



**INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT AUTHORITY AGENDA
MONDAY, NOVEMBER 5, 2012
LOWER LEVEL TRAINING ROOM
6:00 P.M.**

1. CALL TO ORDER

2. ROLL CALL

3. 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. Minutes

1. Approve Minutes from the August 6, 2012 Regular Economic Development Authority Meeting _____

2. Approve Minutes from the September 17, 2012 Economic Development Authority Meeting _____

B. Claims _____

4. PUBLIC HEARING

A. Public Hearing Relating to the Creation of Economic Development Districts No. 3 and No. 4

1. Resolution Approving Creation of Economic Development Districts No. 3 and No. 4 _____

2. Resolution Approving Purchase Agreement between the EDA and Bich-Lieu Trieu _____

3. Resolution Approving Purchase Agreement between the EDA and Dan Treu _____

5. REGULAR AGENDA

A. Recommend 2013 Economic Development Authority Budget _____

B. Discuss Small Business Loan Program _____

C. Discuss Progress Plus Update _____

D. Discuss Gun Club Site Update _____

6. NEXT MEETING – February 4, 2013

7. ADJOURN _____

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING
MONDAY, AUGUST 6, 2012 – 8150 BARBARA AVENUE**

CALL TO ORDER/ROLL CALL The Economic Development Authority (EDA) of Inver Grove Heights met on Monday, August 6, 2012, in the City Council Chambers. President Tourville called the meeting to order at 6:05 p.m. Present were Economic Development Authority members Grannis, Madden, Klein, and Piekarski Krech; City Administrator Lynch, Executive Director Link and Secretary Fox.

4A. MINUTES

Motion by Madden, second by Grannis, to approve the Minutes of the May 7, 2012 Regular Economic Development Authority meeting.

Ayes: 4

Nays: 0

Abstain: 1 (Klein) Motion carried.

4B. CLAIMS:

Motion by Klein, second by Grannis, to approve disbursements from May 8, 2012 to August 5, 2012.

Ayes: 5

Nays: 0 Motion carried.

6A. RESOLUTION AUTHORIZING 2011 TRANSFER TO EDA FUND FROM HOST COMMUNITY FUND

Boardmember Piekarski Krech stated she still did not have a clear understanding of what money came from where and why there was so much excess money remaining.

Mr. Lynch explained that in governmental reporting retained earnings were similar to the balance in a checkbook, with the income minus the expenditures being the balance. He advised that the intention was to transfer \$500,000 from the Host Community Fund to the EDA Fund in 2011; however, that was never done. In 2012 the EDA approved a transfer of \$500,000 from the Host Community Fund to the EDA Fund. \$352,000 of those monies were used to pay for the excess golf course property purchase. \$1,000,000 was transferred from the Host Community Fund through the EDA to cover the remainder of the cost of the purchase of the excess golf course property. The golf course properties are now shown as an asset owned by the EDA. The fund balance is \$115,000. Mr. Lynch advised that without the transfer the fund balance would go down to \$60,000 in 2013 after deducting the operating expenses. He reminded the EDA there were several things they had been discussing that would need a funding source, such as a small business loan program.

Boardmember Piekarski Krech asked for clarification of how much money overall had been transferred from the Host Community Fund to the EDA Fund, stating the documentation showed \$1.5 million whereas there was discussion of \$2 million.

Mr. Link replied that if the EDA approved the 2011 transfer of \$500,000 that would total the \$2 million previously discussed.

Boardmember Piekarski Krech asked if the EDA Fund balance would total \$600,000 rather than \$100,000 if the EDA approved the 2011 transfer.

Dian Piekarski, 7609 Babcock Trail, stated the budget process continued to be confusing, and the balance sheet was unclear and did not include separate expenditure and revenue columns. She also questioned

the accuracy of a statement in Mr. Lynch's memorandum that there was always planned to be three transfers from the Host Community Fund for economic development purposes.

Mr. Lynch clarified that the statement referred to by Ms. Piekarski was written from a staff perspective and was indicating that staff had intended for there to be three transfers, not that the EDA had approved the three transfers. In regard to the balance sheet, Mr. Lynch advised it was based on standard governmental accounting which was different from private sector accounting.

Boardmember Grannis stated the EDA previously determined they would like to implement a small business loan program and the transfer would provide the needed funding.

Boardmember Piekarski Krech asked if Boardmembers were considering programs other than the Dakota County Community Development Agency (CDA)/Metropolitan Consortium of Community Developers (MCCD) program which would cost \$7,500 for the annual administration fee.

Mr. Link stated that the CDA/MCCD partnership was not yet finalized, but looked promising. He advised that if the arrangement between the two agencies did not work out the annual administration fee for MCCD would be \$10,000 rather than the \$7,500.

Boardmember Klein asked if the Host Community Fund was interest generating.

Mr. Lynch replied that the Host Community Fund gained positive interest. He explained that all the City's money was pooled together and laddered in investments; therefore the Host Community Fund was not in and of itself an interest-bearing account.

Boardmember Klein suggested leaving the money in the interest generating Host Community Fund until it was needed.

President Tourville asked if it would be possible to give staff the authority to transfer the money as needed, or within a certain period of time, rather than immediately.

Mr. Lynch replied in the affirmative. He noted that the EDA's fund balance also gained positive interest.

Boardmember Klein stated he supported authorization of the transfer but would prefer it not be transferred until needed.

Motion by Grannis, second by Klein, to approve the transfer of \$500,000 from the Host Community Fund to the Economic Development Fund, and providing staff the authority to determine how and when the funds are transferred.

Ayes: 4

Nays: 1 (Piekarski Krech) Motion carried.

6B. DISCUSS CONCORD STUDY – DEVELOPERS ROUNDTABLE

Mr. Link introduced Stacie Kvilvang of Ehlers & Associates and Bryan Harjes of Hoisington Kogler Group Inc., who were involved in the developer roundtables for the Concord redevelopment area. He advised that the City would distribute a newsletter to the neighborhood in the coming weeks, meet again with the Concord business community, and then move on to the rest of Phase II which includes site guidelines, financial analysis, and implementation strategies.

Stacie Kvilvang, Ehlers & Associates, summarized the findings of the developer meetings. She advised they met with eight established developers, all of whom were well financed and well versed in redevelopment. The feedback from these developers indicated that the proposed plan for the redevelopment of Concord was viable and could come to fruition in the future. They noted, however, that the gentleman's club located in the area could be a barrier to redevelopment and should be addressed.

Boardmember Piekarski Krech questioned why the gentleman's club would be more of a detriment than other existing factors, such as train tracks, airplane noise, etc., especially since the club had limited hours of operation.

Ms. Kvilvang replied that housing was proposed in the area and people had biases as to what was directly across the street from their home. The developers saw many positive attributes for the area, including the public investment on the upgrading of Concord Boulevard, the community feeling in Inver Grove Heights, the close proximity of the river and its various amenities, the easy access to the site and its proximity to St. Paul, and the community college. Comments made regarding possible negative attributes were that the drive to the area was not always aesthetically pleasing, the gentleman's club, no quick connection to I-494, lack of visibility and transit, and limited nearby services such as dry cleaners, restaurants, florists, etc.

Boardmember Piekarski Krech advised that services were available further down Concord.

Ms. Kvilvang stated the developers would like them to be walkable.

Boardmember Klein advised that transit could be made available depending on need.

Ms. Kvilvang stated that other negative attributes the developers discussed were the existing overhead power lines and railroad tracks, the site being a little disjointed from the rest of the city, the St. Paul Park refinery and its potential to generate odors, and having inadequate acreage to do an industrial park. Ms. Kvilvang advised that after the roundtable discussions she became aware of additional acreage further south on Concord. With that in mind, there may now be adequate acreage available for industrial purposes. In regard to the market for housing, the developers indicated that younger renters would be more interested in this area rather than family housing, 80-150 units of multi-family rental were feasible for the area, there was potential for 70-100 units of senior assisted living and memory care, and it may not be the best location for senior cooperative owner-occupied housing. In regard to the market for industrial, the developers thought that 250,000 to 300,000 square feet was feasible if land was available; however, it would likely take at least 10 years. They advised the first building in the industrial park would set the tone for the remainder of the buildings, so the City should be cognizant of what the buildings look like and the type of industrial use brought in. Typical building pads would be 30,000-40,000 square feet in size and would be build-to-suit, and it would be beneficial to work with a master developer for the site. She advised that retail was somewhat fickle and would likely want to see more rooftops before locating to the area. In order to make retail a success, it was vital to get ongoing patronage from the community.

Ms. Kvilvang stated the goal would be to change the perception of the area from a place where garbage haulers were located to a place where people would want to live, and to put a focus on bringing rooftops to the area. In order to develop this area public assistance or other incentives would likely be necessary. Suggestions were also made to possibly provide financial incentives to the marina owners as a means for them to upgrade their sites to provide a more public connection.

Boardmember Piekarski Krech stated all the suggestions seemed to require City financial support which was unlikely to happen.

Ms. Kvilvang stated public assistance was always needed in redevelopment projects.

Boardmember Piekarski Krech questioned whether the Concord Neighborhood Redevelopment Plan was then worthless.

Ms. Kvilvang replied it was not, stating the developers believed that although there were challenges and a potential need for public assistance, the plan was viable.

President Tourville stated there were multiple incentive programs available.

Boardmember Madden suggested perhaps emphasizing industrial uses rather than bringing in housing as it would provide a better tax base and would not be affected by the challenges identified by the developers.

President Tourville stated it was unlikely they would see industrial development on the west side of Concord Boulevard near the existing homes.

Mr. Link stated the approved plan featured both residential and industrial uses. Redevelopment in any community requires some city contribution; however, how that is done varies. He advised that some of the sources of funding could be through the City (tax increment financing, tax abatement, etc.) but there were other sources such as Met Council grants, CDA funding, etc. The City will be working with Ehlers in the next couple months to do a financial analysis associated with the redevelopment. That information will then be brought to the City Council and the EDA for their review and direction.

Boardmember Piekarski Krech questioned why the plan was not designed to be more developer friendly or more in line with what the area could support. She noted that many studies had been done over the years yet she did not feel they had come much further than they were at the beginning of the process.

Mr. Link summarized how the City got to this point, stating they hired BRW in the 1990's to do the first Concord plan. The plan featured mostly retail and business development. Since completion of that study, however, the area has seen only one new development (Cameron's Liquor). There was a lot of public investment put into the area recently (bridge pier, trails, redevelopment of Concord Boulevard, the park, etc.) and a few years ago City Council asked staff to look for a developer; HKGi was then hired to update the plan.

President Tourville stated there were only two redevelopment studies done for the area.

Boardmember Piekarski Krech disagreed, stating there were also studies done in association with the Heritage Village Park Master Plan and the Comprehensive Plan.

President Tourville stated the studies done regarding Heritage Village Park did not look at redevelopment potential along Concord.

Ms. Kvilvang clarified that when she referred to the need for public assistance earlier, she was not inferring that the City would provide all the cash up front.

Brian Harjes of Hoisington Kogler Group Inc. discussed the various areas of the Concord Boulevard Neighborhood Plan, stating there would be a compression of park space to the north to allow for more private development to the south, including a mixed use area comprised of commercial units with housing above. He advised they were currently undergoing renovation of 66th Street to facilitate the future trailhead; additionally, as development and the park occurred, 65th Street should undergo similar streetscape improvements to allow for a sidewalk, trail, or connection to the marinas. He advised the goal

was to make the marinas more public in nature and provide an identifiable entry to the marinas where the public could watch boats or visit one of their restaurants or dock stores.

Boardmember Klein asked if the City had agreements for the homes across the street from Allied Waste.

Mr. Lynch replied the City has acquired two homes, one on the east and one on the west side of Doffing Avenue, as well as the ongoing Doffing Avenue Voluntary Acquisition Program to remove buildings and businesses from the floodplain.

Boardmember Klein asked if the City owned the former Bee-Line property.

Mr. Lynch replied in the affirmative.

President Tourville stated he envisioned that the City and consultants would now proceed to get input from businesses, and look into available financial programs and implementation strategies.

Boardmember Piekarski Krech asked if President Tourville was saying the City would share this presentation with the businesses in the Concord area.

President Tourville replied in the affirmative.

Boardmember Piekarski Krech stated that business owners could become alarmed if they were hoping to expand their commercial business but found their area was not planned for commercial.

Mr. Link noted that the plan showed a six-fold increase in residential and a four-fold increase in retail and services.

President Tourville stated most of the businesses on Concord were already aware of the plan and many were pleased to hear of the potential for additional rooftops.

Ms. Piekarski stated she supported the idea of creating a walkable community by the river; however, she questioned whether pedestrians could safely cross Concord Boulevard to get to shops, restaurants, etc., particularly with commercial trucks in the area. She asked if the City intended for new homes to be built in the floodplain.

Mr. Link replied that the Concord plan shows no construction in the floodplain. In regard to traffic, most of the truck traffic was anticipated to be more UPS-type vehicles rather than heavy truck traffic. Staff agrees that an east-west pedestrian access across Concord is important but they have not yet determined how that will be done.

Ms. Piekarski asked if there were regulations regarding maximum building height, especially in relation to the mixed use and its proximity to the river and the overhead power lines.

President Tourville replied in the affirmative, stating there were height and setback restrictions.

Mr. Link advised that the City plans to meet with the Concord businesses in the next couple weeks.

President Tourville asked if staff would meet with the residential community as well.

Mr. Link replied they would have an open house for the entire neighborhood later this fall, but would send out a newsletter in the meantime to keep them informed. He stated the Concord study would be before

the EDA at least three more times to discuss the layout, site guidelines, financial tools, and the final site plan.

6C. 2013 BUDGET

Mr. Link advised that the draft 2013 EDA budget was slightly less than the 2012 budget, except additional funds were being requested to administer a Small Business Loan Program. Those funds were listed under Professional Services.

President Tourville stated he would like an itemized breakdown of Professional Services and Purchased Services before voting on this. He requested it be provided to the EDA prior to their November meeting.

Boardmember Piekarski Krech questioned why Supplies had been reduced by \$200.

Mr. Link replied staff found they did not need many supplies. He noted that Professional Services had also been reduced by about half.

Boardmember Piekarski Krech stated she would like to see a spreadsheet showing the 2011 budget, 2012 budget, 2013 proposed budget, etc., similar to the format of the regular budget.

Ms. Piekarski stated she was concerned with the way that government budgeted, stating they did not look at where the money would be coming from long-term. She questioned what the annual overhead would be for a South St. Paul Futures-type program and how it would be funded, stating she was opposed to using taxpayer money to fund small business loans.

President Tourville stated that information was not yet needed as the EDA had not decided yet if they were going to use that type of program.

Ms. Piekarski stated the EDA should know the ramifications for the financial cost of doing this type of a program long term.

Mr. Link advised he would provide an itemized breakdown of the draft 2013 budget, including information for 2011 and 2012.

6D. DISCUSS SMALL BUSINESS LOAN PROGRAM UPDATE

Mr. Link advised that the CDA is seriously considering entering into a contract with MCCD. Almost all cities have expressed a strong interest in the contract and it appears to be moving forward. He advised that, if the partnership comes to fruition, the contract would be for one year, but could be extended. The proposed 2013 budget included \$10,000 for a small business loan program; however if the contract with MCCD proceeds the budget amount could be reduced to \$7,500.

The EDA unanimously agreed to direct staff to continue discussions in regard to the CDA/MCCD partnership on a small business loan program.

6E. DISCUSS PROGRESS PLUS UPDATE

Ms. Watters advised that she, Tom Link, and Jennifer Gale made retention visits to Key Community Bank, Cellular Connection, Wells Fargo, and Cahill Tire, and received positive feedback. Ms. Gale also met with CHS's senior management team and was in the process of setting up a meeting with their CEO. She advised that the IGH Broker Tour was scheduled for October 17. The tour features both the commercial

and residential portions of Argenta Hills, as well as a reintroduction to the Inverpoint Business Park. She advised that the Target opening went well, and media coverage could be expected with the upcoming grand opening of Pawn America. She summarized the second quarter 2012 Progress Plus Update, noting there was an increase in inquiries.

Boardmember Madden volunteered to attend the Brokers Tour if a Councilmember was needed.

6F. DISCUSS GUN CLUB SITE UPDATE

Mr. Link advised that the City and MNDOT have determined that, due to practical and technical difficulties, partnering on the environmental investigation of the Gun Club site would not work. The two parties have agreed to conduct separate investigations. Mr. Link requested that the recently received proposal from Landmark be put on the August 13 City Council agenda.

Boardmember Klein asked why the agencies would do separate investigations.

