

**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.

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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.

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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.

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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 13th rather than May 6th.

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.