

**REVISED**



**INVER GROVE HEIGHTS  
ECONOMIC DEVELOPMENT AUTHORITY AGENDA  
MONDAY, MAY 13, 2013  
CITY HALL COUNCIL CHAMBERS  
5:00 P.M.**

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. REGULAR AGENDA**

A. Approval of Minutes

- 1. Approve Minutes from the February 4, 2013 Regular Economic Development Authority Meeting
- 2. Approve Minutes from the March 11, 2013 Special Economic Development Authority Meeting

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B. Approval of Claims

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C. EDA Composition

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E. Progress Plus

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F. Update

- 1. Concord Redevelopment
- 2. Gun Club Site
- 3. Open to Business

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**5. NEXT MEETING – August 12, 2013**

**6. ADJOURN**

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**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING  
MONDAY, FEBRUARY 4, 2013 – 8150 BARBARA AVENUE**

**CALL TO ORDER/ROLL CALL** The Economic Development Authority (EDA) of Inver Grove Heights met on Monday, February 4, 2013, in the Lower Level Training Room. President Tourville called the meeting to order at 6:00 p.m. Present were Economic Development Authority members Bartholomew, Madden, Mueller, and Piekarski Krech; Executive Director Link, and Secretary Fox.

**3A. MINUTES**

**Motion by Madden, second by Piekarski Krech, to approve the Minutes of the November 5, 2012 Regular Economic Development Authority meeting and the November 26, 2012 Special Economic Development Authority meeting.**

**Ayes: 3**

**Nays: 0**

**Abstain: 2 (Bartholomew and Mueller) Motion carried. Bartholomew and Mueller abstained as they were not on the EDA Board in November.**

**Motion by Madden, second by Bartholomew, to approve the Minutes of the January 14, 2013 Special Economic Development Authority meeting.**

**Ayes: 5**

**Nays: 0 Motion carried.**

**3B. CLAIMS:**

In regard to one of the claims, Boardmember Bartholomew asked for clarification of what was included in the winterization done by North Country Interiors, stating the charges seemed rather high.

Mr. Link replied the water lines were drained, as well as a few other preventative measures.

Boardmember Bartholomew asked if the City was insured against damages.

Mr. Link replied in the affirmative, stating the properties were covered by the City's insurance. He added that he felt the claims were somewhat high as well and therefore staff would shop around a bit more for the next project.

Boardmember Piekarski Krech questioned whether the winterizing could be done by City staff.

Mr. Link replied the City did not have staff available for that purpose.

President Tourville asked Mr. Link to determine what was included in the winterization process.

Dian Piekarski, 7609 Babcock Trail, questioned why money was being spent on winterization since the homes were going to be removed.

Mr. Link replied it takes 3-4 months to get a demolition in place.

President Tourville advised it was a slow process as they had to follow State regulations, check for asbestos, etc.

Boardmember Mueller recommended that 8195 Babcock Trail be turned over to the Fire Department for training.

Boardmember Piekarski Krech stated the Babcock property had probably already been winterized by the real estate company.

Mr. Link advised that it was.

President Tourville advised that prior to using the house for training the building would have to be inspected for toxic materials.

Mr. Link stated the City uses some acquired homes for fire training depending on the circumstance. The two Concord properties, for instance, would not be used for training due to their close proximity to the neighbors.

Boardmember Bartholomew asked for clarification of the relocation waiver claim for 8195 Babcock Trail.

Mr. Link advised it was a routine document used for acquisitions to protect the City against relocation expenses.

Boardmember Piekarski Krech questioned why it was necessary since no one was living in the home.

Mr. Link replied it was recommended by the City Attorney.

Boardmember Bartholomew asked Mr. Link to discuss the rationale for the relocation waiver with Mr. Kuntz.

Mr. Link replied in the affirmative.

**Motion by Madden, second by Bartholomew, to approve disbursements from November 5, 2012 to February 3, 2013.**

**Ayes: 3**

**Nays: 1 (Bartholomew)**

**Abstain: (Mueller) Motion carried.**

President Tourville asked Boardmember Bartholomew for clarification of his nay vote.

Boardmember Bartholomew replied it was due to questions he had on some of the charges.

Ms. Piekarski referred to the financial report and asked what the remaining balance would be spent on and whether the cost of demolition for the two Concord houses was included in this budget.

Mr. Link advised that the EDA had a 2013 budget; however, the financial report was a separate document that reflected the EDA's fourth quarter 2012 expenditures. He stated that demolition costs would come from the \$500,000 transfer recently approved by City Council.

Boardmember Mueller asked if the transfer was from the Host Community Fund.

Mr. Link replied it was not, adding that the most recent purchase of 8195 Babcock was from the Community Facilities Fund and Closed Bond Fund.

President Tourville questioned how it would be indicated in the 2013 budget.

Mr. Link replied it would be reflected in the 2013 first quarter report distributed at the next EDA meeting.

Ms. Piekarski asked if the 2013 budget was approved by this body and was available online.

Mr. Link replied that the EDA approved the recommended budget, which was later adopted by the City Council. He was unsure whether the budget was online.

Lisa Acker asked for clarification regarding the operating transfers.

Mr. Link advised that the City Council approved two transfers of \$500,000 each from the Host Community Fund into the EDA Fund.

#### **4. REGULAR AGENDA:**

##### **A. Approve 2013 Work Plan**

Mr. Link asked for direction regarding the five proposed items for the EDA's 2013 Work Plan laid out in order of priority, including 1) Concord redevelopment, 2) EDA financing/reorganization, 3) excess golf course properties, 4) Gun Club site, and 5) Small Business Loan Program.

Boardmember Piekarski Krech recommended they hold off on the excess golf course properties until the market was back up and more development was occurring in the Northwest Area. She questioned why Inver Grove Heights did not get Cabellas.

President Tourville advised that he was contacted by Fine Associates, who stated that Cabellas was looking for financial assistance in the form of discounted land with reduced city services costs. He advised that the property owner did not want that information to be made public and did not inform the City.

