

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY REGULAR MEETING
MONDAY, NOVEMBER 10, 2014 – 8150 BARBARA AVENUE**

CALL TO ORDER/ROLL CALL The Economic Development Authority (EDA) of Inver Grove Heights met on Monday, November 10, 2014, in the City Hall Council Chambers. President Piekarski Krech called the meeting to order at 5:00 p.m. Present were Economic Development Authority members Bartholomew, Madden, Mueller, and Tourville; Executive Director Link, City Attorney Kuntz, City Administrator Lynch, and Finance Director Smith.

3. CONSENT AGENDA

A . Minutes

B. Claims

Motion by Bartholomew, second by Tourville, to approve the minutes from the August 11, 2014 Regular Economic Development Authority Meeting and the disbursements from August 11, 2014 to November 9, 2014.

Ayes: 5

Nays: 0 Motion carried.

4. REGULAR AGENDA

A(1). Arbor Pointe Retail Analysis

Mr. Link summarized the Stantec retail analysis of the Arbor Pointe commercial neighborhood. There were several key findings, including 1) a significant oversupply of retail space in the Arbor Pointe area, 2) the vacancy problems in the Arbor Pointe retail district being specific to this area and not related to a broader trend, 3) constraints on this area, such as surrounding competitive retail districts, physical barriers (i.e. Mississippi River), and low population density, 4) a lack of critical mass of retailers, 5) an aging population in the trade area, 6) limited forecasted population growth, 7) a change in the retail market resulting from the recession, 8) traffic and access changes would help but not restore the retail market issues in Arbor Pointe, and 9) low daytime population within the trade area. Stantec concluded that an increase in employment would help, but would not counteract the difficulties that the area has. Mr. Link advised that Stantec provided five recommendations, including 1) consider zoning changes that allow for different types of uses in existing structures, 2) play a more active role in the maintenance of vacant properties, 3) provide financial assistance, 4) consider acquiring problematic properties for redevelopment, and 5) improve access and circulation.

4(2). Progress Plus Arbor Pointe Community Conversation

Jennifer Gale, Progress Plus, summarized the Arbor Pointe Community Discussion, which focused on strengths and weaknesses in the Arbor Pointe commercial area. There were approximately 30 people in attendance, including Mayor Tourville, Councilmember Mueller, business owners, and residents. Some of the issues they identified were the access and the lack of daytime population due to low area employment, residents, and big businesses. They also discussed what they felt would be successful in this area. Although bigger retail was desirable, it was determined that the area likely did not have the density to support it at this time. Therefore they suggested the City focus more on specialty retail and home-grown businesses. The group recognized the importance of Walmart to the Arbor Pointe area, and to help them become more successful they asked the Council to take a look at removing some of the stipulations that were put in place when Walmart first opened. The group asked Progress Plus to work with the City and Walmart in regard to enhancing their footprint in the community, perhaps even drafting a letter to their headquarters. They would also like Progress Plus to work with the City and Dakota County to improve

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accessibility in Arbor Pointe, to facilitate further conversations with the residents that were not in attendance, and to work with shopping center owners to perhaps lower their rents. The President of Key Community Bank was in attendance to discuss financing challenges. Ms. Gale asked the EDA for direction of how Progress Plus should proceed.

President Piekarski Krech was concerned that an expansion of Walmart could potentially negatively affect other local businesses, stating one resident had felt that Walgreens went under because of their inability to compete with Walmart on prescriptions.

Ms. Gale advised that the Walgreens District Manager did not feel it was Walmart that drove them out of business, but rather the lack of foot traffic. Ms. Gale stated that in her opinion competition was beneficial as it brings more people to the area, and she did not think that an expansion of Walmart would hurt the other Arbor Pointe retailers.

With the upcoming completion of the senior living development across from Walmart, Boardmember Bartholomew suggested they explore filling the vacant stores with businesses catering to those 55 and older. He suggested they focus on repurposing the former Rainbow building and perhaps bringing in a company, such as Abdallah Candies, looking to relocate to an existing building with a large footprint.

Ms. Gale advised that Mr. Lynch did reach out to that organization.

Boardmember Bartholomew stated it was incumbent on the City to keep that area well maintained.

Ms. Gale stated that both residents and business owners agreed that having the City maintain the vacant areas was important for existing customers and future development.

