INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT AUTHORITY AGENDA
MONDAY, AUGUST 6, 2012
6:00 P.M.

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **PRESENTATIONS**

4. **CONSENT AGENDA** – All items on the Consent Agenda are considered routine and have been made available to the Economic Development Authority at least two days prior to the meeting; the items will be enacted in one motion. There will be no separate discussion of these items unless a Boardmember or citizen so requests, in which event the item will be removed from this Agenda and considered in normal sequence.

   A. Approve Minutes – May 7, 2012 Regular Economic Development Authority Meeting _____

   B. Approve Claims _____

5. **PUBLIC HEARINGS**

6. **REGULAR AGENDA**

   A. Approve Resolution Authorizing 2011 Transfer to EDA Fund From Host Community Fund _____

   B. Discuss Concord Study – Developers Roundtable _____

   C. Recommend 2013 Budget _____

   D. Discuss Small Business Loan Program Update _____

   E. Discuss Progress Plus Update _____

   F. Discuss Gun Club Site Update _____

   G. Discuss Southeast Quadrant Update _____

7. **NEXT MEETING** – November 5, 2012

8. **ADJOURN** _____

MEMO

CITY OF INVER GROVE HEIGHTS

TO: Inver Grove Heights Economic Development Authority

FROM: Thomas J. Link, Director of Community Development TJL

DATE: July 25, 2012 for EDA Meeting of August 6, 2012

SUBJECT: August 6, 2012 Economic Development Authority (EDA) Agenda

Enclosed is the agenda and packet for the August 6 EDA meeting. There will be a supplemental packet distributed next Friday, August 3. That supplemental packet will have information pertaining to:

- Concord Study - Developers Roundtable. City staff and consultants conducted one set of meetings last week. A second set of meetings is scheduled for next week. Following those meetings, a summary will be provided in next week's supplemental packet.

- Small Business Loan Program. The Dakota County Community Development Agency (CDA) is holding a meeting of all cities late this week to discuss economic development activities. One of the items on that agenda is a CDA contract with the Metropolitan Consortium of Community Developers (MCCD) regarding the administration of a small business loan program. Again, supplemental information will be provided to the EDA next week following that CDA meeting.

- Gun Club Site. City staff has had several meetings and discussions with MNDOT over the last couple months regarding a partnership to conduct additional environmental investigations. MNDOT has scheduled a conference call on Friday afternoon to discuss the matter further. Again, supplemental information will be provided next week after the conference call.

cc: Jennifer Gale, Progress Plus
Ellen Watters, Progress Plus

INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING
MONDAY, MAY 7, 2012 – 8150 BARBARA AVENUE

CALL TO ORDER/ROLL CALL The Economic Development Authority (EDA) of Inver Grove Heights met on Monday, May 7, 2012, in the City Council Chambers. President Tourville called the meeting to order at 6:00 p.m. Present were Economic Development Authority members Grannis, Madden, and Piekarski Krech; Executive Director Link, and Secretary Fox.

3A. MINUTES

Motion by Madden, second by Piekarski Krech, to approve the Minutes of the February 6, 2012 Regular Economic Development Authority meeting.

Ayes: 3
Nays: 0 Motion carried.

3B. CLAIMS:

Motion by Madden, second by Piekarski Krech, to approve disbursements from February 7, 2012 to May 7, 2012.

Ayes: 3
Nays: 0

4A. RESOLUTION AUTHORIZING 2012 TRANSFER TO EDA FUND FROM HOST COMMUNITY FUND

Mr. Link presented a resolution ratifying the transfer of $500,000 from the Host Community Fund to the Economic Development Fund for the year 2011. He advised that though it was clearly the intent of the City Council and the EDA to transfer the funds, the documentation of the transfer is lacking. He stated this was likely due to there being no EDA and no Economic Development Fund at the time. Staff recommends approval of the resolution to ratify the transfer.

Boardmember Madden stated his understanding was that they had transferred the 2011 funds.