Mr. Link advised that Fine Associates did not contact staff in regard to Cabellas.

Jennifer Gale, Progress Plus, advised that typically Progress Plus receives a confidential inquiry from an unnamed source inquiring whether Inver Grove Heights has a property fitting their requirements and questioning what incentives are being offered. Progress Plus then does a follow up if they do not hear back from them. She advised that the EDA could make a difference by offering tools for potential buyers. As an example, other cities will offer land for free or reduced prices, if they can prove they will bring in a certain amount of jobs.

Ms. Piekarski questioned what opportunity there was to sell the excess golf course properties if other cities were basically giving away their land for free.

Ms. Gale replied that Inver Grove Heights has the advantage of having excellent highway infrastructure, close proximity to the airport and downtown, as well as a great deal of available land.

Boardmembers Madden and Bartholomew agreed with Boardmember Piekarski Krech's recommendation to hold off on developing the excess golf course properties at this time.

Boardmember Piekarski Krech stated she would entertain an offer should someone submit a bid for the golf course property; however, she preferred the City did not put time and money into marketing the property at this point.

Boardmember Mueller stated that unless a buyer comes forward, he would prefer staff not invest time and money into the golf course properties.

Mr. Link stated it was his understanding that the EDA was directing staff to not spend time on the golf course properties unless someone expressed interest in it, and to remove it from the 2013 Work Plan.

Boardmember Mueller asked for a status update regarding MNDOT and the Gun Club site.

Mr. Link stated that the City and MNDOT both recognize the need for more environmental investigation on the site to determine where, how intense, and how deep the contamination goes. Unfortunately it was determined that MNDOT and the City could not do a joint investigation and that the City investigation would await the MNDOT investigation. MNDOT has completed their field work, have met with the MPCA, and expect their report to be completed in the next few weeks. Hopefully the City can start their investigation this spring or summer and then get the property appraised.

Boardmember Mueller asked how many investigations had been done.

Mr. Link replied that Landmark Environmental did a Phase I study for the City a few years ago. MNDOT then did a Phase II, and the EPA did a study as well. He recommended that the City continue with Landmark Environmental as they were familiar with the site and had competitive prices.

Ms. Acker asked what information they would get from the proposed investigation that they could not get from MNDOT's investigation.

Mr. Link advised that MNDOT was only looking at what they needed to do to protect them legally if the property remained as is whereas the City was looking to determine what cleanup would be required to develop the property.

Boardmember Bartholomew asked the Board to consider adding two ad hoc members to the EDA. He suggested the ad hoc members come from the community, serve a two year term, and be appointed by City Council using the current process for other city commission appointments. He recommended the EDA be changed to five City Council members and two ad hoc members.

Boardmember Mueller supported the addition of ad hoc members, but questioned whether the EDA bylaws would allow such a restructuring. He requested a copy of the bylaws.

Boardmember Piekarski Krech supported the restructuring as well.

President Tourville stated he was in support of a discussion regarding adding two ad hoc members from the community.

Boardmember Mueller asked if they would be paid positions

Mr. Link recommended they not be paid positions.

Boardmember Piekarski Krech advised that Council could vote to make it a paid position.

President Tourville advised that if the EDA positions were paid then perhaps other city commissioners should be paid as well.

Mr. Link suggested that staff contact surrounding cities in northern Dakota County to discuss their EDA/Port Authority/HRA organizational structure and how they financed their programs.

Boardmember Bartholomew emphasized that he would like a majority influence of the Council and only two ad hoc members.

Boardmember Bartholomew stated it seemed as if no one on the Board was opposed to adding two ad hoc members as long as there continued to be five councilmembers on the EDA.

Mr. Link advised he would research whether there were any statutory requirements regarding the composition of an EDA, stating all the cities he was aware of either had their city council as their EDA or five business people and two councilmembers.

Boardmember Piekarski Krech suggested they also research how long they have been in existence, what their major projects were, and what do they think were their benefits.

Ms. Piekarski stated they should also look at whether or not their EDA members were paid.

Boardmember Piekarski Krech stated that while she would like to see redevelopment on Concord, she did not support spending City monies on it at this time. She would like to see more rooftops in the area; possibly through a CDA housing project.

Mr. Link stated he did not anticipate changes in the Concord area unless the City took action. The CDA has stated they would not come in unless invited by the City. It was unlikely that private developers would come in given the current situation as there are few properties available, the parcels are small, many of them contaminated, and redevelopment is extremely costly. Developers are looking for a site that is already acquired, or can be acquired fairly quickly, that has infrastructure and zoning in place, and has already been cleaned up. He stated there has been no development in the Concord area for 15-20 years and it was his belief that if the EDA would like to see some change the City would have to take some initiative to accomplish it.

President Tourville stated he did not want to spend a lot of money on Concord redevelopment; however, he suggested inviting Ehlers back to discuss some of the programs, funding mechanisms, and grants available that might allow the City to combine some parcels.

Boardmember Bartholomew agreed that it would be beneficial to hear from Ehlers what programs were available. He suggested that the EDA also meet with the CDA to discuss their potential housing project and what they would need from the City.

President Tourville agreed that it would be good to meet with the CDA as well.

Boardmember Piekarski Krech stated the City had previously turned down a CDA project and perhaps it was time to reestablish a working relationship with them. Since both the City and the CDA owned properties on Concord, perhaps they could work together to get additional rooftops.

Boardmember Bartholomew stated he would prefer to focus on getting additional businesses on Concord but the reality was that more rooftops were needed.

Ms. Piekarski stated it would be nice to get some rough numbers of how much money was available from what programs, how much would the project cost, etc. without putting money out for a consultant or a study.

President Tourville stated that information was provided in Ehlers' latest report, and suggested she get a copy of the report from staff.