Boardmember Bartholomew stated that eventually property owners would likely realize they need to adjust their lease rates.

Ms. Gale stated that one of the owners has stated they are already losing money on the retail center; therefore, she encouraged the EDA to look at ways they could help business owners get through this difficult time so it would not result in vacant buildings.

Boardmember Tourville stated the business owners that were present at the meeting were in favor of supporting Walmart because of the traffic it brings to the area. He advised that it is up to Walmart to determine whether they want to sell fresh produce and meats; however, it may not be in their best interest. He questioned whether the City should get involved in lease rates and plowing for private businesses.

Boardmember Bartholomew suggested the City encourage property owners to keep their lots clean.

Boardmember Tourville clarified that even though Rainbow has left, they are paying their monthly lease on the building.

President Piekarski Krech stated that whether or not the lease was being paid, they did not want an empty storefront.

Boardmember Tourville stated that Rainbow reached out to other businesses to take over their lease, but due to various reasons no one was interested.

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Dian Piekarski, 7609 Babcock Trail, stated the report from the consultant showed only one retail category that pulled shoppers in from outside the City, and she questioned what that category was and whether it was Gertens.

Mr. Link replied he was unsure, but that it could be Gertens or possibly Home Depot.

Ms. Piekarski stated it would be beneficial to know what type of retail it was that was a destination location.

Boardmember Tourville replied that car dealerships in the northwestern part of the City brought in the most shoppers; Best Buy and Gertens were also destination locations.

Ms. Piekarski suggested putting marketing efforts into bringing in a conference center and hotel as a way of drawing people to the City during the day. Progress Plus could perhaps speak with large companies, such as Flint Hills and CHS, to see if they would support such a venture by holding meetings and conferences there. She asked Ms. Gale if anyone from outside the Arbor Pointe area attended the community conversation and gave input as to what type of businesses would make them drive to that part of the City.

Ms. Gale replied that they did not invite residents outside the Arbor Pointe area. She has spoken with various hospitality groups regarding bringing in another hotel, but there does not seem to be interest in that at this point. She advised that to get a new hotel facility they typically want existing businesses to commit to a certain percentage of rooms.

Boardmember Mueller asked if there had been further discussions with the County regarding access issues.

Mr. Link replied that some initial discussions took place with the County that were positive, and if the EDA so directs they could set up a follow-up meeting. He noted that the County cares about public safety and road capacity more than economic development, and what the City would be requesting would not comply with the County's spacing standards.

Boardmember Mueller stated he would like the City to move forward with County access discussions. He recommended that the Arbor Pointe signage be improved to be more visible, even if it meant amending the sign ordinance, and he questioned whether Council should send a letter to Walmart expressing interest in them expanding their groceries.

Boardmember Tourville stated it would not be appropriate for the City to send a letter to Walmart requesting they sell produce and meat.

Mr. Lynch reminded Boardmembers that the County's policy regarding improvements is that 55% are the County's responsibility and 45% are the City's responsibility. He felt a better approach would be for staff to have a meeting with the County to identify the process the City would have to go through, the improvements that would be needed or desired, and the costs associated with those. Staff could then come back to the EDA with an estimate of what the City's share of the costs would be. Staff is also requesting that the EDA prioritize and identify which items staff should focus on (i.e. sign ordinance changes, access, financial assistance, etc.).

Boardmember Mueller stated that the financial assistance would be handled by 'Open to Business'.

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President Piekarski Krech advised that some things were not under the purview of 'Open to Business', such as TIF districts. She would like the City to concentrate on creating a directory of local businesses, as well as improving access and signage.

Ms. Gale advised that the Chamber produces *Southern Metro Living*, which is a free directory of services, events, contact information, etc., as well as business listings. She advised she would be happy to make it available to anyone.

President Piekarski Krech suggested they partner with Walmart to have the directories available at their store.

Ms. Gale advised that the publication is available at Inver Grove Heights hotels, the Chamber website, City Hall, and is also given to many real estate professionals. She advised that they welcome opportunities to make it more available and would be happy to partner with the City and perhaps distribute them to all new developments.

President Piekarski Krech suggested putting a link to the directory on the main page of the City's website.

Boardmember Tourville recommended that the City put their efforts into working with the County on transportation/access.

