

**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.

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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.

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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.