

INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING

MONDAY, April 1, 2024 - 8150 BARBARA AVE

The Economic Development Authority (EDA) of Inver Grove Heights met in regular session April 1, 2024, in the Council Chambers at City Hall. President Gliva called the meeting to order at 5:00 p.m. The Pledge of Allegiance was said. Present were Economic Development Authority Members Gliva, Scales, Dietrich, Murphy, and T'Kach, City Administrator Wilson, Deputy City Clerk Malott, City Attorney Bridget Nason, and City Engineer Paul Merchlewicz.

3. CONSENT AGENDA

A. Approval of Minutes of the February 5, 2024, Economic Development Authority Meeting

B. Approval of Claims

Motion by Dietrich; Second by Scales to approve all consent agenda items.

Motion approved 5-0.

4. REGULAR AGENDA

A. Contract Extension with Krueger Real Estate Advisors

City Administrator Kris Wilson stated that the City's contract with Krueger Real Estate Advisors is coming to an end and would like the EDA to decide if the contract should be extended. Staff recommends at least 6 months or a 12-month term. A full year would give time for the hiring and settling in of a new Community Development Director. The type of work Krueger does is making connections to fill commercial space with perspective businesses in Inver Grove Heights.

Commissioner T'Kach asked how long it might be until the hiring of a new Community Development Director and how long would the new person need to meet with Mr. Krueger to be comfortable. T'Kach also asked what tangible outcomes there have been or coming in the future. Wilson stated the Community Development Director job will be posted later in the week. The hope is to have a Community Development Director starting in July. For a 6-month extension the new person might still be getting acclimated whereas a 12-month extension would allow for more time. Wilson stated that there have been several interested businesses, but not at the point of releasing their names yet. Mr. Krueger does meet with Wilson regularly and shares who he is in contact with.

Commissioner Murphy asked if it is in the budget for both a consultant and a Community Development Director and would like to see a calendar or updates to the Commissioners with what confidentiality allows to see what Mr. Krueger is working on and if staff thinks it has been productive. Wilson stated that there are funds for both a Community Development Director and a consultant. Wilson does receive invoices every month and can see dates and what project was being worked on and with whom. Wilson stated that she believes it has been helpful. It is hard to say how much a city is going to influence private business about where to re-locate. Wilson stated that in the 2025 budget there might be a staff recommendation for an additional staff person that can be in the office and interacting with other city staff, the chamber and businesses. Without Krueger the city would be in a very

reactive way of trying to do this work. Murphy asked if Mr. Krueger was now taking communications and interest from businesses with questions or looking for space in Inver Grove Heights. Wilson stated that he is. Murphy asked for a list of who has contacted the city. Wilson stated that she can compile one, but once these are written down, they are public record, and the list will need to be made conscientiously to allow for confidentiality for the business. Murphy stated that he doesn't need to see it if it could create issues and Wilson feels comfortable with it. Wilson stated that she is comfortable with Mr. Krueger's work.

Commissioner Scales stated that he would be comfortable with extending the contract for another year but would really like to see something solid by the end of that year. Would really like to see some sort of report if there isn't something tangible.

Commissioner T'Kach stated that with the economy, businesses might not be in a position to take the leap into relocating or opening a new location. With the work that Mr. Krueger has done then those businesses and the city are in a better position for these projects to come to fruition and is in support of a 1-year extension. T'Kach stated that it would also be helpful to know why businesses aren't choosing Inver Grove Heights.

Murphy stated that at the beginning of the contract that the Commission wanted to see results after 1 year. Murphy stated that he is more in support of a 6-month contract extension.

Scales asked what the difference is in a 1-year or 6-month contract extension. Wilson stated that there isn't any significant difference in either timeframe. The contract would be up for extension again and an item at that respective EDA meeting. Scales would be supportive of 6-months then.

Commission President Gliva stated that she meets with Mr. Krueger on a regular basis and had recently met with him. She agrees with Administrator Wilson that there is a lot of activity going on and a lot of the work does take time. The city also doesn't have anyone out there advocating to bring businesses into the city. Gliva stated that she still sees a need for the services.

T'Kach stated that a 1-year contract would give continuity to projects instead of trying to change hands in the middle.

Scales stated that if Krueger was working with someone right now and said it was going to take a year then maybe a year contract extension, but the work can continue if it needs to be handed off to staff.

Murphy stated that he is glad to hear that President Gliva and Administrator Wilson are getting more information.

Commissioner Dietrich stated that she has been to several events that Mr. Krueger has connected her to. Dietrich was invited to and attended two seminars that also had retail developers and retail brokers. On April 10, Dietrich says she will be on a panel with other mayors with a room full of people in the retail development industry. Mr. Krueger is also working with South St. Paul and can help developers find a fit in both areas.

Scales stated that he is not saying that the work that Krueger has been doing isn't good, he doesn't see the point in extending it out to a year when in 6 months they can have a conversation again and possibly extend it again.

Motion by Scales; Second by Murphy; to Approve the 6-month contract extension with Krueger Real Estate Advisors.

Motion approved 5-0.

B. Review & Discussion of City & EDA Owned Land

Administrator Wilson presented on City and EDA owned properties. The discussion was centered around properties that were not currently in-use and excluded actively used land like the golf course, stormwater ponds, city hall, etc.