Ms. Piekarski stated there was a cost to developing the properties; however, there was also a cost to just holding onto the properties (loss of tax revenue, etc.).

Boardmember Mueller suggested they do more to promote the river frontage, marinas, and the new park and pier, stating there was a lack of signage advertising these amenities.

Boardmember Piekarski Krech stated they should have restaurants, etc. available for people coming down to look at the river.

Mr. Link stated the County has offered to do a Phase I environmental analysis of two sites in the Concord area at no charge to the City. The first site would be the west side of the 6600 block of Concord Boulevard where the EDA recently purchased two homes. The other site would be the property extending from River Heights Marina across Doffing Avenue and over to Allied Waste. He advised that a Phase I was a paper exercise, with no borings being done. The analysis would determine what type of contamination they might expect to find.

Boardmember Piekarski Krech questioned whether it was of any benefit to the City to do an analysis of the first site for just the two houses on Concord.

Mr. Link replied that the Phase I would be of the entire block, including Turrittos and VSI.

President Tourville asked Mr. Link to authorize the County to do the Phase I.

Mr. Link agreed to do so, stating he would keep the EDA updated on the progress. He stated what he was hearing was that the EDA would like to invite the CDA to meet with them, they would like to proceed with having the County do a Phase I on the two sites identified earlier, and they would like either staff or Ehlers to come back with information on plans for Concord redevelopment.

Boardmember Bartholomew stated he would like the CDA to provide an understanding of what their expectations would be from this body so the EDA could determine whether a partnership would be possible at this time.

**Motion by Bartholomew, second by Madden, to approve the 2013 Work Plan, with no particular order to the priority of the items listed, in accordance with the direction given during tonight's discussion, and the deletion of the excess golf course properties.**

**Ayes: 5**

**Nays: 0      Motion carried.**

Mr. Link stated he would draft a summary of the work plan.

#### **4B. PROGRESS PLUS UPDATE**

Jennifer Gale introduced Carl Kuhl, who will be assisting Progress Plus in 2013.

Mr. Kuhl gave a brief summary of Connolly Kuhl Group, a full service public affairs and public relations firm specializing in public relations and grass roots marketing efforts.

Ms. Gale discussed Progress Plus's proposed 2013 Work Plan. In addition to providing their current services, Ms. Gale discussed some changes they were proposing for their 2013 work plan. The changes included 1) developing a new marketing plan and Progress Plus brochure, 2) doing a targeted marketing campaign on four different developments, one each quarter, as chosen by the City, 3) refining their database to market to specific brokers, 4) escalating their marketing efforts through social media outlets, 5) working with Greater MSP to market IGH properties, 6) marketing the small business loan program and assistance offered by MCCD, and 7) inviting the Community Development Director along on at least 12 retention visits. Ms. Gale requested that the EDA create a list of four properties they would like featured for the year. She also asked that the EDA or the Community Development Director create an additional list of 12 desired businesses for retention visits for 2013.

President Tourville asked staff to provide the EDA with a preliminary list of four specific areas to be marketed, as well as 12 desired businesses for retention visits.

Boardmember Bartholomew suggested that Boardmembers email Mr. Link with any businesses they would like on the lists.

Mr. Link agreed to create the lists, stating he was planning to target a variety of different types of businesses as well as a diversity of locations throughout the City.

Ms. Piekarski asked for clarification of the relationship between Target and Progress Plus, stating it should be the developer's responsibility to market those properties.

Ms. Gale explained that two-thirds of Progress Plus's funding was from private sector investors, with Target being one of them. Assisting in marketing the Target properties would hopefully result in additional tax base and additional jobs in the community, which was one of Progress Plus's goals.

President Tourville advised that the additional retail properties in Argenta Hills were owned by McGough, not Target, and they have a broker working exclusively on those properties.

Ms. Piekarski asked if a list of Progress Plus and Chamber of Commerce members was available on their website.

Ms. Gale stated she believed it was.

President Tourville stated the Chamber of Commerce list may be protected.

Boardmember Bartholomew supported the Community Development Director's involvement in retention visits, stating one of the biggest complaints he hears is that the City does not understand what businesses are going through. He asked Mr. Link to email him the list of proposed businesses for retention visits.

Ms. Gale advised that Mr. Link follows up on every retention visit, and the business owners appreciate knowing that someone is listening.

Mr. Link advised there is a great deal of coordination and communication between Progress Plus and City staff.

#### **4C. ELECTION OF OFFICERS**

Boardmember Mueller asked how long the terms were.

Mr. Link replied one year.

**Motion by Piekarski Krech, second by Madden, to appoint Tourville as President, Piekarski Krech as Vice-President, and Bartholomew as Treasurer of the EDA.**

**Ayes: 5**

**Nays: 0      Motion carried.**

## **5. NEXT MEETING**

President Tourville asked for a discussion regarding televising the EDA meetings and perhaps changing the meeting times to immediately follow regular City Council meetings. He advised that in order to record the meetings they would have to take place in the Council Chambers.

Boardmember Piekarski Krech suggested holding the EDA meeting prior to regular Council meetings rather than after. On those four nights the study sessions could either be cancelled or rescheduled.

Boardmember Madden questioned why the meetings should be televised.

Ms. Piekarski stated that EDA meetings should be televised just as other public commission meetings were televised; adding that the EDA had a lot of power and therefore it was important that the public have good access to its discussions and decisions.

President Tourville suggested going with a 5:00 p.m. start time prior to regular Council meetings provided the cable company was available.

Boardmember Madden asked when dinner would be served.

Boardmember Piekarski Krech suggested they eat dinner in the Mayors Conference Room from 6:30 to 7:00.

Boardmember Mueller stated an advantage of meeting in Council Chambers was that acoustics were better.

President Tourville summarized that the EDA meetings would now take place quarterly on the second Monday of the month at 5:00 p.m. in Council Chambers. Therefore the next EDA meeting would be on May 13<sup>th</sup> rather than May 6<sup>th</sup>.

