



Inver Grove Heights Economic Development Authority
Monday, October 2, 2023 at 5:00 PM
8150 Barbara Avenue, Inver Grove Heights, MN 55077

AGENDA

NOTICE TO RESIDENTS: Individuals may submit written public comments in advance of the meeting by emailing comments to Stacy Bodsberg (sbodsberg@ighmn.gov). Comments received prior to 4:00 p.m. on Monday, October 2, 2023, will be provided to the EDA at or before the October 2, 2023 meeting.

1. **Call to Order**
2. **Roll Call**
3. **Consent Agenda**
 - A. Minutes of the August 14, 2023, Economic Development Authority Meeting.
 - B. Approval of Claims
 - C. Appointment of Interim Executive Director
4. **Regular Agenda**
 - A. Contract Extension with Krueger Real Estate Advisors
5. **Next Meeting**
6. **Adjourn**

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING
MONDAY, AUGUST 14, 2023 - 8150 BARBARA AVE**

The Economic Development Authority (EDA) of Inver Grove Heights met in regular session August 14, 2023, at City Hall. President Gliva called the meeting to order at 5:00 p.m. Present were Economic Development Authority Members T’Kach, Scales, Dietrich, Murphy, and Gliva. City Attorney Nason, City Administrator Wilson, and City Clerk Kiernan.

CONSENT AGENDA

- A. Minutes of the June 5, 2023, Regular Economic Development Authority Meeting

**Motion by Dietrich; Second by Murphy to approve consent agenda item.
Motion approved 5-0.**

REGULAR AGENDA

- A. Presentation by Tony Schertler, Executive Director, Dakota County Community Development Agency Overview.

Kris Wilson, City Administrator, introduced Tony Schertler, Executive Director, Dakota County Community Development Agency.

Mr. Schertler introduced his staff to council . He gave a presentation on the overview of what the Dakota County Community Development Agency does to assist the Dakota County residents.

Their mission is to improve the lives of Dakota County residents and enhance the economic vitality of communities through housing and community development. Over 10,000 people are served by CDA housing programs. They have a portfolio of nearly 2,900 units of affordable rental housing serving homeless youth, single person households, disabled households, families and seniors. There is rental assistance programs that serve over 2,900 households, some resources target specific households. They also have homebuyer education and foreclosure counseling services.

The Dakota County CDA are funded from local, state, and federal resource and rental revenue. They award housing finance resources for affordable housing developments, assist cities with addressing redevelopment needs, allocate federal CBDG resources to eligible activities, and provide support for economic development initiatives.

The CDA provides housing for Seniors age 62+, families with children, Individuals or households with no more than two members, and homeless youth. The CDA is looking to sell their single-family housing to Habitat for Humanity.

Member T’Kach asked what the AMI maximums are for the different groups. Mr. Schertler responded as follows:

80% AMI	1 person	\$66,300
	2 people	\$75,750
60% AMI (50% targeted for the Workforce Housing program)	1 person	\$52,200

2 people	\$59,600
3 people	\$67,080
4 people	\$74,520

They also have homeownership initiatives such as:

1. Pre-purchase counseling - grant funded (HECAT)
2. Homebuyer Education (Home Stretch) - grant funded (HECAT)
3. Home Improvement Loans - CDBG/HOPE (HOPE is CDA levy)
 - 32 homes received loans over the past 5 years totaling \$883,000
4. Weatherization Grants - funded through MN Dept of Commerce
 - 27 properties weatherized in IGH over past 5 years
5. Disposition of CDA Section 18 units of homeownership - pilot program with Habitat for Humanity.

Dakota County CDA also assists with Redevelopment Incentive Grant (RIG) Program. RIG was created in 2006 to assist city partners with redevelopment projects with the goal to increase the tax based and improve the quality of life in Dakota County.

Inver Grove Heights has received \$280,000 in RIG funding.

- \$250,000 to support redevelopment efforts on Dickman Trail North to help acquire, demolish and cleanup sites.
- \$15,000 planning grant for Concord Redevelopment Plan
- \$15,000 for Arbor Pointe Commercial Plan

Dakota County CDA provides tax assistance with Townhome Tax Credit Development (9%) for

- Babcock Crossing which has 49 tax credit units. 5 units are set aside for homeless and opened fall of 2022. Their 2021 & 2022 tax credits equaled \$1,276,611.
- Prairie Estates Townhomes which has 40 tax credit units. 5 units are set aside for homeless. Their 2020 tax credits equaled \$809,212

The DC CDA has development opportunities of new affordable rental housing. The board have been discussing a development plan of 1,000 units in the next 15 years.

Development area that the CDA is working on currently:

- Concord Development - looking to create workforce family townhomes or workforce apartments. CDA has site control over the entire parcel and the housing type and site plan be discussed with the city.
- Hillcrest Pointe - looking to create approximately 60 senior apartment with an estimated development cost of \$15,600,000.

The overall investment in affordable housing listed below are for the FY24-25 biennium which includes \$1 Billion in one-time money, \$50 million in on-going funds plus an additional \$400 million annually in the seven metro counties. Moreover, the bonding bill includes \$79 million for housing and \$21 million for shelter capital projects.

Investment in Housing Programs

- Local Affordable Housing Aid - \$294 million (NEW)
- State Rent Assistance Program - \$134.3 million (NEW)
- Greater Minnesota Workforce Housing Development - \$39 million (NEW)
- Challenge Fund - \$120.85 million
- Community Stabilization (NOAH) - \$90 million (NEW)
- Emergency Rental Assistance - \$115.5 million
- Workforce Homeownership Program - \$20.5 million (NEW)
- Homeownership Downpayment Assistance - \$150 million (NEW)

Kris Wilson, City Administrator, mention that there is a new funding source coming from the metro sales tax that was approved by legislators in 2023. The funding would go to County fifty percent; city twenty-five percent and housing and finance twenty-five percent starting in spring of 2024. The City will need to work with the CDA in their HOPE program to implement some new programs for this new funding source of approximately \$300,000. There is a three-year spending opportunity and if it is not spent within those three years, the money goes back to the state.