Boardmember Piekarski Krech questioned the funding regarding the excess golf course property purchase.

Boardmember Grannis arrived at 6:10 PM.

Mr. Link replied that $352,000 of the acquisition was funded from the Economic Development Fund. The fund had $500,000 in it at the time from the 2012 transfer. The remaining $1,000,000 of the acquisition was funded from the Host Community Fund. The action being sought tonight is to ratify the 2011 transfer of $500,000.

Boardmember Piekarski Krech asked if the City had taken $2,000,000 to date from the Host Community Fund for the EDA.

Mr. Link replied in the affirmative, stating $1,000,000 went to the purchase of the excess golf course property, a transfer of $500,000 was made to the Economic Development Fund in 2012, and the issue being discussed is the intended transfer of $500,000 for 2011.

President Tourville asked if Mr. Link could provide the EDA with an accounting of the Economic Development Fund debits and credits.

DRAFT

Mr. Link replied in the affirmative.

Boardmember Piekarski Krech stated she was under the impression that the EDA, rather than the City, had purchased the golf course and she was not comfortable with this resolution as she thought she voted against it in 2011.

President Tourville asked if the 2011 transfer had already been done.

Mr. Link replied it had not. This resolution would ratify what the City thought had already been done.

Dian Piekarski, 7609 Babcock Trail, suggested the accounting be reviewed as there seemed to be some confusion, and she suggested that the EDA receive a budgetary spreadsheet at every meeting rather than just approve the recent claims. She noted that the minutes should reflect whether or not Boardmember Piekarski Krech voted for the 2011 transfer.

Mr. Link advised that the documentation was available for 2012, but not for 2011. He stated staff would draft a document showing the balance, expenditures, etc. of the Economic Development Fund.

4B. SMALL BUSINESS LOAN PROGRAM

Mr. Link asked the EDA to further discuss the Small Business Loan Program. He recapped the memo from Progress Plus which summarized the level of loan defaults from other cities'/EDA's small business loan program performances. He noted that the purpose of this type of program is to supplement conventional bank loans and it does entail some risk.

Boardmember Madden asked how losses were recovered when a loan defaulted.

Mr. Link replied that it was a revolving loan program so those loans that were repaid would go back into the account from which the loans are made.

Boardmember Madden stated he was hesitant to loan money to a company which a bank did not want to loan money to. He asked if most cities overall felt these programs have been a success.

Mr. Link replied in the affirmative. He noted that one city stated that even if a loan were to default the city would still benefit from the property improvements made because of the loan. In regards to alternatives for administration, Mr. Link stated that the South St. Paul Futures model has a loan review committee which reviews applications and makes a recommendation to the Board. This program is administered by the Chamber of Commerce, involves local banks, and costs up to $2,000 a year. The second option is Metropolitan Consortium of Community Developers (MCCD), who could provide loans with or without the use of City funds. This program would provide a wide variety of technical assistance and would cost $10,000 a year.

He stated a recent development is that the Dakota County CDA has expressed an interest in contracting with MCCD on behalf of all cities in the County. Their proposal would include a staff member assigned to Dakota County who would have an office in the Eagan CDA office building. This would require a minimum participation by cities. The cost to the City of Inver Grove Heights would be $7,500 with the CDA paying the other $7,500. Mr. Link suggested that no action be taken tonight to give staff time to get more details and discuss this recent development more fully.

Boardmember Piekarski Krech questioned how much the CDA would pay towards the program.

Mr. Link stated his understanding was that the total cost would be $150,000, with the CDA paying $75,000 for their portion and the cities involved collectively paying the other $75,000.

Mayor Tourville stated he was more prone to look at a Futures model; however, the recent development regarding CDA's involvement with MCCD could make him reconsider. He noted that several questions still had to be answered, including how long the CDA would be willing to pay half the costs.

Boardmember Grannis stated previously he preferred the Futures model, but after looking at the services provided by MCCD and what the CDA was willing to pay, he now thinks MCCD might be the better choice.

