



Inver Grove Heights Economic Development Authority
Monday, August 5, 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, August 5, 2024, will be provided to the EDA at or before the August 5, 2024 meeting.

1. **Call to Order**
2. **Roll Call**
3. **Consent Agenda**
 - A. Minutes of the June 3, 2024, Economic Development Authority Meeting
 - B. Financial Claims Report
4. **Regular Agenda**
 - A. Update from EDA Consultant Lee Krueger
 - B. Potential Sale of EDA Owned Property on Dickman Trail
 - C. CLOSED SESSION to Discuss an Offer to Purchase EDA-Owned Property
5. **Next Meeting**
 - A. Next Regularly Scheduled Meeting is Monday, October 7, 2024, at 5:00 p.m.
6. **Adjourn**

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING
MONDAY, JUNE 3, 2024 - 8150 BARBARA AVE**

The Economic Development Authority (EDA) of Inver Grove Heights met in Regular Session June 3, 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, and T’Kach, City Administrator Wilson, Deputy City Clerk Malott, and City Attorney Nason.

Absent was Economic Development Authority Member Murphy.

3. CONSENT AGENDA

- A.** Minutes of the May 6, 2024, Economic Development Authority Special Meeting
- B.** Approval of Claims

**Motion by Scales; Second by Dietrich; to approve consent agenda items.
Motion approved 4-0.**

4. REGULAR AGENDA

- A.** Next Steps for Publicly Owned Land Near Concord Blvd.

City Administrator Wilson presented this item.

There are three areas of land that were discussed. The first is made up of seven parcels. It is bordered by 68th Street to the south, Concord Boulevard to the east and almost reaches 66th Street to the north. Either the City or the EDA own all seven parcels. The seven parcels are either zoned Agricultural, Low-Density Residential or General Business. There are two private residences and Turitto’s Restaurant also on the block. The Comprehensive Plan has this area guided for Mixed-Use Residential which would be 12-units per acre or more. The EDA previously discussed selling this property and the question is what purpose the land should be used for. There could also be a possible partnership with the CDA and staff would like to know if the EDA would like them to contact the remaining property owners on the block and see if they are willing to sell their property.

The second area is kiddie-corner from the first area discussed. Heritage Village Park borders to the north, Concord Boulevard to the west and the Mississippi River to the east. The property is owned by Republic Services. The City currently has the first right of refusal to purchase the land. A challenge has been what they are willing to purchase it for based on what they could potentially sell it for to be developed. Parallel to the property are railroad tracks and there are aerial power lines over the block with an easement below restricting the height for new development. A portion of the east side falls within the flood plain. The area is currently zoned for Light Industrial. Republic Service had used the property as their hauling site and is currently being leased to another company adjacent to the solid waste industry. It is guided as Park in the Comprehensive Plan, but the Master Plan for Heritage Village Park has all the intended uses being north of the property.

Administrator Wilson introduced Executive Director of the Dakota County Community Development Agency Tony Schertler to provide an overview of their properties in the area and possible future plans.

Mr. Schertler stated that the Concord Boulevard area is a great opportunity for redevelopment. The CDA has port authority powers, EDA powers and financial capacity. They finance both private and non-profit affordable housing developments. They also acquire sites and clean them up. The Valley Ridge property in Burnsville is a recent project where the CDA purchased an old shopping center that had significant contamination and tore down the building and cleaned up the property. They built affordable senior housing in conjunction with Presbyterian Homes and sold the remainder of the property for commercial and market rate housing. The Concord Boulevard site has land-use issues, and the goal is to remove barriers for private investment. The CDA does pay property taxes of approximately \$45 per unit.

The County board does infrastructure and the CDA provides funding to purchase vacant and boarded up housing. They also purchase housing themselves for future development. The last time they were discussing their property in the Concord Boulevard area with the EDA, there were three parcels that were privately owned which have now been purchased by the CDA. Owning the entire property allows them to vacate the alley without having to negotiate with neighbors. The CDA could develop the property or they could sell it to another developer. They have multiple development options if the EDA would like the CDA to develop the land. They have workforce family housing, affordable senior housing and veteran's housing among other options.

