



Inver Grove Heights Economic Development Authority
Monday, April 1, 2024 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, April 1, 2024, will be provided to the EDA at or before the April 1, 2024 meeting.

1. **Call to Order**
2. **Roll Call**
3. **Consent Agenda**
 - A. Minutes of the February 5, 2024, Economic Development Authority Meeting
 - B. Approval of Claims
4. **Regular Agenda**
 - A. Contract Extension with Krueger Real Estate Advisors
 - B. Review & Discussion of City & EDA Owned Land
5. **Next Meeting**
 - A. The next regularly scheduled meeting is Monday, June 3, 2024, at 5:00 p.m.
6. **Adjourn**

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING MONDAY,
February 5, 2024 - 8150 BARBARA AVE**

The Economic Development Authority (EDA) of Inver Grove Heights met in regular session February 5, 2024, in the Council Chambers at City Hall. President Gliva called the meeting to order at 5:00 p.m. Pledge of Allegiance was said.

Present were Economic Development Authority Board Members Gliva, Scales, Dietrich, Murphy, and T’Kach, City Administrator Wilson, Deputy City Clerk Malott, and City Attorney Nason.

3. ELECTION OF OFFICERS

The EDA is asked to elect a President, Vice-President, and a Treasurer from among members of the body and to appoint the Deputy City Clerk as the EDA Secretary and the Finance Director as the Assistant Treasurer.

Motion by Scales; Second by Dietrich to elect Sue Gliva as president of the Economic Development Authority. Motion approved 5-0.

Motion by Murphy; Second by T’Kach to elect Tony Scales as Vice-President of the Economic Development Authority. Motion approved 5-0.

Motion by T’Kach; Second by Scales to elect Brenda Dietrich as Treasurer of the Economic Development Authority. Motion approved 5-0.

The staff recommendation is to nominate and elect the Deputy City Clerk Malott as Secretary of the EDA. Motion by Dietrich; Second by T’Kach. Motion approved 5-0.

Motion by T’Kach; Second by Scales to elect Finance Director Hove as Assistant Treasurer. Motion approved 5-0.

4. CONSENT AGENDA

- A. Approval of Minutes of the December 4, 2023, Economic Development Authority Meeting.
- B. Approval of Claims.
- C. Resolution Approving a Joint Powers Agreement for the 2024-2026 Open to Business Program.

Treasurer Dietrich questioned who would be attending the events for the Open to Business Program.

City Administrator Wilson stated that the Dakota County Community Development Authority contracts with a consultant. The consultant would be meeting with individual interested businesses. There typically aren’t public group events. The reports generated would go to the EDA President via Wilson. This agreement is separate from the contract with the Inver Grove Heights Real Estate Advisor.

Motion by Dietrich; Second by Murphy to approve all consent agenda items. Motion approved 5-0.

5. REGULAR AGENDA

A. Discussion of Grant Funding Opportunities & Priorities.

City Administrator Wilson stated that some of the grant opportunities may be for the city as well as through the EDA as they have the same governing body.

The DEED Host Community Grant has been previously used for:

- Vista Pines Park
- Acquisition of final parcel for Heritage Village Park
- Broderick Blvd Phase #1
- Broderick Blvd Phase #2
- Land Acquisition along Dickman/Dixie

DEED has indicated it will no longer approve applications for park development – not a strong enough connection to Economic Development.

Grants may only be spent for capital costs of an eligible project.

- a. Capital costs means expenditures for the public acquisition of land and buildings, betterment of public lands and buildings and for other publicly owned capital improvements. Capital costs also include expenditures for predesign, design, engineering, and similar activities for specifically identified eligible projects.
- b. An eligible project means a development or redevelopment project that will generate economic development within a time frame of five years or less or facilitate the preparation of long-term economic development within a host community.

Economic development means assistance in preparation of a redevelopment or redevelopment area that results in at least one of the following:

1. Job creation, including jobs relating to construction and temporary jobs.
2. An increase in the tax base.
3. The ability of the eligible project to attract private investment.
4. Long-term economic development.
5. Needed public infrastructure or transportation.
6. Other objective criteria established by the commissioner, demonstrate a public benefit to the host community.

The City of Burnsville is the other recipient of these grants. Their recent uses include:

- A sewer force main connection and multi-use trail that are tied to a new apartment development on Crystal Lake.
- Predesign for the Aldrich Avenue South extension and multimodal improvements tied to Burnsville Center Redevelopment Village Vision.
- Right-of-way and easement acquisition for the 35W/Buck Hill Road exit ramp tied to the Burnsville Center Redevelopment Village Vision.

