



**INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT AUTHORITY AGENDA
MONDAY, MAY 11, 2015
CITY HALL COUNCIL CHAMBERS
5:00 P.M.**

1. CALL TO ORDER

2. ROLL CALL

3. CONSENT AGENDA

A. Consider Approval of Minutes from the January 9, 2015 Regular Economic Development Authority Meeting

B. Consider Approval of Claims

4. REGULAR AGENDA

A. Consider Approval of a Resolution Calling for a Public Hearing to Consider Creation of Economic Development District No. 8

B. Hear Presentation - Progress Plus 2015 Work Plan

C. Hear Presentation - Progress Plus Update

D. Discuss Arbor Pointe Sign Requirements

E. Discuss Inver Grove Heights Commercial

5. NEXT MEETING – August 10, 2015

6. ADJOURN

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY REGULAR MEETING
MONDAY, FEBRUARY 9, 2015 – 8150 BARBARA AVENUE**

CALL TO ORDER/ROLL CALL The Economic Development Authority (EDA) of Inver Grove Heights met on Monday, February 9, 2015, 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, Hark, Mueller, and Tourville; Executive Director Link, City Attorney Kuntz, City Administrator Lynch, Finance Director Smith, Park and Recreation Director Carlson, and Secretary Fox.

3. REGULAR AGENDA

A. Minutes

Motion by Bartholomew, second by Tourville, to approve the minutes from the October 22, 2014 Special Economic Development Authority Meeting, the November 10, 2014 Regular Economic Development Authority Meeting, and the November 24, 2014 Special Economic Development Authority Meeting.

Ayes: 4

Nays: 0

Abstentions: 1 (Hark) Motion carried

B. Claims

Boardmember Mueller asked if there were remaining expenses regarding the River Country Cooperative property.

Mr. Link replied that he was not aware of any outstanding acquisition costs; however, soil remediation would eventually need to take place.

Boardmember Mueller asked for the status on the Shipton property.

Mr. Link replied that staff continues to work with the Shiptons and he would anticipate bringing additional information to the EDA in the near future in an executive session.

Mr. Kuntz replied that an outstanding action for the River Country Cooperative property would be to remove the memorial from the Torrens certificate.

Motion by Tourville, second by Bartholomew, to approve the disbursements from November 10, 2014 to February 8, 2015.

Ayes: 5

Nays: 0 Motion carried.

4. REGULAR AGENDA

Boardmember Tourville asked to add Item E to the regular agenda to discuss appraisals.

A. Dickman Trail Industrial Market Assessment Presentation

Mr. Link advised that at previous meetings the EDA stated that they favored industrial development of the Dickman Trail area. The EDA then approved a proposal for Kirsten Barsness to assess the industrial market opportunities in the Dickman Trail area.

Kirstin Barsness provided a brief overview of the process and presented a summary of her findings for the Dickman Trail Market Assessment. The main purpose of the assessment was to evaluate the viability of the Dickman Trail area as a redevelopment opportunity for additional industrial development within that area. They looked at how the market would respond to this opportunity for industrial development as well as the financial viability of the site if it was redeveloped into an industrial product. She advised that she gathered her data through Dakota County tax records, City staff, or first person interviews with top commercial/industrial developers. The main findings were that the site has a number of challenges for industrial development. The location is not ideal, with the numerous stoplights and lack of quick access to a major arterial. The triangular shape of the site (especially the north section of Dickman Trail) makes it difficult for developers to construct a rectangular building of a certain size. Another constraint is the location's close proximity to residential and the fact that industrial users prefer to be located near other industrial. A number of developers suggested that it was a good redevelopment site; however, they encouraged the City to look at an alternate use, such as residential or mixed use. The developers she spoke with advised that they would be disinclined to make an investment for an industrial product in this location because of the previously listed challenges. The property cost range for usable square footage is between free to \$4.00 per square foot. Those familiar with this site placed the range more between \$1.00 and \$2.00 per square foot, not including the infrastructure cost. Expected absorption for the property from the south end of the River Country Cooperative property north is estimated between three to five years, with absorption of the entire site taking between five to ten years.

Ms. Barsness advised that she used several resources and assumptions to complete the financial analysis. The City costs came directly from City staff, the County-based information came from the Dakota County website. Infrastructure costs were provided by the City Engineer. \$60 a square foot was used for determining the taxable market value of the buildings. The square footage that was used in the analysis was based on the shape of the site, the bluff constraints, overhead power lines, existing road infrastructure, and the right-of-way. The analysis estimated that the north half could support 51,000 square feet, with an additional 100,000 square feet on the southern half. The average developer price used was \$1.50 per square foot for buildable property which was the average of what developers were willing to pay based on responses received, and they used an appreciation rate of 2% annually in building values in the TIF analysis. The first step of the financial assessment was to see whether or not the cost that the developers were willing to pay per square foot would be enough to cover the costs of acquisition, remediation, infrastructure, etc. The price that developers were willing to pay (\$1.50 per square foot) for the buildable land created a significant gap. The shortfall for the northern portion of Dickman Trail prior to any type of TIF would be approximately \$3 million; creating a TIF District would reduce the gap to \$2.7 million. The shortfall for the entire site would be approximately \$5.9 million; creating a TIF would reduce the gap to \$4.9 million. From the market and financial perspective industrial development may not be the best reuse of the site. Ms. Barsness advised that a number of developers inquired as to why the City was not pursuing residential development on the site, and a few of them indicated an interest in redeveloping the site if it went to residential or mixed use development. One way to help close the gap would be to increase the sale price of the property. Residential property commands a higher price in the marketplace than does industrial. Increasing the amount of taxable value would also help decrease the gap. Residential multi-family creates a higher density taxable value on the site and increases the amount you can capture into a TIF district. Costs could also be decreased to help close the gap by receiving grant revenues or redeveloping it residential since residential infrastructure costs less than industrial.

Ms. Barsness advised that a number of developers were very positive on the community itself, many suggested alternative locations for industrial development within the city that would have a higher level of success than the Dickman Trail area, and she believed that with the right location the City could likely solicit developers to assist in that.

President Piekarski Krech questioned why developers would recommend residential in an area that had challenges such as trains, overhead power lines, and bluffs.

Boardmember Bartholomew stated that the costs seemed unusually high and he asked if he could get more information regarding how they arrived at that number.

Ms. Barsness advised that the majority of the costs were in acquisition. The acquisition costs were determined by using either data from acquisitions that had already occurred or the taxable market value from the County multiplied by 1.5. She stated that the market value for the entire site as industrial would be approximately \$9M million whereas 100 units of multi-family residential would have a value of \$20M million. Also, residential redevelopment in the TIF District would be exempt from the Fiscal Disparities pool, whereas industrial development would require a 38% Fiscal Disparities contribution if they followed the City's past practices.

Boardmember Bartholomew asked Ms. Barsness if she felt they could realistically reduce the \$6 million gap by half by going residential.

Ms. Barsness replied in the affirmative.

Mr. Link advised that the remediation, demolition, and engineering construction cost estimates came from City staff and he could provide Boardmembers with more detail regarding those numbers.

Boardmember Bartholomew stated that he would like to see that information, and found it difficult to believe that the \$6 million dollar gap could be reduced by half with residential.

Ms. Barsness stated there were a number of constraints on the Dickman Trail area that made it less attractive to the private market insofar as redeveloping it on their own; they need the City as a partner.

Boardmember Tourville stated he would like to get more detailed information regarding the acquisition, demolition, and remediation cost estimates for both the north section and the site as a whole. He advised that many of the numbers would be similar with both residential and industrial. He stated that the developers interviewed were a powerful group active in the Twin Cities, and if the EDA wanted to get information from a different group they likely would get the same results. He found it interesting that the developers were not interested in developing the area on their own; however, they were willing to work with the City on a build-to-suit. He asked how current the Ehlers information was.

Mr. Link replied that the study was done in 2012.

Boardmember Tourville asked for clarification of a previous statement that the market value for industrial would be approximately \$9M million versus \$20M million for residential.

Ms. Barsness stated the residential estimate was for 100 units. She advised that she was very confident in the accuracy of her numbers as she received her information from past personal experience and from clients with experience in this area.

Dian Piekarski, 7609 Babcock Trail, questioned whether the Shoreview multiple-family housing development mentioned earlier by Ms. Barsness was comparable to the Dickman Trail area in terms of constraints, such as a nearby refinery, overhead power lines, railroad tracks, environmental contamination, a gentleman's club, odd-shaped lot, etc.

Ms. Barsness replied that they did have railroad tracks.

Ms. Piekarski asked Ms. Barsness if the developers had specified which areas of the City would be better suited for industrial development, she encouraged the EDA to pursue available grants, cautioned that even though developers may be willing to build residential in that area she questioned whether people would desire to live there, and stated she did not believe it would be a good location for low income housing.

Boardmember Tourville questioned whether she was referring to workforce housing rather than low income housing.

Frank Rauschnot, 6840 Dixie Avenue, questioned whether utility construction may actually be cheaper for industrial than residential since the area was solid bedrock and fewer connections would be needed with industrial, he advised that 200-plus train cars go through the area daily, he did not feel the triangular shape of the property was necessarily a disadvantage, a small business may have an opportunity to unload train cars there, employee parking could be constructed on the east side of the Dickman Trail, and the property had good access to I-494 and Highway 52. He did not think residential housing would work in that area.

President Piekarski Krech asked how wide the railroad right-of-way was.

Mr. Rauschnot replied that he believed there was 15-20 feet on either side of the track.

Ms. Piekarski Krech stated she did not support putting additional residential in this area, especially with the railroad being so close and the potential for noise complaints, accidents, or children running onto the tracks. She envisioned this area being a development with small businesses, stating if the City redeveloped Concord Boulevard as planned perhaps some of the existing businesses would be interested in moving to the Dickman Trail area.

Boardmember Tourville stated that he appreciated the report but needed time to review it.

President Piekarski Krech stated she would prefer to have businesses in this area rather than exposing residents to the challenging conditions of the site.

Boardmember Hark stated this site may be appropriate for smaller industrial uses.

Mr. Link advised that this presentation was for informational purposes and no action was being requested.

Boardmember Mueller suggested that the EDA do nothing on this topic for at least a year and instead focus on other priorities.

Mr. Rauschnot advised that he would like to have a meeting soon to discuss the costs regarding his relocation, noting that he did not agree with the proposal provided by Mr. Lynch.

President Piekarski Krech suggested that Mr. Rauschnot present a counter-offer.

Mr. Rauschnot stated he would be willing to meet next week regarding a relocation plan.

Boardmember Mueller asked if the meeting could be later as he would like to attend that meeting and was unavailable next week.

Mr. Lynch suggested that they recess the EDA meeting as it was 6:00 p.m. which was the advertised time for the Special City Council meeting. He advised there were no applicants coming to the special meeting; however, as two of the three applicants withdrew and the remaining applicant would not be able to attend tonight's interviews due to a death in the family.

Motion by Piekarski Krech, second by Mueller, to recess the EDA meeting.

Ayes: 5

Nays: 0 Motion carried

President Piekarski Krech reconvened the EDA meeting at 6:09 p.m.

B. Consider Approval of 2015 EDA Work Plan

Mr. Link requested that the EDA identify issues that it would like to focus on this coming year. He noted that the four items suggested by staff, in order of priority, were Concord redevelopment, EDA financing, Gun Club site, and the Arbor Pointe commercial area. Staff recognizes that other unanticipated issues may arise.

