

ECONOMIC DEVELOPMENT COMMISSION  
ANNUAL REPORT-2013  
By: Erik Thorvig, Economic Development Manager

**Introduction**

The 2013 goals focused upon the Historic Rum River District; the Volunteers of America Phase II development; property acquisition in the Anoka Station Area, Greens of Anoka TIF area, South Ferry Street; and business/developer calls.

There is about 5.2 million square feet of industrial space in the City. The vacancy rate for all industrial space rose slightly from about 1.4% to 2.2% while the Anoka Enterprise Park vacancy was 3.58%, up from 3.3% in 2012. The major vacancies are the former E Street Makers building at 731 Lund Blvd (22,725 sf.) and former Juno Inc. building at 1040 Lund Blvd (49,786 sf.). Both of these are in the market for sale or lease.

The overall vacancy rate in the historic core area of the Central Business District decreased from 15.7% in 2012 to 12.0% in 2013. Much of that is due to the high second floor vacancy. The vacancy rate for main floor space declined from 3.5% to 1.7% during this same period. New businesses within the district include Pucci Pet Career Studios, Willow Gallery, Salon Eleven, Quality Coatings, New Moon Metaphysical Store, and Timeframes.

The vacancy rate for other adjacent retail properties dropped from 4.9% to 4.5% and the rate for adjacent office space was 3.2%, slightly lower than 2012. Vacancy of government buildings remained very low at 0.4%. The overall vacancy rate for the larger Central Business District decreased from 5.7% in 2012 to 5.4% in 2013. Second floor areas in the Historic Core continue to run vacancy rates of over 40%. As noted the last two years, this un-renovated space has been vacant since the 1960's. However, renovations in 2011 at the northeast corners of Jackson Street and Main Street have shown that this space can be used for offices. Other owners have shown interest in renovating the upper levels when market conditions allow for it.

The demand for housing changed for the positive in 2013. Rum River Shores, a 44-unit single family subdivision was approved with six homes under construction prior to year end. The subdivision is the city's largest since the Mineral Pond residential developments in the early 1990s. The prices for the homes in this development are also unique for Anoka. The values range from \$400,000 to \$650,000 +. The number of foreclosed homes continues to decline after high numbers between 2008 and 2011. The City still is searching for owner occupied, multi-family housing development on several sites including downtown and near the Anoka Station along the Rum River. However, professional opinion has shown that increased construction costs, strong apartment demand and project financing difficulties have made the condo market slow to rebound. There is continued interest in senior housing projects. Both the Volunteers of America and Walker Methodist have shown interest in independent senior apartment projects in 2014.

During 2013 the Economic Development Commission held 12 regular meetings. Several subcommittee meetings were held for Celebrate Anoka Day, Highway 10 signage and Trolley planning. The meetings of February 14 and December 12 were cablecast from the City Council

Chambers. All other meetings were held in the Council Conference Room in City Hall. Several presentations were made to the City Council during the year including a yearly report (December 16) and presentation of the Gary Stout Scholarship (October 7).

Staff changes that took in place in 2013 included the retirement of Community Development Director, Bob Kirchner. The main staff contact for the Economic Development Commission is now Economic Development Manager, Erik Thorvig. Communications Coordinator, Pam Bowman continues to participate in City marketing activities and Advance Anoka.

### **Real Estate Transactions in 2013**

- Sale of 22.5 acres to Landmark of Anoka for the Rum River Shores development.
- Sale of 101 West Main Street to United Properties for Caribou Coffee development.
- Purchase of 1632 South Ferry Street from Anoka HRA.
- Purchase and demolition of 443 North Street from Bank of America.
- Sold easements to Great River Energy for 115 kV line.