The Redevelopment Incentive Grant (RIG) is offered by the Dakota County Community Development Agency (CDA). There are 3 types of grants: Planning, Environmental

Investigation, and Project. This program is for redevelopment only. The process is competitive as all the cities in Dakota County are eligible to apply and there is a limited pool of funds. A match in funds is required for some of the grant categories.

Eligible uses of the RIG program:

- Planning Grants
 - o Maximum amount is \$25,000, requires a 1-to-1 match.
 - o Market analysis, financial feasibility studies, concept development, site design, zoning studies, engineering studies.
- Environmental Investigation Grants
 - o Maximum amount is \$25,000, no match required.
 - o Environmental studies, environmental assessment (Phase 1, Phase 2, etc.) soil borings, and development of Response Action Plans.
- Project Grants
 - o Maximum amount is \$250,000, requires a 2-to-1 match.
 - o Property acquisition.
 - o Relocation payments to occupants of property with program funds.
 - o Clearance and demolition expenses related to site assemblage for redevelopment.
 - o Environmental remediation activities on the impacted site. These may include contaminated soil excavation and disposal, ground water remediation, contaminated soil remediation, soil vapor remediation and mitigation.
 - o Necessary public infrastructure improvements required for and directly connected to the redevelopment project, limited to utilities such as sanitary or storm sewer, water connections, stormwater (pipes or ponds), or fiber optic lines.
 - o Geotechnical corrections to soil conditions that would require extraordinary expense to remediate.

Ineligible uses of the RIG Program:

- Public facilities such as city halls, city parks, city water treatment facilities, etc.
- Streets, parking lots, parking ramps, streetscape (planters, streetlights, benches, etc.), sidewalks, wayfinding signage, and other similar public or private improvements.
- Building construction and associated soft costs related to the project to be built on the redeveloped site.
- Costs do not include in the application, including those incurred prior to the award date.
- Rehabilitation of either historic or non-historic buildings, or house moving.
- Administration expenses.

Inver Grove Heights Historical Uses:

- 3 grants awarded to IGH since the program began in 2007.
 - o 2 planning grants, each for \$15,000.

- 1 project grant, \$250,000 toward the acquisition of 6940 & 6950 Dixie Avenue for future redevelopment.
- CDA has awarded \$13.6 million since 2007.
 - IGH total in 2% of that or \$280,000.

Challenges accessing grant funding:

- Timing.
 - Long lead time for goals.
 - Relatively short grant application & use periods.
 - Cannot “bank” grant funds to build up money.
- “Matching” funds to build up money.
 - Some acquisitions will cost more than the grant funding provides – see note above about not being able to “bank” grant funds.

How does the EDA/CDA wish to use a DEED grant moving forward?

- Continue with land acquisition to complete or complement already purchased parcels?
 - Phasing acquisition where possible.
- Shift to uses more like Burnsville?
 - Infrastructure investments to spur economic development.
 - Utilities to golf course parcel on the north side of 70th.
 - Partial funding for certain “tricky” road needs.

President Gliva stated that she thinks a Concord Boulevard redevelopment would fit in these grants possibly. Gliva questioned if there was a purchase of land working on closing would there be extra time to file for the grant if it is coming up on the deadline of June 30th. City Administrator Wilson stated that June 30th is the absolute deadline. Gliva questioned what the high-level timeline looks for how the funds are awarded. Wilson stated that the application is sent in for what the plan is for the funds, the project is completed, and then the funds are reimbursed for the DEED Host Community Grant. DEED would have wanted to know what the project idea was by December 31st. Acquiring property with the grant has its challenges as a seller will not want to wait 6 months to close on the property. Infrastructure projects are easier to navigate as the city has more control over the timeline.

Board member Murphy stated that he would like to see these grants applied for in hopes of relieving taxes by bringing in projects that would improve the tax base.

Vice-President Scales stated that he would like to see the funds go towards an infrastructure project where we have a little more control, and we already have projects that are waiting to be completed.

