

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING  
MONDAY, JANUARY 13, 2014 – 8150 BARBARA AVENUE**

**CALL TO ORDER/ROLL CALL** The Economic Development Authority (EDA) of Inver Grove Heights met on Monday, January 13, 2014, in the City Hall Council Chambers. President Tourville called the meeting to order at 7:43 p.m. Present were Economic Development Authority members Bartholomew, Madden, and Mueller; Executive Director Link, City Attorney Kuntz, and City Administrator Lynch

**3. REGULAR AGENDA**

**A. Consider Joint Powers Agreement with Dakota County CDA Open to Business Program**

Mr. Link advised that tonight's meeting was called because both items on the agenda are time sensitive. In this case the EDA is being asked to consider approving the Joint Powers Agreement with the Dakota County CDA to renew MCCD's Open to Business program for 2014. He advised that the only changes to last year's agreement were the addition of Mendota Heights, changing 2013 dates to 2014 dates, and modifications to reflect that the program was implemented in 2013. The cost of the program is \$12,500; however, the CDA covers half of those expenses so the city's share would be \$6,250. Staff recommends approval of the Joint Powers Agreement.

Boardmember Mueller asked if Boardmembers could receive a list specific to Inver Grove Heights of who applied for assistance and what action was taken.

Mr. Link replied that he could provide general information regarding the number of inquiries and types of businesses they met with; however, the names of the businesses were considered confidential.

Boardmember Mueller asked if there were any positive results from the meetings.

Mr. Link replied that in one instance MCCD met with an individual to discuss a startup business; however, the individual determined they were not prepared for it yet.

Boardmember Bartholomew asked for clarification of the numbers listed on the Open to Business Program Report in regard to the heading 'Client City'.

Mr. Link replied those were the number of business people MCCD consulted with in each city.

Boardmember Bartholomew noted there were only three listed for Inver Grove Heights, and asked if there was a plan in place to try to increase the utilization. He felt it was a good program and would like to see more individuals take advantage of it.

Mr. Link replied that an article regarding the program was printed in the most recent *Insights* newsletter, information will again be posted on the Highway 52 electronic billboard, and the City plans to reenergize the advertising through Progress Plus and the Chamber of Commerce. The City is meeting with the Open to Business program representatives and Progress Plus in February to discuss further ways of increasing those numbers.

President Tourville advised there may be more contacts than what was listed as there were a number of inquiries from individuals who mistakenly thought it was an opportunity for free money.

Mr. Link agreed to provide additional information regarding utilization, noting that the actual number of inquiries was more extensive than what was listed in the report as 'clients'.

Dian Piekarski, 7609 Babcock Trail, asked if there could be a formal action to request that future reports for all the cities include the number of inquiries, how many people were helped, was financial assistance

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provided and, if so, what amount. She questioned whether perhaps the Open to Business contract could be handled in the future at a regularly scheduled meeting rather than calling a special meeting.

Mr. Link advised that a special meeting would likely be necessary every year since the contract comes in early December but is due in mid-January. The EDA meets quarterly in November and February.

**Motion by Bartholomew, second by Mueller, to approve the Joint Powers Agreement between the Dakota County Community Development Agency and the City of Inver Grove Heights regarding the Open to Business Program.**

**Ayes: 4**

**Nays: 0      Motion carried.**

**B. Consider Calling a Public Hearing to Create Economic Development District No. 5**

Mr. Link advised that a property owner on Dixie Avenue and Dickman Trail, the Fredericks, contacted the City and expressed an interest in selling their property to the EDA. The property is located in one of the redevelopment sites that the City identified in the Concord Neighborhood Plan Update. The EDA would acquire the property, remove the buildings and, at some future time, sell the property for redevelopment. The EDA performed its due diligence, and the EDA and the Fredericks have now completed negotiations and the Fredericks have signed a purchase agreement. Minnesota Statutes requires that before the EDA acquires a property it has to be in an economic development district. In order to establish an economic development district a public hearing must be held. The EDA is being asked tonight to call for a public hearing to be held on February 10 at which time the EDA could consider establishing the economic development district as well as the purchase agreement. The EDA is also being asked to identify the boundaries of the development district. Option 1 includes only the Frederick property, whereas Option 2 includes multiple property owners in the neighborhood.

Boardmember Mueller suggested tabling the request until Boardmember Piekarski Krech was present.

Boardmember Bartholomew agreed, stating he would like to get her thoughts as well in regard to the boundaries.

Boardmember Madden asked how tabling the request would affect the process.

Mr. Link replied that the impact would be to the seller, who has expressed some urgency in selling the property. If the request was tabled, they would have to schedule a special EDA meeting in late February as they would not have enough time to set the public hearing on February 10.

Boardmember Madden asked if they could change the development district boundaries at a later date if they were to approve Option 1 just to keep the acquisition moving forward.

Mr. Link replied they would be required to go through the process all over again.

President Tourville asked if affected property owners had been notified.

Mr. Link responded that the City has not notified anyone yet as the public hearing has not yet been set. Once the EDA schedules a public hearing the City will then send out notices to all properties within the economic development district.

