

**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.