

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY REGULAR MEETING
MONDAY, FEBRUARY 8, 2016 – 8150 BARBARA AVENUE**

CALL TO ORDER/ROLL CALL The Economic Development Authority (EDA) of Inver Grove Heights met on Monday, February 8, 2016, 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, Finance Director Smith, City Government Intern Shelley Calvert, and Secretary Fox.

3. CONSENT AGENDA

A. Minutes

Motion by Tourville, second by Bartholomew, to approve the minutes from the November 9, 2015 Regular Economic Development Authority Meeting.

**Ayes: 5
Nays: 0 Motion carried**

B. Approval of Claims

Boardmembers Mueller, Tourville, and Piekarski Krech advised that the supplemental packet, which included information on claims, was not in their Dropbox.

Mr. Link asked Boardmembers if they wanted to act on the claims tonight or table this item until the next meeting.

Finance Director Smith advised she would have no issues with tabling the item.

Motion by Hark, second by Mueller, to table the approval of disbursements from November 9, 2015 to February 7, 2016 to the May 9, 2016 Economic Development Authority meeting.

**Ayes: 5
Nays: 0 Motion carried**

4. REGULAR AGENDA

A. Election of Officers

Motion by Tourville, second by Mueller, to elect 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**

B. Open to Business Joint Powers Agreement

Mr. Link asked the EDA to consider approval of the Joint Powers Agreement between the City and Dakota County Community Development Agency (CDA) which renews the City's participation in the 'Open to Business' program. The only change to the contract from years past is the addition of increased marketing of the program. The cost of this additional service is \$5,000 which will be paid entirely by the CDA. Inver Grove Heights' share of the program's annual cost is \$6,250. This amount was anticipated in the 2016 budget. Staff recommends approval of the Joint Powers Agreement.

Boardmember Mueller asked if the ‘Open to Business’ program was getting a good response from the community.

Mr. Link replied in the affirmative, stating the number of clients has increased from 2013 when the City began participating in the program. He advised that, in response to the EDA’s direction to increase marketing of this program, staff suggests the City partake in the CDA’s county-wide marketing plan as much as possible. City staff will also increase their own efforts.

Boardmember Tourville suggested staff increase their social media promotion.

Mr. Link agreed, stating in addition to increasing their use of the City’s website, *Insights* newsletter, and the electronic billboard on Highway 55, they could follow up on the EDA’s suggestion to market via Townsquare Television.

President Piekarski Krech asked if there was a permanent link to ‘Open to Business’ on the City’s website.

Mr. Link replied in the affirmative, stating he would make sure it was easy to find.

President Piekarski Krech stated it was important to keep the information up-to-date.

Boardmember Bartholomew asked if the Chamber of Commerce website had a link to ‘Open to Business’.

Jennifer Gale, Progress Plus, replied that both the Progress Plus and Chamber websites had a direct link to MCCD under the ‘Partners’ tab.

Boardmember Mueller asked when the ‘Open to Business’ representative was scheduled to be at City Hall.

Mr. Link replied from 9:00-11:00 a.m. the third Tuesday of every month.

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

Ayes: 5

Nays: 0 Motion carried

C. Commercial Property Maintenance Regulations

Mr. Link advised that at its last meeting the EDA directed staff to prepare ordinance language addressing commercial property maintenance regulations for landscaping/lawns, signs, buildings, parking lots, and fire protection. The draft language being discussed tonight pertains to landscaping and signs. Buildings, parking lots, and fire protection will be discussed at the next EDA meeting. The proposed language was prepared, with the help of the City Attorney, after reviewing existing Inver Grove Heights regulations as well as ordinances from the cities of Burnsville, Eagan, and West St. Paul. In regard to landscaping, the current City ordinance includes general language that commercial landscaping must be maintained. The draft ordinance requires that lawns not exceed eight inches in height, provides for certain exemptions (i.e. steep slopes, wetland areas, etc.), and states that lawns must be established within one year of the issuance of a Certificate of Occupancy. The proposed commercial landscape maintenance requirements

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are similar to the City's current residential standards. Mr. Link requested further discussion and direction by the EDA on this matter.