ADJOURNMENT

Motion by Murphy; second by T’Kach; all in favor to adjourn. The meeting was adjourned by unanimous vote at 5:48 p.m.

Minutes prepared by City Clerk Rebecca Kiernan.



City of Inver Grove Heights

Budget Report

Account Summary

For Fiscal: 2023 Period Ending: 09/30/2023

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 290 - EDA-OPERATING FUND							
Revenue							
290.00.0000.3610000	INVESTMENT INTEREST	1,900.00	1,900.00	948.06	3,179.48	1,279.48	167.34 %
290.45.0000.3911000	OPERATING TRANSFERS IN	143,600.00	143,600.00	11,966.67	107,700.03	-35,899.97	25.00 %
	Revenue Total:	145,500.00	145,500.00	12,914.73	110,879.51	-34,620.49	23.79 %
Expense							
290.45.3000.419.10100	FULL-TIME EMPLOYEES	107,300.00	107,300.00	0.00	11,908.08	95,391.92	88.90 %
290.45.3000.419.20100	INSURANCE-CASH OPTION	5,100.00	5,100.00	0.00	297.78	4,802.22	94.16 %
290.45.3000.419.20300	EMPLOYER SOCIAL SECURITY	6,700.00	6,700.00	0.00	754.37	5,945.63	88.74 %
290.45.3000.419.20350	EMPLOYER MEDICARE	1,465.00	1,465.00	0.00	176.51	1,288.49	87.95 %
290.45.3000.419.20400	EMPLOYER PERA	8,100.00	8,100.00	0.00	759.88	7,340.12	90.62 %
290.45.3000.419.20600	MEDICAL INSURANCE	15,200.00	15,200.00	0.00	874.59	14,325.41	94.25 %
290.45.3000.419.20620	LIFE INSURANCE	200.00	200.00	0.00	12.53	187.47	93.74 %
290.45.3000.419.20630	LTD INSURANCE	300.00	300.00	0.00	15.61	284.39	94.80 %
290.45.3000.419.20720	FLEX/COMP ACCOUNT FEE	100.00	100.00	0.00	4.22	95.78	95.78 %
290.45.3000.419.20750	WORKERS COMPENSATION	200.00	200.00	16.67	150.03	49.97	24.99 %
290.45.3000.419.30150	FISCAL CONSULTANTS	6,000.00	6,000.00	0.00	0.00	6,000.00	100.00 %
290.45.3000.419.30420	LEGAL SERVICES	6,000.00	6,000.00	0.00	1,125.00	4,875.00	81.25 %
290.45.3000.419.30440	BOND COUNSEL	1,000.00	1,000.00	0.00	0.00	1,000.00	100.00 %
290.45.3000.419.30700	OTHER PROFESSIONAL SERVICES	40,000.00	58,100.00	7,800.00	63,713.89	-5,613.89	-9.66 %
Budget Adjustments							
Number	Date	Description	Adjustment				
BA0000073	02/27/2023	2022 Budget Carryovers	18,100.00				
290.45.3000.419.40075	CITY FACILITIES ALLOCATION	300.00	300.00	25.00	225.00	75.00	25.00 %
290.45.3000.419.50019	INSURANCE ALLOCATION	200.00	200.00	16.67	150.03	49.97	24.99 %
290.45.3000.419.50065	TRAVEL	300.00	300.00	0.00	1,046.84	-746.84	-248.95 %
290.45.3000.419.50070	DUES, LICENSES & SUBSCRIPTIONS	8,000.00	8,000.00	0.00	470.00	7,530.00	94.13 %
290.45.3000.419.50080	CONFERENCES AND SEMINARS	3,500.00	3,500.00	0.00	3,073.78	426.22	12.18 %
290.45.3000.419.60010	SUPPLIES - OFFICE	0.00	0.00	0.00	330.00	-330.00	0.00 %
	Expense Total:	209,965.00	228,065.00	7,858.34	85,088.14	142,976.86	62.69 %
Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):		-64,465.00	-82,565.00	5,056.39	25,791.37	108,356.37	131.24 %
Fund: 291 - EDA-ACQUISITIONS FUND							
Revenue							
291.45.0000.3911000	OPERATING TRANSFERS IN	0.00	0.00	0.00	25,000.00	25,000.00	0.00 %
	Revenue Total:	0.00	0.00	0.00	25,000.00	25,000.00	0.00 %
Expense							
291.45.3000.419.30420	LEGAL SERVICES	0.00	0.00	0.00	9,598.10	-9,598.10	0.00 %
291.45.3000.419.40030	STORM WATER UTILITY SERVICE	0.00	0.00	0.00	231.65	-231.65	0.00 %
	Expense Total:	0.00	0.00	0.00	9,829.75	-9,829.75	0.00 %
Fund: 291 - EDA-ACQUISITIONS FUND Surplus (Deficit):		0.00	0.00	0.00	15,170.25	15,170.25	0.00 %
Report Surplus (Deficit):		-64,465.00	-82,565.00	5,056.39	40,961.62	123,526.62	149.61 %

Group Summary

Account Typ...	Original	Current	Period	Fiscal	Variance	
	Total Budget	Total Budget	Activity	Activity	Favorable	Percent
(Unfavorable) Remaining						
Fund: 290 - EDA-OPERATING FUND						
Revenue	145,500.00	145,500.00	12,914.73	110,879.51	-34,620.49	23.79 %
Expense	209,965.00	228,065.00	7,858.34	85,088.14	142,976.86	62.69 %
Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):	-64,465.00	-82,565.00	5,056.39	25,791.37	108,356.37	131.24 %
Fund: 291 - EDA-ACQUISITIONS FUND						
Revenue	0.00	0.00	0.00	25,000.00	25,000.00	0.00 %
Expense	0.00	0.00	0.00	9,829.75	-9,829.75	0.00 %
Fund: 291 - EDA-ACQUISITIONS FUND Surplus (Deficit):	0.00	0.00	0.00	15,170.25	15,170.25	0.00 %
Report Surplus (Deficit):	-64,465.00	-82,565.00	5,056.39	40,961.62	123,526.62	149.61 %

Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
290 - EDA-OPERATING FUND	-64,465.00	-82,565.00	5,056.39	25,791.37	108,356.37
291 - EDA-ACQUISITIONS FUND	0.00	0.00	0.00	15,170.25	15,170.25
Report Surplus (Deficit):	-64,465.00	-82,565.00	5,056.39	40,961.62	123,526.62



Economic Development Authority Staff Report

SUBJECT: **Appointment of Interim Executive Director**

MEETING DATE: October 2, 2023
ITEM TYPE: Consent Agenda
CONTACT: Bridget Nason, City Attorney

PURPOSE/ACTION REQUESTED

The EDA is asked to adopt the attached Resolution, naming the City Administrator as the interim Executive Director of the EDA.

BACKGROUND

The EDA Bylaws, a copy of which is attached, names the City's Community Development Director as the Executive Director of the EDA. Given the current vacancy in the City's Community Development Director position, there is a need to appoint an interim Executive Director.

FISCAL IMPACT

None

RECOMMENDATION

Staff recommends approval of the attached Resolution.

ATTACHMENTS

1. Resolution Appointing Interim Executive Director
2. EDA Bylaws

INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

RESOLUTION APPOINTING INTERIM EXECUTIVE DIRECTOR

WHEREAS, Article III, Section 1 of the Amended Bylaws of the Inver Grove Heights Economic Development Authority, adopted on March 7, 2011, (Bylaws), as amended, provides that the Community Development Director of the City of Inver Grove Heights is designated as the Executive Director of the Inver Grove Heights Economic Development Authority (EDA), unless and until another person is so designated by the Board of Commissioners of the EDA; and

WHEREAS, the Board of Commissioners of the EDA has determined that the City Administrator for the City of Inver Grove Heights should be designated as the Executive Director of the EDA on an interim basis, until such time as the position of the City's Community Development Director is filled.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the City of Inver Grove Heights Economic Development Authority (the "EDA") as follows:

1. The City Administrator for the City of Inver Grove Heights is hereby designated as the Executive Director of the Inver Grove Heights Economic Development Authority, until such time as the position of the City's Community Development Director is filled.

Approved by the Board of Commissioners of the Inver Grove Heights Economic Development Authority this 2nd day of October, 2023.

Sue Gliva
Its: President

Attest:

Kris Wilson
Its: Interim Executive Director

BYLAWS OF THE INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY

ARTICLE I - THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the “City of Inver Grove Heights Economic Development Authority.”

Section 2. Office of Authority. The office of the Authority shall be at the City Hall in the City of Inver Grove Heights, State of Minnesota, but the Authority may hold its meetings at such other place or places as it may designate by resolution.

Section 3. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority.

Section 4. Establishment. The City of Inver Grove Heights Economic Development Authority is established by Resolution No. 11-13, approved by the City Council of the City on January 24, 2011 (the “Enabling Resolution”), pursuant to Minnesota Statutes, Section 469.090 to 469.1081, as amended.

Section 5. Commissioners. In accordance with the Enabling Resolution, the Mayor of the City and four council members shall serve as the Board of Commissioners (the “Board”) of the Authority. Their terms as commissioners coincide with their respective term of office as Mayor and council members.

ARTICLE II - THE OFFICERS

Section 1. Officers. The Authority shall elect a president, a vice president, a treasurer, a secretary, and an assistant treasurer. The president, treasurer and secretary shall be elected at each annual meeting, and shall hold office one year or until their successors are elected and qualified. The vice president and assistant treasurer may hold office for any term designated by the Board, or until any successors are elected and qualified. A commissioner must not serve as president and vice president at the same time. The other offices may be held by the same commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

Section 2. President. The President shall preside at all meetings of the Authority.

Section 3. Vice President. The Vice President shall perform the duties of the President in the absence or incapacity of the President, including signing all contracts, deeds, and other instruments executed by the Authority; and in the case of the resignation or death of the President, the Vice President shall perform such duties as are imposed on the President (including without limitation execution of contracts) until such time as the Board shall select a new President.

Section 4. Secretary. The Secretary shall keep minutes of all meetings of the Board and shall maintain all records of the Authority. The office of Secretary may be held by a person who is an employee of the City or Authority.

Section 5. Treasurer's Duties. The treasurer:

- (1) shall receive and is responsible for Authority money;
- (2) is responsible for the acts of the assistant treasurer;
- (3) shall disburse Authority money by check only;
- (4) shall keep an account of the source of all receipts and the nature, purpose, and authority of all disbursements; and
- (5) shall file the Authority's detailed financial statement with its secretary at least once a year at times set by the Authority.

Section 6. Assistant Treasurer. The assistant treasurer has the powers and duties of the treasurer if the treasurer is absent or disabled.

ARTICLE III - EXECUTIVE DIRECTOR

Section 1. Designation. The Community Development Director of the City is designated as Executive Director of the Authority, unless and until another person is so designated by the Board. Any person appointed to fill the office of Executive Director, or any vacancy herein, shall have such terms as the Authority fixes, but no commissioner of the Authority shall be eligible to serve as the Executive Director.

Section 2. Duties. The Executive Director shall have general supervision over the administration of the Authority's business and affairs subject to the direction of the Board.

ARTICLE IV - MEETINGS

Section 1. Regular Meetings. Regular meetings shall be held on the first Monday of February, May, August, and November at 5:00 p.m., at the City of Inver Grove Heights City Hall unless otherwise determined by the Board after notice as required for a special meeting.