Boardmember Mueller stated he would prefer to reverse the order of priority.

Boardmember Hark advised that he would like to give Arbor Pointe commercial first priority.

Boardmember Tourville suggested they focus on all commercial in the City, stating that other commercial areas may question why all the effort was put specifically on Arbor Pointe.

President Piekarski Krech suggested they change the item listed as 'Arbor Pointe commercial' to 'Inver Grove Heights commercial'.

Boardmember Bartholomew suggested focusing on the four items listed but not prioritizing them.

Boardmember Hark advised that if everything is a priority then nothing is a priority; however, he also agreed that the four items were important and should perhaps be given equal weight.

President Piekarski Krech believed that staff's first priority should be looking into what the impediments are to commercial in the City, and trying to retain existing commercial as well as bringing in additional commercial.

Boardmember Tourville stated that some of the issues affecting commercial activities, such as expensive leases, are beyond the City's control.

President Piekarski Krech questioned if the community supports the local businesses.

Boardmember Tourville favored not numbering the four work plan items.

Boardmember Mueller stated he no longer wanted to discuss residential redevelopment on Concord.

Motion by Tourville to approve the Economic Development Authority's 2015 Work Plan which includes the four items identified by staff.

Boardmember Bartholomew stated he would second the motion only if it included looking into whether local government was doing anything that was hindering business and if so, could they do anything better.

Boardmember Tourville stated that would likely be discussed as part of one of the four items.

Bartholomew seconded.

Mr. Link asked for clarification that the motion was to approve the work plan with the four items recommended by staff, with the exception of the activity regarding Arbor Pointe commercial being expanded to include all commercial citywide, and no priority being given to any of the items.

President Piekarski Krech and Boardmember Tourville stated that the highest priority should be placed on commercial in Arbor Pointe as well as the remainder of the City.

Boardmember Mueller asked for an update on the Gun Club site.

Mr. Link replied that the consultant report on environmental remediation was approximately 90% complete. Negotiations would continue with the State once that report was complete.

Boardmember Mueller asked when the last contact was made between MNDOT and the City.

Mr. Link replied that the last contact was about six months ago.

Boardmember Mueller asked if the City should enlist the help of their representatives.

Mr. Link replied that it would be premature at this point, but would be an avenue they could take should they get to a point where they were getting nowhere in negotiations.

Ayes: 5

Nays: 0 Motion carried.

C. Consider Approval of Joint Powers Agreement with Dakota County CDA for 2015 ‘Open to Business’ Program

Mr. Link asked the EDA to consider approving the Joint Powers Agreement between the Dakota County CDA for the 2015 ‘Open to Business’ program. The County’s representative, Laurie Crow, will provide the annual report, along with the information previously requested by the EDA, in the next couple weeks. The City’s share of the cost remains at \$6,250.

Boardmember Tourville requested that in the future the EDA receive the annual report by the end of January or February.

Motion by Tourville, second by Bartholomew, 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: 5

Nays: 0 Motion carried.

D. Consider Election of Officers

Motion by Bartholomew, second by Tourville, to appoint Piekarski Krech as President, Bartholomew as Vice-President, Tourville as Treasurer, City Finance Director as Assistant Treasurer, and the Executive Director’s Designee as Secretary.

Ayes: 5
Nays: 0 Motion carried.

E. Dickman Trail Appraisals

Boardmember Tourville suggested that the City get appraisals on the industrial property on the northern section of Dixie Avenue.

President Piekarski Krech questioned whether they should get appraisals on all property that the City does not own north of River Country in the Dickman Trail/Dixie Avenue area.

Mr. Link advised that one of the property owners in this area has given formal interest in selling to the City; there are three remaining properties that the City does not have appraisals on.

Boardmember Bartholomew asked if authorization from the property owner was required in order to do an appraisal.

Mr. Link replied that he was unsure as the previous acquisitions have typically been owner-initiated. He advised that the City could probably ask for the property owners’ cooperation to come onto the property; however, if they refuse they could still proceed with the appraisal based on what they could see from the street.

Motion by Tourville, second by Mueller, directing City staff to obtain an appraisal for all property the City does not own north of River Country Cooperative.

Boardmember Tourville asked staff to advise the affected property owners of the EDA’s action.

Ayes: 5
Nays: 0 Motion carried.

5. NEXT MEETING – The next Regular EDA meeting will be held on May 11, 2015.

6. ADJOURNMENT: Motion by Mueller, second by Tourville, to adjourn. The meeting was adjourned by unanimous vote at 6:29 p.m.

City of Inver Grove Heights EDA Fund 290

Budget vs Actual through 3/31/15

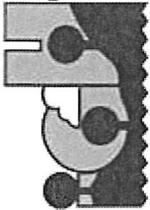
Account Description	2015 Amended		Budget Remaining
	Budget	3/31/15 Actual	
Investment Earnings	2,300.00	27.53	2,272.47
Operating Transfers In	500.00	1,400.00	(900.00)
Total Revenue	2,800.00	1,427.53	1,372.47
Personnel	15,500.00	3,554.91	11,945.09
Prof/Tech Services	33,800.00	1,742.48	32,057.52
Purchased Services	500.00	136.44	363.56
Other Purchased Services	34,100.00	13,434.99	20,665.01
Land Purchase	-	15,160.08	(15,160.08)
Total Expenditure	83,900.00	34,028.90	49,871.10
Fund 290 Surplus (Deficit)	(81,100.00)	(32,601.37)	48,498.63

Claim on Cash 148,314.30

Land Available for Sale 1,138,500.00

Loan from Host Community Fund for Land Purchase 1,000,000.00

3.B.



City of Inver Grove Heights

Detail Report

Account Detail

Date Range: 01/29/2015 - 04/27/2015

Fund: 290 - EDA

290_100_1010199

Claim on Cash

Post Date	Source Transaction	Description	Vendor	Amount	Running Balance
1/28/2015	Beginning Balance	Agrees to Previous report ending 1/28/2015			136,708.37
12/31/2014	JN05037	Reclass Braun Intertec-McPhillips Property		448.00	137,156.37
12/31/2014	JN05154	EDA Project Reclassifications 2014 Transactions		233.40	137,389.77
12/31/2014	JN05164	2014 Transfers Budgeted & Previously Authorized		24,215.34	161,605.11
12/31/2014	JN05214 & JN05248	To adjust comp abs at 12/31/14		(4,326.00)	157,279.11
12/31/2014	JN05207	Record 4th Qtr Interest Allocation		19.74	157,298.85
12/31/2014	JN05239	3/9/15 Approved 2014 Transfers		8,775.00	166,073.85
01/30/2015	JN05036 & JN05064	City Utility Billing		(11.43)	166,062.42
02/01/2015	JN05126	Record February 2015 Allocations		(83.33)	165,979.09
02/06/2015	Packet PYPKT00752: PF Payroll			(587.09)	165,392.00
02/06/2015	CR General Receipts 2-(Refund Conference Fee			275.00	165,667.00
02/20/2015	Packet PYPKT00756: PF Payroll			(589.55)	165,077.45
02/20/2015	210720	Payroll	11063 - GENESIS EMPLOYEE BENEFITS, INC	(0.52)	165,076.93
02/20/2015	210720	Payroll	11063 - GENESIS EMPLOYEE BENEFITS, INC	(0.10)	165,076.83
02/20/2015	210742	Review District maps and ownership along Dixie	00538 - LEVANDER, GILLEN & MILLER P.A.	(60.00)	165,016.83
02/20/2015	210742	River Country Cooperative	00538 - LEVANDER, GILLEN & MILLER P.A.	(280.00)	164,736.83
03/01/2015	JN05133	Record March 2015 Allocations		(83.33)	164,653.50
03/06/2015	Packet PYPKT00763: PF Payroll			(587.09)	164,066.41
03/09/2015	JN05240	3/9/15 Approved 2015 Transfer		1,400.00	165,466.41
03/11/2015	210979	Dickman Trail Assessment	07095 - BARSNESS, KIRSTIN	(1,400.00)	164,066.41
03/11/2015	210998	Payroll	11063 - GENESIS EMPLOYEE BENEFITS, INC	(1.23)	164,065.18
03/18/2015	211082	River Country Cooperative Property Taxes	08134 - DAKOTA CTY PROP TAXATION & RECORDS	(15,160.08)	148,905.10
03/20/2015	Packet PYPKT00773: PF Payroll			(589.55)	148,315.55
03/25/2015	211208	Payroll	11063 - GENESIS EMPLOYEE BENEFITS, INC	(1.25)	148,314.30
04/01/2015	211281	Payroll	11063 - GENESIS EMPLOYEE BENEFITS, INC	(1.23)	148,313.07
04/01/2015	211297	River Country Cooperative Legal	00538 - LEVANDER, GILLEN & MILLER P.A.	(621.40)	147,691.67
04/01/2015	211297	Various Acquisitions Legal	00538 - LEVANDER, GILLEN & MILLER P.A.	(340.00)	147,351.67
04/01/2015	211297	Shipton Legal	00538 - LEVANDER, GILLEN & MILLER P.A.	(900.00)	146,451.67
04/01/2015	JN05352	Record April Allocations		(83.33)	146,368.34
04/03/2015	Packet PYPKT00783: PF Payroll			(587.09)	145,781.25
04/08/2015	211378	McPhillips Legal	00538 - LEVANDER, GILLEN & MILLER P.A.	(136.00)	145,645.25
04/08/2015	211378	River Country Cooperative Legal	00538 - LEVANDER, GILLEN & MILLER P.A.	(49.40)	145,595.85
04/15/2015	211428	Open to Business	04629 - DAKOTA CTY COMM DEV AGENCY	(6,250.00)	139,345.85
04/15/2015	211473	Shipton Phase 1 Environmental Assessment	10405 - PEER ENGINEERING, INC	(1,700.00)	137,645.85
04/17/2015	Packet PYPKT00788: PF Payroll			(589.55)	137,056.30
04/22/2015	211551	Payroll	11063 - GENESIS EMPLOYEE BENEFITS, INC	(1.25)	137,055.05
04/22/2015	211551	Payroll	11063 - GENESIS EMPLOYEE BENEFITS, INC	(0.52)	137,054.53
04/22/2015	211573	McPhillips Appraisal	06559 - INTEGRA REALTY RESOURCES	(6,500.00)	130,554.53

**MEMO
CITY OF INVER GROVE HEIGHTS**

TO: Inver Grove Heights Economic Development Authority
FROM: Thomas J. Link, Director of Community Development 
DATE: April 29, 2015 for EDA Meeting of May 11, 2015
SUBJECT: Creation of Economic Development District No. 8

PURPOSE/ACTION REQUESTED

The Inver Grove Heights Economic Development Authority (EDA) is to consider adopting a 'Resolution Calling for a Public Hearing to Consider Creation of Economic Development District No. 8', as enclosed.

BACKGROUND

Christopher and Luci Shipton, owners of 4195 – 68th Street East, have expressed an interest in selling their property to the EDA. The purpose of the acquisition would be economic development. The property is located within one of the 'catalyst' redevelopment sites identified in the Concord Neighborhood Plan Update. The EDA would acquire the property, remove the structures, assemble other parcels, and, at some future time, sell the property for redevelopment. The EDA performed its due diligence, including the preparation of an appraisal and a Phase I environmental assessment. Staff has completed negotiations with the Shiptons, consistent with previous EDA direction, and the Shiptons have signed a purchase agreement.