Boardmember Mueller stated there were not many lawns in the Arbor Pointe commercial area.

Mr. Link advised that the ordinance would apply to all commercial properties in the business districts of the City; not just those in Arbor Pointe. He agreed that most commercial properties did not have a lot of landscaping; however, he believed there was a need for an ordinance as the City had received complaints for properties in the Arbor Pointe neighborhood.

Boardmember Mueller stated that after the first snowfall there was snow piled in the strip center parking lot on Broderick Boulevard; the area had been plowed out for fire but not for pedestrian traffic. He contacted the Public Works Director and was advised the City could not do anything as it was private property. He questioned whether the City could enforce landscaping requirements when they could not do the same for plowing.

Mr. Link replied that staff would address parking lots at the next EDA meeting.

Boardmember Tourville asked Boardmember Mueller if it was the sidewalks or the parking lot that was not plowed.

Boardmember Mueller replied that only a small portion of the lot had been plowed.

President Piekarski Krech stated the responsible party in this instance was whomever the property owners were paying to plow their lots.

Boardmember Bartholomew asked if there was any language in the code requiring owners of vacant buildings to provide the City with contact names and numbers.

Mr. Link replied that the Fire Marshal has suggested the City require that the name and phone number of property managers be posted on vacant buildings. This is anticipated to be discussed at the next EDA meeting.

Boardmember Bartholomew recommended that the contact information also be on file at City Hall.

Boardmember Tourville stated that all buildings, whether occupied or unoccupied, are required to have lock boxes and provide a key to the Fire Department.

Boardmember Bartholomew responded that since the contact information was apparently already available it should be put in a central location at City Hall where it would be quickly accessible to the code enforcement officer.

President Piekarski Krech suggested the draft language regulate not just lawns, but landscaping as well, on commercial properties (i.e. overgrown shrubs, weeds, etc.).

Boardmember Tourville believed landscaping was already addressed in the ordinance.

Mr. Link advised that staff would review the language and bring it back to the EDA.

Boardmember Hark questioned how they could create an objective standard for landscaping, stating it would be difficult to define an unruly shrub.

Mr. Link next addressed commercial property maintenance regulations for signs. He advised that the current ordinance does not require the maintenance of signage, with the exception of requiring the removal of signs considered unsafe. The cities of Burnsville and Eagan have broad language requiring that signs be maintained in good condition. The difficulty is trying to define what good condition is. Staff is proposing ordinance language that goes beyond the Burnsville and Eagan language by providing examples of unattractive signs (i.e. fading colors, broken plastic, burned out bulbs, peeling paint, etc.) It is not intended to be a complete list but rather point the direction to what the City would consider to be unattractive signs that require some maintenance.

Boardmember Hark stated it could be difficult to enforce, citing an example of an antique shop that may want a sign with faded, peeling paint.

Mr. Link agreed that it would require judgment, and stated the antique shop would be a unique situation in which the signage was intended to be somewhat faded and the City would not require that it be removed. The building permit would make staff aware of their intention for the sign to look old and faded.

Boardmember Tourville questioned whether the code enforcement officer would first work with the property owner on sign maintenance violations.

Mr. Link replied that typically the code enforcement officer notifies the property owner that there is a violation and gives them a reasonable time to correct it. If nothing is done after a few weeks the City will send a second notice and, if need be, a third notice. In some cases the property owner has a legitimate reason for needing more time and the City will work with them. There are only a small percentage of violations that result in any kind of citation.

Boardmember Bartholomew cautioned against making the language too definitive, and noted that if there is a lighting requirement for signs it should not apply to vacant businesses.

President Piekarski Krech agreed, stating the sign would not have to be lit or removed but would still have to remain in good condition.