Section 2. Annual Meeting. The annual meeting of the Authority shall be held as part of the regular February meeting each year.

Section 3. Special Meetings. Special meetings of the Authority may be called by the President, two members of the Authority, or the Executive Director, for the purpose of

transacting any business designated in the call. All commissioners of the Authority shall be notified, and the special meeting shall be noticed in accordance with state law.

Section 4. Quorum. At any meeting of the Authority, the presence of three commissioners shall constitute a quorum. If a quorum is not present at any meeting, those present shall have power to adjourn the meeting from time to time without notice other than announcement at such meeting until the requisite number of votes shall be present to constitute a quorum. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. Any resolution, election, or other formal action of the Authority shall be adopted upon the affirmative vote of a majority of the Authority membership.

Section 5. Rules of Procedure. All meetings of the Authority shall be conducted in accordance with the most recent editions of Roberts' Rules of Order.

Section 6. Manner of Voting. The voting on all questions coming before the Authority shall be by voice unless any commissioner calls for a roll call vote. The yeas and nays shall be entered upon the minutes of such meetings.

Section 7. Adoption of Resolutions. Resolutions need not be read aloud prior to vote. Resolutions are deemed adopted if approved by at least a simple majority of all commissioners present, unless State law requires otherwise.

Section 8. Presentation of Recommendations and Information. At any meeting of the Authority, the officers, commissioners and the Executive Director may present such recommendations and information as they may consider proper concerning the business, affairs and policies of the authority.

ARTICLE V - ADMINISTRATION OF FINANCES

Section 1. Contracts, Checks and Drafts. The Executive Director shall be the chief purchasing agent of the Authority. All purchases and contracts on behalf of the Authority shall be made by the Executive Director, provided that the approval of the Authority must be given whenever the amount of such purchase or contract exceeds \$0.00. All contracts, bonds, and instruments of every kind to which the Authority is a party shall be executed in the name of the Authority and shall be signed by the President and Executive Director.

Section 2. Manner of Presentation of Claims. All bills, invoices, statements and claims for payment of money in discharge of any obligation of the Authority shall be filed with the Executive Director who shall cause the same to be examined and entered into the record. Each claim against the Authority shall be accompanied by either an itemized bill or payroll, or time sheet, each of which shall be approved and signed by the responsible officer who vouches for the correctness and reasonableness thereof and, except in the case of salaries and wages of employees and laborers of the Authority, shall be accompanied by the claimant's verified statement of claim as required by law.

ARTICLE VI - EMPLOYEES; SERVICES; SUPPLIES

Section 1. Employees. Subject to limits set by the appropriations or other funds made available, the Authority may employ such staff, technicians, and experts as may be deemed proper and may incur such other expenses as may be necessary and proper for the conduct of its affairs.

Section 2. Contract for Services. The Authority may contract for services of consultants, agents, public accountants, and other persons needed to perform its duties and exercise its powers.

Section 3. Legal Services. The Authority may use the services of the city attorney or hire a general or specialized counsel, and any combination thereof, for its legal needs.

Section 4. Supplies. The Authority may purchase the supplies and materials it needs to carry out its function pursuant to Minnesota Statutes, Sections 469.090 to 469.1081.

Section 5. City Purchasing. The Authority may use the facilities of its city's purchasing department in connection with construction work and to purchase equipment, supplies, or materials.

Section 6. City Facilities, Services. The City may furnish offices, structures and space, and stenographic, clerical, engineering, or other assistance to the Authority.

Section 7. Delegation Power. The Authority may delegate to one or more of its agents or employees powers or duties as it may deem proper.

ARTICLE VII - POWERS

Section 1. Functions, Powers, and Duties. The Authority has all the powers set forth in the Enabling Resolution.

ARTICLE VIII - AMENDMENTS

Section 1. Amendment to Bylaws. The bylaws of the Authority may be amended by a majority vote of the Authority membership at a regular or special meeting. The amendments must be in written form.

Section 2. Conflicts. In any instance where these bylaws are in conflict with the Enabling Resolution, the Enabling Resolution shall control.

Section 3. Effective Date. These bylaws are effective upon their adoption by the Board.

Adopted March 7th 2011.

George Tourville, President of the City of
Inver Grove Heights Economic Development
Authority

ATTEST:

Kim Fox, Secretary



Economic Development Authority Staff Report

SUBJECT: Contract Extension with Krueger Real Estate Advisors

MEETING DATE: October 2, 2023

ITEM TYPE: Regular Agenda

CONTACT: Kris Wilson, City Administrator, 651.450.2511

PURPOSE/ACTION REQUESTED

The EDA is asked to authorize the attached amendment to its contract with Krueger Real Estate Advisors in order to extend it for an additional six months.

BACKGROUND

After issuing a Request for Proposals (RFP) at the beginning of the year and reviewing the responses, the EDA entered into a six-month contract with Krueger Real Estate Advisors in late March to provide retail recruitment services. During the first six months of service, Lee Krueger has developed a strong understanding of the city's various business districts, community desires, and retail opportunities, and productive working relationships with the EDA, local commercial property owners, and commercial real estate brokers. A six-month extension of the contract will allow the EDA and Mr. Krueger to build on this foundation and will provide important continuity given the current vacancy in the City's Community Development Director position.

FISCAL IMPACT

The total cost for an additional six months of service is not to exceed \$46,800. Sufficient funds are available within the EDA's adopted 2023 budget and proposed 2024 budget to fund this expense.

RECOMMENDATION

Staff recommends approval of this item.

ATTACHMENTS

1. Initial Professional Services Agreement with Krueger Real Estate Advisors
2. Amendment to Professional Services Agreement - Krueger Real Estate Advisors (Sept 27 2023)

INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY
PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** (Agreement) is entered into this 24th day of March, 2023, by and between the Inver Grove Heights Economic Development Authority, a public body corporate and politic (EDA) and Krueger Real Estate Advisors, LLC, a Minnesota limited liability company (Consultant).