Mr. Link replied that MNDOT's investigation would be different from the City's and would not give the City the same level of information as the services proposed by Landmark. MNDOT was not concerned about development potential and therefore their investigation would be limited to the top few feet of soil. He stated there were also practical difficulties with the coordination of two separate consultants, and doing a separate investigation would result in cost savings to the City.

Mr. Mueller suggested they reclaim the lead on the site.

President Tourville advised that was already done when the road went through.

6G. DISCUSS SOUTHEAST QUADRANT UPDATE

Mr. Link advised that Metro Transit determined there was not enough density of use to warrant a transit center; however, they would be willing to review it again should it develop into a more intensive use.

7. NEXT MEETING

President Tourville advised that the next meeting was scheduled for November 5, 2012.

8. ADJOURNMENT: Motion by Klein, second by Grannis, to adjourn. The meeting was adjourned by unanimous vote at 8:00 pm.

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING
MONDAY, SEPTEMBER 17, 2012 – 8150 BARBARA AVENUE**

CALL TO ORDER/ROLL CALL The Economic Development Authority (EDA) of Inver Grove Heights met on Monday, September 17, 2012, in the City Hall Lower Level Training Room. President Tourville called the meeting to order at 6:05 p.m. Present were Economic Development Authority members Grannis, Madden, Klein, and Piekarski Krech; City Administrator Lynch, Executive Director Link and Secretary Fox.

3A. CONCORD STUDY – REDEVELOPMENT TOOLS AND PROCESS

Mr. Link summarized the topics discussed at the EDA's last meeting in regard to the Concord Study. He advised that Stacie Kvilvang from Ehlers & Associates would be giving a presentation and Brian Harjes from Hoisington Koegler Group Inc. was available for questions. He stated that preliminary site design and financial feasibility would be discussed at the September 24 meeting and final site design and final feasibility of the redevelopment plan would be discussed at the October 22 meeting.

Stacy Kvilvang, Ehlers & Associates, discussed why cities do redevelopment projects, the issues involved in redevelopment, the cost of not doing redevelopment, the different roles cities can play during this process, and financial tools available, including Tax Increment Financing (TIF).

Boardmember Klein asked if the school district would be penalized by the use of TIF.

Ms. Kvilvang replied that the school district would not be penalized. She also explained the specifics of tax abatement, noting that this could have an impact on other taxpayers.

Boardmember Klein asked if Dakota County participated in tax abatement.

Ms. Kvilvang replied they have not. She then showed examples of redevelopment done in other communities in the Twin Cities metro area, stating many of these projects faced larger challenges than those in the Concord neighborhood.

Boardmember Klein asked who the lead on the St. Anthony redevelopment project was.

Ms. Kvilvang replied that she was the person who played the most active role in bringing the project together from the City's perspective. She discussed the before and after property values, the resulting benefits, and the various funding sources used. Ms. Kvilvang stressed that in order to get a good developer a community must have a good reputation and a clear vision. Cities also may need to take more risk because of the diminished number of reputable developers available; however, it is possible to mitigate that risk. She added that cities should focus on the broader picture of what they are trying to achieve and not get mired down in the details, and understand that any public dollar investment in the redevelopment is a short term investment for a long term gain. She stated they would be coming back next week to discuss site design and financial feasibility and then again on October 22 to discuss final site design and design standards, and also finalize the redevelopment plan based on the EDA's direction. In early November they will continue the neighborhood meetings on redevelopment. If the EDA decides to move forward with redevelopment, in 2013 they will look to develop an implementation strategy and then formal adoption of a redevelopment plan for the area.

Dian Piekarski, 7609 Babcock Trail, asked if it was true that the City would not see any additional benefit to the City in dollars until the TIF was paid off.

Ms. Kvilvang agreed, stating that if the City were to create a TIF district they would not get the increased property valuation from a tax perspective until after that obligation was paid off.

INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING – August 6, 2012

Ms. Piekarski stated an area could be ripe for redevelopment again by the time the 26 year TIF was paid off.

Ms. Kvilvang replied that could be true in some situations, but typically they were not seeing that. She noted that an added benefit was that redevelopment often resulted in private spin off redevelopment.

President Tourville noted that Cenex built in Inver Grove Heights because of a TIF.

Jim Mueller, 7800 Boyd Avenue, noted that they paid it off early as well.

Ms. Piekarski stated that Arbor Pointe was done under a TIF and it has been difficult to find long term commercial tenants in that area.

President Tourville replied that Arbor Pointe likely made the school district solvent because of the families that purchased homes in that area.

Boardmember Klein stated the commercial area was not part of a TIF.

President Tourville stated some of the major peripheral benefits of the City getting involved would be additional employment, business ownership, and accelerated development.

Boardmember Klein noted that Rosemount recently added some mixed use development to their main street.

Ms. Piekarski asked for clarification of the changes being seen due to the decline in good developers.

Ms. Kvilvang replied the biggest change they were seeing was that developers were no longer land banking. Because of this cities were now assisting in the land assembly process.

Mr. Mueller questioned how much land was realistically available for redevelopment in the Concord Neighborhood.

President Tourville replied there were a couple of blocks along Concord that were identified for redevelopment in the updated Concord Neighborhood Plan.

Mr. Mueller questioned whether the residents of a future senior housing complex would be able to walk to grocery stores, goods, and services without transportation.

Ms. Kvilvang replied that many senior housing developers provide their own means of transportation for their residents.

Mr. Link advised that the developers they spoke with thought the plan had potential and they were interested in taking a closer look at the neighborhood. The developers, however, were suggesting that the City focus on adding more residential units to the area with the thought being that more rooftops would drive the commercial development.

President Tourville stated the people he has known in senior living centers typically did not walk to services, but rather used transportation provided by the complex.

Ms. Watters reiterated that the private sector responds best when it has a clear vision presented to it and when there are clear indications from the city and its elected officials that they are serious about the project and encouraging of private sector investment.

President Tourville asked for an update on the recent meetings with the business community.

Mr. Link stated those present at the five meetings were generally supportive, however, the attendance was not as good as what he had hoped. He advised they will continue to keep the communication going with the Concord business and residential community.

President Tourville asked if there were any Chamber of Commerce/Progress Plus updates pertaining to the Concord Study.

Ms. Watters stated she received mixed reaction from the Concord business community; however, many were excited about the redevelopment potential.

President Tourville stated it would helpful to get information on the different types of grants available through the various agencies.

5. NEXT MEETING

Mr. Link advised that the next meetings would be held on September 24 and October 22.

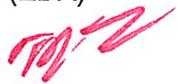
4A. EXECUTIVE SESSION

- A. Discuss Property Acquisitions
 - 1. 8195 Babcock Trail
 - 2. 6671 Concord Boulevard
 - 3. 6685 Concord Boulevard

6. ADJOURNMENT: Motion by Klein, second by Grannis, to adjourn. The meeting was adjourned by unanimous vote at 8:00 pm.

MEMO

CITY OF INVER GROVE HEIGHTS

TO: Inver Grove Heights Economic Development Authority (EDA)
FROM: Thomas J. Link, Director of Community Development 
DATE: October 31, 2012 for EDA Meeting of November 5, 2012
SUBJECT: Claims and Financial Report

Claims

The following claims have been received and paid since the last EDA meeting of August 6, 2012:

- | | |
|----------------------------|------------|
| • LeVander Gillen & Miller | \$2,796.00 |
| • Kennedy Graven | \$651.00 |

The LeVander Gillen and Kennedy Graven bills relate to the acquisitions of 8195 Babcock Trail, 6671 Concord Boulevard, and 6685 Concord Boulevard, including the preparation of purchase agreements and the creation of economic development districts.

Also, a financial report is attached that shows EDA expenditures year-to-date and compares them to the budget.

Enc: Financial Report

cc: Kristi Smith, Finance Director

City of Inver Grove Heights EDA Fund 290

Budget vs Actual through 9/30/12

Account Description	2012 Budget	Amended Budget	09/30/12 Actual	Budget Remaining
Investment Earnings	-	-	225.98	(225.98)
Miscellaneous Revenue	-	-	1.97	(1.97)
Operating Transfers In	500,000.00	500,000.00	500,000.00	-
Contribution from Retained Earnings	(450,200.00)	-	-	(450,200.00)
Total Revenue	49,800.00	500,227.95	500,227.95	(450,427.95)
Personnel	14,400.00	10,673.22	3,726.78	3,726.78
Prof/Tech Services	8,000.00	1,666.00	6,334.00	6,334.00
Other Purchased Services	25,400.00	25,075.00	325.00	325.00
Supplies	2,000.00	-	2,000.00	2,000.00
Land Purchase	-	352,000.00	(352,000.00)	(352,000.00)
Total Expenditure	49,800.00	389,414.22	389,414.22	(339,614.22)
Fund 290 Surplus (Deficit)	-	110,813.73	110,813.73	110,813.73
Claim on Cash			110,813.73	
Land Available for Sale			1,000,000.00	
Loan from Host Community Fund for Land Purchase			1,000,000.00	

MEMO

CITY OF INVER GROVE HEIGHTS

TO: Inver Grove Heights Economic Development Authority (EDA)

FROM: Thomas J. Link, Director of Community Development 

DATE: October 31, 2012 for EDA Meeting of November 5, 2012

SUBJECT: Acquisition of 8195 Babcock Trail - Update

City staff has been negotiating with Premier Bank for the acquisition of the single-family residence at 8195 Babcock Trail. Per previous EDA direction, staff made an offer and the bank accepted that offer. However, as the draft purchase agreement was being distributed for review and comment, it was found that there was a disagreement regarding the payment of real estate fees. The City refused to pay those fees and the bank has, subsequently, agreed to be responsible for those costs. The attorneys for the City and bank are now discussing the details of the purchase agreements. Assuming that the details can be worked out and the bank signs the purchase agreement, it will be brought to the EDA.

MEMO**CITY OF INVER GROVE HEIGHTS**

TO: Inver Grove Heights Economic Development Authority
FROM: Thomas J. Link, Director of Community Development *TJL*
DATE: October 26, 2012 for EDA Meeting of November 5, 2012
SUBJECT: Creation of Economic Development Districts

PUPOSE/ACTION REQUESTED

The City Council is to conduct a public hearing and consider a Resolution Approving the Creation of Economic Development District Nos. 3 and 4, as enclosed.

ANALYSIS

The Inver Grove Heights Economic Development Authority (EDA) has been negotiating the acquisitions of 8195 Babcock Trail, 6671 Concord Boulevard, and 6685 Concord Boulevard. The purpose of these acquisitions is economic development. More specifically, the City would acquire the properties, remove buildings and, at some future time, sell the properties for re-development. Since the public purpose is economic development, it would most appropriate for the EDA to acquire the property rather than the City itself. In order to do so, Minnesota Statutes requires the properties to be in an economic development district. Hence, there is a need to create the development districts.

Economic Development District No. 3 includes only the property at 8195 Babcock Trail. Economic Development District No. 4 includes ten parcels, lying along the west side of Concord Boulevard between 66th Street and 68th Street, as shown on the attached map. These boundaries are consistent with the redevelopment site that has been identified in the Concord Boulevard Neighborhood Plan Update. The property owners within this proposed economic development district have been notified of the public hearing, per the attached letter.

CONCLUSION

Staff recommends adoption of the Resolution Approving the Creation of Economic Development District Nos. 3 and 4.

Enc: Resolution
Economic Development District Map
Letter to neighbors

CITY OF INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO.

RESOLUTION APPROVING CREATION OF
ECONOMIC DEVELOPMENT DISTRICT NOS. 3 AND 4

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 469.101 to 469.108. (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 has determined a need to establish Economic Development District No. 3 and Economic Development District No. 4 (together, the "Districts") in order to carry out foster the development of those areas pursuant to the EDA Act.

1.04. On this date, the Authority has held a duly-noticed public hearing regarding the creation of the Districts, at which all persons were given an opportunity to comment.

Section 2. Districts Adopted; Further Proceedings.

2.01. The Authority hereby finds that is proper and desirable to establish and develop the Districts.

2.02. The boundaries of the Districts are described in Exhibit A hereto, which is incorporated by reference.

2.03. Authority staff and consultants are authorized to take all actions necessary to carry out development of the Districts in accordance with the EDA Act.

Approved by the Board of Commissioners of the City of Inver Grove Heights Economic Development Authority this th day of November 2012.

President

Attest:

Executive Director

DISTRICT BOUNDARIES

ECONONOMIC DEVELOPMENT DISTRICT NO. 3

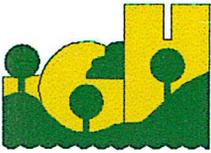
That part of the East Half of the Northeast Quarter of Section 17, Township 27, Range 22, described as follows:

Commencing at a point on the West line of the East Half of the Northeast Quarter of Section 17, Township 27, Range 22, 631.91 feet South of the Northwest corner thereof; thence South 89°39' East and parallel with the North line of said East Half of the Northeast Quarter, 614.25 feet to the point of beginning of the property to be described; thence South 89°39' East, 275.0 feet to the center line of State Aid Road No. 73 was now improved and traveled; thence South 17°33' East, along said centerline 548.6 feet; thence North 89°39' West, 440.88 feet; thence North 0°03' East and parallel with the West line of said East Half of the Northeast Quarter, 522.05 feet to the point of beginning.

Subject to the right of the public in State Aid Road No, 73. Dakota County, Minnesota

ECONONOMIC DEVELOPMENT DISTRICT NO. 4

Lots 1-7, W.F. Bohrer's Rearrangement and Lots 5-20, Block 1, W.F. Krech's Addition to Inver Grove.



6671 and 6685 Concord Blvd
Proposed Economic Development District



417

6591

6592

H ST E

4170
Krueger

6611
Weyandt

6639
Biljan

6653
Shepard

6671
Trieu

6685
Trieu

CONCORD BLVD

4100

City 6727

6620

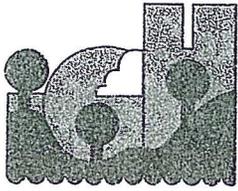
4195
Shipton

City

Richter 6775

68TH ST

W
W



City of Inver Grove Heights

www.ci.inver-grove-heights.mn.us

October 25, 2012

Christopher & Luci Shipton
4195 68th Street E
Inver Grove Heights, MN 55076

Dear Mr. & Mrs. Shipton:

Attached is a notice of a public hearing that the Inver Grove Heights Economic Development Authority (EDA) will be conducting on November 5 at 6:00 p.m. The purpose of the hearing is to consider establishing an economic development district. That economic development district would include your property.

A couple of property owners on your block have approached the City and offered to sell their property to the EDA. Minnesota Statutes requires the EDA to establish an economic development district before it can acquire properties. The purpose of the EDA's acquisition would be to eventually redevelop the block as residential and/or commercial.

Establishing an economic development district that includes your property allows you, at some future time, to sell your property to the EDA, if you so desire. The City will not use condemnation to acquire properties but will acquire properties from willing sellers. At this time, the City has no definite schedule for acquiring properties or for redeveloping the block.

If you wish to discuss this matter with me either by phone or at a meeting, please feel free to contact me at (651)450-2546 or tlink@invergroveheights.org.

Thank you.

Thomas J. Link
Director of Community Development

Attachment: Public Hearing Notice

October 25, 2012

Karen M. Krueger
4170 66th Street E.
Inver Grove Heights, MN 55076

Dear Ms. Krueger:

Attached is a notice of a public hearing that the Inver Grove Heights Economic Development Authority (EDA) will be conducting on November 5 at 6:00 p.m. The purpose of the hearing is to consider establishing an economic development district. That economic development district would include your property.

A couple of property owners on your block have approached the City and offered to sell their property to the EDA. Minnesota Statutes requires the EDA to establish an economic development district before it can acquire properties. The purpose of the EDA's acquisition would be to eventually redevelop the block as residential and/or commercial.

Establishing an economic development district that includes your property allows you, at some future time, to sell your property to the EDA, if you so desire. The City will not use condemnation to acquire properties but will acquire properties from willing sellers. At this time, the City has no definite schedule for acquiring properties or for redeveloping the block.

If you wish to discuss this matter with me either by phone or at a meeting, please feel free to contact me at (651)450-2546 or tlink@invergroveheights.org.

Thank you.

Thomas J. Link
Director of Community Development

Attachment: Public Hearing Notice

4.A (2 of 3)

MEMO

CITY OF INVER GROVE HEIGHTS

TO: Inver Grove Heights Economic Development Authority

FROM: Thomas J. Link, Director of Community Development 

DATE: October 25, 2012 for EDA Meeting of November 5, 2012

SUBJECT: Acquisition of 6671 and 6685 Concord Boulevard

PURPOSE/ACTION REQUESTED

The Economic Development Authority (EDA) is to consider the acquisition of 6671 and 6685 Concord Boulevard, including:

Resolution Approving a Purchase Agreement between the EDA and Bich-Lieu T. Trieu
Resolution Approving a Purchase Agreement between the EDA and Dan Treu

BACKGROUND

Daniel Treu and Bich-Lieu Trieu owners, owners of single family residential properties at 6685 and 6671 Concord Boulevard respectively, approached the City and expressed an interest in selling their properties.