Ms. Piekarski recommended that the new meeting dates and time be announced via the *Insights*, City website, etc.

Mr. Link clarified that EDA meetings would now take place from 5:00 p.m. to 6:30 p.m. on the second Monday of the months of February, May, August and November in the Council Chambers and would be televised. He advised that the bylaws would likely have to be modified to reflect this change.

**6. ADJOURNMENT:** Motion by Mueller, second by Bartholomew, to adjourn. The meeting was adjourned by unanimous vote at 7:44 pm.

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING  
MONDAY, MARCH 11, 2013 – 8150 BARBARA AVENUE**

**CALL TO ORDER/ROLL CALL** The Economic Development Authority (EDA) of Inver Grove Heights met on Monday, March 11, 2013, in the City Hall Council Chambers. President Tourville called the meeting to order at 7:42 p.m. Present were President Tourville, Economic Development Authority Members Madden, Piekarski Krech; Mueller and Bartholomew; City Attorney Kuntz, City Administrator Lynch, and Executive Director Link.

**3A. CONSIDER AMENDING BYLAWS OF THE INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY REGARDING REGULAR MEETINGS**

President Tourville introduced the matter by stating that the EDA was to consider amending the bylaws regarding their regular meeting date and time.

In response to a question from Piekarski Krech, Mr. Link explained that the meetings would be moved from the first Monday of select months to the second meeting of the select months to coincide with regular Council meetings.

**Motion by Mueller, second by Bartholomew, to amend the Economic Development Authority bylaws to change the date and time of its regular meetings to the second Monday of February, May, August, and November at 5:00 p.m.**

**Ayes: 5**

**Nays: 0      Motion carried.**

**4. ADJOURNMENT:** Motion by Piekarski Krech, second by Madden, to adjourn. The meeting was adjourned by unanimous vote at 7:45 p.m.

MEMO

CITY OF INVER GROVE HEIGHTS

**TO:** Inver Grove Heights Economic Development Authority (EDA)

**FROM:** Thomas J. Link, Director of Community Development *TL*

**DATE:** April 30, 2013 for EDA Meeting of May 13, 2013

**SUBJECT:** Claims and Financial Report

Claims

Almost all of the claims in the last three months relate to the three EDA acquisitions. The following claims have been received and paid since the last EDA meeting of February 4, 2013:

<u>Description</u>	<u>Date</u>	<u>Amount</u>
• Dakota County Community Development Agency (Open to Business annual payment)	2/14/13	\$6,250.00
• Evergreen Land Services (relocation waiver 8195 Babcock)	2/14/13	\$300.00
• Integra Realty Resources (appraisal – Concord property)	2/14/13	\$3,750.00
• LeVander Gillen & Miller (acquisitions)	2/14/13	\$1,912.00
• River Heights Chamber of Commerce (annual membership dues)	2/14/13	\$174.00
• Progress Plus (membership fee – first half)	2/20/13	\$12,500.00
• Braun Intertec Corporation (environmental assessment – 8195 Babcock)	2/27/13	\$4,220.75
• Landmark Environmental LLC (environmental assessment – 6671 & 6685 Concord)	2/27/13	\$850.00
• River Heights Chamber of Commerce (Volunteer Appreciation Luncheon)	2/27/13	\$30.00
• Lillie Suburban Newspapers (public hearing notice – economic development districts)	3/6/13	\$43.75
• Dakota County Property Taxation & Records (property taxes – 6671 Concord)	4/3/13	\$1,440.32
• Dakota County Property Taxation & Records (property taxes – 8195 Babcock)	4/3/13	\$3,899.40
• Dakota County Property Taxation & Records (property taxes – 6685 Concord)	4/3/13	\$1,159.40
• Xcel Energy (gas and electric service)	4/10/13	\$178.93

Financial Report

The attached shows the EDA expenditures through the first quarter of 2013.

Enc: Financial Report

cc: Kristi Smith, Finance Director

*S.B.*

# City of Inver Grove Heights EDA Fund 290

## Budget vs Actual through 3/31/13

Account Description	2013 Amended Budget	3/31/13 Actual	Budget Remaining
Investment Earnings	-	-	-
Miscellaneous Revenue	-	-	-
Operating Transfers In	300.00	312,758.98	(312,458.98)
Contribution from Retained Earnings	55,200.00	-	55,200.00
<b>Total Revenue</b>	<b>55,500.00</b>	<b>312,758.98</b>	<b>(257,258.98)</b>
Personnel	14,500.00	3,360.71	11,139.29
Prof/Tech Services	14,500.00	13,541.05	958.95
Purchased Services	-	14.91	(14.91)
Other Purchased Services	26,300.00	13,049.50	13,250.50
Supplies	200.00	-	200.00
Land Purchase	-	312,758.98	(312,758.98)
<b>Total Expenditure</b>	<b>55,500.00</b>	<b>342,725.15</b>	<b>(287,225.15)</b>
<b>Fund 290 Surplus (Deficit)</b>	<b>-</b>	<b>(29,966.17)</b>	<b>(29,966.17)</b>
Claim on Cash		311,451.24	
Land Available for Sale		1,000,000.00	
Loan from Host Community Fund for Land Purchase		1,000,000.00	

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**LEVANDER,  
GILLEN &  
MILLER, P.A.**

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ATTORNEYS AT LAW

TIMOTHY J. KUNTZ  
DANIEL J. BEESON  
\*KENNETH J. ROHLF  
◊STEPHEN H. FOCHLER  
◊JAY P. KARLOVICH  
ANGELA M. LUTZ AMANN  
\*KORINE L. LAND  
◻\*DONALD L. HOEFT  
DARCY M. ERICKSON  
DAVID S. KENDALL  
BRIDGET McCAULEY NASON  
DAVID B. GATES  
•  
HAROLD LEVANDER  
1910-1992  
•  
ARTHUR GILLEN  
1919-2005  
•  
ROGER C. MILLER  
1924-2009

\*ALSO ADMITTED IN WISCONSIN  
◊ALSO ADMITTED IN NORTH DAKOTA  
◻ALSO ADMITTED IN MASSACHUSETTS  
◻ALSO ADMITTED IN OKLAHOMA

## MEMO

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**TO: Tom Link, Executive Director of EDA**  
**FROM: Timothy J. Kuntz, City Attorney**  
**DATE: May 2, 2013**  
**RE: Organization of Board of Commissioners of EDA**

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**Section 1. Background.** The current structure of the Board of Commissioners of the EDA was established by an “enabling resolution” dated January 24, 2011 and identified as Resolution No. 11-13. Under the Resolution, the Board consists of five members. The members are the Mayor and the council. The terms of the EDA Commissioners coincide with their respective term of office as Mayor and council members.