WHEREAS, the EDA has accepted the proposal of the Consultant for certain professional services as described in **Exhibit A**; and

WHEREAS, Consultant desires to perform the Services for the EDA under the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual consideration contained herein, it is hereby agreed by EDA and Consultant as follows:

1. **Term of Agreement.** This Agreement shall be in effect from the date of execution by all parties and shall continue until the time identified in **Exhibit A: Scope of Services**, unless terminated earlier in accordance with the terms of this Agreement. The Term of this Agreement may be extended upon the written mutual consent of the parties for such additional period as they deem appropriate upon the same terms and conditions as herein stated.

2. **Scope of Services.** EDA hereby agrees to engage Consultant as an Independent Contractor for the purposes of performing all of the services and supplying the goods (if any) set forth in the attached **Exhibit A: Scope of Services**.

3. **Time is of the Essence.** This Agreement is made in anticipation of conditions permitting continuous and orderly progress through completion of work as detailed in the Scope of Services and the Consultant's Proposal. Times for performance shall be extended as necessary for delays or suspensions due to circumstances outside the reasonable control of the Consultant. Notwithstanding any other provision of this Agreement, the Consultant shall not have liability for or be deemed in breach because of delays caused by any factor outside of its reasonable control, including but not limited to natural disasters, adverse weather, or acts of the EDA, third parties, or governmental agencies.

4. **Contract Documents.** The following documents shall be referred to as the "Contract Documents," all of which shall be taken together as a whole, as the contract between the EDA and Consultant:

- A. This Professional Services Agreement
- B. EDA Request for Proposals Dated February 10, 2023
- C. Consultant's Response to Request for Proposals (**Exhibit A**)

In the event of a conflict among the provisions of the Contract Documents, the terms of this Professional Services Agreement shall control in resolving any such conflict within the Contract Documents.

5. **Compensation.** The EDA shall pay the Consultant and the Consultant shall accept as payment for performance of the Services described in the Scope of Services the fee(s) as described on **Exhibit B: Schedule of Payment and Fee Schedule**. The total contract amount listed on **Exhibit B: Schedule of Payment and Fee Schedule** is inclusive of reimbursables, taxes, and all other charges (the "Fee"). Unless the EDA has agreed to pay the Consultant on an hourly basis, this Fee shall not be adjusted if the estimated hours to perform a task, the number of required meetings, or any other estimate or assumption is exceeded. Consultant shall submit itemized bills for the Services provided to the EDA on a monthly basis. Prior to payment, Consultant will submit evidence that all payrolls, materials bills, subcontractors, and other indebtedness connected with the Services have been paid as may be required by the EDA. Bills submitted to the EDA shall be paid in the same manner as other claims made to the EDA. The Fees for Professional Services shall be as specified in the attached **Exhibit B: Schedule of Payment and Fee Schedule**, or as specified in a supplemental agreement or work order approved in writing by the EDA. The Consultant may update its fee schedule annually by providing the EDA with its revised fee schedule.

6. **Change Orders.** Any changes to the Scope of Services shall require prior written approval by the authorized representative of the EDA or by the EDA. The EDA will not pay additional compensation for Services that do not have prior written authorization.

7. **Compliance with Laws and Regulations.** In providing Services hereunder, Consultant shall abide by all laws, regulations, statutes, ordinances, and rules pertaining to the provisions of the Services to be provided to the EDA.

8. **Standard of Care.** Consultant represents that it has the requisite training, skills, and experience necessary to provide the Services, and is appropriately licensed and has obtained all permits from all applicable agencies and governmental entities. Consultant shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily possessed and exercised by a professional consultant under similar circumstances.

9. **Indemnification.** The Consultant agrees, to the fullest extent permitted by law, to defend, indemnify and hold the EDA harmless from any damage, liability, or cost (including reasonable attorney's fees and cost of defense) to the extent caused by the Consultant's negligent acts, errors, or omissions in the performance of the professional services under this Agreement and those of his or her subcontractors or anyone for whom the Consultant is liable. No supplemental agreement, work order, or Authorization to Proceed under this Agreement may reduce or limit this obligation.

10. **Insurance.** Unless more specific insurance provisions are listed in the Scope of Services, the following will apply. At all times during its performance under this Agreement, Consultant will obtain and keep in force the following types of insurance in the following amounts:

- i. Commercial General Liability. Consultant will obtain and keep Commercial General Liability insurance including coverage for bodily injury and property damage with limits not less than \$1,000,000 each occurrence and \$2,000,000 annual aggregate.
- ii. Automobile Liability. Consultant will obtain and keep Automobile Liability insurance with a minimum limit of not less than \$1,000,000 per occurrence, Combined Single Limit for Bodily Injury and Property Damage, including coverage for owned, hired or non-owned vehicles, as applicable.

These insurance policies are to be issued by an insurance company authorized to do business in the State of Minnesota with an A.M. Best rating of A- or better. EDA shall be included as an additional insured for General Liability, Automobile Liability, and any Umbrella/Excess Liability policy. Limit requirements may be met through combination of Primary and Umbrella/Excess insurance. All such policies will provide for thirty (30) days' written notice to the EDA prior to cancellation or non-renewal or ten (10) days' written notice for non-payment of premium. Consultant's insurance must be primary and non-contributory with regard to any insurance or self-insurance maintained by the EDA. Consultant and its insurers waive all rights of subrogation against the EDA. A Certificate of Insurance evidencing the requirements contained in this clause must be provided prior to the commencement of the Services and annually thereafter as dictated by the terms of the Certificate of Insurance.