ANALYSIS

Minnesota Statutes requires that a property must be in an economic development district before an EDA can acquire it. The EDA could consider establishing the requisite development district at a special meeting on June 8. Minnesota Statutes also requires that the EDA conduct a public hearing when considering an economic development district. Consistent with previous action, the economic development district, as drafted, consists of only the Shipton property.

CONCLUSION

The Inver Grove Heights Economic Development Authority (EDA) is to consider adopting a 'Resolution Calling for a Public Hearing to Consider Creation of Economic Development District No. 8', as enclosed.

Enc: Resolution Calling for a Public Hearing to Consider Creation of Economic Development District No. 8
Notice of Public Hearing
Map of Economic Development District No. 8 Boundary
Aerial Photograph of Economic Development District No. 8

cc: Christopher and Luci Shipton

CITY OF INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

**RESOLUTION CALLING FOR A PUBLIC HEARING TO CONSIDER CREATION
OF ECONOMIC DEVELOPMENT DISTRICT NO. 8**

BE IT RESOLVED By the Board of Commissioners ("Board") of the City of Inver Grove Heights Economic Development Authority (the "Authority") as follows:

Section 1. Recitals.

1.01. Under Minnesota Statutes, Sections 469.090 to 469.1082 (the "EDA Act"), and specifically Section 469.101, subd. 1 thereof, the Authority is authorized to create and define the boundaries of economic development districts at any place or places within the City of Inver Grove Heights (the "City").

1.02. Within the boundaries of such economic development districts, the Authority may exercise any of the powers under the EDA Act.

1.03. The Authority desires to consider whether to establish Economic Development District No. 8 in order to carry out foster the development of those areas pursuant to the EDA Act.

1.04. Minnesota Statute § 469.101 requires that District No. 8 may not be created until the Authority holds a public hearing on the matter preceded by published notice of the hearing in a daily newspaper of general circulation in the City at least ten days before the hearing.

Section 2. Consideration of District / Hearing Date.

2.01. The Authority shall hold a public hearing on Monday, June 8, 2015 at 6:00 p.m. to consider whether to create District No. 8.

2.02. The tax parcel identification numbers and legal description of the proposed District No. 8 are described in Exhibit A hereto, which is incorporated by reference.

2.03. The Executive Director shall cause notice of the hearing to be published at least ten days before the hearing in a daily newspaper of general circulation in the City. Further, the Executive Director shall mail notice of the hearing to the owner of the property proposed to be included in District No. 8; for the purpose of giving mailed notice, owner is the owner on the tax records of the county.

Approved by the Board of Commissioners of the City of Inver Grove Heights Economic Development Authority this 11th day of May, 2015.

Ayes:
Nays:

Attest:

Rosemary Piekarski Krech, President

Tom Link, Executive Director

EXHIBIT A

**TAX IDENTIFICATION NUMBER AND LEGAL DESCRIPTION OF
ECONOMIC DEVELOPMENT DISTRICT NO. 8**

The property contained within the boundary of Development District No. 8 is described below:

Lots 16, 18 and 20, Block 1, Wm. F. Krech's Addition to Inver Grove, together with that portion of the vacated Delilah Avenue accruing thereto by reason of said vacation.

Dakota County Parcel ID No. 20-43250-00-201
4195 - 68th Street East, Inver Grove Heights

NOTICE OF PUBLIC HEARING

**CITY OF INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY
DAKOTA COUNTY
STATE OF MINNESOTA**

NOTICE IS HEREBY GIVEN that the Board of Commissioners of the City of Inver Grove Heights Economic Development Authority, Dakota County, State of Minnesota (the "EDA"), will hold a public hearing on **Monday, June 8, 2015**, at approximately 6:00 p.m. at Inver Grove Heights City Hall, 8150 Barbara Avenue, Inver Grove Heights, Minnesota, relating to the establishment of Economic Development District No. 8 under Minnesota Statutes, Section 469.101, subdivision 1.

Economic Development District No. 8 consists of the tax parcel identification number and legal description described in Exhibit A hereto, which is incorporated by reference. In general, the parcel proposed to be included in Economic Development District No. 8 is located north of 68th Street East and west of Concord Boulevard East.

The purpose of Economic Development District No. 8 is to authorize the EDA to acquire (through negotiation) the property within the district for future economic development purposes, including without limitation, resale to a private party for redevelopment.

All interested persons may appear at the hearing and present their views orally or prior to the meeting in writing.

If you have questions, please contact Thomas J. Link, EDA Executive Director, at 651-450-2546 or tlink@invergroveheights.org. Written comments may be sent to Thomas J. Link, EDA Executive Director at 8150 Barbara Avenue, Inver Grove Heights, Minnesota, 55077.

BY ORDER OF THE BOARD OF COMMISSIONERS OF
THE CITY OF INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT AUTHORITY

Dated: _____.

/s/ _____

Thomas J. Link, Executive Director

EXHIBIT A

**TAX IDENTIFICATION NUMBER AND LEGAL DESCRIPTION OF
ECONOMIC DEVELOPMENT DISTRICT NO. 8**

The property contained within the boundary of Development District No. 8 is described below:

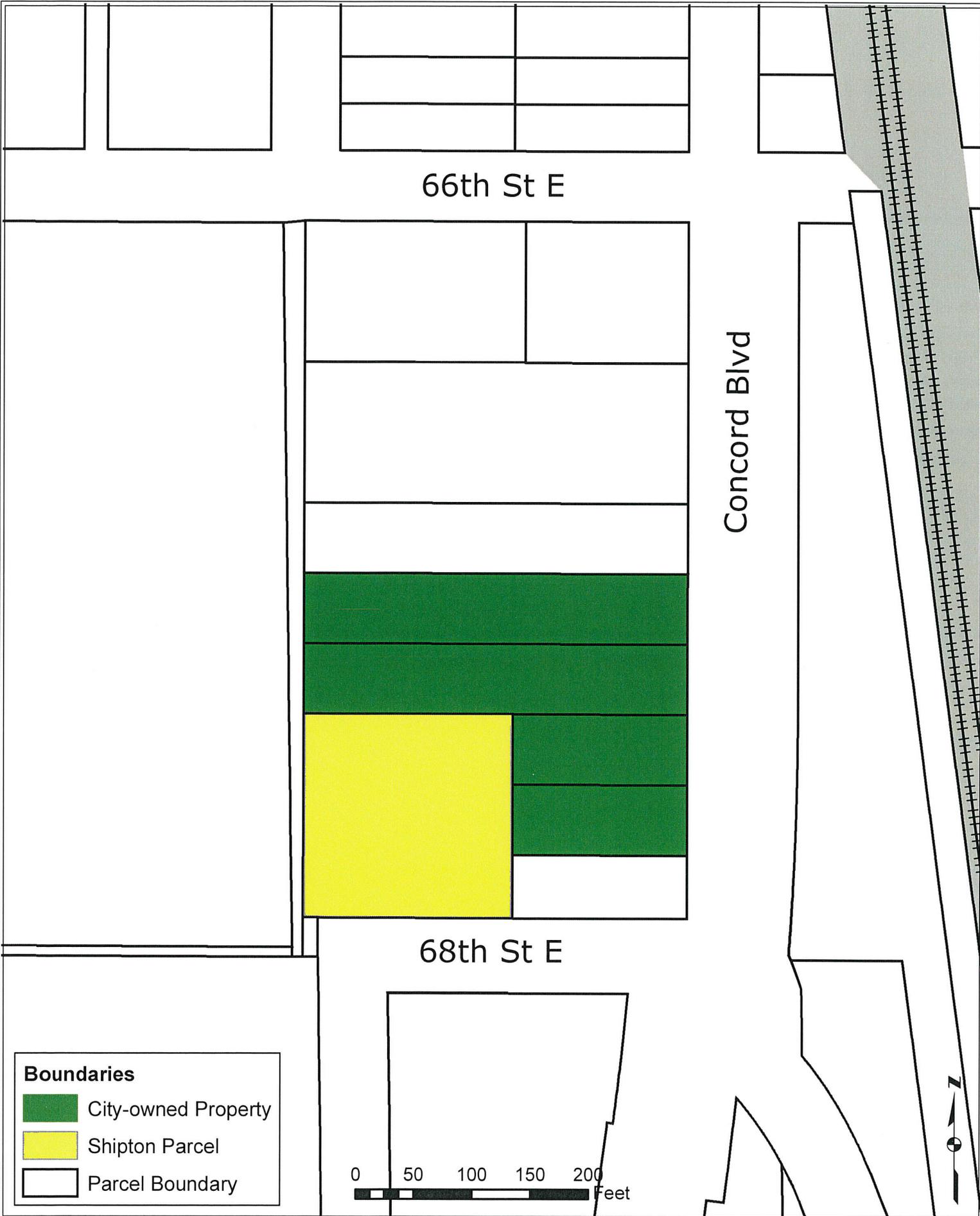
Lots 16, 18 and 20, Block 1, Wm. F. Krech's Addition to Inver Grove, together with that portion of the vacated Delilah Avenue accruing thereto by reason of said vacation.

Dakota County Parcel ID No. 20-43250-00-201

4195 - 68th Street East, Inver Grove Heights



Economic Development District No. 8



Economic Development District No. 8



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PROGRESS PLUS 2015 PROPOSAL FOR SERVICES

OVERVIEW

Progress Plus is pleased to submit this proposal for services to support the economic development efforts of the city of South St. Paul in achieving its goals for improving the business climate and expanding the business base.

The Objective

The cities of South St. Paul and Inver Grove Heights have been serving business and commercial enterprises of all kinds for more than a century.

Building on the area's strong work ethic nearly 20 years ago, the cities and the business community created a unique and aggressive program of economic development called Progress Plus.

This public/private partnership is designed to accommodate planned development in Inver Grove Heights and South St. Paul.

Progress Plus, an economic development foundation of the River Heights Chamber of Commerce, seats mayors, city officials, chamber of commerce officers, real estate professionals, and business leaders in the community on its Board of Directors.

By implementing the program, developers, brokers, site locators and local expanding businesses are able to move their projects through the local approval process and facilitate expansion and relocation needs quickly and smoothly.

Progress Plus, as a cost free service:

- Meets regularly with city and government officials to facilitate development projects.
- Works closely with local and regional financial resources.
- Assists prospects in meeting and working with local leaders and decision makers.
- Has a time tested, proven track record of successful economic development efforts.

The Opportunity

Progress Plus has a desire to continue its partnership to provide marketing services to its city investors: Inver Grove Heights Economic Development Authority and the South St. Paul HRA.

Continue to partner with these private investors to promote a healthy and expanding business base in the Progress Plus region.

Current investors include:

American Bank

Bauer Floor Coverings, Inc.

Bremer Bank

Bywords Printing

Central Bank
City Auto Glass
Inver Grove Heights Animal Hospital
Landmark Environmental
McGough Development
Quality Auto Care Center
Shaw Lunquist & Assoc.
Waterous Company

CHS
Fury Motors
Key Community Bank
Langer Real Estate Services
Pawn America MN
River Heights Chamber
South St. Paul Future
Wells Fargo

Cerron Properties
Holiday Inn Express
Krech, O'Brien, Mueller & Assoc.
LeVander, Gillen & Miller PA
PCL Construction
Sanimax USA LLC
Union Pacific Railroad
Xcel Energy

OUR PROPOSAL

Economic Development Authority

- Provide support to Community Development Director in researching and preparing information for the EDA, including developing financing tools and EDA marketing activities
- Serve as a resource and provide research as needed
- Provide activity updates for the quarterly EDA meetings
- Market the financing options available and offer prequalification assistance to interested developers/businesses.
- Work with the EDA and city staff to evaluate the roles and responsibility of Progress Plus as it relates to economic development service.

