

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING  
TUESDAY, NOVEMBER 12, 2013 – 8150 BARBARA AVENUE**

**CALL TO ORDER/ROLL CALL** The Economic Development Authority (EDA) of Inver Grove Heights met on Tuesday, November 12, 2013, in the City Hall Council Chambers. President Tourville called the meeting to order at 6:00 p.m. Present were Economic Development Authority members Bartholomew, Madden, Mueller, and Piekarski Krech; Executive Director Link, City Attorney Kuntz, City Administrator Lynch, Finance Director Smith, and Secretary Fox.

**3. REGULAR AGENDA**

**A. Minutes:**

**Motion by Bartholomew, second by Madden, to approve the Minutes of the August 12, 2013 Regular Economic Development Authority meeting.**

**Ayes: 5**

**Nays: 0      Motion carried.**

**B. Claims:**

Boardmember Bartholomew asked Mr. Link to research whether the originally discussed appraisal fee for the River Country Cooperative property was less than what was shown on the invoice.

Mr. Link agreed to do so.

Dian Piekarski, 7609 Babcock Trail, asked why there were two separate invoices from Peer Engineering for the same property for environmental investigation.

Boardmember Bartholomew advised that after further review he determined that the two Peer Engineering invoices were for the same property for two different periods of time.

**Motion by Bartholomew, second by Madden, to approve disbursements from August 12, 2013 to November 11, 2013.**

**Ayes: 5**

**Nays: 0      Motion carried.**

**C. Progress Plus Update**

Jennifer Gale, Progress Plus, discussed the supplemental packet she distributed at the beginning of the meeting which summarized their last quarter activities. She advised that last month they attended the MNCAR expo at which they collected 110 unique business cards to enter into their database. Progress Plus is hosting a broker class on December 5 which will focus on green corridors and will account for 1.5 CE credits. Council is asked to attend the reception following the class. Ms. Gale advised that the owner of Old World Pizza is purchasing the Emma Krumbie's building. This move will result in additional employees and a larger space.

Boardmember Madden asked if Old World Pizza planned to vacate their existing location.

Ms. Gale replied in the affirmative. She added that the business owner is hoping to have his liquor license streamlined between the City and the State so the requirements and inspections are done concurrently.

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Progress Plus has also been working closely with Dakota Electric and the broker of 9725 South Robert Trail to transition the medical building to a potential site for a data center. After having discussions with MAC and a telecommunications company, they believe that transition can be made. Progress Plus met with CHS real estate staff to discuss their future plans and are working with City staff to determine how the City's growth plan can accommodate the company's increasing needs. Progress Plus is working with Luther Nissan Kia to assist them in finding space within the City for temporary service bays during their planned expansion. They are also working with HJ Development to find an occupant for the Bank of the West building. Ms. Gale asked Boardmembers to help promote their small business makeover contest in which a package of up to \$20,000 in services will be awarded.

Boardmember Piekarski Krech advised she would have liked to hear about the contest sooner as the deadline was only a few days away.

Ms. Gale replied it has been heavily promoted in all their publications.

President Tourville suggested having two \$10,000 winners rather than one \$20,000 winner; one from South St. Paul and one from Inver Grove Heights.

Ms. Gale advised she would bring that suggestion back to the committee.

Boardmember Piekarski Krech questioned why the EDA had not been informed sooner of the Old World Pizza move, stating she heard about it first through the community.

President Tourville advised the owner had requested the information not be disclosed.

Mr. Lynch stated staff was asked to keep the information confidential.

Boardmember Madden stated the Council should be informed of such confidential matters so they can be better prepared.

Boardmember Piekarski Krech advised she would like to have more communication from staff about such situations as there may be actions Council could take to help keep companies in the community.

Ms. Gale stated Progress Plus meets monthly with city staff and would have no issue with staff sharing this information privately with the Council. She would not report such information at public meetings, however, to avoid confidentiality issues that could affect financing, etc. She advised that many such matters are discussed at Progress Plus board meetings; therefore there may be members of the community aware of such matters.

Boardmember Mueller asked who was working with CHS.

Mr. Link replied it was a joint effort between Progress Plus and the City.

President Tourville asked if Old World Pizza had pulled any permits for the new building.

Mr. Link replied not to date. He added that a certificate of occupancy would be required prior to opening.

Ms. Gale advised they are planning on starting construction the first of the year and opening in early February.