11. Independent Contractor. The EDA hereby retains Consultant as an Independent Contractor upon the terms and conditions set forth in this Agreement. Consultant is not an employee of the EDA and is free to contract with other entities as provided herein. Consultant shall be responsible for selecting the means and methods of performing the work outlined in the Scope of Services. Consultant shall furnish any and all supplies, equipment, and incidentals necessary for Consultant's performance under this Agreement. Consultant shall be exclusively responsible under this Agreement for Consultant's own FICA payments, Workers' Compensation payments, unemployment compensation payments, withholding amounts, and/or self-employment taxes if any such payments, amounts, or taxes are required to be paid by law or regulation.

12. Subcontractors. Consultant shall not enter into any subcontracts for Services provided under this Agreement without the express written consent of the EDA. Consultant shall comply with the provisions of Minnesota Statutes § 471.425. Consultant must pay subcontractor for all undisputed services provided by subcontractor within ten (10) days of Consultant's receipt of payment from the EDA. Consultant must pay interest of 1.5% (one and one-half percent) per month or any part of a month to subcontractor on any undisputed amount not paid on time to subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10.

13. Minnesota Government Data Practices Act. Pursuant to Minnesota Statutes, § 13.05, subd. 11, all of the data created, collected, received, stored, used, maintained, or disseminated by Consultant in performing the functions of the EDA while performing the Services are subject to the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, and Consultant must comply with the Minnesota Government Data Practices

Act as it applies to (1) all data provided by the EDA pursuant to this Agreement, and (2) all data created, collected, received, stored, used, maintained, or disseminated by Consultant pursuant to this Agreement. Consultant is subject to all the provisions of the Minnesota Government Data Practices Act, including but not limited to the civil remedies of Minnesota Statutes, Section 13.08, as if it were a government entity. In the event Consultant receives a request to release data, Consultant must immediately notify EDA. EDA will give Consultant instructions concerning the release of the data to the requesting party before the data is released. Consultant agrees to defend, indemnify, and hold EDA, its officials, officers, agents, employees, and volunteers harmless from any claims resulting from Consultant's officers', agents', partners', employees', assignees', or subcontractors' unlawful disclosure and or use of protected data. The terms of this paragraph shall survive the cancellation or termination of this Agreement.

14. Intellectual Property Rights.

A. Intellectual Property Rights of EDA. EDA owns all rights, title, and interest in all the intellectual property rights, including copyrights, patents, trade secrets, trademarks and service marks in the Works and Documents created and paid for under this Agreement. "Works" means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes and disks conceived, reduced to practice, created or originated by the Consultant, its employees, agents and subcontractors, either individually or jointly with others in the performance of this Agreement. Works includes Documents. "Documents" are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Consultant, its employees, agents, or subcontractors, in the performance of this Agreement. Documents will be the exclusive property of the EDA and the Consultant must immediately return all such Documents to the EDA upon completion or cancellation of this Agreement. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire". The Consultant assigns all right, title, and interest it may have in the Works and the Documents to the EDA. The Consultant must, at the request of the EDA, execute all papers and perform all other acts necessary to transfer or record the EDA's ownership interest in the Works and Documents.

B. Intellectual Property Rights of Consultant. The Consultant retains title and interest in all its standard details, plans, specifications, and engineering computation documents ("Previously Created Works and Documents"), whether in written or electronic form, which have been incorporated into the Works and Documents, but which were developed by the Consultant independent of this Agreement. The Consultant issues to the EDA a royalty-free, nonexclusive, and irrevocable license to use the Previously Created Works and Documents.

C. Notification. Whenever the Consultant reasonably believes it, or its employees or subcontractors has made an invention, improvement, or discovery (whether or not patentable) in the performance of this Agreement and has or actually or constructively reduced it to practice, the Consultant will immediately give the EDA's

authorized representative written notice thereof and must promptly furnish the EDA's authorized representative with complete information and/or disclosure thereon.

D. Representation. The Consultant must perform all acts and take all steps necessary to ensure that all intellectual property rights in the Works and Documents created and paid for under this Agreement are the sole property of the EDA and that neither the Consultant nor its employees, agents or subcontractors retain any interest in and to the Works and Documents created and paid for under this Agreement, except that the Consultant need not obtain patents, copyrights or trademarks. The Consultant represents that the Works and Documents created and paid for under this Agreement do not and will not infringe upon any intellectual property rights of other persons or entities. The Consultant will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the EDA, at the Consultant's expense, from any action or claim brought against the EDA to the extent that it is based on a claim that all or part of the Works or Documents created and paid for under this Agreement infringe upon the intellectual property rights of others. The Consultant will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs and damages including but not limited to reasonable attorney fees. If such a claim or action arises, or in the Consultant's or the EDA's opinion is likely to arise, the Consultant must, at the EDA's discretion, either procure for the EDA the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents created and paid for under this Agreement as necessary and appropriate to obviate the infringement claim. This remedy of the EDA will be in addition to and not exclusive of other remedies provided by law. This Article does not apply to Consultant's Previously Created Works and Documents as described in 14.B.

E. EDA's Reuse of Works and Documents. If the Works and Documents created and paid for under this Agreement are engineering plans, specifications or recommendations requiring the certification of a licensed professional engineer, the EDA acknowledges that such plans, specifications, and recommendations have been created solely for the specific project covered by this Agreement and may not be suitable for reuse on other projects. There will be no restriction on reuse of the Works and Documents created and paid for under this Agreement but reuse without the written verification or adaptation by the Consultant will be done at EDA's sole risk and without liability to the Consultant.

15. Equal Opportunity and Non-Discrimination. Consultant agrees to comply with applicable provisions of all applicable federal, state, and EDA laws, regulations, statutes, and ordinances pertaining to the civil rights and non-discrimination in the application for and employment of applicants for employment, employees, subcontractors and suppliers of the Consultant.

16. Assignment. Neither party shall assign this Agreement, or any interest arising herein, without the written consent of the other party.