ANALYSIS

The two properties, each of .45 acres, are adjacent to each other. They are to the north of and adjacent to two other lots that the City owns. The two properties are currently designated for mixed use in the Comprehensive Plan. They are designated for high density residential use in the Draft Concord Neighborhood Plan, adopted by the City Council this last spring. The Planning Commission found the acquisition of the properties to be consistent with the City Comprehensive Plan since it aligns with the City's economic development goals, the redevelopment plans of the Concord Neighborhood, and the ongoing planning efforts to update the Concord Neighborhood Plan. The two properties also lie in one of the areas selected by the City Council for redevelopment efforts.

Since the public purpose would be economic development, as stated in the Comprehensive Plan and the Draft Concord Boulevard Neighborhood Plan, it would be most appropriate for the EDA to acquire the property rather than the City itself. In order to do so, Minnesota Statute requires that properties be in a development district. The creation of the necessary economic development district is discussed in a separate staff memo.

The total cost of the two acquisitions is \$320,000, including acquisition, environmental assessment, legal and closing costs, and demolition. As previously discussed by the EDA, the purchase price of 6685 is \$114,138, based on the Dakota County Assessor's Market Value. The purchase price of 6671 is \$134,436, again based on the County's valuation. The EDA would demolish the buildings and sell the lands, currently valued by the County Assessor at \$50,200, to a future developer. The acquisitions would be funded from the EDA Fund. That

fund has sufficient monies following the transfer of \$500,000 from the Host Community Fund, as previously approved by the EDA.

If approved by the EDA, the purchase agreements and the approval of the fund transfer will be considered by the City Council on November 13.

CONCLUSION

City staff recommends approval of the resolutions approving the purchase agreements.

Enc: Resolution Approving Purchase Agreement between the EDA and Bich Lieu T. Tireu
Purchase Agreement between the EDA and Bich Lieu T. Trieu
Resolution Approving Purchase Agreement between the EDA and Daniel Treu
Purchase Agreement between the EDA and Daniel Treu
Planning Commission Report

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

RESOLUTION NO. _____

**RESOLUTION APPROVING A PURCHASE AGREEMENT BETWEEN THE CITY OF
INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY AND
BICH-LIEU T. TRIEU RELATING TO THE PURCHASE OF PROPERTY LOCATED
AT 6671 CONCORD BOULEVARD EAST**

WHEREAS, Bich-Lieu T. Trieu (Trieu) owns the real property located at 6671 Concord Boulevard East, Inver Grove Heights, Minnesota, described on the attached Exhibit A (Real Property).

WHEREAS, the City of Inver Grove Heights Economic Development Authority (EDA) desires to purchase the Real Property in order to promote economic development in the City of Inver Grove Heights.

WHEREAS, the EDA and Trieu have negotiated the attached Purchase Agreement for the sale of the Real Property by Trieu to the EDA for the purchase price of \$134,436.

WHEREAS, pursuant to Minnesota Statutes § 469.101, the EDA has created Economic Development District No. 4 to allow the EDA to purchase the Real Property.

WHEREAS, Economic Development District No. 4 consists of ten (10) tax identification parcels immediately west of Concord Boulevard between 66th Street and 68th Street in Inver Grove Heights and includes the Real Property.

WHEREAS, the purpose of Economic Development District No. 4 is to authorize the EDA to acquire (through negotiation) one or more parcels within the development district for future economic development purposes, including resale to private parties for redevelopment.

WHEREAS, pursuant to Minnesota Statutes § 469.101, the EDA has the power and authority to purchase the Real Property for economic development.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Inver Grove Heights Economic Development Authority (EDA):

1. The Board of Commissioners of the EDA hereby approves the attached Purchase Agreement with Bich-Lieu T. Trieu for the Real Property at a purchase price of \$134,436.
2. The President and Executive Director of the EDA are authorized to sign the attached Purchase Agreement between Bich-Lieu T. Trieu and the EDA.

3. The President and Executive Director of the EDA are authorized to sign all other closing documents that are required of the EDA in connection with the purchase of the Real Property.
4. The Board of Commissioners of the EDA hereby determines that purchase of the Real Property by the EDA will promote economic development.

Adopted by the Board of Commissioners of the City of Inver Grove Heights Economic Development Authority this 5th day of November, 2012.

George Tourville, President

ATTEST:

Kim Fox, Secretary

EXHIBIT A
LEGAL DESCRIPTION OF REAL PROPERTY

Lots 11 and 12, Block 1 in William F. Krech Addition to Inver Grove, Dakota
County, Minnesota.

PURCHASE AGREEMENT

This Agreement is made this 22nd day of October, 2012, by and between **Bich-Lieu T. Trieu**, a single person, (hereinafter referred to as the "Seller") and the **City of Inver Grove Heights Economic Development Authority**, an economic development authority established under Minnesota Statutes § 469.090 to 469.1082 (hereinafter referred to as "Buyer").

1. **Purchase and Sale.** Seller shall sell to Buyer and Buyer shall purchase from Seller, subject to the terms and conditions of this Agreement, the real property located at **6671 Concord Boulevard East, Inver Grove Heights, MN, 55076 [Property Identification Number 20-43250-00-120]** and more particularly described on **Exhibit A** attached hereto and incorporated herein by reference, together with all improvements, tenements, hereditaments, easements, rights-of-way, privileges, appurtenances and rights to the same belonging to and inuring to the benefit of said real estate and any of the following items of personal property and fixtures to the extent owned by Seller and currently located on the Property: stove, oven, refrigerator, ~~microwave~~, dishwasher, garden bulbs, ~~plants~~, shrubs, trees, storm windows and inserts, storm doors, screens, awnings, window shades, blinds, ~~curtains~~ *BM* ~~traverse drapery rods~~, attached lighting fixtures with bulbs, plumbing fixtures, sump pumps, water heaters, heating systems, heating stoves, fireplace inserts, fireplace doors and screens, built in humidifiers, built in air-conditioning units, built in electronic air filters, television antennas, water softeners, built in dishwashers, garbage disposals, built in trash compactors, built in ovens and cooking stoves, hood fans, intercoms, installed carpeting, work benches, security systems, (said property and said improvements, rights and privileges and personal property are hereinafter referred to as the "**Property**").

The following personal property and fixtures shall be retained by the Seller and will not be conveyed to Buyer as part of the sale:

Two garage door openers and controls, *MICROWAVE, YARD LIGHT, CURTAINS, BM*
FLOWERS, LIVING ROOM LIGHT

2. **Purchase Price.** Subject to Section 6, at Closing, Buyer will pay Seller One Hundred Thirty Four Thousand and Four Hundred and Thirty Six Dollars (**\$134,436.00**) ("**Purchase Price**").
3. **Relocation Benefits.** Seller is aware of Seller's rights and payments that Seller may be eligible to receive pursuant to the Uniform Relocation Assistance Act (the "Act"). Seller acknowledges that Seller has been given the opportunity to seek and receive the advice of legal counsel with respect to relocation, moving, reestablishment, and other costs, if any, that may be available to the Seller under the Act.

Seller hereby acknowledges that the payment of the Purchase Price does not include a payment for Relocation Benefits. At closing and as a condition precedent to closing, Seller will waive any right to receive any relocation payments pursuant to the Act (or other federal or state law provisions) with respect to the Property. Seller acknowledges

that Seller will make such waiver of Seller's own volition and with full knowledge of the specific relocation benefits to which Seller may be entitled.

Buyer and Seller agree that this is a voluntary sale by Seller. Buyer represents that Buyer would not acquire the Property in the event that negotiations between Buyer and Seller had failed to result in an amicable agreement. Seller has requested that the Property be acquired by Buyer and such request preceded any negotiations by Buyer to acquire the Property. Seller clearly showed an intent to sell the Property on the public market prior to any discussions, inquiries or negotiations by Buyer.

If the transaction set forth by this Agreement is not completed, Buyer has no present intent to acquire the property by eminent domain and has not considered the use of eminent domain. If this Agreement is terminated for any reason, Seller is free to retain ownership of the Property or to sell the Property on the private market.

Buyer acknowledges that it has acquired other property in the general geographic area as the Property. Buyer has not set a specific time limit to acquire the Property or other properties in the general geographic area nor has Buyer determined whether to acquire such properties.

As Buyer and Seller agree that this is a voluntary sale, state and federal law permit the Buyer to request a waiver of relocation benefits from the Seller. Prior to and as a condition of closing, Seller will be required to sign a relocation waiver, the form of which is substantially the same as shown on **Exhibit B** and the final form of which will be subject to the approval of the Buyer. Buyer will arrange for a relocation consultant to meet with the Seller prior to closing. The relocation consultant will determine the amount of relocation benefits for which Seller would be eligible if this were a non-voluntary sale. If the Seller does not waive relocation benefits, this Agreement will be terminated and Seller will be free to retain ownership of the Property or to sell the Property on the private market.

4. **Date and Location of Closing.** The Date of Closing for the Property shall be December 5, 2012. Closing shall occur at DCA Title located at 1276 South Robert Street West St. Paul, MN 55118 (hereafter "Title Company").
5. **Possession Date.** The Possession Date shall be the Date of Closing.
6. **Payment of Purchase Price.** Subject to (i) full and timely performance by Seller and (ii) the satisfaction of all contingencies herein contained, the Purchase Price of One Hundred Thirty Four Thousand and Four Hundred and Thirty Six Dollars (**\$134,436.00**) shall be payable by Buyer to Seller on the Closing Date in the form of wire transfer or certified check from the Buyer.
7. **Property and Environmental Investigation.** Seller shall provide all documents and written information available, and in Seller's possession, regarding the environmental

condition of the Property. Buyer may, at Buyer's sole cost and expense, obtain any additional environmental information necessary for Buyer to complete its due diligence with respect to the Property. The Buyer's environmental assessment work will begin as soon as reasonably possible after the full execution of this Agreement. Seller agrees to cooperate in providing accurate information relating to the Property and in allowing the Buyer's environmental investigators to enter the Property and to perform any necessary tests or analysis, including but not limited to soil borings of the Property. Buyer may also inspect and investigate the physical condition of the Property, and may also procure, at Buyer's expense, a Phase I and/or a Phase II environmental study (the "Environmental Study"). Buyer's obligation to purchase the Property is specifically conditioned upon its good faith determination that the results of its investigation and the Environmental Study are acceptable to the Buyer, in Buyer's sole discretion. The Buyer agrees to make a determination about the suitability of the environmental condition of the Property **no later than November 16, 2012. IF BUYER DETERMINES, IN BUYER'S SOLE DISCRETION, THAT THE CONDITION OF THE PROPERTY IS UNACCEPTABLE OR THE ENVIRONMENTAL CONDITION OF THE PROPERTY IS UNACCEPTABLE ON OR PRIOR TO NOVEMBER 16, 2012, THEN BUYER MAY TERMINATE THIS AGREEMENT BY GIVING SELLER WRITTEN NOTICE OF THE TERMINATION.** Prior to **NOVEMBER 16, 2012**, Seller agrees to give Buyer, and its consultants, reasonable access to the Property to generally inspect the Property and the buildings located thereon, which inspection may also include, but is not limited to, the physical inspection of the Property and the buildings located thereon, the testing of the soil for the presence or absence of hazardous materials in, on or about the Property, to determine the physical condition of the Property and the buildings located thereon, and the legal compliance of the Property and to review any other matter related to the Property. In the event the Buyer determines, in its sole discretion, that there exists an unacceptable condition (environmental or otherwise), this Agreement will be null and void at the option of the Buyer. Buyer shall make this determination on or prior to **November 16, 2012**.

8. **Moving Costs.** Seller shall not be entitled to any additional Moving Costs to move Seller's personal property or possessions as part of this transaction.
9. **Delivery of Property.** Seller hereby agrees to sell to Buyer on the Closing Date and deliver the Property to Buyer on the Possession Date, free of any liens and encumbrances.
10. **Warranty Deed.** Seller shall deliver title by Warranty Deed and the Warranty Deed to be executed and delivered by Seller to Buyer shall convey marketable title free and clear of all mortgages, liens and encumbrances and subject only to the following exceptions (the "**Permitted Encumbrances**"):
 - a) Building, zoning and platting laws, ordinances and state and federal regulations;

- b) Reservations of any minerals or mineral rights to the State of Minnesota;
 - c) The lien of current taxes not yet due and payable;
 - d) Utility easements and road easements existing at the date hereof, which do not interfere with, the existing use of the Property.
11. **Real Estate Taxes.** Seller hereby agrees to pay all real estate taxes levied against the Property herein sold due and payable in the years prior to Closing. Any real estate taxes levied against the Property that are due and payable in the year of Closing shall be prorated to the Date of Closing.
12. **Special Assessments.** On or before the Date of Closing, Seller agrees to pay the principal and interest amounts owing on all levied special assessments, including the installments, if any, payable in the years 2012, 2013 and thereafter; and Seller agrees to pay the principal amount relating to any pending special assessments.
13. **Title.** After acceptance of this Agreement, Buyer, at Buyer's cost, shall immediately obtain a Commitment of Title Insurance in the amount of \$134,436 from the Title Company for the Property. The Buyer shall be allowed twenty (20) days after receipt thereof for examination of said title and making of any objection thereto, said objections to be made in writing or deemed to be waived. If any objections are so made, the Seller shall be allowed 60 days to make such title marketable. Pending correction of title, payments hereunder required shall be postponed, but upon correction of title and within the twenty-(20) days after written notice to the Buyer, the parties shall perform this Agreement according to its terms. If title is not marketable and is not made so within 60 days from the date of written objections thereto as above provided, this Agreement shall be null and void with neither party being liable for damages hereunder to the other party. If the title to said Property is found marketable or is so made within said time, and Buyer shall default in any of the agreements and continue in default for a period of ten (10) days, then and in that case, the Seller may terminate this Agreement, time being of the essence hereof. Seller's sole and exclusive remedy for breach of this Agreement shall be cancellation of this Agreement.

Buyer shall pay the title insurance premium for the issuance of any Final Title Insurance Policy for the Property.

14. **Environmental Warranties.** Seller warrants to Buyer that to Seller's knowledge, no toxic or hazardous substances (including without limitation, asbestos, urea form formaldehyde, the group of organic compounds known as polychlorinated biphenyl's, and any hazardous substances, pollutants or contaminants as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Section 9601-9657, as amended or as defined by Minn. Stat. § 115B.02, as amended) have been generated, treated, stored, released or disposed of, or otherwise deposited in or located on

the Property, including without limitation, the surface and subsurface waters of the Property, nor has Seller undertaken any activity on the Property which caused (i) the Property to become a hazardous waste treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Section 9601 et. seq., the Minnesota Environmental Response and Liability Act ("MERLA"), or any similar state law or local ordinance or any other Environmental Law, (ii) a release or threatened release of hazardous waste from the Property within the meaning of, or otherwise bring the Property within the ambit of CERCLA, MERLA, or any similar state law or local ordinance or any other Environmental Law, or (iii) the discharge of pollutants or effluents into any water source or system, or the discharge into the air of any emissions, which would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. Section 1351 et seq., or the Clean Air Act, 42 U.S.C. Section 7401 et seq., MERLA, or any similar state law or local ordinance or any other Environmental Law.

Seller also warrants that there are no substances or conditions in or on the Property which may support a claim or cause of action under RCRA, CERCLA, MERLA or any other federal, state or local environmental statutes, regulations, ordinances or other environmental regulatory requirements and that there are no underground deposits which contain hazardous wastes or petroleum. Seller also warrants that there are no underground storage tanks of any kind located on the Property.

Seller also warrants that no portion of the Property is now used as a garbage or refuse dump site, landfill, waste disposal facility, waste transfer station or any other type of facility for the storage, processing, treatment or temporary or permanent disposal of waste materials of any kind, and Seller has not used, generated, stored, released or disposed of any hazardous substances, wastes, or other materials identified as hazardous or toxic in any federal, state, local or other statute, ordinance, rule, regulation or governmental requirement on the Property.