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Mr. Lynch clarified that the action item being considered tonight is to establish a date for a public hearing. The public hearing could take into consideration both district boundary options. All parties that could be impacted could be notified and the EDA could make a decision on February 10 as to whether the development district should include a single property or multiple properties.

President Tourville noted that Boardmember Piekarski Krech would be at the public hearing and would have an opportunity to offer her input.

Boardmember Mueller stated he would be voting no since all Boardmembers were not present tonight.

Boardmember Madden noted that the action tonight would be just to call a public hearing.

Ms. Piekarski expressed concern that the people who could potentially be affected by the development district would only have a couple weeks to analyze for themselves whether Option 2 would be beneficial for them and she believed it required more than a two week notice for such a complicated issue. She stated it was her understanding that the purpose of adopting Option 2 would be to send the message that these properties are going to be developed in the future. Because of that she is concerned that the people in the development district would not be able to sell their property on their own to anyone but the City because of the designs on the property for a future plan, and she likened this to the 53<sup>rd</sup> Street neighborhood.

President Tourville advised that no one in the 53<sup>rd</sup> Street neighborhood was required to sell or leave their homes; they were simply given an offer by the City. Some decided to take the offer but others did not. He stated the public hearing would give neighbors a chance to voice their opinion and ask questions.

Ms. Piekarski asked if other property owners in the area expressed an interest in selling to the City.

President Tourville replied in the affirmative.

Ms. Piekarski asked if the intent was to make a decision on Option 1, Option 2, or none at all the night of the public hearing.

President Tourville replied that it also could get tabled.

Ms. Piekarski stated the EDA should take into consideration that when they acquire commercial properties to hold for development they are taking those properties off the tax rolls.

President Tourville asked if property acquired by the City would automatically go off the tax roll.

Mr. Lynch replied that it depended on the method and the agreement between the City and the property owner. He advised that many times they are taken off the tax rolls, but in other instances the City has allowed property owners to stay on their properties, in which case they continue to pay property taxes.

Ms. Piekarski asked if the zoning would be changed to coincide with the Concord Neighborhood Plan or the Comprehensive Plan once the property was acquired, and if zoning changes would occur in conjunction with the actions being sought tonight.

President Tourville replied that a zoning change would require a separate hearing as the public hearing being discussed tonight was only to discuss the establishment of an economic development district.

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For clarification, Mr. Lynch advised that the residential properties between Dickman and Concord were legal non-conforming uses; the allowed use is industrial. In acquiring the residential homes the City would be removing the non-conforming legal uses. If in the future the EDA would decide to change the use to all residential they would have to go through the rezoning and comprehensive plan amendment process. If it were to remain commercial industrial no rezoning would be necessary as it was already an allowed use.

Ms. Piekarski asked if the property in question was designated for future residential.

Mr. Lynch replied that the EDA and the City Council have not yet determined the future use.

President Tourville stated that holding a public hearing would allow the EDA to make an educated decision, and that Boardmember Piekarski Krech would be able to participate in that discussion.

Boardmember Bartholomew clarified that the EDA's charge tonight was to call for a public hearing and also to have a discussion related to the district boundaries. He would like to have the opportunity to hear Boardmember Piekarski Krech's thoughts regarding the two options prior to scheduling a public hearing.

President Tourville stated that the only action being considered tonight was to set the public hearing; the size of the development district would be deferred to February 10.

Boardmember Mueller asked how long the EDA had been reestablished.

Mr. Link replied this was their third year. He noted that this process has been done four times before in which the EDA has acquired property, held a public hearing, and created an economic development district.

Boardmember Bartholomew asked who would be noticed if a public hearing was called.

Mr. Link replied that, based on tonight's discussion, all property owners in the redevelopment area would be notified, which would be 6-8 different property owners.

President Tourville stated that consideration of a public hearing for the larger development district area would allow more property owners to provide input.

Boardmember Bartholomew asked what would happen if the EDA could not agree on either one of the development district options.

Mr. Link responded that, at the public hearing, the EDA could create a smaller single property owner development district, create a larger development district incorporating multiple properties, or choose not to do anything. If the EDA took no action on the development district, the EDA would not have the authority to acquire the property or approve the purchase agreement.

Mr. Lynch clarified that the resolution can specify that all property owners proposed to be included in the larger District could receive individual notice of the public hearing, and a notice would also be published in the daily newspaper of general circulation.

President Tourville advised that if a Boardmember were to be absent at the public hearing he would have no issue with postponing a decision until all could be present.

**Motion by Tourville, second by Madden, to approve the Resolution Calling for a Public Hearing to Consider Creation of Economic Development District No. 5.**

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Boardmember Mueller asked if he had a second to his previous motion to table the request until Boardmember Piekarski Krech could be present.

President Tourville replied it was his understanding that was a suggestion rather than a formal motion.

Boardmember Bartholomew asked for clarification that, at the public hearing, the EDA could choose to create a smaller district rather than the larger district.

Mr. Lynch replied in the affirmative.

**Ayes: 3**

**Nays: 1 - Mueller    Motion carried.**

**4. ADJOURNMENT:** Motion by Bartholomew, second by Madden, to adjourn. The meeting was adjourned by unanimous vote at 8:25 p.m.