

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING
MONDAY, MAY 13, 2013 – 8150 BARBARA AVENUE**

CALL TO ORDER/ROLL CALL The Economic Development Authority (EDA) of Inver Grove Heights met on Monday, May 13, 2013, in the City Hall Council Chambers. President Tourville called the meeting to order at 5:00 p.m. Present were Economic Development Authority members Bartholomew, Madden, Mueller, and Piekarski Krech; Executive Director Link, City Attorney Kuntz, City Administrator Lynch, Finance Director Smith, and Secretary Fox.

3. REGULAR AGENDA

A. Minutes:

Motion by Bartholomew, second by Madden, to approve the Minutes of the February 4, 2013 Regular Economic Development Authority meeting.

Ayes: 5

Nays: 0 Motion carried.

Motion by Madden, second by Bartholomew, to approve the Minutes of the March 11, 2013 Special Economic Development Authority meeting.

Ayes: 5

Nays: 0 Motion carried.

B. Claims:

Boardmember Mueller commented on the claims being high last quarter, and questioned how the expenditures could be better controlled. He asked if gas and electric service would be shut off for the summer to the two residences on Concord.

Mr. Link replied that gas and electric service would be shut off. He advised that many of last quarter's expenditures were one-time costs related to the recent acquisitions.

Boardmember Piekarski Krech asked if those costs were above and beyond the assumed acquisition costs.

Mr. Link replied in the affirmative, stating the cost for environmental review, demolition, relocation waivers, etc. was in addition to the purchase price.

Boardmember Mueller asked for clarification of the \$300 charge to Evergreen Land Services.

Mr. Link advised that charge was for a relocation waiver for 8195 Babcock Trail.

Boardmember Mueller asked for clarification of where the Progress Plus membership dues were paid from.

Mr. Link replied that the dues for Progress Plus were part of the EDA budget, which was funded through a transfer from the Host Community Fund.

Boardmember Mueller asked how many people were included in the membership fee.

Mr. Link replied the dues paid for two members; the City Administrator and the Police Chief.

Motion by Bartholomew, second by Madden, to approve disbursements from February 4, 2013 to May 12, 2013.

Dian Piekarski, 7609 Babcock Trail, asked if the intent of the Council was to continue to fund the EDA through the Host Community Fund.

Mr. Link replied that the City Council and the EDA have discussed long-term funding; however, there have been no decisions made.

Boardmember Madden stated the expenses were higher than he anticipated and he would prefer the EDA slow down on making future plans until seeing some results.

Ayes: 5

Nays: 0 Motion carried.

C. EDA Composition

Mr. Link addressed the EDA's request to consider changing the composition of the Board by adding two business members. He asked Mr. Kuntz to discuss the legal aspects of such a change.

Mr. Kuntz advised that Statute provides the flexibility for the EDA to consist of three, five, or seven members. A board consisting of seven members must include at least two members of the city council and the terms of the council members as members of the Board could coincide with their terms as council members. If the Board would like to proceed to amend the enabling resolution to change the Board composition it would need to give direction to the executive director and city attorney to give notice of a public hearing to consider the amendment. It would also need 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. If the amended enabling resolution is adopted, the EDA should review and revise its bylaws to the extent necessary to make them consistent with the amended enabling resolution. The process for non-council selection is nomination by the mayor with the approval of the city council. If a change in the EDA composition is desired, a timeline for consideration would be for staff to come back to the August meeting with the suggested language for the EDA's review. At that time the EDA could give staff direction to hold a public hearing in November, and if it was approved they could start out 2014 with a seven member board.

Boardmember Bartholomew asked if it was a requirement of Statute that the term be six years.

Mr. Kuntz replied in the affirmative.

Boardmember Mueller stated he was not in favor of six year terms.

Boardmember Piekarski Krech stated she would like to expand to seven members but would prefer shorter terms.

President Tourville asked if non-council members could be reappointed at the end of their terms.

Mr. Kuntz stated the Statute seems to indicate no provision for removal without cause but rather only a provision for removal with cause (inefficiency, misconduct, etc.). If the Board was concerned about duration they may want to consider allowing no more than two consecutive six year terms or something along those lines.

Boardmember Madden questioned the need to add two business members to the EDA, stating there was ample opportunity for the business community to communicate with the Board.

Boardmember Bartholomew felt it was important to add two at-large members as a means of gaining insight from citizens. He proposed allowing one term only; however, he noted the initial term would be very short.

Boardmember Mueller asked for clarification of how the non-council members would be selected.

Mr. Kuntz explained that the mayor would nominate individuals and the council would then approve or disapprove the nominations. The mayor would have the authority to bring in one applicant at a time or several.