Seller also warrants that no portion of the Property contains Construction Debris (building materials, packaging, and rubble resulting from construction, remodeling, repair, and demolition of buildings and roads or as defined by Minn. Stat. § 115A.03), Demolition Debris (solid waste resulting from the demolition of buildings, roads, and other man-made structures including concrete, brick, bituminous concrete, untreated wood, masonry, glass, trees, rock, and plastic building parts), Industrial Solid Waste (all solid waste generated from an industrial or manufacturing process and solid waste generated from non-manufacturing activities such as service and commercial establishments or as defined by Minn. Stat. § 115A.03), Mixed Municipal Solid Waste (garbage, refuse, and other solid waste from residential, commercial, industrial, and community activities that the generator of the waste aggregates for collection or as defined by Minn. Stat. § 115A.03), or Solid Waste (garbage, refuse, sludge from a water supply treatment plant or air contaminant treatment facility, and other discarded waste materials and sludges, including

but not limited to sewer sludge, in solid, semi-solid, liquid, or contained gaseous form, resulting from industrial, commercial, mining, and agricultural, operations, and from community activities, but does not include animal waste used as fertilizer or as defined by Minn. Stat. § 115A.03).

Seller warrants that the soils and grounds of the Property are free from any release of petroleum and there has been no release of petroleum on the Property.

15. **Labor and Materials.** Seller warrants that as of the Closing Date there will be no labor or material furnished to the Property for which payment has not been made.
16. **Governmental Notices.** The Seller warrants that, as of the Closing Date, Seller has not received any notice from any government authorities as to violations of any laws, ordinances, or regulations with respect to the Property.
17. **Seller's Disclosure Required By Minnesota Statutes § 513.52 to 513.60.** The parties acknowledge that Minnesota Statute § 513.54 states that the disclosure requirements of § 513.52 to 513.60 do not apply if the transfer is to a government. The Buyer is a government.
18. **Wells.** Seller represents that there are existing water wells on the Property and that they have been properly sealed.
19. **Sewage Treatment System.** Seller represents that there is not an individual sewage treatment system, septic tank or cesspool system on or serving the Property.
20. **Lead Paint Disclosure.** Seller represents that the dwelling was constructed on the Property before 1978. Attached hereto and made a part hereof as **Exhibit C** is a Lead Paint Addendum for Housing Constructed before 1978.
21. **Methamphetamine Disclosure.** To the best of Seller's knowledge, Seller represents that methamphetamine production has not occurred at the Property.
22. **Conditions Precedent.** The Buyer's obligation to close this transaction is expressly contingent upon the Buyer determining on or prior to **November 16, 2012**, the following to be satisfactory and acceptable to Buyer, in the Buyer's sole judgment and opinion:
 - (a) any recorded easements to which the Property is subject;
 - (b) the status of any encumbrances and the marketability of title with respect to the Property;
 - (c) any physical encroachments on the Property;

- (d) the soil, ground, engineering, structural, physical, geological and legal inspections of the Property;
- (e) the environmental condition of the Property;
- (f) the physical condition of the Property (environmental or otherwise) and the buildings located thereon.

Further, the Buyer's obligation to close this transaction is expressly conditioned upon the Buyer creating a development district for the Property pursuant to Minnesota Statute § 469.101 prior to November 16, 2012.

If Buyer does not create a development district for the Property prior to November 16, 2012, or in the event the Buyer determines, in Buyer's sole discretion, that any of the conditions precedent have not been met, then Buyer on or before November 16, 2012 shall give written notice to Seller that the conditions precedent have not been met and in such case, this Agreement will be null and void, and, if requested, each party will execute a standard Cancellation of Purchase Agreement form.

- 23. **Delivery of Possession and Removal of Personal Property.** The Seller further agrees that, prior to delivery of possession of the property, all personal property, furnishings, rubbish, debris, and other materials shall be removed from the Property by the Seller at the Seller's expense. The condition of the entire Property shall be verified by the Buyer or the Buyer's representative prior to Closing and prior to the Date of Delivery. **Notwithstanding the required removal of personal property and debris described in this section, the Buyer accepts the buildings and structures on the Property in their "As Is" condition with the EXCEPTION that the inside of the premises must be delivered in "swept clean" condition on the Date of Closing.**
- 24. **Indemnification.** From and after delivery to Buyer of the Warranty Deed for the Property, Seller agrees to indemnify, defend and hold Buyer harmless against and in respect of any and all claims, demands, actions, suits, proceedings, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties and reasonable attorneys' fees, that Buyer incurs or suffers, after the Date of Closing, which arise out of, result from or relate to (i) a breach of any of Seller's warranties made in Paragraph 14 or (ii) any claim made against Buyer arising out of, relating to, or resulting from ("CERCLA"), ("RCRA"), ("MERLA"), or any similar state law or local ordinance or any other Environmental Law or a violation of ("CERCLA"), ("RCRA"), ("MERLA"), or any similar state law or local ordinance or any other Environmental Law relating to the condition of the Property prior to the Date of Closing.

25. **Negotiated Sale.** If the transaction set forth by this Agreement is not completed, the Buyer has no present intent to acquire the property by eminent domain and has not considered the use of eminent domain to acquire the entire Property. If this Agreement is terminated for any reason, the Seller is free to retain ownership of the Property or to sell the Property on the private market.
26. **Acknowledgment of Fair Market Value.** Buyer and Seller agree that the Purchase Price listed in this Agreement represents the fair market value of the Property which has been determined by a method of valuation acceptable to Buyer and Seller.
27. **Survival of Warranties.** The representations, indemnifications, warranties, and covenants of Buyer and Seller contained in this Agreement shall survive the conveyance of the Property and shall not be merged with the Warranty Deed.
28. **Assignment of Agreement.** Nothing in this Agreement, express or implied, is intended to confer upon any person other than the parties hereto and the heirs, executors, personal representatives, successors and assigns, any rights or remedies under or by reason of the Agreement. No assignment of this Agreement or any rights or obligations hereunder shall be effective unless the written consent of the other party is first obtained.
29. **Amendment of Agreement.** This Agreement may be amended only by a written instrument executed by Buyer and Seller.
30. **Entire Agreement.** This Agreement embodies the entire agreement between the parties with relation to the transaction provided for herein, and there have been and are no covenants, agreements, representations, warranties, or restrictions between the parties with regard thereto other than those set forth herein.
31. **Date of Agreement.** All references in the Agreement to “the date of this Agreement” shall be deemed to refer to that date set forth in the introductory clause of this Agreement.
32. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.
33. **Time of Essence.** Time is of the essence in the closing of this transaction.
34. **Severability.** In the event any one or more of the provisions of this Agreement, or any application thereof, shall be found to be invalid, illegal, or otherwise unenforceable, the validity, legality, and enforceability of the remaining provision or any application thereof shall not in any way be affected or impaired thereby.

35. **Counterparts.** This Agreement may be executed in any number of counterparts; each of which shall be an original, but such counterparts together shall constitute one and the same instrument.
36. **Closing Costs.**
- 36.1. **Pro-Ration Of Utilities.** The cost of utilities, if any, shall be prorated at Closing.
- 36.2. **State Deed Tax.** Upon delivery of the Warranty Deed, Buyer shall pay the state deed tax due on the Warranty Deed.
- 36.3. **Title Insurance.** Buyer shall pay all costs of the Title Company for obtaining the title commitment and the premium required for the issuance of the Title Policy.
- 36.4. **Closing Fee.** Any fee, other than those fees which have been specifically addressed as set forth in this Purchase Agreement, charged by the title company as a closing fee shall be paid by Buyer.
- 36.5. **Recording Costs.** Seller will pay the cost of recording all documents necessary to place record title in the condition warranted by Seller in this Agreement and Buyer will pay the cost of recording the Warranty Deed and all other documents.
37. **Closing Documents.**
- 37.1. **Seller Documents At Closing.** At Closing, Seller shall execute and deliver to Buyer the following with such documents to be effective as of the Closing Date:
- a.) A Warranty Deed, in form satisfactory to Buyer, conveying the Property to Buyer, free and clear of all encumbrances.
 - b.) An Affidavit of Title by Seller indicating that on the Closing Date, to Seller's knowledge, there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the Property; that there has been no skill, labor or material furnished to the Property for which payment has not been made or for which mechanics' liens could be filed; and that there are no other unrecorded interests in the Property, together with whatever standard owner's affidavit which may be required by Title Company to issue the title policy with the standard exceptions waived.
 - c.) A Well Certificate in the form required by law signed by Seller warranting that Seller does know of "Wells" on the Property within the meaning of Minn. Stat. § 103I.

- d.) Lead Paint Disclosure – Exhibit C;
- e.) Waiver of Relocation Benefits – Exhibit B;
- f.) Physical possession of all keys to the Property;
- g.) All other documents reasonably determined by Buyer to be necessary to transfer the Property to Buyer free and clear of all encumbrances other than Permitted Encumbrances.
- h.) A certificate stating that all representations and warranties contained in the Agreement are true and correct as of the Date of Closing.

37.2. **Buyer Documents At Closing.** At Closing, Buyer shall execute and deliver to Seller the following documents:

- a.) Wire transfer or certified check in the sum of \$134,436 for the Property.
- b.) Standard Affidavit of Buyer.
- c.) Such other closing documents which the Seller may reasonably request.

38. **Notice.** Any notice required to be given by Seller to Buyer shall be deemed to have been given on the day of delivery if personally delivered, or if by mail, three (3) days after the date that it is deposited in the United States Mail, postage prepaid, sent by certified mail and addressed as follows:

**City of Inver Grove Heights Economic Development Authority
Attn: Tom Link, Executive Director
8150 Barbara Avenue
Inver Grove Heights, MN 55077**

Any notice required to be given by Buyer to Seller shall be deemed to have been given on the day of delivery if personally delivered, or if by mail, three (3) days after the date that it is deposited in the United States Mail, postage prepaid, sent by certified mail and addressed as follows:

**Bich-Lieu T. Trieu
6671 Concord Boulevard
Inver Grove Heights, MN 55076**

39. **No Broker Fees.** Each party represents to the other that it has not retained nor otherwise dealt with or entered into any agreement or understanding to compensate any brokers or

finders in connection with this transaction. Buyer and Seller each agree to indemnify the other against any loss, cost or expense, including attorneys' fees, as a result of any claim for a fee or commission asserted by any broker or finder with respect to this Agreement or the consummation of the transactions contemplated hereby whose claim arises through alleged dealings with him or her by such indemnifying party.

40. **Sole Occupant.** Seller represents and warrants to Buyer that, as of the date of this Agreement, the Seller is the only occupant of the Property.

[the remainder of this page has been intentionally left blank]

I, the undersigned, Owner
of the above-described Property,
do hereby accept this Agreement
and sale hereby made.

By: Bich-Lieu T. Trieu
Bich-Lieu T. Trieu

The City of Inver Grove Heights Economic
Development Authority, as Buyer, agrees to
purchase the above-described Property for
the price and on the terms and conditions set
forth above.

By: _____
George Tourville
Its: President

By: _____
Tom Link
Its: Executive Director

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Lots 11 and 12, Block 1, William F. Krech Addition to Inver Grove, Dakota County,
Minnesota.

EXHIBIT B

WAIVER OF RELOCATION BENEFITS FORM

WAIVER OF RELOCATION BENEFITS

THIS AGREEMENT (“Agreement”), dated this ____ day of _____, 2012, is entered into between the City of Inver Grove Heights Economic Development Authority, an economic development authority established under Minnesota Statutes § 469.090 to 469.1082 (“EDA”) and Bich-Lieu T. Trieu, a single person, hereinafter referred to as the (“Owner”).

I. RECITALS

- 1.01 The City of Inver Grove Heights Economic Development Authority is an economic development authority established under Minnesota Statutes § 469.090 and 469.1081, having its principal office at 8150 Barbara Avenue, in the City of Inver Grove Heights, County of Dakota, Minnesota.
- 1.02 Owner owns property at 6671 Concord Boulevard East, Inver Grove Heights, County of Dakota, Minnesota.
- 1.03 Owner has requested that the EDA purchase certain real estate owned by Owner which is located at 6671 Concord Boulevard East, Inver Grove Heights, in the County of Dakota, Minnesota, and which is legally described as follows (“Subject Property”):

Lots 11 and 12, Block 1, William F. Krech Addition to Inver Grove, Dakota County, Minnesota.
- 1.04 Pursuant to Minnesota Statutes, section 117.521, Owner desires to waive the possible claim that Owner may have for relocation benefits pursuant to Minnesota and federal law. Prior to any action by the EDA indicating intent to acquire the Subject Property, Owner requested that the EDA acquire the Subject Property through negotiation. Owner clearly intended to sell the Subject Property on the public market prior to any inquiry or action by the EDA in this matter.
- 1.05 The EDA has explained to Owner that, but for Owner’s waiver herein, Owner may be or is eligible under Minnesota Statutes, Chapter 117 for relocation assistance, relocation services, relocation payments, and relocation benefits as separately listed below:

Type of Relocation Owner may be eligible for:

Relocation Assistance: Assistance in locating and moving residents to a replacement site, Coordination of the move and filing appropriate documents for relocation claim.

Relocation Services: Provide comparable properties for possible replacement sites, Transportation to properties if needed, performs D.S.S. inspections, calculation of relocation payments, and review of documentation and written relocation claim.

Relocation Payments:	Estimated Price differential payment	\$ _____
	Estimated moving costs	\$ _____
	Estimated Closing costs	\$ _____
	Total:	\$ _____

Relocation Benefits: Relocation benefits would include all of the above (**Assistance, Services and Payments**).

1.06 Owner specifically represents and agrees that they are entering into this Agreement voluntarily. Owner further agrees that prior to execution of this Agreement, Steven Carlson of Evergreen Land Services Company, representing the EDA, explained the contents of this Agreement and relocation guidebook.

NOW, THEREFORE, in consideration of the above recitals, the premises, and their mutual promises, the parties hereto hereby agree as follows:

II. AGREEMENT

2.01 Owner, for good and valuable consideration provided as part of the \$134,436 paid by EDA as the purchase price for subject property and for relocation benefits, the receipt and sufficiency of which is hereby acknowledged, hereby waives, releases, relinquishes, and forfeits forever any other claim that Owner may otherwise have for relocation assistance, relocation services, relocation payments, and relocation benefits under Minnesota Statutes, Chapter 117 and other provisions of state and federal law. The consideration being by Owner in return for this waiver is as follows:

The purchase of the Subject Property for the total unallocated sum of \$134,436.

- 2.02 Under Minnesota Statutes, Owner may not waive relocation assistance relating to the acquisition of properties situated wholly or in part within any district for redevelopment authorized under Laws 1971, chapter 548 or 677; or Laws 1973, chapter 196, 761, or 764; or Laws 1974, chapter 485; or Minnesota Statutes chapter 462, 458, or 458c.
- 2.03 EDA and Owner agree that the purchase agreement requiring this Agreement is a voluntary sale by Owner. EDA represented that EDA would not acquire the Subject Property in the event that negotiations between EDA and Owner had failed to result in an amicable purchase agreement. Owner has requested that the Subject Property be acquired by the EDA and such request preceded any negotiations by the EDA to acquire the Subject Property. The Owner clearly showed an intent to sell the Subject Property on the public market prior to any discussions, inquiries or negotiations by the EDA.

If the purchase agreement requiring this Agreement is not completed, the EDA has no present intent to acquire the property by eminent domain and has not considered the use of eminent domain. If the purchase agreement requiring this Agreement is terminated for any reason, the Owner is free to retain ownership of the Subject Property or to sell the Subject Property on the private market.

The EDA and the Owner acknowledge that EDA has acquired other property in the general geographic area as the Subject Property. The EDA has not set a specific time limit to acquire the Subject Property or other properties in the general geographic area nor has the EDA determined whether to acquire such properties.

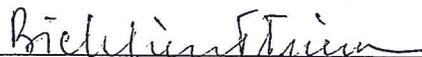
The Owner and the EDA agree that the purchase price set forth in the purchase agreement requiring this Agreement is a lump sum price which included any and all payments to which the Owner may be entitled under any applicable State or federal law or regulations providing for relocation assistance, services, payments and benefits of any kind. As the EDA and Owner agree that this is a voluntary sale, state and federal law permit the EDA to request this Waiver of Relocation Benefits Agreement from the Owner. Prior to and as a condition of closing, the Owner was be required to sign this waiver of relocation benefits Agreement. The EDA arranged for a relocation consultant to meet with the Owner prior to closing. The relocation consultant determined the amount of relocation benefits for which the Owner would be eligible if this were a non-voluntary sale. If the Owner did not waive relocation benefits, this purchase agreement would be terminated and the Owner would be free to retain ownership of the Subject Property or to sell the Subject Property on the private market.

2.04 The recitals contain in Section I of this Agreement are hereby incorporated as material representations and terms of this Agreement.

