

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

CALL TO ORDER/ROLL CALL The Economic Development Authority (EDA) of Inver Grove Heights met on Monday, November 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, and Secretary Fox.

3. CONSENT AGENDA

A & B. Minutes and Claims

Motion by Bartholomew, second by Tourville, to approve the minutes from the August 10, 2015 Regular Economic Development Authority Meeting and the disbursements from August 10, 2015 to November 8, 2015.

Ayes: 5

Nays: 0 Motion carried

4. REGULAR AGENDA

A. Open to Business Presentation

Mr. Link introduced Laurie Crowe, the business advisor for the 'Open to Business' program which is administered by the Metropolitan Consortium of Community Developers (MCCD) through the Dakota County Community Development Agency (CDA).

Ms. Crowe discussed the third quarter report. She advised that through the third quarter she worked with 180 clients, 15 of which were from Inver Grove Heights. Of those clients half were new entrepreneurs and half were existing business owners. The activity is up from last year and will hopefully continue to increase in 2016. 'Open to Business' has done just under \$200,000 worth of lending so far and is slated to do \$400,000 by year end. 'Open to Business' was also instrumental in helping business owners receive an additional \$2M in facilitated lending. Ms. Crowe advised that although the referrals column does not demonstrate it, the River Heights Chamber of Commerce regularly refers clients to Open to Business. She stated that something unique to Inver Grove Heights is the long term relationships she has had with various clients, including Lisa Marek of Fat Cat Art Studio.

Lisa Marek stated she has been working with Laurie Crowe since 2013 in regard to her graphic design business. Through 'Open to Business' she has received assistance with her business plan, reassessing transition points, growing her business, and most recently she was awarded a micro-grant.

Boardmember Bartholomew stated he would like to see more residents take advantage of this beneficial program.

Ms. Crowe advised that the advertising is done by the County and the City. She stated the program was somewhat underutilized and, because the clients are so different from one another, the program ideally should be continuously marketed in different ways. Last year there was somewhat of a decline in activity so she and Tom Link created a marketing campaign which resulted in an immediate increase. She advised that she would be willing to meet with the City to discuss a marketing plan.

Boardmember Bartholomew asked if they had advertised the 'Open to Business' program on the local cable channel.

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Ms. Crowe replied she had not done that for the City of Inver Grove Heights, but would be happy to do so.

Boardmember Hark asked what the maximum dollar amount was of the micro-grants.

Ms. Crowe replied they are allotted 15 micro-grants a year with a \$1,000 maximum. She added that a few of the micro-grants were awarded to Inver Grove Heights residents and they made a substantial impact on their businesses.

Boardmember Hark asked what the dollar amount was of the average micro-grant.

Ms. Crowe replied that all of her clients received the full \$1,000, with one client receiving an additional \$500. She noted that the money is granted to individuals rather than the business and is meant for interim or startup costs.

Boardmember Tourville asked for clarification regarding the number of clients listed for each city.

Ms. Crowe replied that number reflects the clients she has met and worked with.

Boardmember Tourville requested that the report be broken down to show how much of the financing was specific to Inver Grove Heights.

Ms. Crowe agreed to provide that information.

Mr. Link advised that they would follow up on the ideas brought forward regarding additional marketing, noting that the first year Inver Grove Heights' activity was down quite a bit in comparison to other cities but improved substantially after Jennifer Gale, Laurie Crowe, and himself put together a marketing package.

Ms. Crowe advised that the 'Open to Business' program has been hugely successful throughout Dakota County.

Boardmember Tourville noted that Townsquare Television covered the cities of South St. Paul, West St. Paul, Mendota Heights, and Inver Grove Heights.

Boardmember Bartholomew asked if this program was highlighted in the *Insights* newsletter.

Mr. Link replied that 'Open to Business' was highlighted in the *Insights* newsletter once a year, but was also advertised at the City Hall front counter, the electronic billboard on Highway 52, and the City website.

Ms. Crowe suggested they market the program in multiple ways in order to get the attention of all clients.

President Piekarski Krech suggested they feature different scenarios in the *Insights* newsletter; perhaps a new business in one issue, an existing business in another, a business needing financial assistance in another, etc.

B. Progress Plus Update

Jennifer Gale, Progress Plus, stated they have been continuously working with Arbor Pointe businesses for the last year or so, including meeting with the new owners of the Verizon store. Mayor Tourville, Joe Lynch, and Ms. Gale met with the Minnesota Vikings' Executive Vice-President and Chief Financial Officer to hear what was anticipated for the proposed Eagan facility and to let them know that as their plans progress Inver Grove Heights would like to be a community partner.

Boardmember Tourville advised that the City wanted to know what was planned for that area before they were asked to take official action.

President Piekarski Krech stated it was her understanding that it was already going to Metropolitan Council for approval.

Mr. Link replied that Eagan had already approved and forwarded the comprehensive plan amendment to Metropolitan Council for approval. He advised that the City sent a response outlining their concerns and asking to be a part of the process going forward.