Boardmember Piekarski Krech stated one of the benefits of using MCCD was the technical assistance they provided, especially for start up businesses.

Boardmember Madden stated there were more resources available with MCCD.

President Tourville questioned what would be included in MCCD's fee, how long the CDA would be willing to pay half the fee, and whether one MCCD representative would be enough to cover all of Dakota County. He stated the cities he has spoken with consider the technical advice provided by MCCD a tremendous resource.

Ellen Watters, Progress Plus, stated for an extra $4,000, under the CDA proposal, the City would get more value than they would through Futures. She stated the services provided by MCCD would fill a gap that currently exists as they could help write business plans, figure out complex financing, etc.

Mr. Link stated MCCD is also able to help prospective businesses determine whether or not they have a viable business plan. He advised that currently most cities are not able to financially help businesses and it would be beneficial to have someone to refer people to for both business and financial advice.

President Tourville suggested that Mr. Link advise the CDA that the Inver Grove Heights EDA is very interested in the program but is not yet willing to commit.

The EDA unanimously agreed to President Tourville's recommendation.

President Tourville questioned whether all cities in Dakota County would participate in the CDA/MCCD program.

Mr. Link stated the CDA's initial reaction was that the amount MCCD expected the CDA to pay on behalf of the townships seemed high.

Dian Piekarski, 7609 Babcock Trail, stated that even though they do not provide loans, the City is currently able to provide financial assistance to businesses through various other methods, such as foregoing assessments, paying for infrastructure, TIF, etc. She advised she was concerned about the potential for government to grow should this program be put in place, she was concerned about the risk involved, and was not convinced that a small loan program was essential to bringing businesses to the City. She asked if staffing would be kept to a minimum if the EDA utilized an organization such as the MCCD.

Mr. Link replied that in a larger City doing dozens of loans a year MCCD would probably replace what cities would otherwise have to add to staff. In regard to the previous comment regarding other methods of financial assistance, Mr. Link advised that many of the tools mentioned are not appropriate for small businesses (i.e. TIF is only cost effective for larger projects, most small business projects do not require infrastructure, etc.).

President Tourville questioned what would happen if some cities dropped out of the program.

Mr. Link advised he would bring the EDA's concerns and tentative interest in the program to the CDA.

Mr. Link asked the EDA to provide staff with direction regarding the draft guidelines as they relate to whether the program's purpose and what the maximum loan amount should be.

Boardmember Piekarski Krech stated that discussion should take place after the EDA determines which venue they are going to use to administer the program.

President Tourville agreed, stating MCCD would have more money available than a Futures program.

Mr. Link asked if the EDA wanted to focus primarily on existing Inver Grove Heights businesses, new businesses, or both.

Mayor Tourville stated he would be interested in helping both existing and new businesses.

Boardmember Madden questioned whether a program such as this could help established businesses needing temporary assistance.

Mayor Tourville stated that many businesses use South St. Paul Futures because of the lower interest rate, not because they cannot get traditional financing.

Ms. Piekarski asked if the EDA would fund businesses with cash flow issues.

President Tourville replied they would not. He asked if the other Boardmembers were opposed to helping new businesses.

Boardmembers Grannis and Piekarski Krech replied they would like to help both new and existing businesses.

Boardmember Grannis stated he felt the maximum loan amount should be closer to $50,000.

Boardmember Madden agreed, stating a loan less than that would be of little help in today's economy.

President Tourville stated that one advantage of the MCCD/CDA program is the amount of money available.

Ms. Watters stated she supported allowing loans up to $50,000, noting that the cost of adding an ADA compliant restroom would be at least $15,000. She advised that during the Concord reconstruction project there were at least three impacted businesses that would likely have taken advantage of a program such as this. Ms. Watters stated that new businesses often inquire as to whether the City has any money available, many of which are looking to renovate an existing lease space. She noted that typically small businesses are looking for financial incentives rather than large box stores.