Measure: Meet monthly with Community Development Director

Marketing

- Incorporate Xceligent systems into the Progress Plus portfolio of tools. Xceligent is a leading provider of verified commercial real estate information across the United States. The research team pro-actively collects: a comprehensive inventory of commercial properties, buildings available for lease and sale, tenant information, sales comparables, historical trends on lease rates and building occupancy, market analytics, and demographics.
- Design a new website that incorporates the Xceligent technology for searches and information from our partnerships with other economic development groups such as Greater MSP and Open to Business.
- Continue to promote successful local businesses which may include writing articles about featured successful developments in Inver Grove Heights to create awareness of the cities desire to attract development. This may include subscribing to a news wire service for national placement.
- Continue to add to our niche database to market to specific brokers (ie. Retail, industrial etc.)
- Promote IGH information and sites on Progress Plus website
- Promotion of IGH at annual Progress Plus meeting attended by approximately 100 business leaders
- IGH information in editorials and ads in publications, including ad and editorial copy in the SouthWest Review Progress Edition; ad in the Resource Guide distributed to all residents and businesses and in links to partner organizations
- Promotion of IGH at two conferences/events for brokers and developer each year such as EDAM and Dakota County event.
- Work with Greater MSP to market IGH Properties
- Market the Small Business Finance program and assistance offered by MCCD.
- Produce a broker event to attract brokers to the area in the form of a tour or class.
- Include and Identify IGH in exhibition/sponsorship of annual Minnesota Commercial Realtors Association (MNCAR) EXPO

- Continue to promote PP and the positive development news on Facebook, Twitter and other social media outlets.

Measure: Provide monthly written report

Arbor Point Retail Area

- Facilitate discussions with the Arbor Pointe business community, residents, city and county to continue to work on a solution for the area.

Measure: Meet monthly with Community Development Director to assess progress and agree on tasks

Inver Grove Heights Retail Analysis

- Work with City staff to identify market trends, financing tools, zoning and ordinances as it relates to Inver Grove Heights.

Measure: Present information to EDA at its quarterly meetings

Continue to Develop a comprehensive list of business in Inver Grove Heights:

- Build a comprehensive business list of IGH to communicate news, development and opportunities to local businesses.

Measure: Provide updated list to staff and EDA.

Inquiries

Respond to inquiries from business and industries searching for land or buildings for new construction or expansion

Measure: Provide monthly written report via Progress Plus Activity Report

Business Retention Program

- Continue to schedule retention visits and include the Community Development Director when available.
- Visit other existing businesses to gather information on the business climate in IGH
- Report visits to GrowMN and Greater MSP, a statewide retention program in order to qualify for the rfp/lead program.
- Assist existing businesses with expansion, relocation, land purchase, building leasing and construction
- Assist businesses in understanding City process, purpose and function in development/redevelopment
- Assist in promoting Business Town Hall meeting
- Provide report on issues or requests raised by businesses related to City services, including feedback when no issues are raised

Measure: Staff will report any such visits at the monthly meeting between Progress Plus and city staff.

PROGRESS PLUS 
Urban-Alternative Space Available

Report On: 4/14/15

Economic Development Activities

Active Investors as of April 2015: 31

UPDATES or New Activities

Groundbreaking

Progress Plus is working with the SSP HRA to coordinate groundbreaking events with Kwik Trip, Interstate Partners and an event with Schadegg Mechanical to celebrate and promote all the activity taking place in Bridgepointe.

Progress Plus Website

Progress Plus hired C-Inc., IT to design a new website and incorporate new features and capabilities into it. The shell is done and now we will start migrating new information into the site. We are hoping to have it live by mid-May.

PRWEB – Flint Hills Resources

The next featured article to hit the wire will be on the Flint Hills Expansion. Progress Plus interviewed Jake Reint and toured it for the article. The story will feature their growth in employment and why they chose to grow in Inver Grove Heights.

South Metro Map

The South Metro Map is complete and being distributed. Progress Plus has an ad in the publication for resident awareness of the services it provides.

Southwest Review Progress Edition

Progress Plus was featured in the Progress Edition of the South West Review in April and focused on the “team approach” in community economic development. The article is attached.

Arbor Point Retail Center

Progress Plus met with the owners of the Arbor Point Retail Center (Anytime Fitness/Arbor Pointe Liquor etc.) to give an update on the county/city talks about access on Buchanan, discussed leads from Sadie’s Strings and a Daycare center interested in leasing space, and input from the community at the Arbor Pointe Community Conversation.

Xceligent

Progress Plus met with city staff from Inver Grove Heights to train on the Xceligent search site. Staff can use it for inquiries, reports, comparables and broker information.

South St. Paul Future, Inc.

Progress Plus is promoting a special program for South St. Paul Future. For 2015, South St. Paul Future, Inc. has approved a new Special Loan Offer to promote redevelopment in the Southview Boulevard/Marie Avenue area. The eligible businesses are existing businesses in the area of Southview Boulevard and Marie Avenue and include businesses within the economic development district for that area. South St. Paul Future, Inc. will loan up to \$10,000 under this special program with an interest rate of 4%. Additional information about the program is attached.

Inquiries/Relocations/Expansions

EZ Sharp

EZ Sharp stocks and maintain a large inventory of the finest in skate sharpening equipment & supplies, designed and manufactured for all makes of skate sharpening machines. The manufacturing and distribution center is currently in Stacy and looking to relocate to South St. Paul. They need approximately 2,000 sf and would prefer to lease.

Ecco Midwest

ECCO Midwest, Inc. is a licensed/bonded/insured, full service environmental contractor specializing in asbestos and lead abatement, mold remediation and specialty cleaning. Owner is interested in the Hardman Court site. Progress Plus contacted the city staff to discuss details of the requirements and any financing options.

CHS

Progress Plus and the City of Inver Grove Heights have been working with representatives of CHS for over a year now to discuss their future expansion and employment needs. This month the company announced it is expanding and renovating its 34-year-old headquarters building in Inver Grove Heights. The company's 361,500-square-foot office building is at capacity and needs to be modernized but details have not been finalized.

IGH Hotel

Met with Hotelier who is interested in building a hotel in Inver Grove Heights. Directed him to the city staff for planning information.

South St. Paul Franchise Fee

The South St. Paul City Council heard the second reading of the recommended gas and electric franchise fee increase on April 6th. River Heights Chairman Kelton Glewwe and Board members Bruce Bairaktaris, Steve Doody, Karen Hanson and Tom Leonard attended the meeting to represent the concerns of the business community in light of the proposed increase from 3% to 4.25 % for 2015 and automatic increase to 5% for 2016.

After hearing from Chairman Glewwe, Mayor Baumann proposed to drop the recommended fee to 4% in 2015 and revisit the budget to either use the capital improvement fund to bridge their budget gap or find ways to cut spending to meet the 2015 budget. Councilmembers Seaberg, Flatley, Hansen and Neiderkorn also agreed that the process used to come up with the recommended rates wasn't ideal and should have been done differently so they supported Mayor Baumann's recommendation to lower the rate for 2015 to 4% and not to adopt the 2016 rate but rather go back to the budget and dig deeper for alternative solutions to save costs or raise revenue.

Food Truck Day

The River Heights Chamber of Commerce and Progress Plus are hosting the first ever Food Truck Day in May in an effort to showcase the economic development efforts and successes in the Bridge Pointe area. The event is open to the public but will focus on the 10,000 daytime employees in the area, the 600+ brokers in the Progress Plus Database and through the partnership with the South West Review, will also advertise to the entire South Metro Community.

We will provide a blocked off area of 464 Concord Exchange (next to Delacey Automotive) Street, parking for out of area employees and services to support the event. The event is co-sponsored by South West Review, Republic Services, Interstate Partners, Delacey Automotive and Schadegg Mechanical.

Reserved Participating Food Trucks are:

Tot Boss

Natedogs

Gastrotruck

Sandy's Grill and Italian Ice

A La Plancha

Asian Invasion

Hometown Meats

**MEMO
CITY OF INVER GROVE HEIGHTS**

TO: Inver Grove Heights Economic Development Authority
FROM: Thomas J. Link, Director of Community Development 
DATE: April 30, 2015 for EDA meeting of May 11, 2015
SUBJECT: Arbor Pointe – Sign Requirements

1. PURPOSE/ACTION REQUESTED: The Economic Development Authority (EDA) is to discuss sign requirements in the Arbor Pointe commercial neighborhood.

2. BACKGROUND: One of the items on the EDA's 2015 Work Plan is to work towards the improvement of the Arbor Pointe commercial neighborhood, including consideration of sign requirements. More particularly, the City Council/EDA has expressed concerns about the visibility of businesses from 1) Highways 52/55 and 2) the intersection of Concord and Broderick, as motorists exit from the highway.

3. ANALYSIS:

Existing Signs – There are two types of signs that allow businesses to be seen from the highway and from the Concord/Broderick intersection: blue state highway informational signs and freestanding signs. The following is an inventory of existing highway and freestanding signs in the Arbor Pointe commercial neighborhood that are visible from the highway or intersection:

- State Highway Informational Signs:
 - Northbound sign - advertising Subway, Caribou, Ruby Tuesday, and Holiday and potentially two additional businesses
 - Southbound sign - advertising Subway, Caribou, Ruby Tuesday, and Holiday and potentially two additional businesses

- Freestanding Signs:
 - 'Rainbow Center' multi-tenant sign along Highways 52/55 - advertising Holiday and potentially two additional businesses
 - 'Rainbow Center' multi-tenant sign on Broderick - advertising Subway, Holiday, a license center, and potentially another store. The sign also has a small electronic sign and gas prices.
 - Buchanan Trail multi-tenant sign on Broderick - advertising Associate Bank, Progressive Insurance, and Travelers Insurance
 - Buchanan Trail multi-tenant sign at Concord advertising Verizon, Wells Fargo, liquor store, game store, Anytime Fitness, and potentially four other stores
 - 'Walgreens' sign, located on Concord Boulevard
 - 'Walmart' sign, located on Concord Boulevard

The signs that the City has approved over the years have not been fully utilized. For example, the Rainbow Center is allowed an additional third sign and the Buchanan Trail businesses are allowed an additional fourth sign. As noted above, there is also room on both state highway informational signs and on most of the freestanding signs for additional businesses.

Attached are maps showing the locations of the signs and photographs.

Sign Requirements - Cities have traditionally regulated signs for two reasons: 1) attractiveness and 2) traffic safety. Signs are necessary for businesses to identify themselves and market themselves to passing motorists. However, too many signs or signs that are too large can make a commercial neighborhood seem cluttered and unattractive. Excessive signs can get in the way of each other and compete with each other, thus lessening their impact. Excessive signs can also obscure or distract motorists from critical traffic safety signs.

In the Arbor Pointe commercial neighborhood, signs are addressed in two sets of documents: 1) the City Zoning Ordinance and 2) the Arbor Pointe Planned Unit Development Zoning Ordinance. As seen in the following analysis, these documents do not prohibit businesses from constructing additional signs.