2.05 This Agreement is entered into pursuant to Minnesota Statutes and federal law.

OWNER

**CITY OF INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT
AUTHORITY**


Bich-Lieu T. Trieu

By: _____
George Tourville
Its: President

By: _____
Tom Link
Its: Executive Director

EXHIBIT C

LEAD PAINT DISCLOSURE FORM

M.S.B.A. Real Property Form No. 11 (1996; 2008)
Lead Paint Addendum for Housing Constructed Before 1978

Page 1 of 2

LEAD PAINT ADDENDUM FOR HOUSING CONSTRUCTED BEFORE 1978

© Copyright 2008 Minnesota State Bar Association, Minneapolis, Minnesota. (Use only with "Minnesota Standard Residential Purchase Agreement," Minnesota State Bar Association 2008.)

1 This addendum is a continuation of the Purchase Agreement dated _____ by and
2 between Bich-Lieu T. Trieu, as Sellers, and
3 City of Inver Grove Heights Economic Development Authority, as Buyers,
4 for property located at or described as Lots 11 and 12, Block in William F. Krech Addition to Inver Grove, Dakota County,
5 Minnesota

LEAD WARNING STATEMENT

9 *Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that
10 such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead
11 poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced
12 intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women.
13 The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint
14 hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint
15 hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.*

LEAD PAINT INSPECTION CONTINGENCY

19 Buyer shall have 10 days from the signing of this Agreement to conduct a risk assessment or inspection for the presence of lead-
20 based paint and lead-based paint hazards and to give seller the inspection or risk assessment report and a list of repairs required
21 by buyer to correct problems set out in the report. (Intact lead-based paint that is in good condition is not necessarily a hazard.
22 See EPA pamphlet Protect Your Family From Lead in Your Home for more information.)

24 If the report discloses problems seller shall have seven (7) days after receipt of the report and list to elect in writing whether to
25 correct the problems prior to closing.

27 If seller elects to make the corrections, seller shall provide buyer prior to closing with certification from a risk assessor or inspection
28 demonstrating that the problems have been corrected.

30 If seller does not elect to make the corrections, buyer shall have three (3) days to elect to take the property in its "as is" condition as
31 to problems set out in the report, or this purchase agreement is void.

33 Buyer may waive in writing the rights contained in this contingency at any time.

Seller's Disclosure

36 (a) Presence of lead-based paint or lead-based paint hazards (check (i) or (ii) below):

38 (i) lead-based paint or lead-based paint hazards are present in the housing (explain):

42 (ii) Seller has no knowledge of lead-based paint or lead-based paint hazards in the housing.

44 (b) Records and reports available to seller (check (i) or (ii) below):

45 (i) Seller has provided buyer with all records and reports in seller's possession or reasonably obtainable
46 by seller pertaining to lead-based paint and lead-based paint hazards in the housing (list documents
47 below).

50 (ii) Seller has no reports or records pertaining to lead-based paint or lead-based paint hazards in the
51 housing.

Buyer's Acknowledgment (initial)

55 (c) _____ Buyer has received copies of all information listed at (b)(i) above.

57 (d) _____ Buyer has received the pamphlet, Protect Your Family from Lead in Your Home, an EPA publication
58 available at www.epa.gov/lead/pubs/leadpdfs.pdf.

59 (e) _____ Buyer has (check (i) or (ii) below):

61 (i) _____ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk
62 assessment or inspection for the presence of lead-based paint and lead-based paint hazards;

63 or,
64 (ii) _____ waives the opportunity to conduct a risk assessment or inspection for the presence of lead-
65 based paint and lead-based paint hazards.

Agent's Acknowledgment (initial)

68 (f) _____ Agent has informed seller of seller's obligations under 42 U.S.C. 4852d and is aware of agent's responsibility to
69 ensure compliance.

Certification of Accuracy

72 The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have
73 provided is true and accurate.

Bich-Lieu T. Trieu
Seller Bich-Lieu T. Trieu date

Purchaser George Tourville, President date

Seller date

Purchaser Tom Link, Executive Director date

Listing broker / agent date

Selling broker / agent date

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

RESOLUTION NO. _____

**RESOLUTION APPROVING A PURCHASE AGREEMENT BETWEEN THE CITY OF
INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY AND
DANIEL TREU RELATING TO THE PURCHASE OF PROPERTY LOCATED
AT 6685 CONCORD BOULEVARD EAST**

WHEREAS, Daniel Treu (Treu) owns the real property located at 6685 Concord Boulevard East, Inver Grove Heights, Minnesota, described on the attached Exhibit A (Real Property).

WHEREAS, the City of Inver Grove Heights Economic Development Authority (EDA) desires to purchase the Real Property in order to promote economic development in the City of Inver Grove Heights.

WHEREAS, the EDA and Treu have negotiated the attached Purchase Agreement for the sale of the Real Property by Treu to the EDA for the purchase price of \$114,138.

WHEREAS, pursuant to Minnesota Statutes § 469.101, the EDA has created Economic Development District No. 4 to allow the EDA to purchase the Real Property.

WHEREAS, Economic Development District No. 4 consists of ten (10) tax identification parcels immediately west of Concord Boulevard between 66th Street and 68th Street in Inver Grove Heights and includes the Real Property.

WHEREAS, the purpose of Economic Development District No. 4 is to authorize the EDA to acquire (through negotiation) one or more parcels within the development district for future economic development purposes, including resale to private parties for redevelopment.

WHEREAS, pursuant to Minnesota Statutes § 469.101, the EDA has the power and authority to purchase the Real Property for economic development.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Inver Grove Heights Economic Development Authority (EDA):

1. The Board of Commissioners of the EDA hereby approves the attached Purchase Agreement with Daniel Treu for the Real Property at a purchase price of \$114,138.
2. The President and Executive Director of the EDA are authorized to sign the attached Purchase Agreement between Daniel Treu and the EDA.

3. The President and Executive Director of the EDA are authorized to sign all other closing documents that are required of the EDA in connection with the purchase of the Real Property.
4. The Board of Commissioners of the EDA hereby determines that purchase of the Real Property by the EDA will promote economic development.

Adopted by the Board of Commissioners of the City of Inver Grove Heights Economic Development Authority this 5th day of November, 2012.

George Tourville, President

ATTEST:

Kim Fox, Secretary

EXHIBIT A
LEGAL DESCRIPTION OF REAL PROPERTY

Lots 13 and 14, Block 1 in William F. Krech Addition to Inver Grove, Dakota
County, Minnesota.

PURCHASE AGREEMENT

This Agreement is made this 22nd day of October, 2012, by and between **Daniel Treu**, a single person, (hereinafter referred to as the "Seller") and the **City of Inver Grove Heights Economic Development Authority**, an economic development authority established under Minnesota Statutes § 469.090 to 469.1082 (hereinafter referred to as "Buyer").

1. **Purchase and Sale.** Seller shall sell to Buyer and Buyer shall purchase from Seller, subject to the terms and conditions of this Agreement, the real property located at **6685 Concord Boulevard East, Inver Grove Heights, MN, 55076 [Property Identification Number 20-43250-00-140]** and more particularly described on **Exhibit A** attached hereto and incorporated herein by reference, together with all improvements, tenements, hereditaments, easements, rights-of-way, privileges, appurtenances and rights to the same belonging to and inuring to the benefit of said real estate and any of the following items of personal property and fixtures to the extent owned by Seller and currently located on the Property: dishwasher, garden bulbs, plants, shrubs, trees, storm windows and inserts, storm doors, screens, awnings, window shades, curtains-traverse-drapery rods, attached lighting fixtures with bulbs, plumbing fixtures, sump pumps, water heaters, heating systems, heating stoves, fireplace inserts, fireplace doors and screens, built in humidifiers, built in electronic air filters, television antennas, water softeners, built in dishwashers, garbage disposals, built in trash compactors, built in ovens, hood fans, intercoms, installed carpeting, work benches, security systems, (said property and said improvements, rights and privileges and personal property are hereinafter referred to as the "**Property**").

The following personal property and fixtures shall be retained by the Seller and will **not** be conveyed to Buyer as part of the sale:

Washing machine, dryer, stove, microwave, refrigerator, one ceiling fan, window air conditioning units, window blinds, garage door opener and controls.

2. **Purchase Price.** Subject to Section 6, at Closing, Buyer will pay Seller One Hundred Fourteen Thousand and One Hundred and Thirty Eight Dollars (**\$114,138.00**) ("**Purchase Price**").
3. **Relocation Benefits.** Seller is aware of Seller's rights and payments that Seller may be eligible to receive pursuant to the Uniform Relocation Assistance Act (the "Act"). Seller acknowledges that Seller has been given the opportunity to seek and receive the advice of legal counsel with respect to relocation, moving, reestablishment, and other costs, if any, that may be available to the Seller under the Act.

Seller hereby acknowledges that the payment of the Purchase Price does not include a payment for Relocation Benefits. At closing and as a condition precedent to closing, Seller will waive any right to receive any relocation payments pursuant to the Act (or other federal or state law provisions) with respect to the Property. Seller acknowledges

that Seller will make such waiver of Seller's own volition and with full knowledge of the specific relocation benefits to which Seller may be entitled.

Buyer and Seller agree that this is a voluntary sale by Seller. Buyer represents that Buyer would not acquire the Property in the event that negotiations between Buyer and Seller had failed to result in an amicable agreement. Seller has requested that the Property be acquired by Buyer and such request preceded any negotiations by Buyer to acquire the Property. Seller clearly showed an intent to sell the Property on the public market prior to any discussions, inquiries or negotiations by Buyer.

If the transaction set forth by this Agreement is not completed, Buyer has no present intent to acquire the property by eminent domain and has not considered the use of eminent domain. If this Agreement is terminated for any reason, Seller is free to retain ownership of the Property or to sell the Property on the private market.

Buyer acknowledges that it has acquired other property in the general geographic area as the Property. Buyer has not set a specific time limit to acquire the Property or other properties in the general geographic area nor has Buyer determined whether to acquire such properties.

As Buyer and Seller agree that this is a voluntary sale, state and federal law permit the Buyer to request a waiver of relocation benefits from the Seller. Prior to and as a condition of closing, Seller will be required to sign a relocation waiver, the form of which is substantially the same as shown on **Exhibit B** and the final form of which will be subject to the approval of the Buyer. Buyer will arrange for a relocation consultant to meet with the Seller prior to closing. The relocation consultant will determine the amount of relocation benefits for which Seller would be eligible if this were a non-voluntary sale. If the Seller does not waive relocation benefits, this Agreement will be terminated and Seller will be free to retain ownership of the Property or to sell the Property on the private market.

4. **Date and Location of Closing.** The Date of Closing for the Property shall be December 5, 2012. Closing shall occur at DCA Title located at 1276 South Robert Street West St. Paul, MN 55118 (hereafter "Title Company").
5. **Possession Date.** The Possession Date shall be the Date of Closing.
6. **Payment of Purchase Price.** Subject to (i) full and timely performance by Seller and (ii) the satisfaction of all contingencies herein contained, the Purchase Price of One Hundred Fourteen Thousand and One Hundred Thirty Eight Dollars (**\$114,138.00**) shall be payable by Buyer to Seller on the Closing Date in the form of wire transfer or certified check from the Buyer.
7. **Property and Environmental Investigation.** Seller shall provide all documents and written information available, and in Seller's possession, regarding the environmental

condition of the Property. Buyer may, at Buyer's sole cost and expense, obtain any additional environmental information necessary for Buyer to complete its due diligence with respect to the Property. The Buyer's environmental assessment work will begin as soon as reasonably possible after the full execution of this Agreement. Seller agrees to cooperate in providing accurate information relating to the Property and in allowing the Buyer's environmental investigators to enter the Property and to perform any necessary tests or analysis, including but not limited to soil borings of the Property. Buyer may also inspect and investigate the physical condition of the Property, and may also procure, at Buyer's expense, a Phase I and/or a Phase II environmental study (the "Environmental Study"). Buyer's obligation to purchase the Property is specifically conditioned upon its good faith determination that the results of its investigation and the Environmental Study are acceptable to the Buyer, in Buyer's sole discretion. The Buyer agrees to make a determination about the suitability of the environmental condition of the Property **no later than November 16, 2012. IF BUYER DETERMINES, IN BUYER'S SOLE DISCRETION, THAT THE CONDITION OF THE PROPERTY IS UNACCEPTABLE OR THE ENVIRONMENTAL CONDITION OF THE PROPERTY IS UNACCEPTABLE ON OR PRIOR TO NOVEMBER 16, 2012, THEN BUYER MAY TERMINATE THIS AGREEMENT BY GIVING SELLER WRITTEN NOTICE OF THE TERMINATION.** Prior to **NOVEMBER 16, 2012**, Seller agrees to give Buyer, and its consultants, reasonable access to the Property to generally inspect the Property and the buildings located thereon, which inspection may also include, but is not limited to, the physical inspection of the Property and the buildings located thereon, the testing of the soil for the presence or absence of hazardous materials in, on or about the Property, to determine the physical condition of the Property and the buildings located thereon, and the legal compliance of the Property and to review any other matter related to the Property. In the event the Buyer determines, in its sole discretion, that there exists an unacceptable condition (environmental or otherwise), this Agreement will be null and void at the option of the Buyer. Buyer shall make this determination on or prior to **November 16, 2012**.

8. **Moving Costs.** Seller shall not be entitled to any additional Moving Costs to move Seller's personal property or possessions as part of this transaction.
9. **Delivery of Property.** Seller hereby agrees to sell to Buyer on the Closing Date and deliver the Property to Buyer on the Possession Date, free of any liens and encumbrances.
10. **Warranty Deed.** Seller shall deliver title by Warranty Deed and the Warranty Deed to be executed and delivered by Seller to Buyer shall convey marketable title free and clear of all mortgages, liens and encumbrances and subject only to the following exceptions (the "**Permitted Encumbrances**"):
 - a) Building, zoning and platting laws, ordinances and state and federal regulations;

- b) Reservations of any minerals or mineral rights to the State of Minnesota;
 - c) The lien of current taxes not yet due and payable;
 - d) Utility easements and road easements existing at the date hereof, which do not interfere with, the existing use of the Property.
11. **Real Estate Taxes.** Seller hereby agrees to pay all real estate taxes levied against the Property herein sold due and payable in the years prior to Closing. Any real estate taxes levied against the Property that are due and payable in the year of Closing shall be prorated to the Date of Closing.
12. **Special Assessments.** On or before the Date of Closing, Seller agrees to pay the principal and interest amounts owing on all levied special assessments, including the installments, if any, payable in the years 2012, 2013 and thereafter; and Seller agrees to pay the principal amount relating to any pending special assessments.
13. **Title.** After acceptance of this Agreement, Buyer, at Buyer's cost, shall immediately obtain a Commitment of Title Insurance in the amount of \$114,138 from the Title Company for the Property. The Buyer shall be allowed twenty (20) days after receipt thereof for examination of said title and making of any objection thereto, said objections to be made in writing or deemed to be waived. If any objections are so made, the Seller shall be allowed 60 days to make such title marketable. Pending correction of title, payments hereunder required shall be postponed, but upon correction of title and within the twenty-(20) days after written notice to the Buyer, the parties shall perform this Agreement according to its terms. If title is not marketable and is not made so within 60 days from the date of written objections thereto as above provided, this Agreement shall be null and void with neither party being liable for damages hereunder to the other party. If the title to said Property is found marketable or is so made within said time, and Buyer shall default in any of the agreements and continue in default for a period of ten (10) days, then and in that case, the Seller may terminate this Agreement, time being of the essence hereof. Seller's sole and exclusive remedy for breach of this Agreement shall be cancellation of this Agreement.

Buyer shall pay the title insurance premium for the issuance of any Final Title Insurance Policy for the Property.

14. **Environmental Warranties.** Seller warrants to Buyer that to Seller's knowledge, no toxic or hazardous substances (including without limitation, asbestos, urea form formaldehyde, the group of organic compounds known as polychlorinated biphenyl's, and any hazardous substances, pollutants or contaminants as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Section 9601-9657, as amended or as defined by Minn. Stat. § 115B.02, as amended) have been generated, treated, stored, released or disposed of, or otherwise deposited in or located on

the Property, including without limitation, the surface and subsurface waters of the Property, nor has Seller undertaken any activity on the Property which caused (i) the Property to become a hazardous waste treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Section 9601 et. seq., the Minnesota Environmental Response and Liability Act ("MERLA"), or any similar state law or local ordinance or any other Environmental Law, (ii) a release or threatened release of hazardous waste from the Property within the meaning of, or otherwise bring the Property within the ambit of CERCLA, MERLA, or any similar state law or local ordinance or any other Environmental Law, or (iii) the discharge of pollutants or effluents into any water source or system, or the discharge into the air of any emissions, which would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. Section 1351 et seq., or the Clean Air Act, 42 U.S.C. Section 7401 et seq., MERLA, or any similar state law or local ordinance or any other Environmental Law.