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Ms. Piekarski asked if Progress Plus was aware of any potential franchise fees being attached to Dakota Electric bills and, if so, how that might impact future development.

Mr. Lynch replied that future franchise fees for Dakota Electric would be discussed with City Council after the first of the year.

Ms. Gale advised that any rate hike or additional fee makes it more difficult to attract businesses.

Ms. Piekarski stated she would be interested in receiving information regarding how franchise fees affected potential development in other communities. She assumed that high electric users would be more affected than those with lower usage, which did not seem fair.

Boardmember Bartholomew asked why Sportsman Guide dropped their membership, and noted that Union Pacific Railroad was a new member.

Ms. Gale replied that Sportsman Guide came under new management and did not have anyone interested in economic development at the time. She advised that Union Pacific plans to become very active.

### **D. Concord Update**

Mr. Link advised that the Dakota County CDA continues to pursue acquisitions in the 6300 Block of Concord. They will be closing soon on the last house with Concord frontage. The CDA has received mixed response from the four remaining property owners on the back side of the block. The Dakota County Environmental Management Department completed their Phase I studies on two properties lying along the north side of 66<sup>th</sup> Street. The reports show no contamination, with the exception of past filling operations. These two studies were funded through an US EPA grant; the County will be pursuing additional grant monies. Staff continues to proceed with acquisitions and is working with three property owners in the Doffing Avenue area and two property owners along Dickman Trail.

Boardmember Mueller asked if cleanup costs would be reflected in the final purchase price of the properties.

Mr. Link replied in the affirmative.

Boardmember Mueller asked Mr. Link to comment on the property owners that declined a Phase I.

Mr. Link replied there were three or four property owners that declined a Phase I study. Staff may ask them again if additional grant monies are received.

Mr. Link added that staff continues to discuss redevelopment and acquisition strategies.

### **E. Gun Club Update**

Mr. Link summarized recent activities on the Gun Club Site, stating that MNDOT completed their environmental investigation and subsequently received a No Further Action letter from MPCA. Staff and the City's environmental consultant, Landmark Environmental, submitted a Phase II work plan to MNDOT and MPCA and subsequently received approvals. Landmark is now starting the process of conducting the City's environmental investigation on the property. Results are anticipated to take 4-5 weeks. Both MNDOT and the City are doing appraisals of the property and they hope to begin negotiations in December.

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Boardmember Mueller asked if there was a cap on what staff would spend before coming back to the EDA.

Mr. Link replied that the bylaws allow staff to spend no more than \$5,000 without prior authorization from the EDA. The appraisal work will cost less than that. He advised that in many cases it may be best to do the cleanup after having a developer so the EDA can pursue grant money. If the EDA does the cleanup before a developer is identified, the grant money is no longer available and the EDA must pay for it on its own. He advised there are several potential financial resources available, including DEED and Metropolitan Council.

Ms. Piekarski referred to the \$400,000 DEED grant, stating the EDA Board has not yet approved what they will use it for. She suggested it be discussed prior to their next meeting.

Mr. Link stated all grant applications require approval from either City Council or the EDA.

Mr. Lynch advised the City could make grant application up until June 29, 2014.

Mr. Lynch clarified that the City needs to make application and/or receive the funds by June 30, 2014; however, the funds do not necessarily have to be spent by then. He explained that the City has had an appraisal done on the property, as well as a Phase I, and now needs to complete the application, bring it for approval, and then send it to the State. The State would then review the application, request additional information if needed, and either approve or disapprove it.

Boardmember Piekarski Krech stated the whole process was puzzling, especially in regard to the criteria and what activities the grant could be spent on.

Mr. Lynch replied that the City is eligible to receive half of the \$875,000. The purchase price of the property in question will be discussed in executive session. Staff will provide the EDA with a blank copy of the application outlining the criteria.

Ms. Piekarski asked if Council had received a copy of the application.

Mr. Lynch replied they had not as staff had only recently received it.

Ms. Piekarski asked if Mr. Lynch could email the blank application to her.

Mr. Lynch replied in the affirmative, stating he would first provide Council with a copy.

**4. NEXT MEETING**

President Tourville advised that the next meeting was scheduled for February 10, 2014.

**5. ADJOURNMENT:** Motion by Piekarski Krech, second by Mueller, to adjourn. The meeting was adjourned by unanimous vote at 6:50 p.m.