Les Jepsen, Oakdale, owner of an Arbor Pointe commercial building, asked for further information on financial assistance available after a business is open (i.e. advertising, etc.), and questioned how committed the City was to working with property owners regarding sign ordinance changes and County access.

President Piekarski Krech asked what changes he would like made to the sign ordinance.

Mr. Jepsen replied he would like better visibility from the road, perhaps taller signage.

President Piekarski Krech advised that the EDA had an 'Open to Business' program. She suggested Mr. Jepsen meet with the City's Community Development Director after the meeting to get contact information.

Mr. Link advised that 'Open to Business' holds regular office hours at City Hall the third Tuesday of every month, but would also be willing to set up meetings outside of those hours.

Mr. Jepsen asked if the City had any influence regarding curb cuts on a County road.

Boardmember Tourville stated the City is going to have discussions with the County; however, he felt it was unlikely they would allow additional curb cuts.

Mr. Jepsen asked if the Walgreens site was for sale.

Boardmember Tourville replied that he believed it was.

Mr. Jepsen questioned what type of assistance was available from 'Open to Business'.

Mr. Link replied that they offer both limited financial assistance and free technical assistance.

Mr. Jepsen advised that this was an A- area, but without the right leadership it could turn into a C area.

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Kathleen Fischer, 3513 – 67th Street, suggested that perhaps volunteers could mail out informational packets to the addresses of those connecting to utilities. The packet could contain business listings, etc.

President Piekarski Krech recapped that Boardmember Tourville has stated he would like to focus on transportation and Boardmember Bartholomew would like to focus on access and keeping up with maintenance enforcement.

Boardmember Tourville suggested sending a letter to commercial property owners reminding them to keep their lots well maintained.

Mr. Link advised that the City could send out letters encouraging owners to maintain their property; however, the only regulatory authority the City had in regard to businesses was for grass cutting; there are no ordinances regarding plowing or pothole maintenance.

Boardmember Bartholomew stated perhaps there was language in the leaseholder agreement requiring that common areas be plowed.

President Piekarski Krech asked if there were many multi-tenant owners in Arbor Pointe.

Mr. Link stated that most of the buildings were individually owned and the City would have limited enforcement.

President Piekarski Krech suggested they consider adding property maintenance language to the ordinance, stating that unkempt or deteriorating property can denigrate an entire area.

Mr. Link replied that staff could do research on what other cities require of their businesses as far as parking lot maintenance or snow plowing.

President Piekarski Krech restated that the direction from the EDA was to focus on signage, traffic maneuverability, and increased distribution of the Chamber's directory of business listings.

Boardmember Mueller asked if a letter should be sent to Walmart.

President Piekarski Krech stated she felt uncomfortable telling companies how to run their business.

Mr. Jepsen asked for clarification of what the City's portion of the costs would be regarding changes to a County road.

President Piekarski Krech replied that the City would be responsible for 45% of the costs.

Mr. Jepsen asked if the EDA would be willing to pay the 45% if the price was reasonable.

President Piekarski Krech stated it would depend on what was being asked for, but they would likely be willing and had done it many times in the past.

B. Receive Progress Plus Update

Ms. Gale summarized the last quarter activities. She advised that their annual broker class was a success and was held at Old World Pizza. They also participated in the MNCAR Expo and were able to collect almost 150 business cards from interested parties. Those contacts will be added to their database. They received a number of inquiries regarding the Gun Club property.

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Mr. Link advised that he attended the Expo as well, and advised that Ms. Gale marketed the City well and brought a lot of attention to their booth.

Ms. Gale thanked the EDA for allowing them to participate in the Expo, stating it was a good marketing opportunity.

Mr. Link advised that the 'Open to Business' program continues to grow and Inver Grove Heights' use of the program increased sharply in 2014.

Boardmember Mueller asked if there were any results yet from the program.

Mr. Link stated it was difficult to determine because their specific reasons for coming in were confidential.

Boardmember Bartholomew asked for clarification of what information was available regarding the 17 clients that were served in 2014.

Mr. Link stated he would look into what information he could provide without giving away confidential information, such as the type of business and technical assistance that was provided.

5. NEXT MEETING – The next regular EDA meeting is February 9, 2015. A special meeting will be held on November 24, 2015.

6. ADJOURNMENT: Motion by Madden, second by Tourville, to adjourn. The meeting was adjourned by unanimous vote at 6:09 p.m.