Seller also warrants that there are no substances or conditions in or on the Property which may support a claim or cause of action under RCRA, CERCLA, MERLA or any other federal, state or local environmental statutes, regulations, ordinances or other environmental regulatory requirements and that there are no underground deposits which contain hazardous wastes or petroleum. Seller also warrants that there are no underground storage tanks of any kind located on the Property.

Seller also warrants that no portion of the Property is now used as a garbage or refuse dump site, landfill, waste disposal facility, waste transfer station or any other type of facility for the storage, processing, treatment or temporary or permanent disposal of waste materials of any kind, and Seller has not used, generated, stored, released or disposed of any hazardous substances, wastes, or other materials identified as hazardous or toxic in any federal, state, local or other statute, ordinance, rule, regulation or governmental requirement on the Property.

Seller also warrants that no portion of the Property contains Construction Debris (building materials, packaging, and rubble resulting from construction, remodeling, repair, and demolition of buildings and roads or as defined by Minn. Stat. § 115A.03), Demolition Debris (solid waste resulting from the demolition of buildings, roads, and other man-made structures including concrete, brick, bituminous concrete, untreated wood, masonry, glass, trees, rock, and plastic building parts), Industrial Solid Waste (all solid waste generated from an industrial or manufacturing process and solid waste generated from non-manufacturing activities such as service and commercial establishments or as defined by Minn. Stat. § 115A.03), Mixed Municipal Solid Waste (garbage, refuse, and other solid waste from residential, commercial, industrial, and community activities that the generator of the waste aggregates for collection or as defined by Minn. Stat. § 115A.03), or Solid Waste (garbage, refuse, sludge from a water supply treatment plant or air contaminant treatment facility, and other discarded waste materials and sludges, including

but not limited to sewer sludge, in solid, semi-solid, liquid, or contained gaseous form, resulting from industrial, commercial, mining, and agricultural, operations, and from community activities, but does not include animal waste used as fertilizer or as defined by Minn. Stat. § 115A.03).

Seller warrants that the soils and grounds of the Property are free from any release of petroleum and there has been no release of petroleum on the Property.

15. **Labor and Materials.** Seller warrants that as of the Closing Date there will be no labor or material furnished to the Property for which payment has not been made.
16. **Governmental Notices.** The Seller warrants that, as of the Closing Date, Seller has not received any notice from any government authorities as to violations of any laws, ordinances, or regulations with respect to the Property.
17. **Seller's Disclosure Required By Minnesota Statutes § 513.52 to 513.60.** The parties acknowledge that Minnesota Statute § 513.54 states that the disclosure requirements of § 513.52 to 513.60 do not apply if the transfer is to a government. The Buyer is a government.
18. **Wells.** Seller represents that Seller is not aware whether there is an existing water well on the Property. To the extent there is found to be an existing well on the Property that is not in use, the Buyer will be responsible to close and seal the well at Buyer's expense.
19. **Sewage Treatment System.** Seller represents that there is not an individual sewage treatment system, septic tank or cesspool system on or serving the Property.
20. **Lead Paint Disclosure.** Seller represents that the dwelling was constructed on the Property before 1978. Attached hereto and made a part hereof as **Exhibit C** is a Lead Paint Addendum for Housing Constructed before 1978.
21. **Methamphetamine Disclosure.** To the best of Seller's knowledge, Seller represents that methamphetamine production has not occurred at the Property.
22. **Conditions Precedent.** The Buyer's obligation to close this transaction is expressly contingent upon the Buyer determining on or prior to **November 16, 2012**, the following to be satisfactory and acceptable to Buyer, in the Buyer's sole judgment and opinion:
 - (a) any recorded easements to which the Property is subject;
 - (b) the status of any encumbrances and the marketability of title with respect to the Property;

- (c) any physical encroachments on the Property;
- (d) the soil, ground, engineering, structural, physical, geological and legal inspections of the Property;
- (e) the environmental condition of the Property;
- (f) the physical condition of the Property (environmental or otherwise) and the buildings located thereon.

Further, the Buyer's obligation to close this transaction is expressly conditioned upon the Buyer creating a development district for the Property pursuant to Minnesota Statute § 469.101 prior to November 16, 2012.

If Buyer does not create a development district for the Property prior to November 16, 2012, or in the event the Buyer determines, in Buyer's sole discretion, that any of the conditions precedent have not been met, then Buyer on or before November 16, 2012 shall give written notice to Seller that the conditions precedent have not been met and in such case, this Agreement will be null and void, and, if requested, each party will execute a standard Cancellation of Purchase Agreement form.

23. **Delivery of Possession and Removal of Personal Property.** The Seller further agrees that, prior to delivery of possession of the property, all personal property, furnishings, rubbish, debris, and other materials shall be removed from the Property by the Seller at the Seller's expense. The condition of the entire Property shall be verified by the Buyer or the Buyer's representative prior to Closing and prior to the Date of Delivery. **Notwithstanding the required removal of personal property and debris described in this section, the Buyer accepts the buildings and structures on the Property in their "As Is" condition with the EXCEPTION that the inside of the premises must be delivered in "swept clean" condition on the Date of Closing.**
24. **Indemnification.** From and after delivery to Buyer of the Warranty Deed for the Property, Seller agrees to indemnify, defend and hold Buyer harmless against and in respect of any and all claims, demands, actions, suits, proceedings, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties and reasonable attorneys' fees, that Buyer incurs or suffers, after the Date of Closing, which arise out of, result from or relate to (i) a breach of any of Seller's warranties made in Paragraph 14 or (ii) any claim made against Buyer arising out of, relating to, or resulting from ("CERCLA"), ("RCRA"), ("MERLA"), or any similar state law or local ordinance or any other Environmental Law or a violation of ("CERCLA"), ("RCRA"), ("MERLA"), or any similar state law or local ordinance or any other Environmental Law relating to the condition of the Property prior to the Date of Closing.

25. **Negotiated Sale.** If the transaction set forth by this Agreement is not completed, the Buyer has no present intent to acquire the property by eminent domain and has not considered the use of eminent domain to acquire the entire Property. If this Agreement is terminated for any reason, the Seller is free to retain ownership of the Property or to sell the Property on the private market.
26. **Acknowledgment of Fair Market Value.** Buyer and Seller agree that the Purchase Price listed in this Agreement represents the fair market value of the Property which has been determined by a method of valuation acceptable to Buyer and Seller.
27. **Survival of Warranties.** The representations, indemnifications, warranties, and covenants of Buyer and Seller contained in this Agreement shall survive the conveyance of the Property and shall not be merged with the Warranty Deed.
28. **Assignment of Agreement.** Nothing in this Agreement, express or implied, is intended to confer upon any person other than the parties hereto and the heirs, executors, personal representatives, successors and assigns, any rights or remedies under or by reason of the Agreement. No assignment of this Agreement or any rights or obligations hereunder shall be effective unless the written consent of the other party is first obtained.
29. **Amendment of Agreement.** This Agreement may be amended only by a written instrument executed by Buyer and Seller.
30. **Entire Agreement.** This Agreement embodies the entire agreement between the parties with relation to the transaction provided for herein, and there have been and are no covenants, agreements, representations, warranties, or restrictions between the parties with regard thereto other than those set forth herein.
31. **Date of Agreement.** All references in the Agreement to “the date of this Agreement” shall be deemed to refer to that date set forth in the introductory clause of this Agreement.
32. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.
33. **Time of Essence.** Time is of the essence in the closing of this transaction.
34. **Severability.** In the event any one or more of the provisions of this Agreement, or any application thereof, shall be found to be invalid, illegal, or otherwise unenforceable, the validity, legality, and enforceability of the remaining provision or any application thereof shall not in any way be affected or impaired thereby.

35. **Counterparts.** This Agreement may be executed in any number of counterparts; each of which shall be an original, but such counterparts together shall constitute one and the same instrument.
36. **Closing Costs.**
- 36.1. **Pro-Ration Of Utilities.** The cost of utilities, if any, shall be prorated at Closing.
- 36.2. **State Deed Tax.** Upon delivery of the Warranty Deed, Buyer shall pay the state deed tax due on the Warranty Deed.
- 36.3. **Title Insurance.** Buyer shall pay all costs of the Title Company for obtaining the title commitment and the premium required for the issuance of the Title Policy.
- 36.4. **Closing Fee.** Any fee, other than those fees which have been specifically addressed as set forth in this Purchase Agreement, charged by the title company as a closing fee shall be paid by Buyer.
- 36.5. **Recording Costs.** Seller will pay the cost of recording all documents necessary to place record title in the condition warranted by Seller in this Agreement and Buyer will pay the cost of recording the Warranty Deed and all other documents.
37. **Closing Documents.**
- 37.1. **Seller Documents At Closing.** At Closing, Seller shall execute and deliver to Buyer the following with such documents to be effective as of the Closing Date:
- a.) A Warranty Deed, in form satisfactory to Buyer, conveying the Property to Buyer, free and clear of all encumbrances.
- b.) An Affidavit of Title by Seller indicating that on the Closing Date, to Seller's knowledge, there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the Property; that there has been no skill, labor or material furnished to the Property for which payment has not been made or for which mechanics' liens could be filed; and that there are no other unrecorded interests in the Property, together with whatever standard owner's affidavit which may be required by Title Company to issue the title policy with the standard exceptions waived.
- c.) A Certificate signed by Seller warranting that Seller does not know of any "Wells" on the Property within the meaning of Minn. Stat. § 103I or if there are "Wells", a Well Certificate in the form required by law.

- d.) Lead Paint Disclosure – Exhibit C;
- e.) Waiver of Relocation Benefits – Exhibit B;
- f.) Physical possession of all keys to the Property;
- g.) All other documents reasonably determined by Buyer to be necessary to transfer the Property to Buyer free and clear of all encumbrances other than Permitted Encumbrances;
- h.) A certificate stating that all representations and warranties contained in the Agreement are true and correct as of the Date of Closing.

37.2. **Buyer Documents At Closing.** At Closing, Buyer shall execute and deliver to Seller the following documents:

- a.) Wire transfer or certified check in the sum of \$114,138 for the Property.
- b.) Standard Affidavit of Buyer.
- c.) Such other closing documents which the Seller may reasonably request.

38. **Notice.** Any notice required to be given by Seller to Buyer shall be deemed to have been given on the day of delivery if personally delivered, or if by mail, three (3) days after the date that it is deposited in the United States Mail, postage prepaid, sent by certified mail and addressed as follows:

**City of Inver Grove Heights Economic Development Authority
Attn: Tom Link, Executive Director
8150 Barbara Avenue
Inver Grove Heights, MN 55077**

Any notice required to be given by Buyer to Seller shall be deemed to have been given on the day of delivery if personally delivered, or if by mail, three (3) days after the date that it is deposited in the United States Mail, postage prepaid, sent by certified mail and addressed as follows:

**Daniel Treu
6685 Concord Boulevard
Inver Grove Heights, MN 55076**

39. **No Broker Fees.** Each party represents to the other that it has not retained nor otherwise dealt with or entered into any agreement or understanding to compensate any brokers or finders in connection with this transaction. Buyer and Seller each agree to indemnify the other against any loss, cost or expense, including attorneys' fees, as a result of any claim for a fee or commission asserted by any broker or finder with respect to this Agreement or the consummation of the transactions contemplated hereby whose claim arises through alleged dealings with him or her by such indemnifying party.
40. **Sole Occupant.** Seller represents and warrants to Buyer that, as of the date of this Agreement, the Seller is the only occupant of the Property.

[the remainder of this page has been intentionally left blank]

I, the undersigned, Owner
of the above-described Property,
do hereby accept this Agreement
and sale hereby made.

By: 
Daniel Treu

The City of Inver Grove Heights Economic
Development Authority, as Buyer, agrees to
purchase the above-described Property for
the price and on the terms and conditions set
forth above.

By: _____
George Tourville
Its: President

By: _____
Tom Link
Its: Executive Director

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Lots 13 and 14 in William F. Krech Addition to Inver Grove, Dakota County,
Minnesota.

EXHIBIT B

WAIVER OF RELOCATION BENEFITS FORM

WAIVER OF RELOCATION BENEFITS

THIS AGREEMENT (“Agreement”), dated this ____ day of _____, 2012, is entered into between the City of Inver Grove Heights Economic Development Authority, an economic development authority established under Minnesota Statutes § 469.090 and 469.1081 (“EDA”) and Daniel Treu, a single person, hereinafter referred to as the (“Owner”).

I. RECITALS

- 1.01 The City of Inver Grove Heights Economic Development Authority is an economic development authority established under Minnesota Statutes § 469.090 to 469.1082, having its principal office at 8150 Barbara Avenue, in the City of Inver Grove Heights, County of Dakota, Minnesota.
- 1.02 Owner owns property at 6685 Concord Boulevard East, Inver Grove Heights, County of Dakota, Minnesota.
- 1.03 Owner has requested that the EDA purchase certain real estate owned by Owner which is located at 6685 Concord Boulevard East, Inver Grove Heights, in the County of Dakota, Minnesota, and which is legally described as follows (“Subject Property”):

Lots 13 and 14 in William F. Krech Addition to Inver Grove, Dakota County, Minnesota.

- 1.04 Pursuant to Minnesota Statutes, section 117.521, Owner desires to waive the possible claim that Owner may have for relocation benefits pursuant to Minnesota and federal law. Prior to any action by the EDA indicating intent to acquire the Subject Property, Owner requested that the EDA acquire the Subject Property through negotiation. Owner clearly intended to sell the Subject Property on the public market prior to any inquiry or action by the EDA in this matter.
- 1.05 The EDA has explained to Owner that, but for Owner’s waiver herein, Owner may be or is eligible under Minnesota Statutes, Chapter 117 for relocation assistance, relocation services, relocation payments, and relocation benefits as separately listed below:

Type of Relocation Owner may be eligible for:

Relocation Assistance: Assistance in locating and moving residents to a replacement site, Coordination of the move and filing appropriate documents for relocation claim.

Relocation Services: Provide comparable properties for possible replacement sites, Transportation to properties if needed, performs D.S.S. inspections, calculation of relocation payments, and review of documentation and written relocation claim.

Relocation Payments:	Estimated Price differential payment	\$ _____
	Estimated moving costs	\$ _____
	Estimated Closing costs	\$ _____
	Total:	\$ _____

Relocation Benefits: Relocation benefits would include all of the above (**Assistance, Services and Payments**).

1.06 Owner specifically represents and agrees that they are entering into this Agreement voluntarily. Owner further agrees that prior to execution of this Agreement, Steven Carlson of Evergreen Land Services Company, representing the EDA, explained the contents of this Agreement and relocation guidebook.

NOW, THEREFORE, in consideration of the above recitals, the premises, and their mutual promises, the parties hereto hereby agree as follows:

II. AGREEMENT

2.01 Owner, for good and valuable consideration provided as part of the \$114,138 paid by EDA as the purchase price for subject property and for relocation benefits, the receipt and sufficiency of which is hereby acknowledged, hereby waives, releases, relinquishes, and forfeits forever any other claim that Owner may otherwise have for relocation assistance, relocation services, relocation payments, and relocation benefits under Minnesota Statutes, Chapter 117 and other provisions of state and federal law. The consideration being by Owner in return for this waiver is as follows:

The purchase of the Subject Property for the total unallocated sum of \$114,138.

- 2.02 Under Minnesota Statutes, Owner may not waive relocation assistance relating to the acquisition of properties situated wholly or in part within any district for redevelopment authorized under Laws 1971, chapter 548 or 677; or Laws 1973, chapter 196, 761, or 764; or Laws 1974, chapter 485; or Minnesota Statutes chapter 462, 458, or 458c.
- 2.03 EDA and Owner agree that the purchase agreement requiring this Agreement is a voluntary sale by Owner. EDA represented that EDA would not acquire the Subject Property in the event that negotiations between EDA and Owner had failed to result in an amicable purchase agreement. Owner has requested that the Subject Property be acquired by the EDA and such request preceded any negotiations by the EDA to acquire the Subject Property. The Owner clearly showed an intent to sell the Subject Property on the public market prior to any discussions, inquiries or negotiations by the EDA.

If the purchase agreement requiring this Agreement is not completed, the EDA has no present intent to acquire the property by eminent domain and has not considered the use of eminent domain. If the purchase agreement requiring this Agreement is terminated for any reason, the Owner is free to retain ownership of the Subject Property or to sell the Subject Property on the private market.

The EDA and the Owner acknowledge that EDA has acquired other property in the general geographic area as the Subject Property. The EDA has not set a specific time limit to acquire the Subject Property or other properties in the general geographic area nor has the EDA determined whether to acquire such properties.