The Board asked three questions:

1. Can the Board consist of seven members?
2. Can five out of the seven members be the Mayor and council members?
3. Can the terms of the Mayor and council members as commissioners on the Board coincide with their terms as Mayor and council members?

The answer to all three questions is yes.

Minnesota Statute § 469.095 governs the organization of the Board. The Statute allows a number of options. The Board can consist of three or five or seven members.

If the Board consists of three members, then Subdivision 2(a) of the Statute provides as follows:

**Subd. 2. Appointment, terms; vacancies.**

(a) Three-member authority: the commissioners constituting a three-member authority, one of whom must be a member of the city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of two, four, and six years, respectively. Thereafter all commissioners shall be appointed for six-year terms.

If the Board consists of five members, then Subdivision 2(b) provides as follows:

**Subd. 2. Appointment, terms; vacancies.**

(b) Five-member authority: the commissioners constituting a five-member authority, two of whom must be members of the city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of two, three, four, five, and six years respectively. Thereafter all commissioners shall be appointed for six-year terms.

If the Board consists of seven members, then Subdivision 2(c) provides as follows:

**Subd. 2. Appointment, terms; vacancies.**

(c) Seven-member authority: the commissioners constituting a seven-member authority, two of whom must be members of the city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of one, two, three, four, and five years respectively and two members for six years. Thereafter all commissioners shall be appointed for six-year terms.

The Statute, however, also allows for more council members than those that are required by Subdivision 2 (a), (b) and (c). In dealing with council members on the Board, the Statute recognizes that the whole council could be on the Board and that the terms of the council members as commissioners could coincide with their terms as council members. In this regard, the three relevant provisions of the Statute are:

- The enabling resolution may provide that the members of the city council shall serve as the commissioners.
- The enabling resolution may provide for the appointment of members of the city council in excess of the number required in paragraphs (a), (b), and (c).
- The city council may set the term of the commissioners who are members of the city council to coincide with their term of office as members of the city council.

Because the Statute allows all members of the council to be on the Board, the enabling resolution could provide for a seven person board with five council members (the Mayor and the four council members) with the provision that their terms as board members coincide with their terms as Mayor and council members. To accomplish this objective the enabling resolution has to be amended and be preceded by a public hearing in the same manner as the original enabling resolution was preceded by a public hearing.

**Section 2. Opinion of Bond Counsel.** Attorney Steve Bubul is the Bond counsel. He drafted the original enabling resolution. Further, each time the EDA issues any debt instrument the Bond Counsel has to opine as to the regular and correct organization of the EDA and its Board. Thus, I asked Bond counsel to also provide an opinion as to the three questions raised above. His opinion is attached to this memo. He concurs in the answers. His opinion is attached to the memo.

**Section 3. Board Action.** If the Board wants to proceed to amend the enabling resolution, it needs to give direction to the executive director and city attorney to give notice of a public

hearing to consider the amendment. It also needs to address the terms of the two members that would not be on the council. Bond counsel suggests that those terms be staggered and that the initial terms be one year for one member and two years for the other member and that thereafter the terms be six years as required by Statute.

**Kennedy**

&

**Graven**

CHARTERED

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## MEMORANDUM

**TO:** Inver Grove Heights EDA  
Tom Link  
Joe Lynch

**FROM:** Stephen Bubul

**DATE:** May 1, 2013

**RE:** EDA Board of Commissioner Membership and Terms

On January 24, 2011, the City Council of the City “reactivated” the Inver Grove Heights Economic Development Authority (the “EDA”) by adopting the Amended and Restated Resolution Establishing an Economic Development Authority for the City of Inver Grove Heights,” (the “Enabling Resolution”), pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 (the “EDA Act”). The Enabling Resolution specified that the EDA’s board of commissioners consists of the Mayor and all council members.

I understand that the City Council may consider amending the Enabling Resolution to provide for a seven-member board of commissioners. The current proposal is to specify that five commissioners would be the mayor and council members, and two would be citizens appointed by the Mayor with approval by the council.

You asked me to advise on certain aspects of that proposal, as follows:

**1. Is the proposed board configuration permitted under the EDA Act?**

Yes. Under Section 469.095, subd. 2(c), one option for an EDA board is seven members, at least two of whom *must* be members of the city council. However, Section 469.095, subd. 2(e) expressly states that the enabling resolution may provide for the appointment of city council members in excess of the minimum number. So the Enabling Resolution may be amended to appoint the entire city council to the EDA board, plus two citizens.

**2. What are the terms of office of the board members under the revised board make-up?**

We recommend the Enabling Resolution should specify that commissioners who are members of the City Council (including the Mayor) have EDA terms that coincide with their term of office on the City Council; and that the two citizens have staggered six-year terms (explained below).

Section 469.095 of the EDA Act specifies that in a seven-member board, the commissioners must be initially appointed for terms of one, two, three, four and five years, and two commissioners with terms of six years; and thereafter, all commissioners have six-year terms. However, Section 469.095, subd. 2(f) also states that the City Council may set the terms of commissioners who are members of the city council to coincide with their city council terms.