City Zoning Ordinance - The zoning ordinance sign requirements for the B-4 zoning district are used in the Arbor Pointe area. The main regulations are:

- A freestanding sign is allowed on each lot
- The maximum height of a sign is ten feet above the building
- The maximum size of a sign is 240 square feet
- Signs exceeding 100 square feet must maintain a setback of 20 feet from the property line
- Total square footage of sign space on any commercial property cannot exceed the sum of two and one half square feet for each foot of lot frontage on a public street
- Billboards are prohibited. A billboard is a sign that advertises a business that is not related to the property on which the sign is located.

Arbor Pointe PUD Zoning Ordinance – The Arbor Pointe neighborhood is unique in Inver Grove Heights. It was designed as a 430 acre master planned community consisting of a mix of residential, commercial, park, and open space uses. This unique design is reflected in the extensive Arbor Pointe PUD Zoning Ordinance and Design Guidelines. As such, Arbor Pointe is a community commercial, not a highway commercial, neighborhood. It was obviously created with a high level of design. Unlike some other commercial neighborhoods in Inver Grove Heights, the Arbor Pointe commercial neighborhood is mixed in with its residential neighborhoods and dwelling units are in close proximity to the retail businesses.

In addition to the standard City zoning ordinance, the Arbor Pointe neighborhood is regulated by the Arbor Pointe Design Guidelines and Planned Unit Development Zoning Ordinance. The Arbor Pointe Design Guidelines state that the location and size of a freestanding sign is regulated by the approved PUD site plan. In addition, the design guidelines have some general language regarding materials, color, architecture, and illumination. A copy of the design manual's sign requirements is attached. The Arbor Pointe Zoning Ordinance has no further sign requirements but, again, simply states that the Arbor Pointe signs are determined for each lot when that lot's PUD site plan is approved.

Though there is no prohibition on pylon signs, the City, developers, and businesses have not used such signs in the Arbor Pointe commercial neighborhood. Instead, monument signs have

been used because of their attractiveness. These monument signs can be low, such as that used by Walmart, or as tall as ten feet above the building, such as the "Rainbow Center" multi-tenant sign on Highways 52/55. As of this time, the only pylon sign in the Arbor Pointe neighborhood will be the A & W sign.

Buchanan Trail - The commercial properties along Buchanan Trail, also known as Arbor Pointe 14th Addition, have additional sign requirements that were approved as part of the PUD site plan. Buchanan Trail is the interior street that serves the A & W Restaurant, Wells Fargo Bank, Associate Bank, and a retail strip center. The additional requirements limit the signage to four monument signs, including two multi-tenant signs located at the intersections of Concord Boulevard/Buchanan Trail and Broderick Boulevard/Buchanan Trail.

The developer of Arbor Pointe 14th Addition, Semper Development, requested six monument signs for Arbor Pointe 14th Addition. The City was concerned that this was an excessive number of monument signs, in comparison to other Arbor Pointe commercial properties, and that it would make the roadside appear cluttered and unattractive. Instead, the City approved four monument signs, one at each end of Buchanan Trail, one on Concord Boulevard, and one on Broderick Boulevard. This was found agreeable by the master developer, Rottlund, the site developer, Semper, and the City. In fact, minutes indicate that there was no discussion of these sign restrictions at the City Council or Planning Commission meetings. The site developer subsequently constructed only three of the four signs.

If a Buchanan Trail business desires additional signage, they are able to request and the City can approve amendments to the business's PUD site plan and the Arbor Pointe 14th Addition conditions. A & W made such a request and the City Council granted it.

Summary - The sign requirements for the Arbor Pointe commercial neighborhood are the same as all other commercial properties zoned B-4. The exception is that the Buchanan Trail properties are limited to the four monument signs, which includes a multi-tenant sign at each end of Buchanan Trail. Businesses, however, can request additional signs through amendments to their PUD site plans and the Arbor Pointe 14th Addition PUD conditions.

History of Arbor Pointe Signs – Staff does not recall any Arbor Pointe businesses that have requested additional signs or even inquired about it. Walmart, for example, purposely did not request additional signs when they received their PUD approval. The sole exception is A & W, which requested and received approval of a pylon sign. The City recognized that the A & W site was unique given the type of business and its location in the center of the interior street, Buchanan Trail.

4. CONCLUSION: The City Zoning Ordinance, the Arbor Pointe Design Guidelines, and the Arbor Pointe PUD Zoning Ordinance do not prohibit businesses from constructing additional signs. Arbor Pointe signage is regulated by the B-4 zoning district, similar to other commercial neighborhoods in the City. Moreover, the Arbor Pointe PUD Design Guidelines and zoning ordinance provide considerable flexibility by allowing the location and size of signs to be determined by individual PUD site plans. In fact, existing signs are not fully utilized as evident by the signs that have been approved but not constructed and the available spaces on the blue highway informational signs and some of the freestanding signs. The exception are the businesses on Buchanan Trail, which have additional sign regulations. However, these can be modified by requesting amendments, as was done by A & W.

cc: Jennifer Gale, Progress Plus

Enc: Map of Blue Highway Informational Signs

Map of Freestanding Signs in Arbor Pointe Commercial Area
Photographs of Signs
Excerpt from Arbor Pointe Design Guidelines



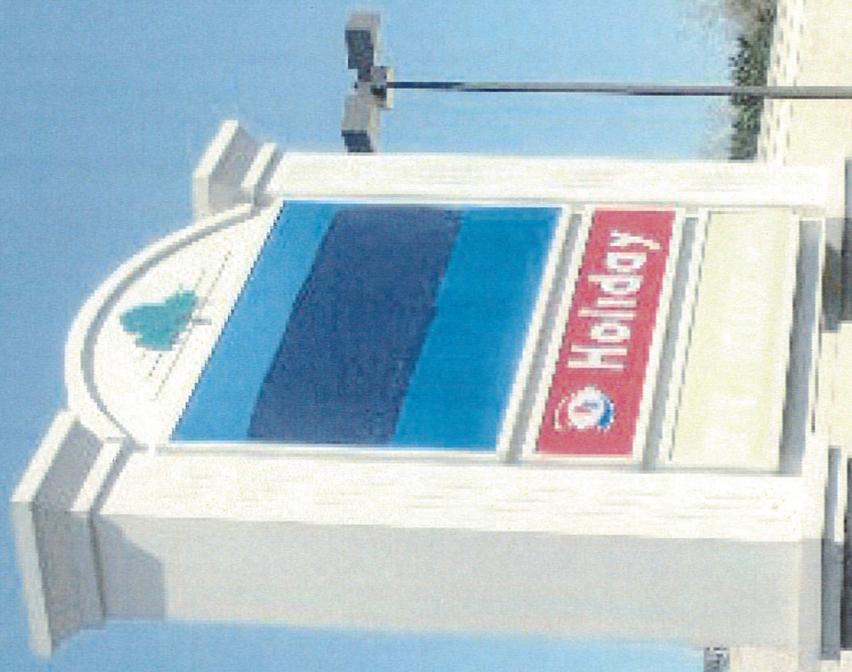
Blue Highway Information Signs (3)





Free Standing Signs in Arbor Pointe Commercial Area





HOLIDAY
INN

04-28-2016

04-28-2015

A tall, multi-sectioned signpost stands on a grassy area. The signpost is divided into several horizontal sections. From top to bottom, the sections are: a white section with the Verizon Wireless logo and the text "Verizon Wireless" and "Leading the way in mobile"; a red section with the Wells Fargo logo and the text "WELLS FARGO"; a dark blue section with the Anytime Fitness logo and the text "ANYTIME FITNESS"; a white section with the Sports Illustrated logo and the text "SPORTS ILLUSTRATED"; and a white section with the text "LIQUORS". The signpost is mounted on a metal base.





04-28-2015


**Associated
Bank**

West Group Insurance
TRAVELERS
Dan Schaeffer Agency

PROGRESSIVE
Allian Insurance Brokers
Valentia Agency

04-28-2015

Business Dr

2015





SUBWAY

INVER GROVE
LICENSE CENTER

Holiday

UNLEADED DIESEL
2.36⁹ 2.69⁹

**Now! chargrilled
BURRITOS
2/\$3.50**

04-28-2015



04-28-2015

SIGNAGE

Neighborhood

Commercial: All Commercial Signage will be coordinated with Arbor Pointe Community Association for material, color, scale, and design & lettering style.

- Leasing - temporary sign to market leasable space
 - Location: one per building; setback from P.L. to be 10' minimum
 - Size: maximum 32 square feet
 - Materials: Heavy timber posts, wood or metal painted signs
 - Colors: Arbor Pointe colors
 - Lighting: required
 - No permit required
- Builders Signage - Building or Tenant Identification
 - Location: Approved per individual P.U.D.
 - Size: Approved per individual P.U.D.
 - Materials: metal or plastic
 - Colors: Arbor Pointe color palette
 - Lighting: interior or back lighting
- Miscellaneous Signage; i.e., Parking
 - To be colors and type style of Arbor Pointe
- All signage to be compatible with the Architecture subject to City review
 - Discourage interior illuminated or stock signage
 - Encourage individual letters and customized signage
 - Projecting signs will be permitted

Note: All issues that are not addressed specifically in this document to be addressed at time of individual P.U.D. submission.

**MEMO
CITY OF INVER GROVE HEIGHTS**

TO: Inver Grove Heights Economic Development Authority
FROM: Thomas J. Link, Director of Community Development 
DATE: April 30, 2015 for EDA meeting of May 11, 2015
SUBJECT: Inver Grove Heights Commercial

1. PURPOSE/ACTION REQUESTED: The Economic Development Authority (EDA) is to provide further direction to staff and Progress Plus regarding the 2015 Work Plan issue of 'Inver Grove Heights Commercial'.

2. BACKGROUND:

Previous City Council Discussion - At its February meeting, the EDA considered staff's recommendation that the Arbor Pointe commercial neighborhood be considered one of the items for the EDA 2015 Work Plan. The EDA expanded this item to include commercial neighborhoods throughout the community. The EDA discussion expressed a desire to retain existing commercial as well as bring in additional commercial. In particular, there were questions as to whether the City is an impediment to commercial activity and whether it is doing anything to hinder businesses. The EDA discussion is found in the attached meeting minutes.

City Role – The EDA discussed commercial activity a couple of times last year in relation to the Arbor Pointe neighborhood. Although the City does not own, lease, or operate businesses, the City can provide infrastructure, adopt appropriate zoning regulations, implement a marketing program, control land uses, establish a business retention program, and provide financial assistance. Progress Plus assists the City with these activities.

Business Role - The business community is responsible for setting sale prices and rents, advertising their lands and buildings, selling and leasing their properties, managing their properties, maintaining their sites, advertising their businesses, and, most importantly, managing their businesses.

The Market - Both the City and the business community must respond to the market. As the Stantec report states, "Retail is one of the most highly competitive and fluid real estate market sectors. Turnover is very common and tenants must constantly be listening to the market and making strategic reinvestments or tenant mix changes to ensure that their centers are vibrant and profitable".