Board member T’Kach questioned if infrastructure would include stormwater or sewer management. Wilson stated that the project must show how it would spur economic development. For instance, if downtown area businesses are flooding because the stormwater system can’t handle runoff. T’Kach questioned if the funds could be used to put utilities into a portion of land on the golf course. Wilson stated that the golf course is currently

zoned park and would require several conversations with Planning Commission and the City Council to decide how to guide the use of the parcel. T’Kach questioned if there are similar infrastructure projects that could be completed using money in the budget and be able to use the grant. Wilson stated one she can think of is the Cahill streetlights, as the agreement with Xcel Energy has run out to help with replacements along the commercial corridor. Funds must go towards capital costs. T’Kach inquired if the funds can go towards sidewalks and trails. Another city has used the funds for a sewer force main connection and multi-use trail tied to a new apartment development.

President Gliva questioned if the RIG allows for planning. Wilson stated that the RIG does allow for planning and vision, but it does require a 1-to-1 match. Gliva inquired at to when Cahill Ave is supposed to be updated. Wilson thinks that it might be 2027 but would have to double check.

Board member Murphy inquired if the 2-to-1 match has always been required for the RIG program. Wilson stated that she is unsure of the history on that aspect. Murphy stated that IGH is only receiving 2% of the funds and other communities are coming up with eligible projects. Wilson stated that she was able to find that there are only mentions of the projects that won funding in a press release from 2017.

City Administrator Wilson stated that both County Commissioners are eager to see these resources used in Inver Grove Heights. The bigger question is if the City Council wants to put up City money or not to match.

Board member T’Kach stated that if the city already owned land it would like to sell, can RIG funding be used for an environmental investigation to help in full transparency of the parcel. Wilson stated that the funds can be used that way, but the City Attorney has suggested that any phase 1 type work not be funded with the grant.

President Gliva questioned if there was a way to get more ahead of thinking about what projects could use the grant funds. Wilson stated that during the budget and Capital Improvement Plan planning projects can be identified as possibly being eligible.

City Administrator Wilson stated that there is currently \$415,000 available to IGH through June 30th, 2024, and listed on the application is the acquisition of land from Republic Services. One possibility to use the funding in time could be to approach the owner and purchase what the city can of the 4 parcels on that property.

Vice-President Scales stated that it would be helpful if he could obtain a list of all the properties the city owns and what the plans were for them. Wilson stated that a list of land owned by the EDA could be provided.

Board member T’Kach inquired if there were any improvements that were listed for the fire houses or filling potholes on business-centric streets that would be eligible for the grants. Wilson stated that it might take some out of the box thinking.

6. NEXT MEETING

The next regularly scheduled meeting is Monday, April 1, 2024, at 5:00 p.m.

7. ADJOURNMENT

Motion by Scales; second by T’Kach; all in favor to adjourn. The meeting was adjourned by unanimous vote at 5:58 p.m.

Minutes prepared by Deputy City Clerk Katie Malott.