4C. PROGRESS PLUS UPDATE

Ms. Watters summarized the first quarter 2012 update. She advised that they had another meeting with affected businesses regarding the Concord redevelopment concept plans. They reassured them that this was a long-term voluntary plan and no businesses would be forced to relocate. She noted that inquiries

are up from the last two years, many businesses in the area are looking to expand, and a number of national chains are actively looking for sites in this region. She noted that Greater MSP is creating a strategy to attract large data centers. In response, Progress Plus identified and submitted information regarding one potential site in Inver Grove Heights that met the extensive list of criteria. She stated that currently many cities are limiting outside storage, thereby excluding businesses from coming into their city. Since there seems to be a need for this type of business, she and Mr. Link have had discussions regarding whether a business such as this would bring enough value to the City to be of interest. Ms. Watters stated they are in the process of scheduling six retention visits. On a recent visit with Americinn Hotel they learned that it has a new owner. Jennifer Gale has already met with the new general manager. They also met with Cellular Connection in Arbor Pointe. Their representative stated they were generally pleased but found it confusing to determine the leasee's responsibilities versus the building owner's responsibilities. They suggested the City have a checklist for businesses coming into the City explaining the various responsibilities, contacts, etc.

President Tourville stated that such information should be outlined in the lease agreements.

Ms. Watters stated they continue to market the City via their website, monthly e-newsletters, *Southwest Review* articles, etc. They are in discussions with Greg Munson, McGough and Target regarding grand opening events. There will be a public grand opening in July and the Chamber plans to host a broker-oriented event in the fall after Target is open and some of the adjacent main street buildings are constructed. Ms. Watters briefly discussed the City's data profile, employment numbers, and space availability.

4D. GUN CLUB SITE UPDATE

Mr. Link advised that an environmental investigation was done last year on the Gun Club site. The MPCA determined that further investigation is necessary. Staff met with MNDOT in October 2011, at which time MNDOT advised they planned to perform additional environmental investigation and they questioned whether the City would be willing to conduct additional investigation in partnership with MNDOT. The City received tentative approval from the County to perform the City's portion of the environmental investigation, but MNDOT opposed the County's involvement because of their higher remediation standards. The City is still exploring the partnership, without County involvement, and anticipates receiving a work plan from MNDOT within the next couple weeks for the additional environmental investigation. He advised that additional investigation would help determine the development costs, give the City a more accurate value of the property, and provide information needed to market the site.

4E. SOUTHEAST QUADRANT UPDATE:

Mr. Link advised that Fine Associates has been speaking with developers interested in a retail/office development on their property; however, they would like to see a transit facility. Subsequently Fine Associates approached Metro Transit and they agreed to do a study. The findings show there currently is not enough ridership to warrant a transit facility. The results of the study will be discussed tomorrow at a meeting with Fine Associates.

President Tourville stated Metro Transit could reconsider the issue if a large building with many employees was built on the property.

5. NEXT MEETING

President Tourville advised that the next meeting is scheduled for August 6, 2012.

6. ADJOURNMENT: Motion by Grannis, second by Madden, to adjourn. The meeting was adjourned by unanimous vote at 7:29 p.m.

DRAFT

4B

MEMO

CITY OF INVER GROVE HEIGHTS

TO: Inver Grove Heights Economic Development Authority (EDA)

FROM: Thomas J. Link, Director of Community Development

DATE: July 26, 2012 for EDA Meeting of August 6, 2012

SUBJECT: Claims – Income Statement

Claims

The following claims have been received and paid since the last Economic Development Authority meeting of May 7, 2012:

• Progress Plus – Annual Membership Dues	$25,000.00
• LeVander, Gillen & Miller	36.00

cc: Kristi Smith

6A

MEMO

CITY OF INVER GROVE HEIGHTS

TO: Inver Grove Heights Economic Development Authority

FROM: Thomas J. Link, Director of Community Development TJL

DATE: July 19, 2012 for EDA Meeting of August 6, 2012

SUBJECT: Resolution Regarding Authorizing 2011 Transfer to EDA Fund from Host Community Fund

Enclosed, for the Economic Development Authority's (EDA's) action, is a Resolution Recommending 2011 Transfer to EDA Fund from Host Community Fund. The purpose of this resolution is to ratify the transfer of $500,000 from the Host Community Fund to the Economic Development Fund, as previously discussed by the City Council with the 2011 budget.