To reconcile these two provisions, we recommend that the two citizens be initially appointed for terms of one year and two years, respectively, and thereafter for six-year terms. This preserves the concept of staggered terms, while also allowing EDA and council member terms to coincide. In my experience this is the most common solution to the question of how EDA terms should be configured when the EDA includes a mix of council members and citizens.

### **3. How is the change implemented?**

The City Council must adopt an amendment to the Enabling Resolution (or an updated “amended and restated” resolution), after holding a public hearing. The hearing notice must be published once a week for two consecutive weeks, the first publication no more than 30 days before the hearing; and must include a summary of the proposed amendment.

If the amended Enabling Resolution is adopted, as soon as possible thereafter, the Mayor should propose, and the Council should consider, the candidates for citizen appointments to the board, for initial one and two-year terms (respectively).

Cities often develop an application and interview process to select citizen EDA commissioners; that’s a policy question for the Council to decide.

After the two citizens take office, the EDA should review and revise its by-laws to the extent necessary to make them consistent with the amended Enabling Resolution. The EDA, if it wishes, may elect a new slate of officers for the remainder of the calendar year (which would require a small change in the existing by-laws). Or, the existing officers may continue to serve for the remainder of the year, and new officers elected by the full seven-member board at the next annual meeting.

If you or council members have further questions about this memo, please contact me.

**Economic Development Activities**

**Report On:** April 25<sup>th</sup>, 2013

<b>Progress Plus Scorecard For the Period of April 2013</b>		
<b>Indicator</b>	<b>South St. Paul</b>	<b>Inver Grove Heights</b>
Number of new inquiries		
Number of relocations		1
Number of expansions		

**New Activities**

**Relan Green**

Relocating to Eagan from 6265 Carmen Avenue location. Owner of Relan mentioned that, although they had moved to Inver Grove Heights in the last year, the costs of the facility were too high for their business. We are attempting to reconnect with Relan for an exit interview.

**Dayton Holdings Property (Verderosa)**

Highly motivated to sell property. Inquired about the possibility of outdoor storage buyer, which they knew the city would not entertain. Follow up conversations have resulted in a asking price for the property of \$800,000. The South St. Paul HRA may have an interest in the property but it is not currently in their planning. Progress Plus and City Staff will be meeting with Steve Nelson on Wednesday, April 24.

**Prospective Meetings**

**Pilot Travel Center**

Meeting scheduled for Thursday, April 24<sup>th</sup> at 3:30pm.

**Old Activities**

**Manufacturing/Land**

GREATER MSP has inquired about existing building structure of 50,000 to 250,000 square feet, or developable land with capability to accommodate space demand. Progress Plus is currently working on providing information on possible locations.

**Flex**

GREATER MSP inquired about flex office space in the metro area for a regional headquarters or shared services center. Progress Plus contacted broker for possible location in Inver Grove, broker recommended that the site did not fit GREATER MSP's needs.

**Data Center**

A metro IT company inquired about the Wells Fargo building for a data center. They didn't need more than a half of floor but was willing to look at a full floor if necessary. A secure building with key card entry was desirable. Progress Plus gave them two options in addition to the Wells Fargo Building.

**Industrial**

Tonna Mechanical is expanding into Inver Grove Heights. They do heating, cooling refrigeration and plumbing. They currently have 60 jobs in Rochester and have recently designated a sales person for the region. They need office space with little storage. Progress Plus provided two sites in Inver Grove.

**Industrial**

California Mold Manufacturer reached out to GREATER MSP is working with a California mold manufacturer that is looking to locate in the Midwest. The company anticipates 15 jobs to start with. The company is looking for 10,000 SF existing manufacturing facility, would consider lease or purchase

**Warehouse 2**

A broker is looking for 11,000-16,000 SF warehouse space in Eagan or Mendota Heights with at least 18' clear height and one oversized drive-in door (12' W x 14' H). Two buildings in South St. Paul and three in Inver Grove Heights were provided. No Update

**Restaurant Site or First Class Building**

An established restaurant needs 2000-2400 sf - 2400 is ideal space with good visibility and access. Requires a 30 ft frontage minimum with windows on front and side. Patio seating desired. HRA parcels in South St. Paul were provided and two locations in Inver Grove Heights. No Update

**Food Manufacturer**

GREATER MSP has a user looking for existing space with a preference in the south metro to operate a food production facility. Require a minimum of 25,000 sf and capacity and affordable rates to handle waste water, primarily vinegar (approximately 20,000 gallons a day). Also need 2-3 dock doors and prefer to have some existing refrigeration to store 20-40 pallets. This requirement would provide 18 jobs to start, \$2 million capital investment. One option in each community provided.

**Hotel Broker**

Hotel Broker is looking at both SSP and IGH for a hotel. They are looking at financing options at this time.

**St. Paul Port Authority**

Branna Lindell organized a meeting with staff of the St. Paul Port Authority and Jennifer Gale and Dave Langer to discussed referrals from the Port Authority, available properties and space in the Progress Plus region and opportunities to co-market programs.

**Outside Display Space**

Broker looking for a 12,000-20,000sf stand alone building that allows for outside display space. Must have 1 acre of outside storage. Building must have 16' clear height and 10% of building must have office/showroom space. Prefer to purchase. Prefer Eagan but open to Burnsville, Mendota Heights or Inver Grove Heights. One option in Inver Grove Heights provided. Still being considered.

# PROGRESS PLUS

Urban-Alternative Space Available

**Market Update April 2013**  
**Based on NorthMarq Compass and Colliers International 2013 Reports**

## **INDUSTRIAL MARKET**

The Minneapolis-St. Paul industrial market experienced 492,247 square feet of absorption, continuing a trend of strong absorption from the fourth quarter of 2012 in which 593,803 square feet were absorbed. The vacancy rate also decreased to 10.3 percent.