### **Development/Expansion Projects Approved in 2013**

- Rum River Shores 44 Unit Single Family Subdivision – County Road 116 and 7<sup>th</sup>
- Round Lake Commons – Car Wash and retail building – 3215 Round Lake Blvd.
- Polycam Expansion – 1101 McKinley Street
- Franklin and Lincoln Elementary School Expansions

### **Staff/EDC Accomplishments for 2013:**

1. Grand opening of phase one of The Homestead At Anoka Senior Community by Volunteers of America.
2. Grand opening HealthPartners Clinic.
3. Sold land for development and grand opening of Caribou Coffee.
4. Sold land for development and start of Rum River Shores housing development.
5. Acquired 1632 S. Ferry Street to allow for Mad Hatter Tearoom relocation.
6. Acquired and demolished 443 North Street in Anoka Station Master Plan area.
7. Updated and distributed Development Opportunities information to developers.
8. Modification of the South Ferry TIF District.
9. Worked towards destination signage on Highway 10 with MnDOT.
10. Worked towards city trolley options.
11. Completed 18 business calls.
12. Published four issues of the city newsletter “CityView” and published annual Community Resource & Residents Guide.
13. Held 30<sup>th</sup> Annual Celebrate Anoka Day.
14. Held 2<sup>nd</sup> Annual Anoka Development Day.
15. Produced five Advance Anoka programs through QCTV.
16. Carried out a multifaceted promotion of Northstar Commuter Rail services.

**Major Research & Reports**

1. Central Business District Parking study.(Bob Kirchner)
2. Board and Commission History. (Bob Kirchner)

**Major Projects in Planning**

1. South Central Business District
2. South Ferry Street Corridor
3. Anoka Station Area
4. Greens of Anoka
5. Attract and select a site for a grocery store.

**Other events, activities or factors in 2013:**

- Planned/participated in special events:
  - Held Anoka Enterprise Park Annual Meeting with 35 in attendance. (March 20)
- Promoted Northstar at other events:
  - Provided information at Anoka Enterprise Park Annual Meeting (March 20)
  - Provided information at North Suburban Home Show (March 23)
  - Provided information at Riverfest
  - Staffed Anoka County Fair Northstar Booth
  - Promoted Northstar via CityView, Community Guide, website and lobby display.
- Worked with other marketing agencies:
  - Coordinated marketing efforts among Chamber, RDA, ABLA and City.
  - Provided Twin Cities Gateway with information for website.

**Business calls completed during 2013 included:**

During 2013 the Business Call Team visited 19 companies including manufacturers (4), public/institutional (2), retailers (8), services businesses (4) and restaurants (5). In most cases, specific issues of current interest were discussed and follow-up done where needed.

**2013 BUSINESS CALLS & ADVANCE ANOKA CABLE PROGRAM**

#	Date	Company	Attendees	Type of Business
1	1/15/13	Honest-1 Auto Care Matt Sederstrom, Owner, Mike Mutchler, Mgr.	Advance Anoka Interview Pam Bowman and Chris Carpenter	Service
2	1/24/13	Amazing Alterations Brenda Smith – Owner	Advance Anoka Interview Pam Bowman and Chris Carpenter	Service / Retail
3	1/24/13	The Glass Slipper (Bridal Salon) Pat - Owner	Advance Anoka Interview Pam Bowman and Chris Carpenter	Retail / Service
4	1/24/13	Jenson’s Department Store Steve Jenson, Tom Jenson	Erik Thorvig and Darin Berger	Retail
5	1/29/13	Grass Roots Cooperative Sarah Super, Manager; Denice Lacher	Robert Kirchner, Erik Thorvig, Mark Freeburg, Jeff Weaver, Pete Beberg	Grocery /Deli
6	2/5/13	Graco, Inc. Ian Knox, Division Controller	Erik Thorvig, Larry Norland, Tim Cruikshank, Steve Schmidt, Pete Beberg, Pam Bowman, Nick Graff, Jon Olson, John LeTourneau, Pete Turok	Mfg.

