

INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY

SPECIAL MEETING

MONDAY, MARCH 13, 2023 - 5:00 P.M. - 8150 BARBARA AVE

1. Call to Order:

The Economic Development Authority (EDA) of Inver Grove Heights met in a special session March 13, 2023, at City Hall. Chair Gliva called the meeting to order at 5:00 p.m. The Pledge of Allegiance was recited.

2. Roll Call:

Present In-Person: Chair Gliva, Commissioners: Murphy, Scales; Executive Director Rand, City Administrator Wilson, and Community Development Support Specialist Bodsberg.

Present Virtually: Commissioners Dietrich and T'Kach.

3. Regular Agenda:

A. Consideration of Proposals for Retail Recruitment Consultant Services.

Executive Director Heather Rand introduced this item to discuss the three proposals received in response to its RFP for Retail Recruitment Services and provide direction to staff on next steps.

Ms. Rand reviewed the staff report and stated that at the February 6th, 2023, EDA meeting staff was directed to collect RFPs for Retail Recruitment Services. The city received three proposals and they are from Krueger Real Estate Advisors out of Bloomington, MN, Retail Strategies out of Birmingham, AL, and The Retail Coach out of Austin, TX and Tupalu, MS. All three proposals fall within the budget that has been set.

Commissioner Murphy stated that he ordered Krueger number one and Retail Coach number two. Mr. Murphy explained that he likes the fact that Krueger is local and may be more available for updates and information. But throughout Krueger's proposal there is mention of "City Incentives". Mr. Murphy questioned as to what those incentives would be. Mr. Murphy explained that he likes the fact that Retail Coach is very research driven and that they would conduct a data analysis on the city. His only question is if during that analysis would they be speaking with residents in addition to the data.

Executive Director Rand explained that she agrees with Commissioner Murphy's assessment. Krueger Retail Advisory can do the research if needed, but they are more into the relationships and identifying what companies would be a good fit for our community. Ms. Rand stated that it would be good to have a 6-month term for their contract so that their information can be reviewed. Mr. Lee Krueger has experience with the St. Paul Port Authority and has also been a commercial real estate broker.

City Administrator Wilson stated that Commissioner Murphy's question about the possible financial incentives that were referenced throughout the Krueger proposal is most likely a reflection on his past work experience with the St. Paul Port Authority. Most of their deals will include some sort of financial incentive with the work happening in such a large city. The Council will be able to set the parameter if any financial assistance is available and under what circumstances. The Retail Coach does have some local brokers that they work with but the communication wouldn't be with local Inver Grove Heights residents but with the local commercial brokers.

Commissioner Scales stated that he also likes the local hands-on option with Krueger Real Estate that would be more beneficial.

Commissioner T'Kach stated that she agrees with what has been discussed. Ms. T'Kach explained that because Krueger is local, they could possibly have more knowledge of opportunities, and potential financial opportunities. Also, likes the fact that they have the idea of working with relationships and building future relationships. Retail Coach is a distant second on her list.

Commissioner Deitrich stated that Krueger Real Estate is first on her list as well. Ms. Deitrich stated that she likes the fact that their company are hunters, and they'll go out and get the work done. Ms. Deitrich questioned if the Economic Director has the time to be the main contact.

City Administrator Wilson stated that EDA Director Rand and herself will be joint contacts on this project and will intend to work jointly together. As far as the right amount of communication will fluctuate and will be worked out as the agreement process is worked out.

Commissioner Deitrich stated that she would like to see how the benchmarks will be laid out.

Chair Gliva stated that she would like to be involved with communication as well between the city and the chosen consultant, at least at the beginning of this process. Ms. Gliva stated that she also had Krueger first on her list and liked the fact that in their RFP they stated that their focus will be on efforts that will lead to transactions.

Commissioner Murphy stated that as staff works through their relationship with the consultant, he would like to see more of the activity that can potentially occur versus just reports.

Inver Grove Heights Economic Development Authority - March 13, 2023

Commissioner Scales inquired if a contract in length of 6-months is a reasonable amount of time to see results or if 12-months made more sense.

City Administrator Wilson stated that having a 6-month period is more realistic to see if they're happy with the progress of what the consultant is doing or if a new consultant needs to be selected.

Commissioner Deitrich inquired if it's customary to negotiate the cost.

Chair Gliva stated that the chosen proposal isn't the most economical, is there a way to go back and renegotiate.

Executive Director Rand stated that there are three forms proposed and the pricing that they stated is a reflection of what type of work they would do. With what is proposed and how many hours a month Krueger is going to set aside for the city, and that may not have been the case with the other two proposals. Ms. Rand stated that it isn't recommended that we go back and try to renegotiate the costs. If there are additional services that would like to be added, that can certainly be a discussion.

City Administrator Wilson stated she agrees with Ms. Rand and that it would be unusual to renegotiate purely over price. It wouldn't be uncommon to say that the proposal is too much, and then they would take a few services off and narrow in the scope of work to bring the proposal more in line with the city budget.

Executive Director Rand stated that the question is appreciated and that wanting to add value for the residents is important.

Motion by Scales; Second by T'Kach to approve Executive Director Rand to enter into a Professional Service Agreement with Krueger Real Estate Advisors for a six-month contract and to financially not exceed \$7,800 per month along with approved expenses.

Motion approved 5-0.

4. Adjourn.

Motion by Murphy; all in favor to adjourn. The meeting was adjourned by unanimous vote at 5:29 p.m.

Minutes prepared by Stacy Bodsberg, Community Development Support Specialist