To better understand the local market, the EDA had a retail analysis prepared last year by Stantec. Excerpts of this study are attached to this memo. Though the focus of the analysis was specific to the Arbor Pointe commercial neighborhood, the following conclusions pertain to Inver Grove Heights as a whole:

- The IGH market is limited by the physical barrier of the Mississippi River on the east

- The southern part of the City generates few “rooftops” to support retail. This portion of the City “consists almost entirely of single-family homes on large un-sewered lots at very low densities...and will likely remain at very low densities into the foreseeable future”.
- Flint Hills Refinery, Pine Bend Landfill, and Bituminous Roadways’ gravel pit consume large amounts of acreage with “no homes for many miles surrounding these facilities”
- There is well established, significant competition in surrounding communities, such as Eagan, West St. Paul’s Robert Street, and Woodbury
- “Many retailers shy away from Inver Grove Heights because the location would cannibalize existing stores in West St. Paul or Eagan”
- “Eagan draws a lot of Inver Grove Heights shoppers because of their stronger selection of stores”
- “The daytime population in Inver Grove Heights is low”, meaning that “daytime traffic needed to support many businesses is not good and needs to be higher to support more retail”
- Some areas of Inver Grove Heights have an aging population with a significant impact on consumer demand. “Older adults are often well beyond their peak spending years” and “shift retail and services away from family based retail to more wellness and experiential retail”.

Recent Commercial Activity – Much of the attention this last year has focused on store closings, especially in the Arbor Pointe neighborhood. The closings of the Rainbow store and Walgreens within a month of each other was very noticeable to the community. However, there have been recent successes with commercial construction, as indicated by the following:

- Retail sales increased 26.9% from 2009–2012 or 8.14% annually, per a recent City appraisal (2012 is the latest year for which data is available)
- The City has experienced \$56 million of commercial and industrial construction in the last five years, per building permit records. This averages to approximately \$11 million of commercial and industrial construction per year.
- The City issued 48 building permits for commercial construction in the last five years, including 25 for retail activities.
- Examples of retail construction in recent years includes the Target store, Walmart remodeling, Best Buy remodeling, Pawn America, Cameron’s Liquor Store, Pilot Travel Center renovation, McDonalds renovation, A & W restoration, Dollar Tree, Absolute Trailer Sales, and Old World Pizza relocation.
- In addition to the retail activities, the commercial service construction has been considerable, including a veterinarian, modeling studio, orthodontist, physical therapist, fitness center remodeling, truck service, sleep center, hotel remodeling, two auto body shops, theater remodeling, and major expansions and remodeling of almost all of the car dealerships.

- Furthermore, the City has had recent success with existing and new employers, including CHS (1,000+ employees), Flint Hills Resources Administration Building (500 employees), North American Trailer Services (60-100 employees), and River Country Cooperative (20 employees).

Council Direction – The EDA discussion in February was broad and general. Staff is, therefore, requesting further direction as to what the EDA would like to accomplish this year in relation to commercial activity.

Staff and Progress Plus propose that the discussion focus on the following six roles which we perform:

- Zoning regulations
- Land use control
- Infrastructure
- Business retention
- Marketing
- Financial assistance

Staff and Progress Plus further recommend that two or three of these items could be discussed at each of the EDA's upcoming meetings.

3. ANALYSIS: The Economic Development Authority (EDA) is requested to provide further direction to staff and Progress Plus regarding the 2015 Work Plan issue of 'Inver Grove Heights Commercial'.

cc: Jennifer Gale

Enc: Excerpts of EDA Minutes from February, 2015
Excerpts from Stantec Report

Mr. Lynch suggested that they recess the EDA meeting as it was 6:00 p.m. which was the advertised time for the Special City Council meeting. He advised there were no applicants coming to the special meeting; however, as two of the three applicants withdrew and the remaining applicant would not be able to attend tonight's interviews due to a death in the family.

Motion by Piekarski Krech, second by Mueller, to recess the EDA meeting.

Ayes: 5

Nays: 0 Motion carried

President Piekarski Krech reconvened the EDA meeting at 6:09 p.m.

B. Consider Approval of 2015 EDA Work Plan

Mr. Link requested that the EDA identify issues that it would like to focus on this coming year. He noted that the four items suggested by staff, in order of priority, were Concord redevelopment, EDA financing, Gun Club site, and the Arbor Pointe commercial area. Staff recognizes that other unanticipated issues may arise.

Boardmember Mueller stated he would prefer to reverse the order of priority.

Boardmember Hark advised that he would like to give Arbor Pointe commercial first priority.

Boardmember Tourville suggested they focus on all commercial in the City, stating that other commercial areas may question why all the effort was put specifically on Arbor Pointe.

President Piekarski Krech suggested they change the item listed as 'Arbor Pointe commercial' to 'Inver Grove Heights commercial'.

Boardmember Bartholomew suggested focusing on the four items listed but not prioritizing them.

Boardmember Hark advised that if everything is a priority then nothing is a priority; however, he also agreed that the four items were important and should perhaps be given equal weight.

President Piekarski Krech believed that staff's first priority should be looking into what the impediments are to commercial in the City, and trying to retain existing commercial as well as bringing in additional commercial.

Boardmember Tourville stated that some of the issues affecting commercial activities, such as expensive leases, are beyond the City's control.

President Piekarski Krech questioned if the community supports the local businesses.

Boardmember Tourville favored not numbering the four work plan items.

Boardmember Mueller stated he no longer wanted to discuss residential redevelopment on Concord.

Motion by Tourville to approve the Economic Development Authority's 2015 Work Plan which includes the four items identified by staff.

Boardmember Bartholomew stated he would second the motion only if it included looking into whether local government was doing anything that was hindering business and if so, could they do anything better.

Boardmember Tourville stated that would likely be discussed as part of one of the four items.

Bartholomew seconded.

Mr. Link asked for clarification that the motion was to approve the work plan with the four items recommended by staff, with the exception of the activity regarding Arbor Pointe commercial being expanded to include all commercial citywide, and no priority being given to any of the items.

President Piekarski Krech and Boardmember Tourville stated that the highest priority should be placed on commercial in Arbor Pointe as well as the remainder of the City.

Boardmember Mueller asked for an update on the Gun Club site.

Mr. Link replied that the consultant report on environmental remediation was approximately 90% complete. Negotiations would continue with the State once that report was complete.

Boardmember Mueller asked when the last contact was made between MNDOT and the City.

Mr. Link replied that the last contact was about six months ago.

Boardmember Mueller asked if the City should enlist the help of their representatives.

Mr. Link replied that it would be premature at this point, but would be an avenue they could take should they get to a point where they were getting nowhere in negotiations.

Ayes: 5

Nays: 0 Motion carried.

C. Consider Approval of Joint Powers Agreement with Dakota County CDA for 2015 ‘Open to Business’ Program

Mr. Link asked the EDA to consider approving the Joint Powers Agreement between the Dakota County CDA for the 2015 ‘Open to Business’ program. The County’s representative, Laurie Crow, will provide the annual report, along with the information previously requested by the EDA, in the next couple weeks. The City’s share of the cost remains at \$6,250.

Boardmember Tourville requested that in the future the EDA receive the annual report by the end of January or February.

Motion by Tourville, second by Bartholomew, 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: 5

Nays: 0 Motion carried.

D. Consider Election of Officers

ARBOR POINTE RETAIL ANALYSIS

Competitive Review
October 10, 2014

Table 2: Competitive Regional Retail Districts

Retail District Principal Centers/Retailers	Anchors	Prop- erties	Leasable Sq. Ft.	Building Age ¹	Vacancy Rate			Avg. Rent per sq. ft. ²
					2006	2010	2014	
Arbor Pointe		16	290,000	--	4.2%	2.6%	32.0%	\$17.25
Arbor Pointe			23,300	2005	42.0%	27.3%	33.2%	\$13.00
Concord Crossroads			17,400	2004	0.0%	0.0%	0.0%	\$17.00
Wal-Mart			97,000	2003	--	--	--	--
Former Rainbow Foods			56,200	2000	--	--	100%	\$10.55
South Robert Street		175	2,120,000	--	6.4%	4.0%	2.7%	\$14.74
Ten Acres Center	Cub Foods, Burlington Coat Factory		162,000	1972-r	0.0%	0.0%	0.0%	--
Signal Hills Center			129,000	1955-r	11.2%	5.7%	3.8%	\$13.00
Southview Square	Hancock Fabrics, Home Choice		129,000	1971	10.2%	1.3%	7.8%	\$13.00
Robert Square	Rainbow Foods		62,000	--	9.6%	13.1%	0.0%	--
Southridge Center	Aldi, Pepboys		59,000	1986-r	13.4%	4.3%	11.5%	\$16.50
South Robert Plaza	Old Country Buffet		34,200	1987	23.2%	11.9%	18.6%	\$13.50
Kmart			103,500	1955-r	--	--	--	--
Lowe's			119,000	2007	--	--	--	--
Target			176,000	2005	--	--	--	--
Wal-Mart			132,000	2004	--	--	--	--
Home Depot			109,000	1986	--	--	--	--
Menards			87,000	1961	--	--	--	--
Best Buy			40,000	1994	--	--	--	--
Eagan Central Commons		79	1,377,000	--	2.0%	1.5%	1.4%	\$18.19
Eagan Promenade	Byerly's, Bed Bath Beyond, TJ Maxx		250,600	1997	1.1%	0.0%	0.0%	\$30.00
Eagan Town Centre	Big Lots, Dollar Tree		97,200	1986	2.9%	6.3%	12.1%	\$17.50
Town Centre Shoppes	UPS Store		43,400	1988	0.0%	3.2%	3.8%	\$20.00
Kohl's			96,000	1994	--	--	--	--
Home Depot			102,000	1998	--	--	--	--
Wal-Mart			114,000	1991	--	--	--	--
Rainbow Foods			57,100	1985	--	--	--	--
Best Buy			45,000	2006	--	--	--	--
Cottage Grove - Hwy 61		41	1,336,000	--	8.1%	7.3%	5.3%	\$15.14
Grove Plaza	Rainbow Foods, MGM Liquors		211,000	1974	10.9%	0.0%	0.0%	--
Cottage Grove Plaza	Target, Dollar Tree		150,000	1991	11.3%	12.2%	2.0%	--
80th St Crossings	G-Will Liquors		56,000	1961-r	8.5%	22.1%	22.1%	\$13.53
Menards			199,000	--	--	--	--	--
Wal-Mart			180,000	2014	--	--	--	--
Kohl's			58,000	--	--	--	--	--
Cub Foods			47,000	--	--	--	--	--
Office Max			20,000	--	--	--	--	--
Woodbury - Valley Creek Rd		61	1,279,000	--	7.6%	6.3%	3.3%	\$14.95
North Shops	Marshall's, Tueday Morning		190,000	1991	0.0%	11.4%	6.7%	--
West Shops	Rainbow Foods, PetCo		107,000	1991	0.0%	4.2%	10.7%	--
Valley Creek Mall	Ace Hardware		93,000	1979	0.9%	11.4%	0.0%	\$9.50
Village Green	Party City		60,000	1982	90.4%	0.0%	0.0%	--
City Centre Plaza	Atlantic Buffet		32,000	1985	28.8%	0.0%	0.0%	\$16.00
Target			152,000	--	--	--	--	--
Kohl's			93,000	1991	--	--	--	--
Kowalksi's Market			45,000	--	--	--	--	--