The Owner and the EDA agree that the purchase price set forth in the purchase agreement requiring this Agreement is a lump sum price which included any and all payments to which the Owner may be entitled under any applicable State or federal law or regulations providing for relocation assistance, services, payments and benefits of any kind. As the EDA and Owner agree that this is a voluntary sale, state and federal law permit the EDA to request this Waiver of Relocation Benefits Agreement from the Owner. Prior to and as a condition of closing, the Owner was be required to sign this waiver of relocation benefits Agreement. The EDA arranged for a relocation consultant to meet with the Owner prior to closing. The relocation consultant determined the amount of relocation benefits for which the Owner would be eligible if this were a non-voluntary sale. If the Owner did not waive relocation benefits, this purchase agreement would be terminated and the Owner would be free to retain ownership of the Subject Property or to sell the Subject Property on the private market.

2.04 The recitals contain in Section I of this Agreement are hereby incorporated as material representations and terms of this Agreement.

2.05 This Agreement is entered into pursuant to Minnesota Statutes and federal law.

OWNER



Daniel Treu

**CITY OF INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT
AUTHORITY**

By: _____
George Tourville
Its: President

By: _____
Tom Link
Its: Executive Director

EXHIBIT C

LEAD PAINT DISCLOSURE FORM

M.S.B.A. Real Property Form No. 11 (1995; 2008)
Lead Paint Addendum for Housing Constructed Before 1978

Page 1 of 2

LEAD PAINT ADDENDUM FOR HOUSING CONSTRUCTED BEFORE 1978

© Copyright 2008 Minnesota State Bar Association, Minneapolis, Minnesota. (Use only with "Minnesota Standard Residential Purchase Agreement," Minnesota State Bar Association 2008.)

1 This addendum is a continuation of the Purchase Agreement dated _____ by and
2 between Daniel Treu, as Sellers, and
3 City of Inver Grove Heights Economic Development Authority, as Buyers,
4 for property located at or described as Lots 13 and 14, Block in William F. Krech Addition to Inver Grove, Dakota County,
5 Minnesota

LEAD WARNING STATEMENT

9 Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that
10 such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead
11 poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced
12 intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women.
13 The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint
14 hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint
15 hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

LEAD PAINT INSPECTION CONTINGENCY

19 Buyer shall have 10 days from the signing of this Agreement to conduct a risk assessment or inspection for the presence of lead-
20 based paint and lead-based paint hazards and to give seller the inspection or risk assessment report and a list of repairs required
21 by buyer to correct problems set out in the report. (Intact lead-based paint that is in good condition is not necessarily a hazard.
22 See EPA pamphlet Protect Your Family From Lead in Your Home for more information.)

24 If the report discloses problems seller shall have seven (7) days after receipt of the report and list to elect in writing whether to
25 correct the problems prior to closing.

27 If seller elects to make the corrections, seller shall provide buyer prior to closing with certification from a risk assessor or inspection
28 demonstrating that the problems have been corrected.

30 If seller does not elect to make the corrections, buyer shall have three (3) days to elect to take the property in its "as is" condition as
31 to problems set out in the report, or this purchase agreement is void.

33 Buyer may waive in writing the rights contained in this contingency at any time.

Seller's Disclosure

36 (a) Presence of lead-based paint or lead-based paint hazards (check (i) or (ii) below):

38 (i) lead-based paint or lead-based paint hazards are present in the housing (explain):

42 (ii) Seller has no knowledge of lead-based paint or lead-based paint hazards in the housing.

44 (b) Records and reports available to seller (check (i) or (ii) below):

45 (i) Seller has provided buyer with all records and reports in seller's possession or reasonably obtainable
46 by seller pertaining to lead-based paint and lead-based paint hazards in the housing (list documents
47 below).

49 (ii) Seller has no reports or records pertaining to lead-based paint or lead-based paint hazards in the
50 housing.

Buyer's Acknowledgment (Initial)

54 (c) _____ Buyer has received copies of all information listed at (b)(i) above.

57 (d) _____ Buyer has received the pamphlet, Protect Your Family from Lead in Your Home, an EPA publication
58 available at www.epa.gov/lead/pubs/leadpdf.pdf.

59 (e) _____ Buyer has (check (i) or (ii) below):

61 (i) _____ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk
62 assessment or inspection for the presence of lead-based paint and lead-based paint hazards;

63 or,
64 (ii) _____ waives the opportunity to conduct a risk assessment or inspection for the presence of lead-
65 based paint and lead-based paint hazards.

Agent's Acknowledgment (initial)

67 (f) _____ Agent has informed seller of seller's obligations under 42 U.S.C. 4852d and is aware of agent's responsibility to
68 ensure compliance.

Certification of Accuracy

71 The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have
72 provided is true and accurate.

73 Daniel Treu 10-16-2012
Seller Daniel Treu date Purchaser George Tourville, President date

Seller _____ date Purchaser Tom Link, Executive Director date

Listing broker / agent _____ date Selling broker / agent _____ date

P L A N N I N G R E P O R T
C I T Y O F I N V E R G R O V E H E I G H T S

REPORT DATE: October 11, 2012

CASE NO:

HEARING DATE: October 16, 2012

APPLICANT: City of Inver Grove Heights

PROPERTY OWNER: Bich-Lieu Trieu and Daniel Treu

REQUEST: Review Potential Property Acquisition for Consistency with the Comprehensive Plan

LOCATION: 6671 and 6685 Concord Boulevard

COMPREHENSIVE PLAN: Mixed Use/High Density Residential

ZONING: A, Agriculture

REVIEWING DIVISIONS: Planning
City Attorney's Office

PREPARED BY: Thomas J. Link
Comm. Dev. Dir. 

BACKGROUND

Bich-Lieu Trieu, owner of 6671 Concord Boulevard, and Daniel Treu, owner of property at 6685 Concord Boulevard, approached the City and expressed an interest in selling their single-family residential properties. The Inver Grove Heights Economic Development Authority (EDA) will be considering the acquisitions at their next regularly scheduled meeting on November 5. The Planning Commission is to consider making a recommendation on the consistency of the acquisitions with the Comprehensive Plan.

EVALUATION OF THE REQUEST

In accordance with Minnesota Statutes, the Planning Commission must review the municipal acquisition and sale of properties for consistency with the Comprehensive Plan. Specifically, State Statute Chapter 462.356, Subd. 2, states "no publicly owned interest in real property within the municipality shall be acquired or disposed of...until after the planning agency (Planning Commission) has reviewed the proposed acquisition or disposal...and reported its findings as to the compliance of the proposed acquisition or disposal with the Comprehensive municipal plan."

The Comprehensive Plan has several statements attesting to the importance of economic development and the role of the Economic Development Authority (EDA). One of the City's major economic development activities is the redevelopment of the Concord Boulevard

Neighborhood. The City's redevelopment efforts date back to 1998 when the City Council adopted the Concord Neighborhood Plan. This neighborhood plan is reflected in the current Comprehensive Plan which states:

"Redevelopment of the Concord Boulevard corridor is an important future improvement that will support the significant investment in Heritage Park and the reconstruction of Concord Boulevard and provide an important critical mass that helps sustain commercial development in Inver Grove Heights. Future redevelopment will also take advantage of the Mississippi River Regional Trail Corridor connecting Inver Grove Heights with regional destinations."

The two properties which the EDA is considering acquiring are located in the Concord Boulevard Neighborhood. The Comprehensive Plan designates them as Mixed Use. The Comprehensive Plan describes Mixed Use as:

"A mix of retail and service commercial, office, institutional, higher density residential, public uses and/or park and recreation uses, organized in a pedestrian friendly environment."

The Plan goes on to say that Mixed Use in the Concord Boulevard Neighborhood should:

"Encourage or facilitate redevelopment and reinvestment along the corridor in a way that helps traffic flow by controlling access, encourages an attractive street frontage as a gateway corridor to the city, and allows flexibility in the use of lands along the corridor as business or residential uses."

As stipulated in the Comprehensive Plan, the City is in the process of updating the Concord Boulevard Neighborhood Plan. It has refined the neighborhood land use plan and identified specific sites on which the City will focus its redevelopment activities. The City is in the process of concluding its planning effort by conducting developer roundtables, preparing site design guidelines, analyzing financial feasibility, developing implementation strategies, and identifying the City's roles with redevelopment.

The properties at 6671 and 6685 Concord Boulevard lie in one of the four sites identified by the City for redevelopment effort. The refined land use plan designates the two properties as High Density Residential. This land use designation is intended to accommodate multi-family housing at densities exceeding 12 units per acre and would include uses such as apartments and condominium buildings for either general occupancy or senior housing. Adjacent parcels to the north are designated as Medium Density Residential and Neighborhood Commercial uses. To the south, the City acquired two residential properties many years ago in anticipation of redevelopment.

The acquisition of these two properties, therefore, would be consistent with the Comprehensive Plan. The acquisitions from willing sellers would align with the City's general economic development goals, the redevelopment plans of the Concord Neighborhood, and the ongoing planning efforts to update the Concord Neighborhood Plan.

The properties lie in one of the areas selected by the City Council for redevelopment efforts. The acquisitions would eventually lead to redevelopment as high density residential, per the updated Concord Neighborhood Plan.

ALTERNATIVES

The Planning Commission has the following actions available for the request:

- A. **Approval**. If the Planning Commission finds the request acceptable, it should recommend that the acquisition of the properties by the Inver Grove Heights EDA is in compliance with the Comprehensive Plan.
- B. **Denial**. If the Planning Commission does not find the proposed acquisitions consistent with the Comprehensive Plan, it should recommend denial with findings provided to support that denial.

RECOMMENDATION

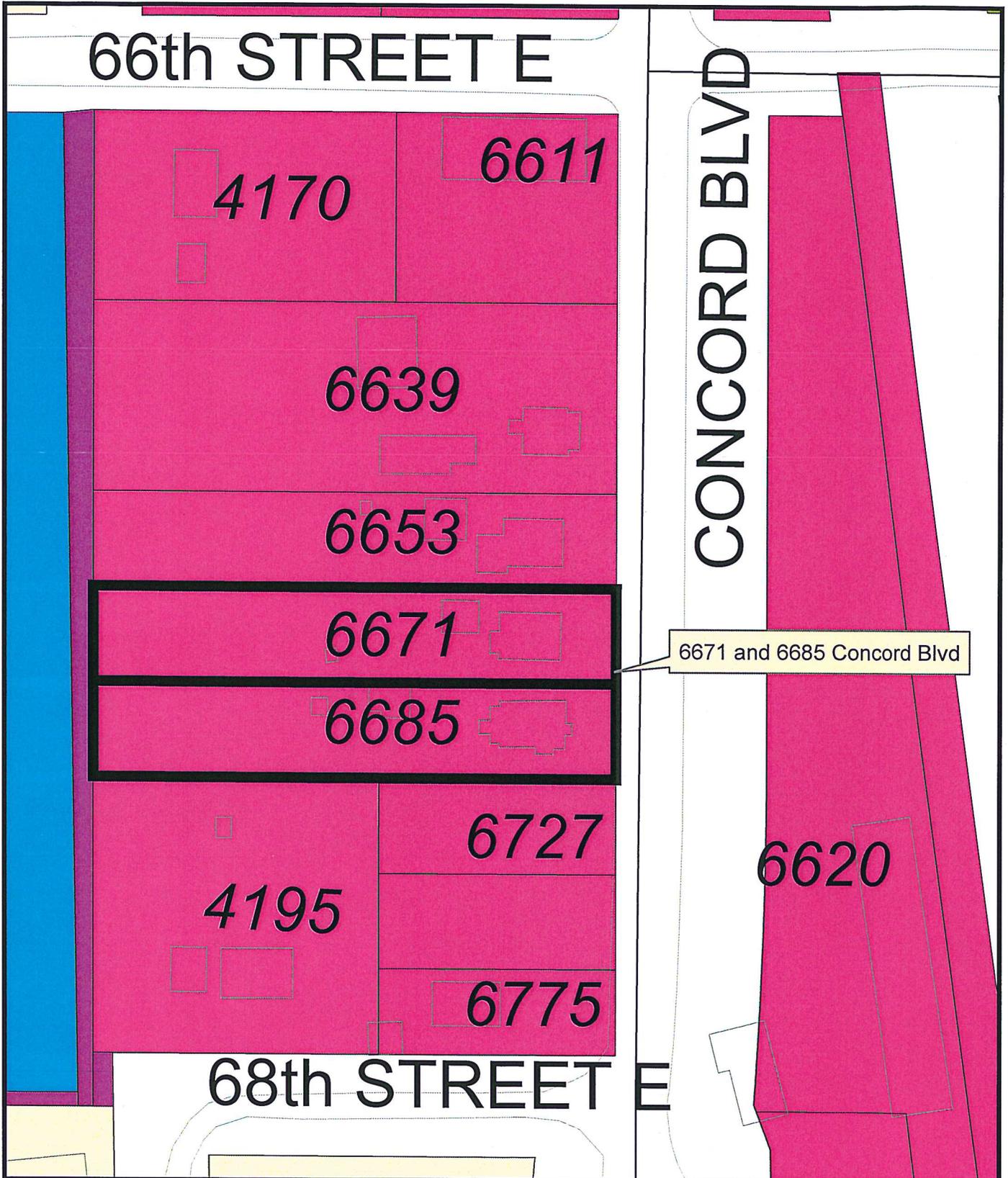
Staff recommends approval of the request to find the acquisition of the properties at 6671 and 6685 Concord Boulevard consistent with the Inver Grove Heights Comprehensive Plan.

Enc: Comprehensive Plan Map
Excerpts from Draft Concord Plan Map



Location Map

6671 and 6685 Concord Boulevard



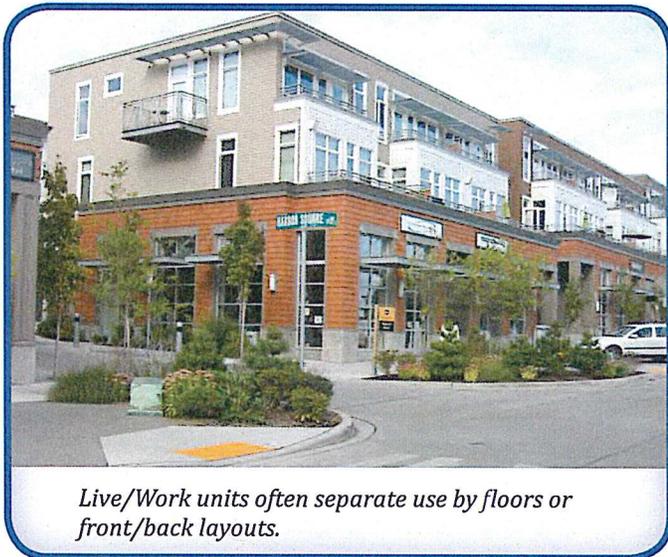
*Map is not to scale

PREFERRED MASTER PLAN

and introduce new business. The narrow parcels make large scale developments difficult in this location, but aesthetic upgrades and a move to uses with less outside storage and less truck traffic over time is envisioned.

LIVE / WORK:

Also along the east side of Concord Boulevard between 63rd Street and Upper 61st Street, the depth of the lots between Concord Boulevard and the railroad right-of-way widens. This presents an opportunity for a new type of use that could offer the opportunity for people to work where they live. This is an expansion and refinement of a home office, workshop, or studio idea. It would suggest a street level office, show room or retail front with a living or housing unit above or in the back. Envisioned uses include a bike shop, artist studio, arts/craft maker, or professional office/studio. The live/work concept is one that will take time to mature and will require an innovative approach to redevelopment. Examples of this arrangement are becoming more prevalent as developers look to reuse older buildings and redevelop underutilized sites.



66TH & CONCORD:

COMMERCIAL AND RETAIL SERVICES:

The area along Concord Boulevard generally between Delilah Avenue and 68th Street presents the greatest opportunity for commercial land uses that are more goods oriented along with restaurants, bars and professional services. The plan calls for clustering these types of uses closely together, creating a longer term opportunity for uses to share parking in more of a district parking approach. By clustering uses closer together, a stronger retail environment is created. The retail uses are envisioned as free standing commercial uses or potentially multi-tenant structures. The area between 65th Street and 66th Street also is important as a gateway into the water front district and Heritage Village Park. A strong retail presence at this node will be important as a signature icon to the district.