Activity among tenants is expanding to meet recovering demands, as many midsize firms and manufacturers have reached their max capacity and are seeking expansion. Rental rates have increased, lease concessions have decreased in occurrence, and properties are leasing at an improved pace. However, outdated and functionally obsolete properties in difficult locations have not attracted tenants and these spaces will have to be updated or repurposed in order to draw interest.

Attractive industrial properties hold significant pricing power, as a limited supply of functional space is fueling a need for build-to-suit properties, however economic uncertainty is still driving cautious decision making.

According to the NorthMarq Compass Report, the Southeast market has an overall vacancy rate of 12.8 percent, with about 2 million square feet of vacancy. The outlook analysis of the Southeast market indicates that it will most likely experience flat absorption over the next year, as any gains in new deals will have to overcome the likely give-back of both the Toro Distribution Center in Lakeville, and the vacation of Uline buildings in Eagan. These two give-backs alone equate to half a million square feet of looming vacancy.

## **OFFICE MARKET**

The twin cities office market saw another quarter of positive absorption, and current vacancy in the metro is 16 percent. Corporations are actively streamlining their operations to save money by reducing office space use. Best Buy is subleasing 250,000 square feet at their Richfield campus, while Supervalu is selling its 185,000 square foot former headquarters building along with 73 acres in Eden Prairie.

Class B and C properties without upgrades continue to struggle as their relevancy in the market is decreasing, and many of these properties will need to be repurposed. Some Class B and C properties are looking into data center conversion, though conversions of that type require significant power and fiber infrastructure. Colliers International expects absorption to continue at its current pace, with extrapolation about year-end rate increases leading to a possibility of an increase in absorption between 200,000 and 400,000 square feet.

NorthMarq Compass Report notes that vacancy declined in the South/Airport submarket by almost 10 percent to 17.2 percent of the submarket. The report also predicts 100,000 square feet of positive absorption in the submarket during 2013. Soft demand for Class A space is keeping and expected to keep rental rates consistent. Additionally, large space users have plenty of options in the submarket, though mostly in the western portion of the South/Airport submarket.

### **RETAIL MARKET**

The first quarter of 2013 resulted in a negative absorption of 21,000 square feet for the retail market. Urban and first ring suburb locations are in high demand, though absorption rates are not expected to increase until the third and fourth quarters of 2013 due to preparations for the holiday season. Optimism remains flat though, as apprehension from proposed tax increases and health care costs could dampen disposable income spending.

The new St. Paul Saints stadium and the central light rail corridor are expected to help revitalize the St. Paul urban center, possibly attracting future retailers. Innovation among retail space is becoming popular even among the large corporations. Former gas stations offer well located, high visibility spaces for redevelopment, and have gained interest among retailers. This fits the current trend by retailers to offer more efficiency and convenience to consumers.

### **LAND MARKET**

Build to suit and speculative development are the focus of current industrial land sales, while retail developers are interested in redevelopment sites in prime locations. Agricultural properties continue to reach new heights as crop prices increase, and residential homebuilding has reversed negotiation leverage to the seller, while significantly low apartment vacancy rates are spurring development in urban areas.

Overall, the Twin Cities market is taking advantage of pricing discounts, as home developers are acquiring land in favorable communities with healthy school districts. Bank owned lots from the housing crash are still the basis of most residential land purchases, and prices are nowhere near the 2007 peak, but are rising at a quick rate. First-ring housing is in the highest demand, although pricing is variable depending upon location. Colliers International expects an consistent increase in demand for 2013.

The apartment market is being driven by low vacancy rates across the metro, encouraging apartment development in both metro and first-ring suburban districts. Class A apartments are drawing the most demand, and apartment developers are looking for locations near mass transit. Senior housing is also seeing an increase in development, and it could increase as the housing market improves and seniors are able to downgrade in size.

### **INVER GROVE HEIGHTS LABOR DATA – MNDEED**

Labor Force	20,427
Employment	19,332
Unemployment	5.40%

**MEMO  
CITY OF INVER GROVE HEIGHTS**

**TO:** Inver Grove Heights Economic Development Authority  
**FROM:** Thomas J. Link, Director of Community Development   
**DATE:** May 7, 2013 for EDA Meeting of May 13, 2013  
**SUBJECT:** Open to Business – Status Update

Attached, for the EDA's information, is the first quarterly report for the 'Open to Business' program. Much of the first quarter was spent in starting up the program and advertising it. Some of the information is incomplete since procedures, such as an 'Intake Form', were still being developed. Nonetheless, the program generated considerable interest with slightly more than 200 inquiries and meetings.

The City has advertised the program through the *Insights* newsletter, City website, City Hall lobby monitor, City staff, and on the Highway 52/55 electronic billboard. The Chamber of Commerce has also marketed the program.

Enc: Summary Report  
Detailed Report



TO BUSINESS

Updates

County:  
Time Frame:

Dakota County  
1/1/13 - 3/31/13

**Clients Served:**

New Entrepreneur/Start-up	20
Existing Business	16
Additional Phone Inquiries	78
In Person Inquiries (Banks, Chamber, Etc.)	93
Total	207

**Industry Segment:**

Retail	6
Service	20
Food	9
Manufacturing	1
Wholesale/Dist	0

**How did client hear about OTB:**

- Municipality 61
- Internet 1
- CDA 9
- Chamber 5
- Other Referral (Banks, Schools, Etc.) 34

**Capital Leveraged: \$**

**Direct & Facilitated Financing approved:**

# of loans  
Amount \$ 50,321.00

**Jobs retained or created from MCCD closed loan clients: 5**

**Program related hours TA/Admin: 790.25**

**Types of Businesses:**

Catering Company	Restaurant
Interior Design	House Sitting
Online Website	Children's Fitness
Retail	Medical Office
Fitness Studio	Small Engine Repair
Dog Grooming	Manufacturing

**Types of Services Provided:**

• Business Feasibility
• Business Plan Development
• Cash Flow Analysis
• Marketing
• Regulatory Compliance
• Loan/Microgrant Packaging

**Summary:** The first quarter of the OTB program in Dakota County has been extremely successful. The support of the cities has been felt, seen and heard loud and clear. The entrepreneurs are very happy to see the cities support such an important program!