In 2012, City staff proposed the transfer of $500,000 from the Host Community Fund to the Economic Development Fund. This transfer was well documented in staff memos, the EDA budget, and EDA minutes and included in the approved 2012 budget.

However, in 2011, the documentation of the same transfer is lacking because, at that time, there was no EDA and no Economic Development Fund. Though it was clearly the intent to transfer the funds, there is no documentation approving the transfer.

The EDA discussed this matter at its last meeting. In response to the EDA's request for additional information, the City Administrator prepared and distributed a memo explaining the request, a copy of which is attached.

Staff recommends approval of the enclosed resolution to ratify the transfer. If the EDA approves the resolution, the EDA recommendation would be considered by the City Council at an upcoming meeting.

Enc: Resolution
EDA Minutes of May 7, 2012
Memo from Joe Lynch, dated May 9, 2012

cc: Kristi Smith, Finance Director

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO._____

RESOLUTION RECOMMENDING 2011 TRANSFER TO EDA FUND FROM HOST COMMUNITY FUND

WHEREAS, the EDA Fund was created in 2011, and

WHEREAS, the EDA did not approve a 2011 budget, and

WHEREAS, there was intended to be a transfer of $500,000 to the EDA Fund from the Host Community Fund in 2011.

NOW, THEREFORE BE IT RESOLVED, BY THE CITY OF INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY: that the following transfer be recommended to the City Council.

From Host Community Fund:	451.57.9200.590.91100	$500,000
To EDA Fund:	290.45.0000.3911000	$500,000

Adopted by the City of Inver Grove Heights Economic Development Authority this 6th day of August 2012.

Ayes:
Nays:

_____
George Tourville, President

ATTEST:

_____
Kim Fox, Secretary

INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING
MONDAY, MAY 7, 2012 – 8150 BARBARA AVENUE

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3A. MINUTES

Motion by Madden, second by Piekarski Krech, to approve the Minutes of the February 6, 2012 Regular Economic Development Authority meeting.

Ayes: 3
Nays: 0 Motion carried.

3B. CLAIMS:

Motion by Madden, second by Piekarski Krech, to approve disbursements from February 7, 2012 to May 7, 2012.

Ayes: 3
Nays: 0

4A. RESOLUTION AUTHORIZING 2012 TRANSFER TO EDA FUND FROM HOST COMMUNITY FUND

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Boardmember Madden stated his understanding was that they had transferred the 2011 funds.

Boardmember Piekarski Krech questioned the funding regarding the excess golf course property purchase.

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Mr. Link replied that $352,000 of the acquisition was funded from the Economic Development Fund. The fund had $500,000 in it at the time from the 2012 transfer. The remaining $1,000,000 of the acquisition was funded from the Host Community Fund. The action being sought tonight is to ratify the 2011 transfer of $500,000.

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President Tourville asked if Mr. Link could provide the EDA with an accounting of the Economic Development Fund debits and credits.

DRAFT

Mr. Link replied in the affirmative.

Boardmember Piekarski Krech stated she was under the impression that the EDA, rather than the City, had purchased the golf course and she was not comfortable with this resolution as she thought she voted against it in 2011.

President Tourville asked if the 2011 transfer had already been done.

Mr. Link replied it had not. This resolution would ratify what the City thought had already been done.

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Mr. Link asked the EDA to further discuss the Small Business Loan Program. He recapped the memo from Progress Plus which summarized the level of loan defaults from other cities'/EDA's small business loan program performances. He noted that the purpose of this type of program is to supplement conventional bank loans and it does entail some risk.