		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	3,000.00	3,000.00	0.00	463.47	-2,536.53	84.55 %
290.45.0000.3911000	OPERATING TRANSFERS IN	169,515.00	169,515.00	14,126.25	42,378.75	-127,136.25	75.00 %
	Revenue Total:	172,515.00	172,515.00	14,126.25	42,842.22	-129,672.78	75.17 %
Expense							
290.45.3000.419.10100	FULL-TIME EMPLOYEES	107,800.00	107,800.00	0.00	0.00	107,800.00	100.00 %
290.45.3000.419.20100	INSURANCE-CASH OPTION	5,100.00	5,100.00	0.00	0.00	5,100.00	100.00 %
290.45.3000.419.20300	EMPLOYER SOCIAL SECURITY	6,700.00	6,700.00	0.00	0.00	6,700.00	100.00 %
290.45.3000.419.20350	EMPLOYER MEDICARE	1,600.00	1,600.00	0.00	0.00	1,600.00	100.00 %
290.45.3000.419.20400	EMPLOYER PERA	8,100.00	8,100.00	0.00	0.00	8,100.00	100.00 %
290.45.3000.419.20600	MEDICAL INSURANCE	17,500.00	17,500.00	0.00	0.00	17,500.00	100.00 %
290.45.3000.419.20620	LIFE INSURANCE	200.00	200.00	0.00	0.00	200.00	100.00 %
290.45.3000.419.20630	LTD INSURANCE	300.00	300.00	0.00	0.00	300.00	100.00 %
290.45.3000.419.20720	FLEX/COMP ACCOUNT FEE	100.00	100.00	0.00	0.14	99.86	99.86 %
290.45.3000.419.20750	WORKERS COMPENSATION	600.00	600.00	50.00	150.00	450.00	75.00 %
290.45.3000.419.30420	LEGAL SERVICES	10,000.00	10,000.00	0.00	0.00	10,000.00	100.00 %
290.45.3000.419.30700	OTHER PROFESSIONAL SERVICES	43,000.00	43,000.00	7,800.00	15,600.00	27,400.00	63.72 %
290.45.3000.419.40075	CITY FACILITIES ALLOCATION	315.00	315.00	26.25	78.75	236.25	75.00 %
290.45.3000.419.50019	INSURANCE ALLOCATION	200.00	200.00	16.67	50.01	149.99	75.00 %
290.45.3000.419.50065	TRAVEL	300.00	300.00	0.00	0.00	300.00	100.00 %
290.45.3000.419.50070	DUES, LICENSES & SUBSCRIPTIONS	8,000.00	8,000.00	0.00	0.00	8,000.00	100.00 %
290.45.3000.419.50075	MEALS AND LODGING	200.00	200.00	0.00	0.00	200.00	100.00 %
290.45.3000.419.50080	CONFERENCES AND SEMINARS	3,500.00	3,500.00	0.00	0.00	3,500.00	100.00 %
	Expense Total:	213,515.00	213,515.00	7,892.92	15,878.90	197,636.10	92.56 %
	Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):	-41,000.00	-41,000.00	6,233.33	26,963.32	67,963.32	165.76 %
Fund: 291 - EDA-ACQUISITIONS FUND							
Expense							
291.45.3000.419.40030	STORM WATER UTILITY SERVICE	0.00	0.00	0.00	80.70	-80.70	0.00 %
	Expense Total:	0.00	0.00	0.00	80.70	-80.70	0.00 %
	Fund: 291 - EDA-ACQUISITIONS FUND Total:	0.00	0.00	0.00	80.70	-80.70	0.00 %
	Report Surplus (Deficit):	-41,000.00	-41,000.00	6,233.33	26,882.62	67,882.62	165.57 %

Group Summary

Account Typ...	Original	Current	Period	Fiscal	Variance	
	Total Budget	Total Budget	Activity	Activity	Favorable (Unfavorable)	Percent Remaining
Fund: 290 - EDA-OPERATING FUND						
Revenue	172,515.00	172,515.00	14,126.25	42,842.22	-129,672.78	75.17 %
Expense	213,515.00	213,515.00	7,892.92	15,878.90	197,636.10	92.56 %
Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):	-41,000.00	-41,000.00	6,233.33	26,963.32	67,963.32	165.76 %
Fund: 291 - EDA-ACQUISITIONS FUND						
Expense	0.00	0.00	0.00	80.70	-80.70	0.00 %
Fund: 291 - EDA-ACQUISITIONS FUND Total:	0.00	0.00	0.00	80.70	-80.70	0.00 %
Report Surplus (Deficit):	-41,000.00	-41,000.00	6,233.33	26,882.62	67,882.62	165.57 %

Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
290 - EDA-OPERATING FUND	-41,000.00	-41,000.00	6,233.33	26,963.32	67,963.32
291 - EDA-ACQUISITIONS FUND	0.00	0.00	0.00	-80.70	-80.70
Report Surplus (Deficit):	-41,000.00	-41,000.00	6,233.33	26,882.62	67,882.62



Economic Development Authority Staff Report

SUBJECT: **Contract Extension with Krueger Real Estate Advisors**

MEETING DATE: April 1, 2024

ITEM TYPE: Regular Agenda

CONTACT: Kris Wilson, City Administrator, 651.450.2511

PURPOSE/ACTION REQUESTED

The EDA is asked to authorize the EDA President to sign a contract extension with Krueger Real Estate Advisors on the EDA's behalf.

BACKGROUND

After issuing a Request for Proposals (RFP) in early 2023, the EDA entered into a six-month contract with Krueger Real Estate Advisors in late March to provide retail recruitment services. The contract was then extended for an additional six months in September 2023. The EDA is now asked to consider another extension, for a term of either six or twelve months, in order to retain Mr. Krueger's services and keep the focus on attracting retail, restaurant and resident service businesses to Inver Grove Heights.

FISCAL IMPACT

Funding for this contract is available within the EDA's adopted 2024 budget.

RECOMMENDATION

Staff recommends approval of this item.

ATTACHMENTS

1. Initial Professional Services Agreement with Krueger Real Estate Advisors

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

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Not to exceed \$7,800.00 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.