Sources: CoStar, Stantec

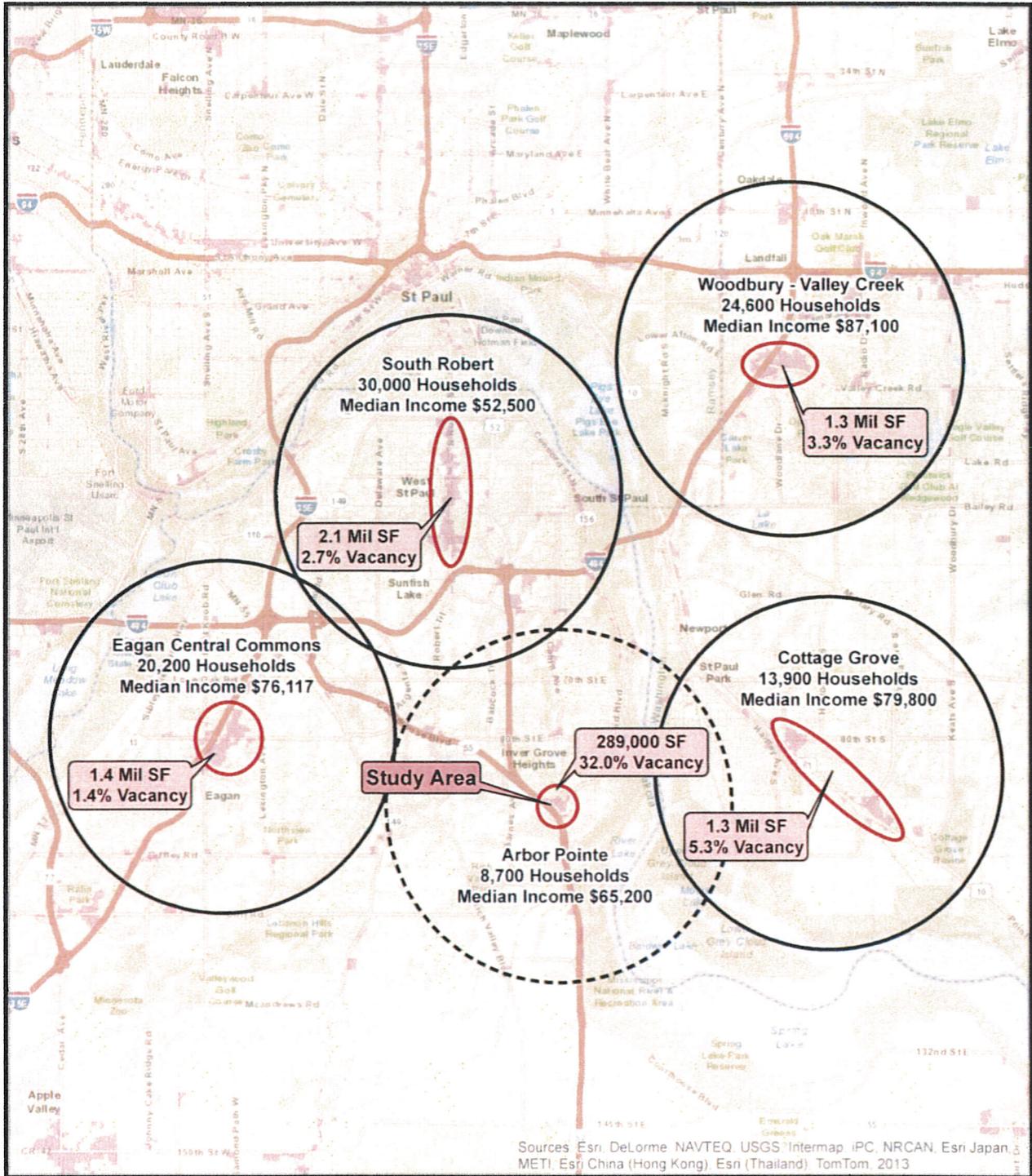
¹ An "r" next to year indicates building has been recently renovated

² Average rent is based on quoted rates for "triple net" or NNN



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Competitive Regional Retail Districts

Arbor Pointe Retail Analysis



- Retail District
- 3-Mile General Submarket Area
- Existing Retail Land Use

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4.3 INVER GROVE HEIGHTS RETAIL DISTRICTS

Because Arbor Pointe does not directly compete with larger retail districts, information was collected and analyzed for smaller neighborhood retail districts in Inver Grove in order to understand how these districts compete with Arbor Pointe. Table 3 presents the total square footage by retail category for each district analyzed. Figure 9 displays the location of district. The following are key findings:

- The six districts analyzed total 944,000 square feet. This includes 800,000 occupied square feet and 144,000 vacant square feet, which is 15% of the total. General merchandise is the largest category. It accounts for 31% of the total occupied square footage. The next largest category is grocery, which accounts for 9% of the occupied total.
- Arbor Pointe is the largest retail district in Inver Grove Heights in terms of total square footage (290,000). The next largest district is the area near Highway 52 and Upper 55th with nearly 200,000 square feet. However, this district includes a large cinema and nursery, which account for over half of its total square footage.

**Table 3: Retail Square Footage by Category
Inver Grove Heights Retail Districts**

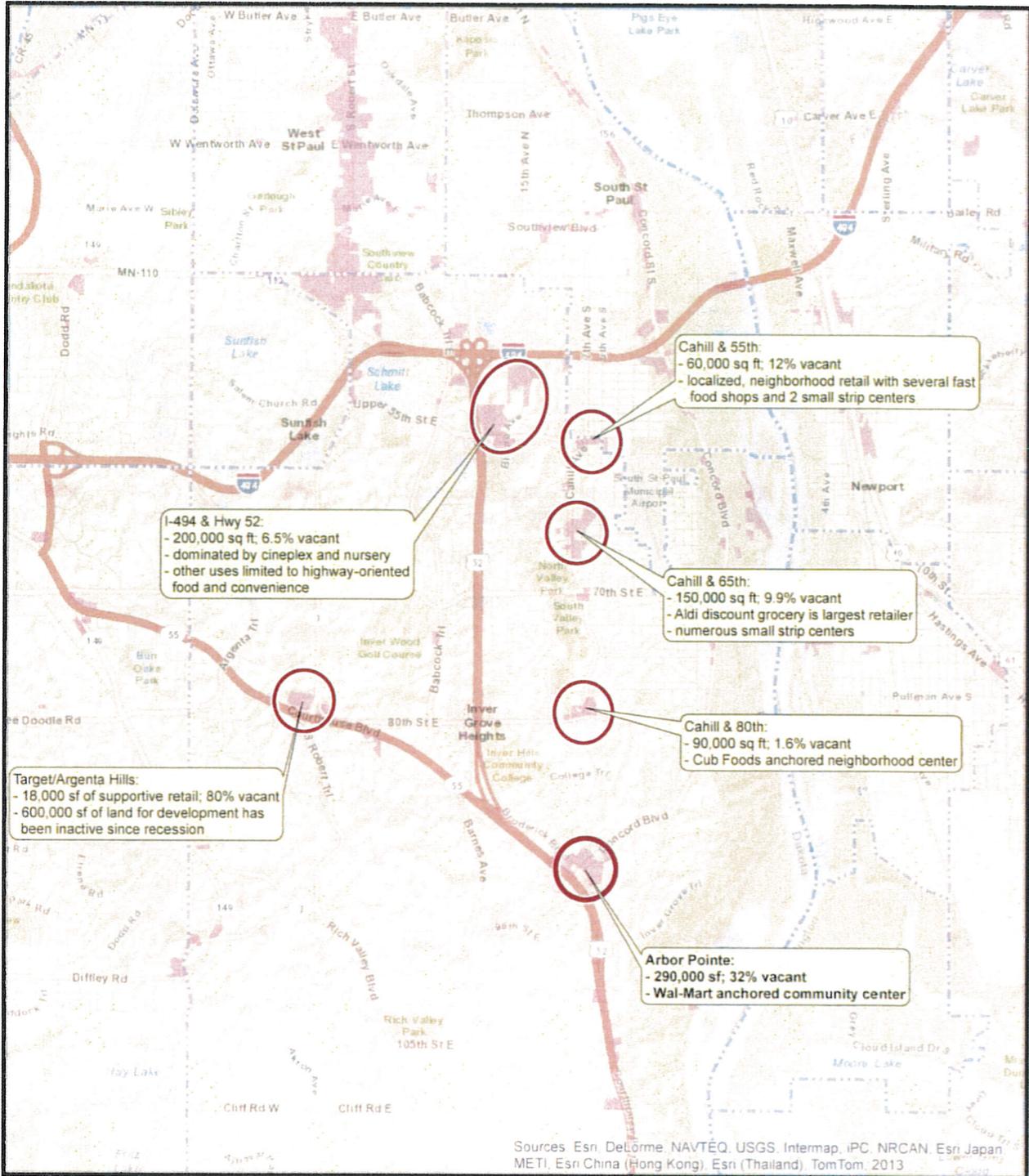
Commercial Categories	Arbor Pointe	Cahill & 80th	Cahill & 65th	Cahill & Up 55th	Hwy 52 & Up 55th	Hwy 55 & S Robert	Grand Total
Apparel				3,771	2,000		5,771
Auto	5,621		16,340	1,204	8,897		32,062
Bank	11,253	1,965	5,572		5,924		24,714
Coffee	2,060				2,650		4,710
Community Center			11,000				11,000
Convenience	3,326	2,000		5,544	4,118		14,988
Entertainment			12,000		56,009		68,009
Fast Food	1,200	10,176	7,793	7,487	3,950		30,606
Fitness	15,100		10,500		1,000		26,600
General Merch	97,166		12,300			135,503	244,969
Grocery		53,117	18,292	3,771			75,180
Hardware			10,322				10,322
Liquor	3,022	6,165	2,500	3,696	10,000		25,383
Medical/Dental	4,500		3,200				7,700
Nursery					55,000		55,000
Office			500				500
Other Retail	26,807	9,000	2,252		2,789		40,848
Other Services	2,731		6,900	11,500	5,131		26,262
Personal Care Svcs	8,700	5,300	9,000	1,500	3,900	3,600	32,000
Pharmacy				7,942			7,942
Restaurant	9,500	1,100	5,045	6,522	24,611		46,778
Sporting Goods	5,400		3,135				8,535
Vacant	92,577	1,450	15,000	7,200	13,000	14,400	143,627
Grand Total	288,963	90,273	151,651	60,137	198,979	153,503	943,506

Sources: CoStar; Stantec



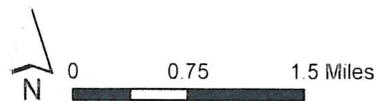
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Inver Grove Heights Retail Districts

Arbor Pointe Retail Analysis



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- Arbor Pointe has businesses in 14 of the 22 categories analyzed. Cahill & 65th has the most number of categories represented with 17.
- Besides the Walmart in Arbor Pointe, the only other large-format retailers in the districts analyzed are Target in the Argenta Hills district (Highway 55 & South Robert Trail) and Cub Foods in the Cahill & 80th district.
- Categories represented in five or more of the districts include fast food, liquor, personal care services, and restaurants (sit-down).
- Arbor Pointe accounts for nearly two-thirds of the total vacant space in all six districts. If Arbor Pointe was excluded from the analysis, the overall percentage of vacant space would decline from 15.2% to 7.8%.