Boardmember Tourville stated there was no requirement that signs be lit.

Boardmember Bartholomew stated that the City is contemplating regulating burnt out lights and that should not apply to signs of unoccupied businesses.

Mr. Link replied they could add language to that effect. One of the surrounding cities has language requiring that the sign for a closed business be covered or removed within a certain period of time. Staff could add similar language if the Board so desires.

President Piekarski Krech believed there was some rationale for requiring the removal of vacant business signs, stating leaving the signs in place could be misleading or confusing.

Boardmember Tourville agreed that staff should perhaps take a look at such language, but noted that in most instances the property owner was in control of the signs rather than the business.

Mr. Link advised that staff would bring additional language to the next meeting on both landscaping and signs, as well as draft language regarding parking lots, fire protection, and building exteriors. He noted that he will continue to work with Progress Plus to ensure they are current on this discussion and he also plans to address the Local Issues Committee to brief them as well.

President Piekarski Krech stated it was important to get input from the business community in regard to whether they were feasible maintenance requirements.

Boardmember Tourville stated staff may want to incorporate portions of the residential requirements into the business property maintenance regulations for building exteriors.

President Piekarski Krech noted that the next EDA meeting was not until May, and questioned whether they were moving fast enough on this ordinance amendment.

Mr. Link stated that to speed up the process the EDA could direct that this item be put on the Council agenda rather than waiting until the next EDA meeting.

The Board agreed to put the continued discussion of the commercial property maintenance ordinance on a Council agenda.

Boardmember Tourville stated this should be a three reading amendment.

Boardmember Bartholomew stated perhaps they could get it on a work session as well.

D. Progress Plus Update

Jennifer Gale, Progress Plus, summarized last quarter's activities. She advised that the River Heights Chamber of Commerce has hired an economic development specialist, John Erickson. He is working part-time while pursuing his master's degree. He will be responsible for Progress Plus activities, including retention, business inquiries, and enhancing communications. He will likely reach out to EDA members, but will not attend EDA meetings as he goes to school in the evenings.

Ms. Gale advised that she met with a St. Paul credit union earlier in January, which was a lead from Boardmember Mueller. They are looking to expand into the east metro area and are looking for an existing financial building with a drive-through. The credit union leadership will be coming to the City in February to do a formal tour of the Wakota Federal Credit Union building. Progress Plus also did an inquiry search for a gym that was looking to go into an industrial building. She looked at a couple locations in Inver Grove Heights, but was informed by staff that use was not permitted in the industrial zone. She is working with the owners to determine if there is a different type of building that can accommodate them.

Progress Plus is currently working with staff and a reporter from Lillie Suburban newspapers in regard to an article for the Southwest Review Progress Edition. It will feature a story on the Concord Redevelopment Plan. She invited Boardmembers to the Chamber and Progress Plus annual meeting at which Senator Metzen and Krech O'Brien Mueller & Associates will be receiving honors. She advised that they recently removed any inaccurate emails, imported 1,400 new real estate professionals into their featured property template in Constant Contact, and plan to send a featured property to them each month from each of the communities they represent.

A common theme they have been seeing from business owners is that workforce and talent is a top concern of theirs. Because of this Progress Plus will be working with the school districts and Dakota County Chamber of Commerce to conduct a business and education tour of the communities. They are hoping to bring in career counselors, BPA educators, and anyone working with DECA to meet with four different Dakota County businesses so that the management can speak about what their students may be lacking.

They are proposing to change the date and time of Progress Plus board meetings. They will reach out to Boardmembers and investors via Survey Monkey to determine what works best for them. They are also starting to schedule bi-monthly meetings with City staff and the County to share information regarding Grow Minnesota.