Boardmember Madden stated he did not have an objection to expanding the EDA; however, he did not necessarily see a need for it and would prefer not to complicate the process by adding members.

Boardmember Mueller stated he would prefer to postpone looking into an expansion until the first of the year.

Boardmember Piekarski Krech stated she liked the idea of expanding to seven members and having the EDA comprised of more than just council. She asked if they could have ex officio members.

Mr. Kuntz stated the term ex officio raised a number of questions as to its definition and whether ex officio's could vote, contribute to discussions, etc. The Board could form a group of advisors, but they would not be allowed to vote as they were not official members.

Ms. Dian Piekarski suggested the EDA ask our state representative's help in changing the portions of the Statute that the EDA was uncomfortable with.

President Tourville stated he did not have an issue with expanding to seven members. If that were to happen, he would likely use the current process for other City commission appointments and would request applications for nominees.

Boardmember Piekarski Krech questioned whether anyone would be willing to make such a long-term commitment for a volunteer position. She added that having two additional individuals with outside ideas might be beneficial.

The EDA directed staff and City Attorney to draft possible language for the EDA to discuss again at the August meeting. The language would add two members, stagger the terms, with the initial terms being one year for one member and two years for the other member, and allowing only single six year terms.

E. Progress Plus Update

Jennifer Gale advised they now have Twitter, Facebook, and LinkedIn accounts. She presented a brochure they plan to implement illustrating key highlights of what makes Inver Grove Heights a great community, including good highway access, small town feel, close proximity to major landmarks, etc. She also presented a mock up of one of four interchangeable inserts they plan to include in the brochure. The back of the insert will remain the same, but the front of each insert will highlight one of the four businesses selected by the EDA as a priority for 2013, with the first one being the Argenta Hills development. Ms.

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Gale asked for direction in regard to whether they wanted the photo of the Rock Island Swing Bridge to remain on the back of the insert, or whether they would prefer the photo be more business related.

President Tourville suggested that businesses pay to be featured in the brochure.

Boardmember Bartholomew agreed with the suggestion to have businesses participate in the cost.

Boardmember Mueller suggested highlighting CHS.

President Tourville suggested using the proposed mock up of the swing bridge for the first insert. They could then discuss highlighting business versus community and perhaps charging businesses to be featured.

Boardmember Madden stated he liked the mock up as presented.

Boardmember Mueller suggested the Progress Plus website be updated.

Ms. Gale replied they were currently in the process of doing so.

Boardmember Piekarski Krech questioned the accuracy of the estimated drive time to Rochester as listed in the brochure.

Ms. Gale replied she felt that was accurate, but stated it could be changed.

President Tourville stated the word 'approximately' could be added in regard to proximity.

Boardmember Piekarski Krech asked if the programs listed under 'financing options' were currently in place.

Ms. Gale replied in the affirmative. She discussed the many newspaper articles they write in an effort to advertise the City and inform the public of new programs, etc.

Carl Kuhl summarized the April 2013 market report. He noted that the southeast industrial market is expected to have flat absorption over the next year, as any gains would have to overcome the recent losses of Toro in Lakeville and Uline in Eagan. The twin cities office market saw another quarter of positive absorption, and the retail market is expected to be flat twin city wide, although some growth is expected along the central corridor and lower town area near the new St. Paul Saints ballpark. They are beginning to see more activity in the land market, both locally and regionally, and housing in this region has dramatically increased and surpassed the national average. He advised they recently made two retention visits, one of which Mr. Link was able to attend with Eyeworks. He summarized the owners' comments, stating she has seen growth and has successfully overcome the challenges of Cahill Avenue construction and being relocated within her building. Mr. Kuhl also visited Associated Bank, which is a great resource for attracting new businesses because of their reach throughout the upper Midwest and their specialized business lending. Progress Plus is working on scheduling additional retention visits, including CHS, Mauer Chevrolet, and various medical and dental clinics. He advised they had reached out to Relan Green but were recently advised they were relocating to Eagan into a lower cost facility. The past few weeks have seen a steady uptick of inquiries, both within our community as well as throughout the twin cities in general. Many of the inquiries are for industrial or datacenters and Progress Plus continues to pursue those.

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Ms. Gale advised they have established partnerships with several organizations, including Dakota Electric Association. Mark Loftus, of Dakota Electric, has been taking their information with him when he meets with businesses in an attempt to attract big users to Dakota County. Another partnership they have recently ramped up is with the St. Paul Port Authority. The Port Authority has offered to assist with any Brownfield remediation, and have also recently created a program in which they give land away to a broker. That broker then constructs a building and they co-lease it out as an ongoing revenue source for the Port Authority. The Port Authority would be happy to discuss this with the EDA should they want further information on that program.