17. Waiver. Any waiver by either EDA or Consultant of any breach of this Agreement shall be in writing. No waiver by a party of any default or nonperformance will be deemed a waiver of any subsequent default or nonperformance.

18. Notices. Any notice required under this agreement shall be sent to the parties as follows:

EDA: Inver Grove Heights Economic Development Authority
Attention: Executive Director
8150 Barbara Avenue
Inver Grove Heights, MN 55077

Consultant: Krueger Real Estate Advisors
9516 Columbus Ave S.
Bloomington, MN 55420

19. Termination. This Agreement may be terminated by either party upon thirty (30) days written notice delivered to the other party at the address listed in Section 18 of this Agreement. Upon Termination, if there is no default by Consultant, Consultant shall be paid for Services rendered and reimbursable expenses until the effective date of Termination. This Agreement may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement. The non-performing party shall have fifteen (15) calendar days from the date of Termination notice to cure or to submit a plan for cure that is acceptable to the other part.

20. Controlling Law/Venue. The EDA and Consultant agree to negotiate all disputes related to this Agreement in good faith for a period of thirty (30) days from the date of the notice of dispute prior to proceeding to file a lawsuit regarding the dispute. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. In the event of litigation, the exclusive venue shall be in the District Court of the State of Minnesota for Dakota County.

21. Entire Agreement. The entire agreement of the parties is contained herein. This Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof, as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein.

**[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK
SIGNATURES TO FOLLOW]**

In witness whereof, Consultant and EDA and caused this Agreement to be executed on their behalf by the proper officers.

Date: March 24, 2023

**INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT AUTHORITY**

BY: Heather Rand

Heather Rand, Executive Director

ATTEST: Stacy Bodsberg

Stacy Bodsberg, EDA Clerk

KRUEGER REAL ESTATE ADVISORS, LLC

Lee Krueger

Lee Krueger, President

Dated: March 24, 2023

EXHIBIT A
SCOPE OF SERVICES

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RESPONSE FOR IGH RFP

PROFESSIONAL RETAIL RECRUITMENT SERVICES

To the City of Inver Grove Heights and its Economic Development Authority: thank you for considering Krueger Real Estate Advisors for this project in your city. We are honored to be part of the discussion and, if selected, will work with you and your team to deliver the best possible outcomes for Inver Grove Heights. Please feel free to contact us with any questions you may have regarding our proposal.

A. Project Approach.

In short, this project will benefit from a “hands on” approach with face-to-face and in-person interactions being more impactful than a reliance upon electronic research. We will use all tools at our disposal to find a path that leads to success for Inver Grove Heights. Many steps in this process will occur simultaneously, and they include (in no particular order):

- Meetings with existing property owners and brokers.
 - Complete Participation/Cooperation Agreements.
 - Allows for assistance with marketing efforts.
 - Demonstrates City’s commitment to assist.
 - Leverages existing networks.
 - Site visits with owners/brokers.
- Inventory of existing real estate.
 - Vacant retail spaces.
 - Expiring leases of open businesses.
 - Vacant land.
- Interviews with impacted and interested parties.
 - Community members.
 - Retailers.
 - Within Inver Grove Heights.
 - Find the success stories.
 - Learn what is believed to improve marketplace.
 - Outside of the immediate vicinity.
- Attendance at Inver Grove EDA meetings.
 - Regular staff updates.
 - Written status reports.
- Work with the EDA and City of IGH to develop aggressive strategies to recruit retail.
 - Identify possible Public/Private Partnerships.
 - Determine what, if any, incentive packages may be appropriate.

- Focus will be on efforts that lead to transactions rather than providing a research project.
 - “Hunter” rather than a “gatherer.”
 - This cannot be a passive effort.

B. Project Consultant Team.

1. Lee Krueger, Principal (see attached resume).
 Lee has over 35 years of commercial real estate experience with the majority of his experience being in retail real estate focusing on the property owner/landlord side of the table. Before starting Krueger Real Estate Advisors in 2022, Lee was the president of the Saint Paul Port Authority (SPPA). At the SPPA Lee created several Public-Private Partnerships that led to completed development projects. Working to bridge the divide between the public interests and the private sector development community allowed for certain projects to advance that would not have occurred otherwise.
 Lee has extensive history with many of the brokers that are actively leasing spaces within Inver Grove Heights. By building on these relationships, we will be able to leverage the efforts that are already taking place.
 Lee has a Real Estate Broker’s license for the state of Minnesota.
2. LeeAnn Krueger, Associate.
 Starting her second year at Krueger Real Estate Advisors, LeeAnn will function as the Research Analyst for this endeavor. She will also assist with creating written agreements with brokers and owners and coordinate showings and meetings with the same entities. Research can also include researching and assisting with City staff to find appropriate grant sources.
 LeeAnn will represent the project at industry events locally and nationally.
 LeeAnn has a Real Estate Salesperson’s license for the state of Minnesota.
3. SKJ Design Studios.
 Owned and operated by Suzanne Jones, SKJ Design Studios can provide on an “as needed” basis maps and marketing materials that can be provided to the industry professionals. Suzanne has created such supporting resources for Mid-America Real Estate and JLL. We will plan to utilize existing flyers that are being used in the marketplace, but will combine them when appropriate.
4. There is the potential that additional industry professionals will be added to the project team if the need warrants such an addition.

C. Relevant Experience.

1. Lee will be the primary contact for this project.
2. Memberships include:
 - a. Minnesota Shopping Center Association (MSCA).
 - b. Innovating Commerce Serving Communities (ICSC, formerly entitled International Council of Shopping Centers.
 - c. Minnesota Commercial Association of Real Estate/Realtors (MNCAR).
3. Regular attendee at all groups’ events, including the May 2023 ICSC National Convention where IGH can be represented.