E. Progress Plus Work Plan

Jennifer Gale, Progress Plus, summarized the 2016 proposal for services and noted that the City is now listed as an investor rather than just having a service contract. Ms. Gale advised that they are proposing to work with City staff to adopt a commercial property maintenance ordinance, are creating a property of the month edition to use on social media and the website to promote new or renewed property listings, are submitting an editorial regarding the updates and acquisitions related to the Concord Redevelopment Plan, and will also explore one additional marketing event such as Fall Food Truck Day. Ms. Gale advised they would be happy to work with the Minnesota Vikings to showcase that quadrant of the community, advised that they plan to continue doing business retention visits and including staff on at least 12 of those visits, and will provide a report of those visits at the EDA meetings.

Boardmember Hark noted that the measure for some of the items was a monthly meeting with city staff. He questioned how the information discussed at those meetings was transferred to the EDA and stated the measures seemed a bit weak.

Mr. Link stated that much of the information was included in Ms. Gale's updates, but he would be more conscientious about passing on the information discussed at their monthly meetings and weekly discussions.

Boardmember Hark asked Mr. Link to send an email or other form of communication to Boardmembers detailing what was accomplished at those meetings in relation to the items on the work plan.

Ms. Gale stated she would work with Mr. Link to put together a formal checklist regarding their discussions and put it into more of a report form.

Boardmember Tourville agreed that Boardmembers should receive a summary from Mr. Link on a monthly basis.

F. EDA Work Plan

Mr. Link summarized the EDA's 2015 accomplishments and discussed the proposed 2016 work plan, which focuses on 1) researching funding options for the continued EDA operations over the next five years, 2) continued work on Concord redevelopment, including pursuing acquisitions from willing sellers and undertaking environmental remediation as grant funds become available, and 3) reviewing the City's ordinance pertaining to commercial property maintenance and continuing discussion of a roundabout in the Arbor Pointe commercial area. He stated perhaps they should add the items that have been discussed tonight, including a monthly report regarding economic development activities, as well as working with the CDA and 'Open to Business' on a more aggressive marketing program. He asked for the EDA's direction on what they would like staff to focus on this year.

Boardmember Bartholomew asked if the discussion of Inver Grove Heights commercial would include the area near the planned Vikings facility.

Mr. Link stated they were proposing to include it, and recommended specifying that in the work plan.

Boardmember Tourville agreed with Mr. Link's suggestion, stating the current verbiage looked like they would only be focusing on the Arbor Pointe commercial neighborhood rather than the commercial areas throughout the City (i.e. Bishop Heights, Cahill Avenue, etc.).

Boardmember Hark suggested listing other commercial areas in the City as subcategories of Inver Grove Heights Commercial, but still including Arbor Pointe.

Mr. Link clarified that it was not staff's intent to look only at the Arbor Pointe commercial neighborhood.

Boardmember Tourville stated it needed to be clearly stated that the commercial property maintenance ordinance would apply to all commercial properties in the City and it would be helpful to list the areas previously discussed.

President Piekarski Krech was concerned about pursuing more acquisitions in the Concord Redevelopment Neighborhood, stating she would prefer to concentrate on repurposing the properties they already owned and getting them out of the City's hands.

Boardmember Tourville stated that it would be difficult to provide financing for individual lots whereas the EDA could consider a TIF or development district for multiple lots.

President Piekarski Krech stated there were already too many development districts in the neighborhood.

Mr. Link advised that a few years ago the City Council /EDA identified specific sites for redevelopment. Staff has been focusing their efforts only on 2-3 of those sites and is currently working on two important parcels. It comes down to what we have to offer a developer. If the EDA so desires they could have more discussion on this topic.

Boardmember Mueller asked for clarification of where they were at in regard to a roundabout.

Mr. Link replied that the next step is for the Public Works Director, City Administrator, and himself to meet to discuss costs and revenue and then bring that information back to the EDA.

Boardmember Mueller was concerned about the expense, trucks being able to maneuver around a roundabout, and did not want to hire a consultant.

Mr. Link stated at this point they were not considering hiring a consultant.