Economic Development Authority Staff Report

SUBJECT: **Review & Discussion of City & EDA Owned Land**

MEETING DATE: April 1, 2024

ITEM TYPE: Regular Agenda

CONTACT: Kris Wilson, City Administrator, 651.450.2511

PURPOSE/ACTION REQUESTED

The EDA is asked to review and discuss the attached list of properties owned by either the City or the EDA and provide direction to staff regarding any desired next steps in regards to these parcels.

BACKGROUND

The attached list identifies properties currently owned by the City or the EDA that may be candidates for future sale or development, depending on EDA/Council direction and relevant property conditions, such as road and utility connections, development timelines for surrounding parcels, etc. The terms and conditions under which the City acquired some of these parcels will require further research and may limit their future use or sale.

The list does not include City-owned property that is used for a City facility (City Hall, fire stations, water towers, etc.), named parks, or stormwater ponds. Staff will present the list during Monday's EDA meeting, with some additional notes about each parcel's potential future use.

FISCAL IMPACT

RECOMMENDATION

ATTACHMENTS

1. City & EDA Owned Parcels (April 2024)

Inventory of City & EDA Owned Land (April 2024)

Area: East of Hwy 52; between Upper 55 th St. & 65 th St.			
Address	PID	Acres	2040 Comp Plan Guiding
NA	2003-3105-6011	13.25	Office
NA	2000-4002-5015	14.66	Office

Area: Southeast Quadrant of 494 & Hwy 52			
Address	PID	Acres	2040 Comp Plan Guiding
NA	2041-3000-2030	0.44	Regional Commercial
2399 53 rd St. E.	2041-3000-2080	0.35	Regional Commercial

Area: Inver Wood Golf Course			
Address	PID	Acres	2040 Comp Plan Guiding
NA	2000-8000-1014	4.93	Public Parks & Open Space
NW Quadrant of 70 th & Babcock	NA	4.19	Public Parks & Open Space

Area: Carleda Way Residential Neighborhood			
Address	PID	Acres	2040 Comp Plan Guiding
NA	2019-5000-1050	0.50	Public Parks & Open Space
NA	2019-5000-1060	0.25	Public Parks & Open Space
NA	2019-5000-1070	0.50	Public Parks & Open Space

Area: Across Babcock from the City Campus			
Address	PID	Acres	2040 Comp Plan Guiding
8195 Babcock Trail		4.27	Industrial Office Park

Area: Pinkville (far southwest corner of the city – no public road access)			
Address	PID	Acres	2040 Comp Plan Guiding
NA – Multiple (20+) lots of approx. ¼ to 1/3 of an acre		TBD	Rural Density Residential

Inventory of City & EDA Owned Land (April 2024)

Area: 6600 Block of Concord (west side of Concord – south of Turitto's Pizza)			
Address	PID	Acres	2040 Comp Plan Guiding
6639 Concord Blvd	2043-2500-0080	0.91	Mixed Use
6653 Concord Blvd	2043-2500-0100	0.45	Mixed Use
6671 Concord Blvd	2043-2500-0120	0.45	Mixed Use
6685 Concord Blvd	2043-2500-0140	0.45	Mixed Use
6727 Concord Blvd	2043-2500-0150	0.21	Mixed Use
NA	2043-2500-0170	0.21	Mixed Use
4195 68 th St. E.	2043-2500-0201	0.72	Mixed Use

Area: Dixie Ave./Dickman Trail			
Address	PID #	Acres	2040 Comp Plan Guiding
NA	2001-1002-7012	10.38	Light Industrial
6845 Dixie Ave.	2039-9000-0081	0.23	Light Industrial
6900 Dixie Ave.	2017-7500-6030	0.34	Light Industrial
6910 Dixie Ave.	2017-7500-6050	0.23	Light Industrial
6940 Dixie Ave	2017-7500-6071	0.24	Light Industrial
6950 Dixie Ave.	2017-7500-6090	0.29	Light Industrial

Area: Block South of Heritage Village Park			
Address	PID #	Acres	2040 Comp Plan Guiding
6535 Doffing Ave.	2036-5003-3140	0.52	Public Parks & Open Space
6539 Doffing Ave.	2036-5003-3120	0.28	Public Parks & Open Space
6549 Doffing Ave.	2036-5003-3110	0.14	Public Parks & Open Space
NA	2036-5003-3101	0.28	Public Parks & Open Space