4. Krueger Real Estate Advisors is a licensed real estate company in Minnesota (license number 40792372).

D. Consultant Team Capacity.

Krueger Real Estate Advisors was created in March 2022 and obtained its first clients in May 2022. Even though Lee Krueger, principal, has 38 years of experience, as a relatively new real estate firm its capacity is still considerable.

Meetings are being scheduled in the next months as the market uncertainties facing the industry in 2023 and beyond will lend itself to the use of boutique firms that can provide personalized services that extend beyond the typical passive approach.

E. References:

1. Angie Helms, Sr. Property Manager, Hillcrest Development. Former colleague. (570) 460-4914 cell; AngieH@Hillcrestdevelopment.com
2. Marshall Nguyen, Vice President, Caspian Group. Developer. (612) 327-1059; marshall@caspianrealty.com
3. Julie Bauch, Owner, Bauch Enterprises. Colleague at Keg & Case Market. (612) 860-2467; julie@bauchenterprises.com
4. Josh Krsnak, Principal, Hempel Companies. Developer. (612) 355-2602; josh@hempelcompanies.com
5. Heide Kempf-Schwarze, Sr. Property Manager, Unilev (Wells Fargo Place). Saint Paul Downtown Alliance. (651) 229-2841; heide.schwarze@unilev.com
6. Bill Ashton, owner Jersey's Bar & Grill. (612) 867-4871; bill@jerseysbar.com
7. Kris Schisel, VP Agency Leasing, Transwestern. Broker, former colleague. (612) 359-1691; Kris.Schisel@transwestern.com
8. Todd Geller, Saint Paul landlord and developer. (612) 730-5430, todd@terracegrouppllc.com
9. Recent deals:
 - a. Seven deals in the Downtown Alliance Program with five additional leases being negotiated. Deals include: 2043; Trinity House Coffee; Jack & The Pack; Blue Hummingbird Woman; Ramadhan Designs; Night Club; Petek Trading. This program won the 2022 Minnesota Shopping Center Association Star Award for the Innovation category.
 - b. Treasure Island Center Downtown Saint Paul: Numerous leases including Pillbox Tavern; Minnesota Wild; TRIA Orthopedics and more.
 - c. Keg & Case Market: Letters of intent out for three food tenants.

F. Conflicts of Interest. None.

For retail projects, the team is currently leasing the Keg & Case Market in Saint Paul and working on the Saint Paul Downtown Alliance Grow Saint Paul Program.

WE are also consulting on a brownfield site in Burnsville that will be marketed for industrial development opportunities.

G. Costs.

Not to exceed \$7,800.00 per month.

- Lee \$250.00 per hour, will devote a minimum of 24 hours per month.
- LeeAnn \$100.00 per hour, will devote a minimum of 18 hours per month.
- SKJ Studios: \$75.00 per hour ("as needed" basis with pre-approval).

Could include maps and demographics, as well as photos and renderings.

Note: Additional time is available if in the opinion of City staff that it will be necessary to advance the project.

Expected reimbursables: None without project contact(s) from City staff. With approval, these could include:

- Hosted meals;
- Industry events;
- Event sponsorships;
- Presentations at industry events (such as Minnesota Real Estate Journal's continuing education courses).

The members of Krueger Real Estate Advisors have already committed to several industry events which will not be charged to the city of Inver Grove Heights. The real estate recruitment project will be presented to brokers, tenants, developers and others at these functions. These local, regional, and national events include, but are not limited to the following:

- ICSC Convention, May 2023 in Las Vegas.
- MNCAR Expo, October, Minneapolis.
- MSCA Monthly programs, usually held in Hopkins.

EXHIBIT B
SCHEDULE OF PAYMENT AND FEE SCHEDULE

G. Costs.

Not to exceed \$7,800.00 per month.

- Lee \$250.00 per hour, will devote a minimum of 24 hours per month.
- LeeAnn \$100.00 per hour, will devote a minimum of 18 hours per month.
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- ICSC Convention, May 2023 in Las Vegas;
- MNCAR Expo, October, Minneapolis.
- MSCA Monthly programs, usually held in Hopkins.

Total cost for consulting services provided under this March 24, 2023 dated agreement shall not exceed \$46,800 plus pre-approved expenses.

**AMENDMENT NO. 1 TO INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT
AUTHORITY PROFESSIONAL SERVICES AGREEMENT**

WHEREAS, the Inver Grove Heights Economic Development Authority (EDA) and Krueger Real Estate Advisors, LLC (Consultant), entered into a Professional Services Agreement (Agreement) on March 24, 2023; and

WHEREAS, the Agreement authorized the Consultant to perform the Services outlined on Exhibit A of the Agreement at a monthly cost not to exceed \$7,800, for a total cost not to exceed \$46,800, plus approved expenses, for a period of six months; and

WHEREAS, EDA and Consultant wish to amend the Agreement to extend the term that Consultant will provide Services under the Agreement to the EDA for an additional six months.

NOW THEREFORE, the EDA and Consultant agree as follows:

1. The Inver Grove Heights Economic Development Authority Professional Services Agreement between the EDA and Consultant dated March 24, 2023 is hereby amended as follows:
 - a. The term of the agreement is extended for an additional six months through March 31, 2024 (the "Extension Term").
 - b. The monthly maximum cost for Services provided by Consultant to the EDA during the Extension Term shall not exceed \$7,800, and the total cost for all Services provided by the Consultant under the Agreement during the Extension Term shall not exceed \$46,800, plus approved expenses.
2. All other terms of the original Agreement not modified by Section 1 above shall continue in full force and effect during the Extension Term.

In witness whereof, Consultant and City and caused this Agreement to be executed on their behalf by the proper officers.

**INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT AUTHORITY**

BY: _____

ATTEST: _____

Dated: _____, 2023

**KRUEGER REAL ESTATE ADVISORS,
LLC**

Dated: _____, 2023

By: _____

Its: _____