Boardmember Bartholomew asked if the EDA could receive a copy of the letter from the City.

Mr. Link replied in the affirmative.

Ms. Gale advised that the first phase of the Vikings development would be their practice facility, which could begin construction as early as next spring. She discussed recent inquiries and relocations, including a printing company and a company which creates a window washing fluid product. She advised that she is following up with a grocery store that she recently learned was having discussions with an Inver Grove Heights developer. Ms. Gale advised that she attended the re-grand/grand openings of Inver Family Chiropractic and Wellness, El Azteca, Verizon Wireless, and Kwik Trip in South St. Paul. Ms. Gale congratulated the EDA on continuing to partner with 'Open to Business', stating it was an important tool that they often use. This year Progress Plus is participating in Small Business Saturday and Neighborhood Champion Program, American Express's nationwide program that helps support small businesses. Anyone is welcome to stop by her office to pick up free promotional items. Ms. Gale thanked President Piekarski Krech and Tom Link for participating in the Fall Broker Tour. Sixteen brokers were in attendance; they visited Fleming Field, Argenta Hills, a building on Clark Road, and Bridgepointe in South St. Paul. The tour ended with a reception hosted by Hometown Meats, Wipaire, and Arbor Pointe Liquor. This year Progress Plus hosted the game Plinko at the MNCAR Expo. They received an additional 100 contacts to add to their database at this event and received many comments from other communities wishing they had a tool such as Progress Plus. All marketing was labeled with both Inver Grove Heights and South St. Paul.

C. Arbor Pointe Commercial – Concord/Cahill Roundabout

Mr. Link advised that, in response to the EDA's concern about the indirect access to the businesses on Buchanan Trail for Concord Boulevard northbound traffic, several actions had been recently taken. Working with the County, a flashing yellow arrow has been added at the Concord/Cahill intersection to provide for U-turns. The City also researched the blue informational signage on Highway 52 but found that State rules do not allow for additional signage beyond what already exists. The City, with the help of consultant engineer Kimley-Horn, explored providing a direct access onto Buchanan Trail via a left turn lane on northbound Concord. The County, however, rejected the concept, stating it would not meet spacing requirements, the design of the left turn lane did not meet engineering standards, and they had safety concerns regarding rear end collisions.

At its last meeting, the EDA directed staff to analyze another option, a roundabout at Concord Boulevard/Cahill Avenue. In response to this request, Kimley-Horn prepared a preliminary plan for the roundabout as well as a preliminary cost estimate. The design illustrates that there is enough room at the intersection for a roundabout; however, more detailed engineering would have to be done. The cost estimate of \$2.4M is also preliminary and does not include easement acquisition costs. If the EDA would like to pursue it, the next step would be to do a feasibility study. The disadvantage of the roundabout is its

high cost, which would likely have to be borne by the City or the EDA. Also, there is no readily identifiable funding source for it. The benefits would be limited as it would still not provide a direct access onto Buchanan Trail, the existing intersection already provides an ability to make a U-turn at Cahill, and the benefit would be shared only by the six commercial properties that front on Buchanan Trail.

Boardmember Tourville asked staff to determine what the utility charge was for the semaphore at the Cahill/Concord intersection, stating that eliminating that cost could help offset the cost of a roundabout. He requested that staff research the number of accidents in the last couple of years at that intersection, and also at the stretch between the interchange and Cahill, stating that roundabouts reportedly reduced accident rates. He believed a roundabout would benefit more than just the six businesses on Buchanan Trail.

Boardmember Hark agreed with Boardmember Tourville's comments, and asked Mr. Link if he had any sense of what the additional study would cost.

Mr. Link replied that he could get that information from the Public Works Director.

Boardmember Bartholomew asked if the County was assuming a future traffic load increase or were they basing their decision on current traffic levels.

Mr. Link stated he could get that information, but the County has stated previously they do not anticipate a lot of growth potential in this neighborhood.

In regard to safety, Boardmember Hark asked if the many vehicles with children using this intersection to get to and from Pine Bend Elementary School had been factored in.

Boardmember Tourville asked for additional information on the estimated indirect costs, stating they seemed high.

President Piekarski Krech stated she would not be willing to go forward with a costly roundabout in order to help six businesses. She believed the City should continue exploring the issue, stated perhaps they could add a U-turn signal rather than a yellow flashing light, and noted that traffic volumes could increase if Concord redeveloped. She suggested that the Arbor Pointe businesses add informational signage to direct people to their businesses.

Boardmember Tourville stated he was not surprised that the County was opposed to a roundabout at this point.

Mr. Link stated he would get the additional information requested and they would continue the discussion at the next EDA meeting.