Program	Time Frame	# of Clients	Program Related Hours TA/Admin	Business Ideas	Types of Services Provided	Approved Direct and Facilitated Capital	Capital Leveraged	Jobs Retained or Created From Direct MCCD Closed Loan Clients	Comments
Apple Valley	1/1/13-3/31/13	2	26	Catering, Food Truck, Restaurant	General business issues/guidance, Business Plan Development, Microgrant Application	\$ 21,000.00		3	Prepared and processed Microgrant Information. Provided a \$20,000 loan to resident operating a restaurant on the Central Corridor. Assisted with financial process for a loan for a new Restaurant. Approved loan and buildout will begin in 2nd Qtr. Provided a \$12,433 loan to Burnsville resident operating a computer business on the Central Corridor
Burnsville	1/1/13-3/31/13	10	52	Restaurant, House Sitting, Title Company, Fast Food Restaurant, Fitness Studio, Embroidery, Beauty Supply	Business Plan Development, General business issues/guidance, Loan Facilitation	\$ 12,433.00		2	Loan facilitation for Fast Food Restaurant. Assisted two clients with starting a new House Sitting service. Discussed business feasibility of multiple businesses. Provided a \$12,433 loan to Burnsville resident operating a computer business on the Central Corridor.
Eagan	1/1/13-3/31/13	5	25.75	Realtor Website, Fitness Studio, International Freight	Record keeping, Bookkeeping, Business Plan Development	\$ 16,888.00			Lent \$16,888 to resident operating a hair salon on the Central Corridor. Assisted clients with business development, regulatory compliance and licensing.
Farmington	1/1/13-3/31/13	6	31.5	Children's Fitness, Service/Team Building, Real Estate, Retail Stationary	Initial Consultation, Loan packaging, Loan Facilitation	\$ -			Assisted clients with various referrals including CPA, Legal and Web Design.
Hastings	1/1/13-3/31/13	2	15	Restaurant, Retail Candy/Popcorn	Initial Consultation, Personal Financial planning, General business issues/guidance, Financial Management Assistance	\$ -			Created new start up checklist for client. Discussed marketing, build out and various business obstacles for existing business.
Inver Grove Hts	1/1/13-3/31/13	1	15.5	Artist	Personal Financial Assistance	\$ -			Assisted client with Microgrant application and personal financial stability.
Lakeville	1/1/13-3/31/13	3	34.5	Cleaning, Retail Clothing, Printing/Web Design, Small Engine Repair, Concrete	Cash Flow Analysis & Projections, Record keeping/bookkeeping, Strategic planning, Operation/logistics	\$ -			Assisted clients with marketing, moving business to a new location within the city, partnerships and loan facilitation.
Rosemount	1/1/13-3/31/13	3	16.5	Interior Design, Retail Guitar	Initial Consultation, General business issues/guidance, Business Plan Development, Personal Financial planning,	\$ -			Assisted clients with cash flow projections, marketing and new business start up.
S. St. Paul	1/1/13-3/31/13	4	37	Coffee Shop, Retail Clothing, Chiropractic Office, Online Children's Website	General Business Issues, Cash Flow Analysis	\$ 240.00			Assisted clients with new business start up including licensing, legal, accounting issues; made a credit builder loan
W. St. Paul	1/1/13-3/31/13	0	9.5			\$ -			
Additional Dakota County (Additional Dakota County numbers include various clients that wanted a business somewhere in the county and various county wide Admin/TA time)	1/1/13-3/31/13	39	527						
<b>Totals</b>		<b>75</b>	<b>790.25</b>			<b>\$ 50,561.00</b>		<b>5</b>	

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**LEVANDER,  
GILLEN &  
MILLER, P.A.**

ATTORNEYS AT LAW

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1910-1992  
•  
ARTHUR GILLEN  
1919-2005  
•  
ROGER C. MILLER  
1924-2009

\*ALSO ADMITTED IN WISCONSIN  
◊ALSO ADMITTED IN NORTH DAKOTA  
◻ALSO ADMITTED IN MASSACHUSETTS  
◻ALSO ADMITTED IN OKLAHOMA

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**MEMO**

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**TO: Tom Link, Executive Director of EDA**  
**FROM: Timothy J. Kuntz, City Attorney**  
**DATE: May 2, 2013**  
**RE: Waiver of Relocation Benefits**  
**8195 Babcock Trail, Inver Grove Heights, Minnesota**

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**Section 1. Background.** The EDA recently acquired the home and property at 8195 Babcock Trail, Inver Grove Heights, Minnesota. The EDA used the services of Evergreen Land Services Company (Evergreen) to obtain a Waiver of Relocation Benefits from the previous owner, Premier Bank.

The Board asked why a Waiver of Relocation Benefits was obtained in light of the fact that the property was vacant? The reasons are as follows:

1. The Purchase Agreement required that the EDA, by a relocation consultant, inform the owner of any relocation benefits that might be available. The Purchase Agreement also required that the owner waive the benefits as a condition precedent to closing. Evergreen was the relocation consultant that informed the owner of the available benefits.
2. Minnesota Statute § 17.52 requires that the EDA either pay relocation benefits to the owner or obtain a waiver from the owner. To obtain the waiver, the Statute requires that the relocation consultant inform the owner as to the type of benefits that may be available.
3. In this instance, the information was that the owner had moved a number of items out of the premises in preparation for the sale. Further, the Purchase Agreement required the removal of miscellaneous personal property before the closing. An eligible relocation benefit is "moving costs." Evergreen obtained a waiver of all moving costs claims up to \$5,000. The waiver also included a waiver of any claims for closing costs up to \$5,000.
4. We wanted the waiver to make sure there were no claims for moving costs or closing

costs.