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Mr. Link replied in the affirmative. He noted that one city stated that even if a loan were to default the city would still benefit from the property improvements made because of the loan. In regards to alternatives for administration, Mr. Link stated that the South St. Paul Futures model has a loan review committee which reviews applications and makes a recommendation to the Board. This program is administered by the Chamber of Commerce, involves local banks, and costs up to $2,000 a year. The second option is Metropolitan Consortium of Community Developers (MCCD), who could provide loans with or without the use of City funds. This program would provide a wide variety of technical assistance and would cost $10,000 a year.

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Boardmember Piekarski Krech questioned how much the CDA would pay towards the program.

CITY OF INVER GROVE HEIGHTS

MEMORANDUM

TO: Economic Development Authority Members

FROM: Joe Lynch, City Administrator

SUBJECT: EDA Meeting follow up, May 7th, 2012

DATE: May 9, 2012

EDA Executive Director Link has asked me to follow up in writing to you, as EDA Members, in this Memorandum explaining the request for approval of the transfer of funds from the Host Community Fund to the EDA from 2011, as well as complete the picture for the reason for the 2012 transfer and a recap of the Golf Course property purchase.

EDA Funding 2011

The EDA was reconstituted in February of 2011. Because it was already two months into the next calendar and budget year, staff realized that in order to establish a budget and cover expenses that might occur, we would need to identify a revenue source. In 2010, staff, along with our Financial Consultant Ehlers and Associates, recommended a transfer of funds from the Host Community Fund to the EDA to establish the fund, create revenue that could cover expenses as well as possibly fund other activities such as the Small Business Loan Program. Unfortunately the EDA did not get re-established until after the first of the year and no action was taken by the City Council in establishing this funding mechanism. The EDA initially decided that they were not going to tax to create an ongoing revenue stream for funding expenses. Expenses incurred in 2011 for EDA activities were funded through the Community Development budget that had been established during the normal city budgeting process. Expenses such as staff time for record keeping during meetings, City Attorney fees associated with attendance at the EDA meetings, etc. were taken out of Tom Link's budget in 2011.

EDA Funding 2012

In 2012, Tom Link approached the EDA with a budget containing a revenue source, transfer of $500,000 from the Host Community Fund, along with projected operating expenses, such as those items mentioned above. In addition to the monies already transferred from the Host Community Fund in 2011, this funding would establish an amount that could provide for several things: 1) funding for a portion of the sale of the Golf Course property to the EDA, 2)

funding for normal, operating expenses of the EDA, 3) possible source for a Revolving Loan Fund to lend to local businesses for improvements to their businesses and finally 4) to be in a position that the EDA could participate with a developer in assisting with anything from gap financing to a limited partnership in a development that the EDA found to be worthy and financially sound. The budget was recommended for approval to the City Council and they approved it as a part of their adoption of all of the 2012 budgets.

After a question was raised about when and how the EDA approved the budget and transfer of funds in 2012 and 2011, staff found that there was no similar process followed and documentation for the 2011 transfer of the $500,000. The City Attorney provided some guidance on the steps necessary to establish the fact that it was, in fact, the intent of the EDA to transfer funds from the Host Community Fund in 2011 to establish a revenue source for the EDA fund and to help offset any expenses in that year. The Resolution you saw on Monday, May 7th attempted to ratify the decision made earlier by the EDA to provide funds by way of transfer rather than taxation for all of the above mentioned reasons.