D. Discuss Arbor Pointe Commercial – Property Maintenance

Mr. Link advised that the EDA has been discussing improvement of the Arbor Pointe commercial neighborhood, and has expressed concern regarding maintenance of vacant stores. With the city attorney's assistance, staff reviewed the City Code in relation to the maintenance of junk and junk vehicles, landscaping, exterior storage, signs, buildings, and parking. In regard to these maintenance items, Mr. Link advised the following: 1) Staff feels there is sufficient regulation in place regarding the prohibition of junk and junk vehicles from being stored outside on commercial properties, 2) In regard to landscaping, there is only general language requiring that commercial properties be maintained. The City has more extensive regulations pertaining to residential zoning districts; however, and the EDA could

choose to expand those regulations to apply to commercially zoned property as well. The cities of Burnsville, Eagan, and West St. Paul all require that lawns be maintained and that grass be no taller than eight inches on all properties, including commercial and industrial. 3) City ordinances require that signs be maintained if they are unsafe; other cities require that signs be maintained in good condition whether or not they are safe. 4) The City Code does not have requirements pertaining to the maintenance of exterior buildings. The EDA is considering such maintenance requirements for rental properties. The cities of Burnsville and Eagan have general language requiring that all buildings be properly maintained. West St. Paul has extensive requirements pertaining to foundations, walls, windows, doors, and roof. 5) The City does not have requirements for the maintenance or snowplowing of commercial parking lots. The cities of Burnsville, Eagan, and West St. Paul require that parking lots be maintained in good condition. All three cities stated that these provisions are difficult to enforce as it is subjective to determine when parking lots need to be repaved; the enforcement is also complicated by the large costs to pave a parking lot and the limited season to perform such work. None of the cities require that vacant parking lots be plowed unless the fire department requires it for emergency access. The Inver Grove Heights Fire Marshal advised that in the past he has required owners of vacant buildings to plow a fire lane around the building for emergency access. He suggested they stipulate the need for a fire lane more specifically in the ordinance and require owners of vacant buildings to post a placard advising who is responsible for the property maintenance.

Absent any code requirements, Boardmember Hark asked if the City had the authority to plow vacant parking lots or whether it would be considered trespassing.

Mr. Link stated he was not aware that the City had that authority.

Mr. Kuntz stated that absent any City requirement they would likely run into the private benefit at public expense issue. He added that he was not sure if it would meet the definition of trespassing, but the City would likely call the property owner ahead of time to advise them of their intention to plow the lot.

Boardmember Tourville stated there is also the potential for something to get damaged in the process of plowing. He recommended that staff draft commercial property maintenance language (i.e. sign maintenance, plowing of an emergency fire lane, etc.) and bring it back to the EDA for discussion. He suggested the language be restrictive, stating they could always reduce the requirements. Boardmember Tourville noted that he knows of fire departments in other cities that have gone to fires at vacant buildings and found there is no information or no key in the lock box, which jeopardizes the city and its emergency personnel. He stated one of the issues in Arbor Pointe is they are unclear of whose responsibility it is to maintain the grass cutting, etc. He felt that having a business in poor condition negatively affects the value of the neighboring businesses.

Boardmember Bartholomew agreed, stating it was not too much to expect property owners to keep their lawns mowed and parking lots maintained.

Boardmember Mueller stated they should make sure they can enforce the draft regulations, and he suggested they first send letters to the property owners asking what they would like done prior to taking further action.

Boardmember Tourville stated without an ordinance in place they cannot enforce it, and part of the problem is determining whom to send the letter to.

President Piekarski Krech recalled requiring the Cahill Shopping Center owners to pave their parking lot.

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Mr. Link advised that requirement was attached to a City Council action, such as a conditional use permit approval.

Boardmember Tourville stated the requirements were part of an agreement put in place when they remodeled.

President Piekarski Krech asked if the proposed regulations would apply only to commercial properties as she was concerned about applying the same regulations to industrial properties.

Mr. Link stated they could draft the regulations for commercial properties only. With the help of the city attorney and fire marshal, staff will draft their own language along with language from other cities. As a follow up to Boardmember Mueller's comments, Mr. Link advised if there are regulations in place, the typical process is to send notice to the property owner which, in most cases, will resolve the issue. In instances where it does not take care of the problem, the City has the authority to pursue it with citations or do the work and assess the cost back to the owner if regulations are in place. There was one case this year in which the property owner did not respond and the City had someone cut the lawn and then assessed the property owner.

Boardmember Bartholomew asked if the lawn cutting referred to was on a commercial property.

Mr. Link replied in the affirmative.

Boardmember Bartholomew asked how the City could charge them for lawn cutting if there were no regulations in place.

Mr. Link replied that they used the general language; however, it was not as strong as a specific requirement, especially if someone were to challenge it.

Boardmember Bartholomew asked if the City was reimbursed for that work.

Mr. Link replied that he believed they paid the assessment. He advised that if this proceeds, the entire business community will be involved as it will affect all commercial properties in the City.

5. NEXT MEETING – Mr. Link advised that the next Regular EDA meeting will be held on February 8, 2016.

6. ADJOURNMENT: Motion by Mueller, second by Hark, to adjourn. The meeting was adjourned by unanimous vote at 6:11 p.m.