tenants are behind.

Mr. Dickinson stated looking ahead to the 2022 budget the EDA is holding funds for monument entrance signs. There are existing signs that are in need of maintenance. One existing sign will need to be slated for replacement, which could cost up to \$40,000.

Mr. Dickinson indicated previous EDA discussions included an entrance sign on Bunker Lake Boulevard and 7<sup>th</sup> Avenue. Is the EDA still in favor of placing a sign in this location. President Bukkila asked to have this topic included on the next EDA meeting agenda.

### ***REDEVELOPMENT UPDATES***

Mr. Dickinson stated the parcel located on Crosstown Drive directly behind 2619 138<sup>th</sup> Avenue and owned by Anoka County, the City will be targeting acquisition of the parcel in April or May of this year. Staff is waiting for the cost of the parcel.

Commissioner Holthus asked for an update on the two parcels on Round Lake Boulevard and South Coon Creek Drive. Mr. Dickinson indicated the two parcels are tax forfeit parcels and the City has to let them go through the process. The City has identified interest in the parcels and the County will notify the City when the County can offer them.

### ***OTHER BUSINESS***

Commissioner Kafer asked for an update on the Front Door Program. Mr. Dickinson replied staff is still working on funding options.

### ***ADJOURNMENT***

President Bukkila declared the meeting adjourned at 6:50 p.m.

Respectfully submitted,

Michelle Hartner, Recording Secretary