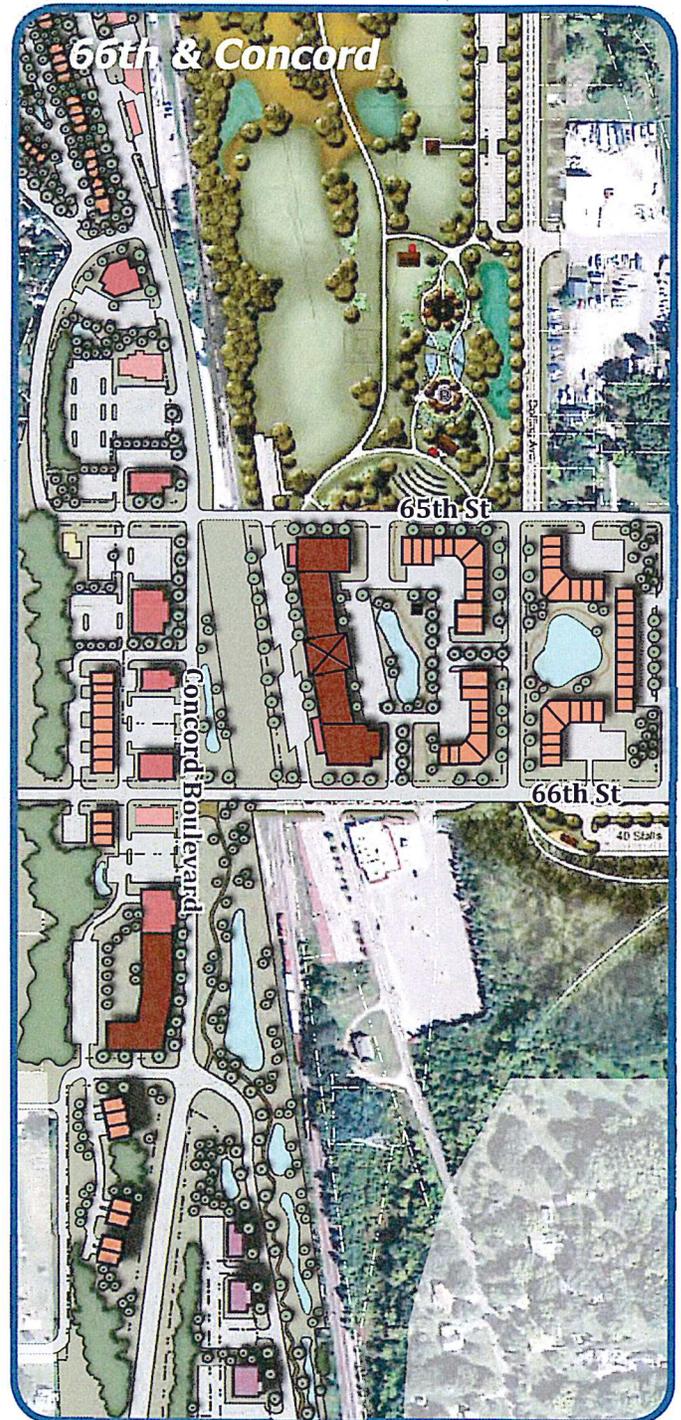
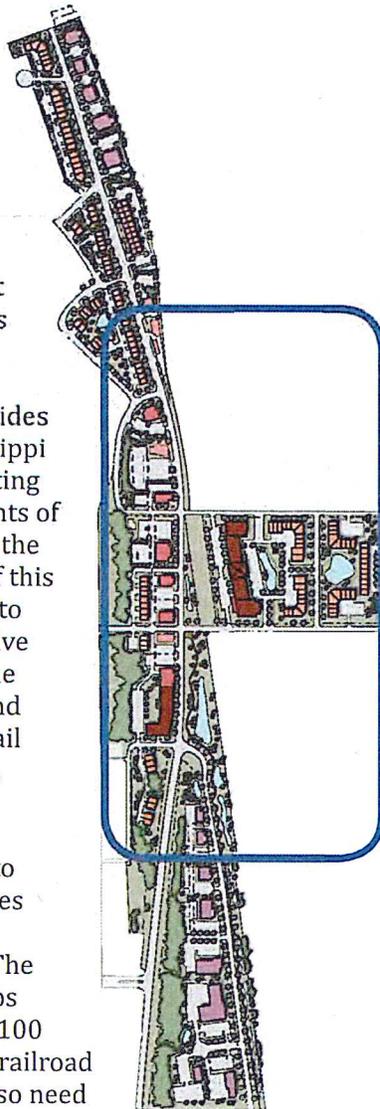
MIXED USE AND HIGH DENSITY RESIDENTIAL AT 68TH STREET:

At the 68th Street node, an opportunity exists to redevelop vacant lots and to work with the site to create a high density development use. Such a use could benefit by close proximity to future commercial retail and services in the district and could contribute to increasing the market place for transit service. However, by itself it most likely would not be enough to warrant a bus route along Concord. The building could include ground level retail or professional offices fronting on Concord with residential components on upper levels or on the back side towards the bluff. The site could work with the topography of the area and potentially add structured parking.

PREFERRED MASTER PLAN

THE MISSISSIPPI RIVER GATEWAY

Probably the most notable area of change presented in the master plan is the area east of the Railroad tracks between 65th Street and 66th Street. This site is currently envisioned as part of the future Heritage Village Park. The site is currently used by a waste hauler and implementation of the Park Master Plan would require acquisition of this parcel. The Park master plan envisions a highly programed entrance and park focal point on this site. This plan suggests a different direction. One that seeks to introduce housing, retail and services with an orientation that provides a gateway to the Mississippi River along 66th. By shifting the programmed elements of Heritage Village Park to the north, redevelopment of this site could also orient onto the park creating an active multi-use frontage on the park. The envisioned land uses include limited retail and service commercial, higher density housing in a 3 or 4 story structure transitioning to lower density townhomes or rowhouses as you move toward the river. The illustrative concept keeps development out of the 100 year flood plain. Future railroad improvements would also need to be investigated to explore quite zone improvements to further make the site attractive for residential uses.



MEMO

CITY OF INVER GROVE HEIGHTS

TO: Inver Grove Heights Economic Development Authority
FROM: Thomas J. Link, Director of Community Development
DATE: October 17, 2012 for EDA Meeting of November 5, 2012
SUBJECT: Draft 2013 Budget

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, a reduction from 2012. 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

**City of Inver Grove Heights
Proposed 2013 Budget**

EDA Summary

Account Description	2010 Actual	2011 Actual	2012 Actual	2012 Amended Budget	06/30/12 Actual	2012 Forecast	2013 Department Request	2013 Admin Recommended	City 2013 Council Adopted
Other Sources	0	0	0	49,800	500,033	1,399,900	55,200	0	0
Total Revenue	0	0	0	49,800	500,033	1,399,900	55,200	0	0
Personnel	0	0	0	14,400	7,307	14,400	14,500	0	0
Prof/Tech Services	0	0	0	8,000	36	8,000	14,500	0	0
Other Purchased Services	0	0	0	25,400	25,075	25,300	26,000	0	0
Supplies	0	0	0	2,000	0	200	200	0	0
Capital Outlay	0	0	0	0	1,352,000	1,352,000	0	0	0
Total Expense	0	0	0	49,800	1,384,418	1,399,900	55,200	0	0

MEMO

CITY OF INVER GROVE HEIGHTS

TO: Inver Grove Heights Economic Development Authority
FROM: Thomas J. Link, Director of Community Development 
DATE: October 16, 2012 for EDA Meeting of November 5, 2012
SUBJECT: Small Business Loan Program – Update

The Dakota County Community Development Agency (CDA) Board recently approved the CDA's participation in the Open to Business program in Dakota County for 2013. This program, administered by the Metropolitan Consortium of Community Developers (MCCD), would administer a small business loan program. The CDA is now in the process of negotiating an agreement with the MCCD. Individual cities would then subsequently enter into an agreement with the CDA. Almost all municipalities in Dakota County have expressed an interest in the Open to Business program.

The Inver Grove Heights EDA previously expressed a strong interest in the MCCD program. In addition to providing a small business loan program, it brings many more financial resources, provides technical assistance to businesses, and is far less costly than if the City were to administer its own program. The proposed 2013 budget includes \$10,000 for a small business loan program. Current discussions between the CDA and the MCCD would require an Inver Grove Heights contribution of \$7,500.

Market Trends

Comments from Progress Plus and Excerpts from CBRE Third Quarter Reports and Colliers International Second Quarter Reports October 2012

Data Centers

A new trend we are seeing is strong demand for large data centers in the metro area. This is driven by need for cheap power, affordable land, and government incentives. MSP is one of 13 emerging markets with significant economic incentives available for data center construction. Data centers require climate control to prevent overheating; Minnesota's cold climate allows for cheaper cooling costs. The natural disaster risk is comparatively small (compared to earthquakes, etc.) and we have a strong technology workforce.

Two centers have recently been announced, one in Eagan, for The Connexion, a 138,000-square-foot, wholesale colocation facility and one in downtown Minneapolis.

Several communities are actively pursuing these centers though the # of jobs per square foot are much lower than office or call center uses (estimates are 1 worker per 5,000-8,000 SF). Sherburne County is marketing 10 acres in Elk River for data center development. The land is near Target offices and UnitedHealth. Another center is being marketed in Chaska that is ready to occupy. The hope is that these centers will attract other complementary businesses as well as contribute to property tax base.

Office Market Trends

Mid-size tenants have continued to see the most opportunity in the market due to the large numbers of options that have the ability to meet their space requirement. While the SouthEast market where South St. Paul and Inver Grove are located has relatively small amounts of office space, this market continues to see soft demand. Some small office location decisions are driven by proximity to customers and some is driven by availability of service and retail nearby. As office space gets absorbed in nearby cities, like Mendota Heights, we should see more activity in our region.

There are currently a handful of office space requirements active in the market that exceed 100,000 square feet. These are Class B or higher requirements.

Many of these large active users have lease expirations coming in the next few years and recognize tightening market conditions and the possibility of new build-to-suit construction if they do not act quickly.

Speculative multi-tenant construction is expected to occur in the next 24 to 36 months.

Retail Market Trends

SSP is lumped in with West St. Paul
 IGH is lumped in with Eagan

Retail absorption was negative in 2nd quarter – first time in 7 quarters

Other than Mall of America, largest transaction was Goodwill's new 26,000 SF store in Fridley

Retail Market Statistics (as of 2nd Quarter 2012)

Submarket Statistics

Market	Rentable Area	Vacancy Rate	Absorption SF	Under Construction SF	Avg. Asking Lease Rate \$ SF/YR	Availability Rate
A.V.-Lakeville	3,493,423	3.9%	7,597	160,000	\$20.06	10%
Brookdale	3,780,561	23%	0	160,000	\$12.65	24.5%
Burnsville	3,400,533	9%	7,714	180,000	\$19.15	9.6%
Calhoun	1,258,636	8.3 %	0	23,000	\$26.12	8.3%
Coon Rapids	3,955,506	5.4%	0	173,000	\$16.35	6%
Eagan/IGH/H	1,757,782	6.6%	(28,857)	135,000	\$15.39	10.3%
Eden Prairie	3,502,148	3.1%	18,427	298,000	\$16.75	3.3%
Maple Grove	5,234,416	4.7%	0	120,000	\$14.47	5.3%
Maplewood	3,390,224	6%	32,464	0	\$18.46	6.7%
Mpls CBD	2,297,199	13.3%	0	5,000	\$22.09	14.2%
Northtown	3,114,465	11.2%	1,744	0	\$11.61	11.8%
Ridgedale	5,652,096	5.5%	(6,334)	80,000	\$14.30	5.7%
Rosedale	5,206,953	6.9%	1,744	0	\$18.25	7.6%
Southdale	9,321,570	7%	(33,674)	17,000	\$25.01	7.2%
St. Paul	1,298,020	9.5%	0	2,000	\$13.35	9.5%
West St. Paul	1,258,502	10.5%	0	0	\$12.05	10.8%
Woodbury	4,684,462	12.1%	(9,391)	0	\$8.91	13.0%
Total	64,420,496	8.1%	(11,706)	1,353,000	\$15.99	9.2%

MarketView Minneapolis/St. Paul Retail

Industrial Market Trends

The vacancy rate for the South East submarket stands at 16.2 percent, compared to 11.5 percent overall.

The South East office showroom type of industrial faces competition from office users, where vacancy is also high at 18.5 percent overall and 21.2 percent among class B properties.

Large blocks of space with high ceilings are in high demand – lots of users looking for warehouse and distribution space of 70,000SF +

Industrial space with ample outside storage is still in high demand

Build-to-suit activity is expected to gain momentum in coming quarters

One project broke ground during the 3rd quarter -- a 90,000 SF office/warehouse building located in Brooklyn Center and is one-third preleased. This is seen as encouraging as there has been so little speculative development since 2008.

The Minneapolis/St. Paul market should see a short-term increase in manufacturing and distribution workers; thus, buildings that can facilitate manufacturing and distribution should continue to be in high demand.

Given the current global economic condition and a presidential election in November, this may cause building owners and tenants to put their real estate decisions on hold until 1st and 2nd quarter of 2013. Demand is highest for properties with 32 foot ceiling heights. While the vacancy rate for bulk warehouse properties is 11.9 percent, actual vacancy in functional, well-located properties is much lower. Many companies are choosing to develop their own very large facilities with high clear heights including:

- Uline, Hudson, 640,000 square feet
- SanMar, Shakopee, 580,000 square feet
- Imagine! Print Solutions, Shakopee, 300,000 square feet
- Trystar Inc., Shakopee, 175,000 square feet
- FedEx Distribution Center, Roseville, 120,000 square feet

Industrial Market Statistics (as of 3rd Quarter 2012)

Table 1: Minneapolis/St. Paul Statistics

Submarket	Rentable Building Area SF	Dired Vacant SF	Direct Vacancy Rate (%)	Total Vacancy Rate (%)*	3Q12 Net Absorption SF	YTD 2012 Net Absorption	Under Construction SF	Gross Asking Lease Rates PSF
Northwest	61,080,372	4,326,536	7.1%	7.3%	102,178	578,316	317,000	\$4.94
Southwest	68,780,345	5,315,613	7.7%	8.0%	78,425	369,266	1,041,536	\$4.99
South Central	50,150,575	4,254,482	8.5%	8.7%	78,049	156,659	-	\$4.67
St. Paul	20,413,822	1,800,814	8.5%	8.8%	(22,271)	43,683	-	\$4.04
Minneapolis	30,453,399	1,510,435	5.0%	5.0%	24,487	(29,328)	-	\$3.98
North Central	48,744,896	2,715,794	5.6%	6.0%	104,358	114,916	94,509	\$4.73
East	14,016,440	676,332	4.8%	5.1%	(733)	41,187	-	\$5.44
Midway	33,465,994	2,242,120	6.7%	6.8%	41,970	41,064	-	\$4.12
Total	327,105,843	22,842,126	7.0%	7.2%	484,873	1,398,133	1,453,045	\$4.61
Building Type								
Bulk Warehouse	65,539,101	5,450,184	6.0%	6.1%	34,335	583,138	-	\$4.07
Office Warehouse	137,795,894	12,697,017	6.6%	6.9%	82,850	474,424	1,060,641	\$4.36
Office Showroom	35,190,271	3,585,216	10.19%	10.37%	60,000	(60,980)	80,000	\$7.08
Other Industrial**	88,580,577	4,730,282	5.4%	5.4%	(63,614)	(29,751)	297,895	\$4.14

*Total Vacancy Rate May Not Add Up Due To Rounding

**Includes: Cold Storage, Self-storage, Truck Terminal, Special Purpose and Incubator buildings

MEMO

CITY OF INVER GROVE HEIGHTS

TO: Inver Grove Heights Economic Development Authority (EDA)
FROM: Thomas J. Link, Director of Community Development 
DATE: October 16, 2012 for EDA meeting of November 5, 2012
SUBJECT: Gun Club Site – Status Update

The Minnesota Department of Transportation (MNDOT) and the City agreed this last August to cancel plans for a joint investigation of contaminated soils on the Gun Club site and, instead, pursue separate investigations. It was expected that MNDOT would complete their investigation by mid or late fall. Upon completion of the MNDOT investigation, the City would then immediately proceed with its investigation late this fall or early next spring.

Recently, MNDOT has decided to delay the City's investigation because of liability concerns. That agency now desires to review their investigation's results with the Minnesota Pollution Control Agency (MPCA), determine if remediation actions are necessary, and, if so, complete the remediation and obtain final MPCA approval, before allowing the City onto the site. Possible remediation activities could include removing the top several inches of contaminated soils, stabilizing the lead in soils by the use of additives or adhesives, or placing a few feet of fill over the contaminated areas. If MPCA finds that no remediation is necessary, the City could perform its investigation in late spring or summer of next year. However, if MPCA finds that remediation is necessary, the City's investigation could be delayed until 2014.

MNDOT's impressions from its initial field investigations are mixed. They have not found as much lead in the soils as anticipated. However, PAH's, from clay pigeon remnants, is higher than expected. Fortunately, the contamination that has been found has been shallow, thus making possible remediation easier.