Golf Course Purchase

For the last two years the EDA has discussed the possibility of assisting the Inverwood Golf Course by removing the strain of the remaining Debt Service payments so that the course could attempt to cover all of the operating costs and break even or make a small surplus on an annual basis. The agreed upon approach after such lengthy deliberation was for the EDA to purchase the excess Golf Course property. The EDA could then market it and develop it so that it could be returned to the tax rolls and produce property taxes for the City. The mechanism chosen was to pay the exact amount outstanding for the interest payments due in June and December of 2012, along with the principle payments due in December of 2012, 2013 and 2014. The cost savings to the action was avoidance of the interest payments due in June and December of 2013 and 2014. $1,329,000 was paid by the EDA for the excess Golf Course property. That amount was achieved by making a transfer of $1,000,000 from the Host Community Fund, which is to be repaid to that fund upon sale of the property for at least that amount. The $329,000 was paid by the EDA out of the fund established by the transfer of monies from the Host Community Fund in 2011 and 2012. This amount will be repaid to the EDA if the property is sold for at least $1,329,000. If the property is sold for less than that, any amount over the $1,000,000 lent from the Host community fund goes back to the EDA to fund continuing and ongoing operating costs or other programs of the EDA, such as a Small Business Loan program.

There was always planned to be three transfers from the Host Community Fund for economic development purposes. The two transfers of $500,000 were intended to directly fund the EDA for its operations and programs instead of funding it through a separate EDA tax. The $1,000,000 transfer was intended to

cover a portion of the cost of the purchase of the excess Golf course property, which is to be repaid to the Host Community Fund upon sale to a private party. Staff asks you to consider adoption of the Resolution ratifying your intent to fund the EDA operations and programs, such as the Small Business Loan program, with the transfer of $500,000 from the Host Community Fund for 2011.

6a

MEMO

CITY OF INVER GROVE HEIGHTS

TO: Inver Grove Heights Economic Development Authority

FROM: Thomas J. Link, Director of Community Development

DATE: July 18, 2012 for EDA Meeting of August 6, 2012

SUBJECT: Draft 2013 Budget

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1. ACTION REQUESTED: The Inver Grove Heights Economic Development Authority (EDA) is to consider recommending approval of the draft 2013 budget for economic development, as attached.

2. ANALYSIS: The proposed 2013 budget is slightly less than the 2012 budget, except that additional funds are requested to administer a Small Business Loan Program.

Personnel, including salary and benefits, assume that 10% of the Community Development Director's time will be spent on economic development activities. For the time being, the Recording Secretary's attendance will be considered to be part of the regular forty hour work week, thus avoiding the additional cost of overtime. This will be reconsidered if the Community Development Department's workload increases.

Professional Services includes $4,500 for the City attorney, bond counsel, financial consultant, and other consultants. The draft budget anticipates the City attorney's attendance at some of the EDA meetings. The Professional Services also includes $10,000 for the Metropolitan Consortium of Community Developers (MCCD) administration of a Small Business Loan Program. This amount could be reduced to $7,500 if the Dakota County Community Development Agency (CDA) contracts with the MCCD on behalf of all Dakota County cities.

Other Services includes the Progress Plus contribution of $25,000, occasional publication of public hearing notices, membership in the Economic Development Association of Minnesota (EDAM), and attendance at the EDAM, Chamber of Commerce, and Progress Plus annual meetings.

Supplies is for unanticipated, miscellaneous expenses that may occur throughout the year.

3. RECOMMENDATION: Staff recommends approval of the Economic Development Authority's 2013 budget, as attached, subject to City Council actions.

Enc: Proposed 2013 Budget

cc: Jennifer Gale, Progress Plus
Ellen Watters, Progress Plus

ECONOMIC DEVELOPMENT AUTHORITY

DRAFT 2013 BUDGET

EXPENDITURES	
Personnel	
Account # 10000	$14,500
Professional Services	
Account # 30000	$14,500
Other Purchased Services	
Account # 50000	$26,000
Supplies	
Account #60000	$200
TOTAL EXPENSES	$55,200

6E

PROGRESS PLUS

Urban-Alternative Space Available

UPDATE AUGUST 6, 2012

Progress Plus has responded to 26 inquiries to date from brokers and users interested in space or sites in Inver Grove Heights.

Industrial/Manufacturing

5-10 Acre Industrial
A broker representing an industrial user is looking for 5-10 acres, zoned industrial, in the South East metro. Two sites in Inver Grove Heights were provided.