4.4 PENDING RETAIL DEVELOPMENTS

There is one pending quasi-retail development located in the Trade Area. A trailer sales company that is currently located in western Inver Grove Heights has plans to build a new sales center just south of the existing Tractor Supply Company on Cahill Avenue. Although the business meets the definition of retail, it is not complementary to the existing mix of businesses located closer to the heart of the Arbor Pointe district. Therefore, the additional space developed as part of this project would not adversely add to the supply of retail space.

Located just outside of the Trade Area at the intersection of Highway 55 and South Robert Trail is the Argenta Hills retail district. Anchored by a 135,000-square foot Target store that was built in 2012, Argenta Hills also includes three new strip centers totaling over 20,000 square feet of retail space. In addition to the existing buildings, plans also call for up to 250,000 square feet of additional ancillary retail, which would include potential anchor and junior anchor stores. Despite years of marketing that date back before the recession, the only new business to occupy Argenta Hills besides Target is a pet dermatology center.

The slow absorption of Argenta Hills is indicative of potential challenges associated with the size and condition of the local retail market. Nevertheless, if build out of the development were to occur in the near future, it would represent significant additional competition for Arbor Pointe in an already competitive market.

4.5 REAL ESTATE EXPERT INTERVIEWS

Stantec interviewed real estate experts familiar with the Arbor Pointe area to get their perspectives on the recent vacancy issues, important trends influencing the area, and possible suggestions for improving retail conditions. The following is a summary of important themes and observations that came out of the interviews:

- There was strong agreement among all of those interviewed that the Arbor Pointe area has been struggling and that the reasons are much deeper than access issues.



ARBOR POINTE RETAIL ANALYSIS

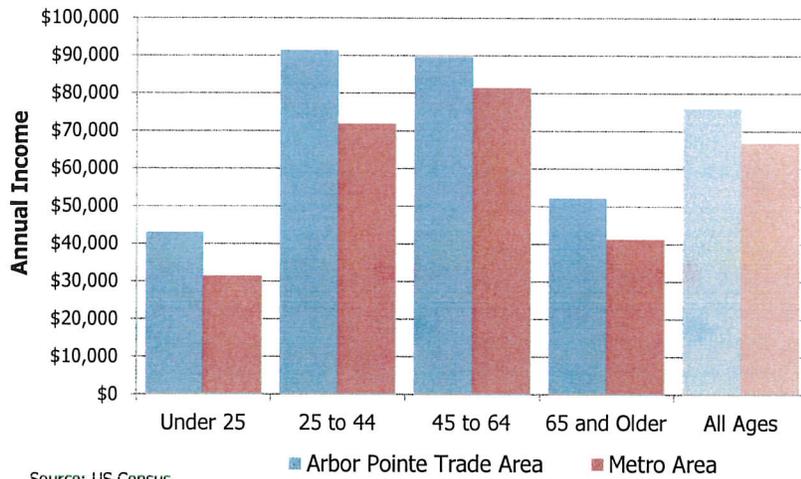
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- Although each interviewee noted that there are numerous challenges affecting Arbor Pointe in addition to access issues, no one was able to clearly articulate what they felt the other problems are. One interviewee described the situation as extremely frustrating because they found it to be such an anomaly. In their opinion, the area has all of the "users" one would want and Walmart is a great draw, yet how could so many major chains [Walmart, Walgreen's, Rainbow] "miss" the market.
- Access issues were raised by each person interviewed. Of particular note were the problems accessing properties west of Concord Boulevard in which shoppers who miss the turn at Broderick Boulevard must make a U-turn at Cahill in order to access businesses.
- Many retailers have shied away from Arbor Pointe (as well as Argenta Hills) because the location would cannibalize existing stores in West St. Paul or Eagan. Examples cited included Buffalo Wild Wings and Home Depot.
- Arbor Pointe is no longer able to attract "Class A" tenants (i.e., national chains). The market now consists of "Class B and C" tenants who cannot afford top rent and often have marginal credit worthiness.
- The daytime population in Inver Grove Heights is low. Most people who live in Inver Grove Heights commute to other communities and there are very few 9-to-5 jobs. This means that daytime traffic needed to support many businesses is not good and needs to be higher in order to support more retail.
- The recession slowed new residential development in the area to a crawl, which is critical for many retailers. Although new residential development is beginning to pick-up now that we are in a recovery, it is still slow and won't make an impact on the market for some time.
- Multiple interviewees stated that Eagan draws a lot of Inver Grove Heights shoppers because of the stronger selection of stores located there. Moreover, with the loss of key anchors or a change in the mix of stores, Arbor Pointe will continue to lose shoppers to Eagan or other locations.
- Maintenance of vacant buildings will become an important issue. Poor maintenance directly affects some existing businesses (e.g., lack of snow plowing inhibits internal parking lot circulation) and it contributes to a general malaise for the whole area that affects both shopper and investor perceptions.

ARBOR POINTE RETAIL ANALYSIS

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Figure 12: 2012 Median Household Income by Householder Age



5.3 RETAIL SALES ANALYSIS

Table 7 presents an analysis of retail sales to see if the sales generated among Inver Grove Heights retailers is capturing local household expenditures. Based on retail sales figures from the Minnesota Department of Revenue, the table compares retail sales per household for the various types of stores in Inver Grove Heights with a corresponding ratio for the State of Minnesota. Figures for Dakota County are presented as well for comparison purposes.

In categories where the sales ratio per household is equal or close to 1.0 this signifies that retailers in Inver Grove Heights essentially serve their locally generated demand. Where the sales ratio per household exceeds 1.0, retailers are said to “pull” in dollars from outside its boundaries. Conversely, where the sales ratio per household is well below 1.0, this signifies that retail spending flows out of the Trade Area to other locations.

As shown in the Table, Inver Grove Heights pulls in significant dollars in the Building Materials, Miscellaneous, and Limited-service Restaurant categories. It generally meets local needs in the Electronics and Health/Personal categories. However, it loses local spending potential in a wide variety of categories including Home Furnishings, Apparel, Leisure Goods, and Full-service Restaurant categories.

Some of the low ratios can be explained by the fact that regional shopping malls, such as the Mall of America, Burnsville Mall, or Tamarack Village in Woodbury, have trade areas that are very large and include Inver Grove Heights and northern Dakota County, especially in categories such as apparel, home furnishings, and leisure goods. However, it does demonstrate that there is opportunity to capture dollars that are flowing outside of the Trade Area in certain categories as well.

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Table 7: Retail Sales Analysis

TOTAL RETAIL SALES

Retail Category	Minnesota	Dakota County	Inver Grove Hgts
Home Furnishings	\$1,986,185,815	\$159,980,236	\$4,104,661
Electronics	\$3,407,845,110	\$542,087,137	\$20,499,734
Building Materials	\$6,875,072,126	\$459,278,724	\$57,778,154
Grocery Stores	\$12,398,014,198	\$850,192,718	\$50,692,525
Health/Personal Care	\$4,561,862,122	\$267,859,875	\$23,824,488
Apparel	\$3,407,515,680	\$243,221,802	\$344,407
Leisure Goods	\$2,350,069,886	\$115,248,172	\$676,207
General Merchandise	\$12,183,297,399	\$1,035,153,629	\$25,000,000
Miscellaneous	\$4,369,174,186	\$260,958,368	\$101,168,813
Restuarants	\$8,120,283,072	\$573,627,560	\$35,961,146
Full-Service	\$4,246,908,047	\$226,582,886	\$10,788,344
Limited-Service	\$2,598,490,583	\$280,503,877	\$22,152,066
Total Retail Sales	\$59,659,319,594	\$4,507,608,221	\$320,050,135

RETAIL SALES PER HOUSEHOLD

Retail Category	Minnesota	Dakota County	Inver Grove Hgts
Home Furnishings	\$941	\$1,037	\$302
Electronics	\$1,614	\$3,514	\$1,509
Building Materials	\$3,257	\$2,977	\$4,254
Grocery Stores	\$5,873	\$5,511	\$3,732
Health/Personal Care	\$2,161	\$1,736	\$1,754
Apparel	\$1,614	\$1,577	\$25
Leisure Goods	\$1,113	\$747	\$50
General Merchandise	\$5,772	\$6,710	\$1,841
Miscellaneous	\$2,070	\$1,692	\$7,448
Restuarants	\$3,847	\$3,718	\$2,648
Full-Service	\$2,012	\$1,469	\$794
Limited-Service	\$1,231	\$1,818	\$1,631
Total Sales per HH	\$28,263	\$29,218	\$23,563

"PULL" FACTOR

Retail Category	Minnesota	Dakota County	Inver Grove Hgts
Home Furnishings	1.00	1.10	0.32
Electronics	1.00	2.18	0.93
Building Materials	1.00	0.91	1.31
Grocery Stores	1.00	0.94	0.64
Health/Personal Care	1.00	0.80	0.81
Apparel	1.00	0.98	0.02
Leisure Goods	1.00	0.67	0.04
General Merchandise	1.00	1.16	0.32
Miscellaneous	1.00	0.82	3.60
Restuarants	1.00	0.97	0.69
Full-Service	1.00	0.73	0.39
Limited-Service	1.00	1.48	1.32
All Retail Categories	1.00	1.03	0.83

Sources: Minnesota Department of Revenue; Stantec



ARBOR POINTE RETAIL ANALYSIS

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6.0 RETAIL DEMAND

Table 8 illustrates the methodology used to calculate retail demand in the Trade Area. Demand for retail space is driven mostly by the spending power of Trade Area households and the supply of existing retail options. Table 8 indicates that there currently is an oversupply of retail space in the Trade Area that exceeds the demand generated by the spending power of Trade Area households. Despite forecasted household growth in the Trade Area through 2020, this will not be able to increase overall household spending to the point that additional retail space will be supported above and beyond current demand. This assumes there will be no net change in the amount of retail space in the Trade Area between now and 2020.

Table 8: Retail Demand Calculations

	Trade Area	
	2014	2020
Households	6,340	6,760
Average Household Income ¹	\$96,947	\$101,794
Aggregate Household Income	= \$614,643,980	\$688,129,806
(times) Percent of Income Spent on Retail Goods ²	x 14%	13%
(equals) Resident Household Consumer Dollars	= \$87,894,089	\$91,521,264
(plus) Retail Spending by Daytime (Non-Resident) Workers ³	+ \$1,750,000	\$1,820,000
(equals) Retail Spending Potential	= \$89,644,089	\$93,341,264
(divided by) Average Sales per Square Foot ⁴	÷ \$300	\$312
(equals) Estimated Trade Area Demand for Retail Space (in sq ft)	= 298,814	299,171
(less) Existing Supply of Trade Area Retail Space ⁵	- 346,000	346,000
(equals) Additional Retail Space that could be Supported	= -47,000	-47,000

¹ Figures are in 2010 dollars. 2020 income is adjusted upward by 5% to account for inflation.

² US Department of Labor, Bureau of Labor Statistics: Average Annual Expenditures and Characteristics, Consumer Expenditure Survey, 2013. Excludes certain retail categories, such as apparel and other durable goods, which are typically purchased at large regional centers. Percentage for 2020 is adjusted downward slightly to account for increased on-line purchases of goods.

³ According to the US Census LEHD data set, there are 3,500 workers employed in the Trade Area who live outside the Trade Area. It is assumed that these workers would spend on average \$500 per year on retail goods and services in the Trade Area (this translates to roughly \$2 per work day).

⁴ *Dollars and Cents of Shopping Centers* (Urban Land Institute). 2020 figures are adjusted upward by 5% to account for inflation.

⁵ CoStar

Source: Stantec