Factors to consider:

- How did the City/EDA acquire the land? Does it carry restrictions on future use? Payback requirements if sold?
- Is the land guided and zoned as the EDA/Council would like to see it used?
- Is the necessary infrastructure in place to serve the land? (water, sewer, streets, etc.)
- Are there any pending or future developments of surrounding land that would factor into when would be the optimal time to sell?
- Is "the juice worth the squeeze"?

Recommendation: hold for Future Sale

- 8195 Babcock Trail
 - o 4.27 acres / zoned Industrial Office Park (IOP)
- SE Quadrant of 494 & HWY 52
 - o 0.79 acres in two lots - zoned Regional Commercial

Recommendation: ??

- "Pinkville"
 - o Approximately 170 lots total on 80 acres, but no street frontage, water or sewer service
 - o City owns approximately 1/3 of the lots

Commissioner Murphy asked if the south side of 120th is in Inver Grove Heights. Wilson stated that it is in the City of Rosemount.

Commissioner Dietrich asked what the area is guided and zoned. Wilson stated it is Rural Residential which is inconsistent for the size of the lots. These size lots would not allow for a septic field. If they were to be developed, a collaboration with Eagan would be needed to bring in city sewer and water.

- Carleda Way
 - o 3 residential lots in established neighborhood
 - o Neighboring residents strongly object to any sale

President Gliva asked if city staff maintains this land. Wilson stated that it is not maintained by city staff, nor is it fenced or posted. Neighborhood kids play and build stick forts on it.

Recommendation: Resolve Issues & Prepare for Sale

- Land adjacent to Inver Wood Golf Course
 - o Officially “sold” to the EDA several years ago but not recorded.
 - o Land in the NW quadrant of 70th & Babcock (4.19 acres)
 - o Parcel west of golf course parking lot, south of 70th (4.93 acres)
 - o Consider reversing “sale” of parcel west of parking lot (and forgiving EDA’s outstanding debt to the Host Community Fund)
 - o Finalize split of land north of 70th, determine guiding and zoning
 - o Prepare for infrastructure extension - possibly with the upcoming Dakota County road project on 70th Street?

Commissioner Scales Stated that the property south of 70th used to belong to former City Clerk Ed Kurth. He donated the land to the city with the condition that it will always remain with the city and not be developed. Scales knew Kurth very well and grew up across the street and bailed hay for him. Scales stated that he would never approve the sale of this land.

Commissioner Dietrich asked what kind of development interest there has been for the lot on the corner of 70th and Babcock. Wilson stated that multi-family housing has been more common and frequent, but the city may wish to explore what type of business or needed service would be beneficial. If the city ever decides to put it up for sale, its future use can be a condition of the sale.

Commissioner T’Kach stated that the southeast corner of Babcock and 70th was zoned as commercial but lost interest when the housing wasn’t there. Now that the housing is built up around there, guiding the land to be zoned commercial could bring it back as an opportunity.

Commissioner T’Kach asked if it would be more cost effective and marketable if the city puts in city utilities and sells the property or if the city sells the property and lets the developer know it would be a good time as the County is planning a project that would allow for a convenient opportunity to put in city utilities. Wilson stated that developers like to be able to move quickly and with certainty, therefore bringing sewer and water to it and zoning it how the city would like it to be development may bring more interest and a higher value to the sale.

City Engineer Paul Merchlewicz mentioned that a feasibility study for the intersection of 70th and Babcock is set for 2025 and there is no predicted date for construction. The city would be able to have preferences for utilities during the preliminary design.

EDA/Council Direction Needed:

- Land east of Hwy 52 and west of Blaine; south of Upper 55th and north of 65th St.
 - o About 20 acres
 - o Guided and zoned “Office”
 - o Would need to be split from McGroarty Park land on west side of Highway 52
 - o Protect public access to trail / tunnel under Highway 52 via easement

Commissioner Scales asked if MnDOT had any plans for the land. Wilson stated that MnDOT would sell the land to the city if the land stays for public use. City Engineer Merchlewicz stated that MnDOT's requirements are that the city can buy it for a certain price and keep it public land or the city can buy it on the open market and then there are no conditions. Wilson asked if the land is put on the open market if the city would have first right of refusal. Merchlewicz stated that he doesn't believe so.

Commissioner Dietrich stated that she was on Council when the AmericInn wanted to purchase the land for a park and fly but was met with a lot of resident opposition because of the activity happening at the AMC park and fly.

Commissioner T'Kach stated that there is more opposition from the residents in that area for the city to not sell that land. It may depend on what type of business is proposed might change the neighborhood's concerns.

EDA/Council Direction Needed:

- Land along Dickman Trail
- Land west of Concord, between 66th St. & 68th St
- Land on west side of Doffing Ave.

Commissioner T'Kach asked when this topic will come back for discussion. Wilson stated that the next scheduled EDA meeting is in June, but a special EDA meeting can be scheduled for the first meeting in May for further discussion.

NEXT MEETING

The EDA will hold a special meeting on Monday, May 6, 2024, at 5:00 p.m., to continue its conversation about City and EDA owned parcels.

ADJOURNMENT

Motion by Scales; Second by T'Kach; all in favor to adjourn. The meeting was adjourned by unanimous vote at 6:02 p.m.

Minutes prepared by Deputy City Clerk Katie Malott