G. EDA Financing Survey

Mr. Link asked for direction from the EDA on the long-term financing of the EDA.

Boardmembers Mueller, Piekarski Krech, and Tourville advised they were unable to access the information on this item in dropbox.

Boardmembers discussed possible causes for the supplemental packet issue.

Mr. Link explained that the EDA was created in 2011, at which time there was a transfer from the Host Community Fund to fund EDA activities. Operating expenses are approximately \$85,000 a year. Currently the EDA Fund has enough to cover the operating costs through 2017 but at that point they will use up the balance of that transfer from the Host Community Fund. This raises the issue of how the City

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will fund future economic development activities. Michelle Calvert, City Government Intern, prepared a survey of how metro and regional cities fund their economic development activities. She received responses from eleven cities. He discussed the various funding sources used by those cities, stating the two most common forms of funding were the general fund and EDA levy.

Finance Director Kristi Smith also provided information on the EDA levy process, which is different than the City's budget process. She outlined various levy scenarios and the financial impact they would have. Mr. Link noted that another source of funding long-term would be the proceeds from any EDA-owned properties. The first \$1,000,000 of a sale of the golf course properties would have to repay the Host Community Fund. Any proceeds beyond \$1,000,000 could be placed in the EDA Fund. He apologized for some of the Boardmembers not having access to the supplemental packet, and stated they could bring it back to the next EDA meeting for further discussion.

Boardmember Tourville suggested that Mr. Link email Boardmembers the supplemental information soon rather than waiting until the next meeting.

Mr. Link agreed to email the information, but asked if Boardmembers would prefer to postpone the discussion until the next EDA meeting.

Boardmember Mueller asked for clarification of the original funds in 2011.

Mr. Link replied that they have drawn down the Host Community Fund transfer by \$60,000-\$85,000 a year for operating expenses, as well as additional monies for property acquisitions.

Boardmember Bartholomew questioned why they would bother adopting a levy rather than raising the General Fund to cover the \$85,000.

Ms. Smith agreed that a levy would involve a considerable amount of work and it would be far easier to do it as part of the General Fund.

President Piekarski Krech asked if it was the same financial implication either way.

Ms. Smith replied it would be slightly different based on the way the calculations are made, but most people would understand it better if it was part of the general levy.

Boardmember Tourville stated that the EDA would be outside the levy limits, which is a concern for some cities. However, the property owner pays for it in any case.

Ms. Smith stated it would show up on the same line as our general levy; there would be no differentiation between the two.

Boardmember Hark asked for clarification of where the funds would go if the EDA were to sell a property for more than \$1,000,000.

Ms. Smith explained that since the property is owned by the EDA, those funds would be used to repay the \$1,000,000 loan to the Host Community Fund, and if there was no other action the remaining funds would stay with the EDA.

As a follow up to that comment, Mr. Link advised that the EDA could adopt a resolution or some form of documentation stating that was their intent.

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Boardmember Hark asked if they had until the end of 2017 to make a decision.

Mr. Link replied that was true for the operating expenses.

President Piekarski Krech stated it was something they should discuss as the thought when the EDA was first reaffirmed was that the City would not do an EDA levy.

Mr. Link advised that in addition to operating expenses. The EDA should also discuss the funding of capital expenditures (acquisitions, future financial assistance packages, etc.).

Boardmember Bartholomew asked the Finance Director to send information to the EDA outlining the pros and cons of an EDA levy versus the General Fund.

Ms. Smith agreed to provide the requested information.

Mr. Link asked if this item should be put on the next EDA agenda for further discussion.

President Piekarski Krech replied in the affirmative.

5. NEXT MEETING – President Piekarski Krech advised that the next regular EDA meeting is scheduled for May 9, 2016.

6. ADJOURNMENT: Motion by Mueller, second by Tourville, to adjourn. The meeting was adjourned by unanimous vote at 6:25 p.m.