7	3/4/13	Suburban Medical Equipment Mitch Madsen - Owner	Advance Anoka Interview Pam Bowman and Chris Carpenter	Retail
8	3/4/13	CoCoRies; Owners Marie Kolar and Colleen Burckhard	Advance Anoka Interview Pam Bowman and Chris Carpenter	Retail
9	4/24/13	Patriot Converting Brian Stilwell, Mike Stilwell	Erik Thorvig	Mfg.
10	6/12/13	Anoka County	Tim Cruikshank, Carolyn Braun, Erik Thorvig	Public
11	7/1/13	Grassroots Sarah Super, General Manager; four of their board members	Erik Thorvig	Retail
12	7/2/13	Federal Premium Ammunition Jim Persoon, Dave Henderson	Erik Thorvig, Tim Cruikshank, Carolyn Braun	Mfg.
13	8/8/13	State Farm Insurance Jana Chuinard	Advance Anoka Interview Pam Bowman and Chris Carpenter	Service
14	8/8/13	Selah Salon Ann Block	Advance Anoka Interview Pam Bowman and Chris Carpenter	Service/Retail
15	8/8/13	Andy's Service Kara – Marketing Manager	Advance Anoka Interview Pam Bowman and Chris Carpenter	Service
16	10/25	Pentair/AREA Real Estate	Erik Thorvig	Manufacturing
17	11/21	Anoka Technical College	Erik Thorvig	Public/Institutional
18	11/1	Ticknor Hill B&B	Advance Anoka Interview Pam Bowman and Chris Carpenter	Service
19	11/1	Willow Gallery Gifts	Advance Anoka Interview Pam Bowman and Chris Carpenter	Retail

**Marketing events/meetings during 2013 included:**

- Staff maintains regular liaison relationships with the following groups via monthly or quarterly meetings.
  - Anoka Business & Landowners Association Board Meetings
  - Anoka Area Chamber of Commerce Board Meetings
  - Anoka Technical College General Advisory Committee
  - Anoka County Economic Development Directors
  - ReDiscover Anoka Marketing Committee
- Presentations were made to the following groups:
  - Rotary Club (June 20)
  - Anti-Crime Commission (August 20)
  - Kiwanis Club (November 19)
- Various Economic Development Meetings:
  - Broker/Developer Luncheon held by Anoka County United (October 2<sup>nd</sup>)
  - Anoka Area Chamber of Commerce Manufacturers Luncheons
  - Anoka County Economic Development/Greater MSP (November 19<sup>th</sup>)
- Staff met several times regarding projects including the following:
  - Volunteers of America
  - HealthPartners
  - Federal Premium Ammunition/Parkway Road
  - Patriot Converting Expansion Project
  - Rum River Shores – Hanson Builders and Jonathan Homes
  - Julie Lux and James McCaffrey, Cassidy Turley, Broker

- United Properties regarding Applewood Senior Cooperative
  - United Properties regarding Caribou Coffee
  - Jon Fahning, Shingobee Real Estate, Broker/Developer
  - Anoka Hennepin School District
  - Sarah Super, Grassroots Cooperative Manager
  - Heidi Brownlee, Anoka Shopping Center
  - Anoka Enterprise Park Annual Meeting
  - Duffy Development, Residential Developer
  - Various Sites Searches
- 2<sup>nd</sup> Annual Celebrate Anoka Day (Formally Anoka Business Appreciation Day)
    - Golf Tournament with over 170 golfers
    - Title Sponsors: HealthPartners and Federal Premium Ammunition
    - Stout Scholarship funds of \$2000 presented to City Council on October 7.
- 2<sup>nd</sup> Annual City of Anoka Development Day
    - Bus Tour of various current and future development sites
    - Luncheon at Green Haven after bus tour
    - 30 attendees from developers, brokers, staff, banks.
- Staff/EDC representations on these City committees
    - EDC chair to Chairpersons Communication Board
    - Andy Peterson and staff to South Central Business District Meetings
    - Staff to Department Head Staff Meeting
    - Staff to Development Team Meeting
    - Staff to Technology Committee