Storage

User looking for 2,000 - 3,000 square feet of storage space in the Inver Grove Heights area to store product and 20' trailers so the space must have a 10'X12' drive-in door. One option provided.

Technology Firm
Growing technology firm looking for 4,000-6,000 sf of open office with 1 to 2 conference rooms fully furnished. Prefer Apple Valley, Eagan, Mendota Heights, Burnsville but sent information on IGH Medical building.

Food/Beverage Company
GREATER MSP is seeking site proposals for a food/beverage company looking to expand existing operations in the Minneapolis - St. Paul marketplace. The company will be hiring 20-30 new workers within 6 months of occupancy. The client is looking to purchase or lease-to-own option of an existing building with 40-60,000 sf with expansion capabilities, minimal 24' clear (ideally 28-32' clear), multiple truck docks, with at least one drive-in door and good highway access.

Printing Firm
A new printing company is looking for 10,000 square foot building for sale. They identified a property in Hastings but were interested in any options in the South St. Paul or Inver Grove Heights area. One option in South St. Paul and two in Inver Grove Heights were provided but all were priced above what the building in Hastings was.

Manufacturing Company
A broker representing a manufacturing firm was looking for 10,000-25,000 Sq. Ft. (larger if existing tenant(s) in place) in the South East region. Would prefer to lease with purchase option (3-5 year lease term, purchase sooner). Needs 22' clear height and wants to move by June 1. Two options in Inver Grove provided.

Manufacturing and Outside Storage
Working with a group in search of 10,000-20,000 SF with 5-10 acres of outside storage or land of 10-15 acres that allows outside storage. The user wants to own not lease. One site in Inver Grove provided.

Industrial User
Broker is representing a client with looking for lease or purchase near 494/55 of 35,000-50,000 square feet (70% Warehouse / 30% Office).

Truck Maintenance
Company looking for 2,000 sf of office and 6,000 to 8,000 sf warehouse with additional space for parking and plug ins for 27 trucks. Preferred location is Eagan / Inver Grove Heights. One site in Inver Grove provided.

Retail

Automotive Retail Requirement
A national retailer was looking for a site in Inver Grove Heights specifically. Progress Plus provided them information on the former Advanced Auto building.

RV and Trailer Dealership
Broker looking on behalf of established business that needs new location. Needs proper zoning for outdoor display, prefers good frontage with 8,000 -30,000 sq. ft. or more 2 plus acres. Needs 14 foot high doors.

Dollar General
National chain is seeking locations for 9,000 – 12,000 SF buildings and minimum 30 parking spaces. They prefer communities with median household income less than $75,000 and retail corridors with good traffic & visibility. Arbor Point options and Argenta Hills in Inver Grove Heights were provided.

Auto Repair
An existing auto repair company is looking for sites in SE market. One option in South St. Paul was provided for existing building. Site in Inver Grove Heights was provided.

Office

Office User
Local company is looking for 25,000 square feet of class B+ office. Must be existing space. Prefer close to bus line. Inver Grove Heights Medical Office building provided.

Other

Business Parks
Greater MSP is updating its materials on business parks in the region. Progress Plus provided images, details and financing for the InverPoint development.

Call Center

National firm looking for existing or easily adaptable call center space. Minimum parking ratio of 6-7 spaces per 1,000 sq. ft. plus guest and visitor parking (approximately 60-70 total parking spaces). Prefer access to public transportation. Class B, multi-tenant building (single or multi-level) with open-bay space for modular furniture and high density occupancy. Referred to Inver Grove Heights Medical Building owner.

Medical Device

GREATER MSP is jointly working with a local broker for an international medical device company opportunity. The company needs 40,000 SF manufacturing and 30,000 SF office with proximity to MSP airport. The company will consider new build. Two sites in South St. Paul (Interstate and BP Office building) were provided and two in Inver Grove Heights (InverPoint and CV Medical).