Boardmember Piekarski Krech asked if Progress Plus was aware that Emma Krumbees was going out of business, stating she would have appreciated some advance notice.

Ms. Gale replied she had heard for some time that they were struggling and therefore she had been trying to work with them on various opportunities (i.e. Open to Business, financing options, etc.). There was frequent communication, but Emma Krumbees did not seek any assistance. She stated the restaurant's low level of involvement in the community may have played a role in their closing.

Boardmember Piekarski Krech asked if Emma Krumbees owned their building.

Ms. Gale replied in the affirmative.

Boardmember Mueller requested that extra effort be put into working with the A & W building owners to get it open again. He asked also that business owners not belonging to Progress Plus or the Chamber be notified of upcoming Town Hall business meetings.

Ms. Gale replied that they notify business owners to the extent that they can. They continuously try to keep an accurate database of businesses in the city; however, since businesses are not necessarily required to file anything stating they are doing business, it is difficult to get that information. She stated they use several sources for information, such as City water records, the Department of Commerce, a mailing house, and just driving around the City, but each of these systems has its issues and ultimately much of the responsibility rests on the business owner to notify Progress Plus of their existence.

F. Update

1. Concord Redevelopment

Mr. Link advised that staff is working on scheduling a consultant to discuss financial strategies, tools, and an acquisition strategy at an upcoming meeting.

The Dakota County CDA is currently mailing letters to the remaining property owners in the 6300 block of Concord in an attempt to gauge the interest in selling their land. He will continue to keep the EDA informed on this situation.

Staff is working with the County to get a Phase I environmental analysis of some of the sites in the Concord area. So far they have not been very successful in getting access agreements from the property owners to let the consultant walk the property and discuss its history. The other issue is that the congressional sequestration has affected the EPA (the entity providing the funding), and has resulted in lower levels of funding as well as lower staffing levels.

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President Tourville advised that as a result of some of the developers mentioning the railroad tracks as being a negative for the Concord area, at tonight's Council meeting he planned to ask staff to research the process, cost, etc. associated with designating a railroad quiet zone.

Mr. Link replied he would pull information from a few years ago when the City looked at designating a quiet zone. He stated essentially the City would be required to pay for safety improvements in exchange for the railroad restricting its use of whistles and horns.

President Tourville stated there were grants available for such a purpose, and perhaps a quiet zone in the Concord area would help development move forward.

2. Gun Club Site

Mr. Link advised that MNDOT completed their environmental investigation report and he planned to meet with them this week. During that meeting he hoped to get a copy of the DNR report, approval for the City to conduct its own investigation, and to discuss the process for entering into negotiations to acquire the property.

3. Open to Business

Mr. Link advised that the 'Open to Business' program started the first of the year, with much of the time being spent on administration, advertising, and marketing. They received 114 inquiries, of which 78 were telephone inquiries and 36 were meetings. In addition to that they had 93 meetings to help market the program.

Boardmember Mueller asked how many of the 114 inquiries were specifically for the City of Inver Grove Heights.

Mr. Link stated he did not receive a breakdown of the telephone inquiries; however, out of the 36 meetings that were held, two were in Inver Grove Heights.

Boardmember Bartholomew questioned the figures, stating the spreadsheet showed only one meeting in Inver Grove Heights in the first quarter.

Mr. Link clarified that in addition to that inquiry, there was another client meeting at the beginning of April. He stated that the information on the spreadsheet was very general, noting that the MCCD is required to keep a certain level of confidence.

In regard to Boardmember Mueller's request to invite additional businesses to events, Ms. Piekarski suggested using the list from the recent business satisfaction survey or perhaps the City had a list of businesses operating within the City.

President Tourville replied the Town Hall business meeting was a City event rather than a Progress Plus event, and he believed that Decision Resources used a business listing from the State of Minnesota to compile their mailing list.

Ms. Piekarski asked if all businesses were invited to that event.

President Tourville replied it was not a closed event and all businesses were welcome.

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Boardmember Piekarski Krech stated that although it was not a closed event, they did not do a good job of outreach as several groupings of businesses were missing. She hoped to get a better representation at future meetings.

Ms. Piekarski stated she did not receive an invitation to the Town Hall business meeting, although she has in the past.

Mr. Link stated staff would like a more comprehensive list as well; however, for various reasons there was not an easy solution.

Boardmember Piekarski Krech suggested using the State Sales Tax ID as a data source to compile a list.

President Tourville stated non-profits would not have a tax ID.

Mr. Link stated they could look into using tax ID as a data source.

5. NEXT MEETING

President Tourville advised the next meeting was scheduled for August 12, 2013.

6. ADJOURNMENT: Motion by Mueller, second by Madden, to adjourn. The meeting was adjourned by unanimous vote at 6:22 p.m.