The CDA is requesting guidance from the EDA for moving forward. The property they have in the area could be available for economic activity and would like to look at the Concord Boulevard area as a whole and what the City's vision is. There is not a rush but can move quickly once land use is decided.

Administrator Wilson stated that the land the CDA owns is currently zoned Low-Density Residential, but the Comprehensive Plan has a portion zoned Mixed-Use and another portion Single-Family Residential. The EDA could amend the Comprehensive Plan and decide on what type of development they would like in the area.

President Gliva questioned if it would be possible to get guidance from a developer since it is a large area that includes different parcels.

Administrator Wilson stated that they have a proposal from the City's financial advisor's Ehler's to do a develop ability assessment for a parcel. The proposal in the packet is for the parcels owned by Republic Services. Ehler's would charge an hourly rate and the project would be approximately \$5,000 - \$10,000. Ehler's would reach out to developers, analyze the land and zoning and provide their opinion on what could be supported in the community. Partnering with the CDA the report could be expanded to review other parcels in combination with the Republic Service property. There was a study of the area done a little over ten years ago but it is not clear if the intentions of the study were based on what they would like to see in the future or based on if they were to sell the land in the near future. The

EDA has professional services money in the budget that are not committed and would cover the funds.

Mr. Schertler stated that the CDA could contribute funds as well if it was decided to include CDA owned property in the study. The CDA is flexible in what the possibilities are with the land. The property can be made available for the City to sell or develop how the City would like for the area. A significant part of the problem could be possible contamination at the Republic Services property and the County has funds that could contribute to the clean-up.

Administrator Wilson stated that it had been discussed about forming a citizen's taskforce to examine the area, but staff recommends completing the study and then receive feedback from citizens. Completing the study would give the information of what is viable in the area before presenting it to residents.

Board member T'Kach inquired if there was any long-term guidance for the area on the east side of Concord Boulevard across from the CDA owned property.

Mr. Schertler stated that there are no current ideas of what the future is for that area but agrees that the study of the area is the first step to determining future land use.

Board member Scales stated that he would like the study to include the expanded areas to help them determine what the community needs in the area. Would prefer the study to be done prior to a citizen's taskforce being formed to provide citizens' options of what the city would want for the area.

Board member T'Kach questioned if the report would return multiple examples of potential development, what part housing part commercial would look like or all housing.

Administrator Wilson stated that the expectation is that Ehler's will advise what the market would naturally produce. It could be multiple types of development depending on what they hear from developers. The primary purpose is to find out what the market will lean towards as opposed to reporting what the city wants in the area.

Board member Scales stated that he wants the study to say what belongs there and they can adjust it as needed.

Board member Dietrich inquired if Ehler's would use the current Comprehensive Plan guiding of the properties in their study.

Administrator Wilson stated that they would follow the lead of the EDA. Staff would provide general City Council priorities. It is currently guided for Park and if that is the direction the EDA would like to proceed the study from Ehler's is unnecessary.

Board member Dietrich stated that she would like to see the study expanded to include the CDA property and a cost share with Dakota County.

President Gliva questioned if the study would look at the three areas in total or look at them individually. Would prefer it to be looked at as a whole.

Administrator Wilson stated that the current proposal is specific for the one parcel owned by Republic Services. Expanding the area to include three areas will expand the cost but the goal is to look at all three sites.

Mr. Schertler stated that the CDA would be willing to contribute to the cost of the Ehler's report if it's decided to include all three areas. Would like to work with the city to determine the best use for the land in the area.

Board member T'Kach stated that the community also needs something that creates family sustaining jobs and would like the report to include those opportunities as well.

Mr. Schertler stated that the CDA isn't just affordable housing. Some projects have included storage facilities and medical offices. The light industrial zoning is able to be adjacent with other zoning. Park could also be complimentary to private investment.

President Gliva inquired on what a timeline would look like.

Administrator Wilson stated that the report should be completed in three to four months. The funds are available in the budget and staff will proceed.

Board member T'Kach questioned if Lee Krueger, who has been working on the retail and commercial in the area had any input.

Administrator Wilson stated that staff had not consulted with him about the area because the contract with him is specifically for retail, restaurant and consumer services. He has provided advice for other areas of the city.

President Gliva stated that there is room for improvement in the Concord Boulevard area and looks forward to the partnership.

5. NEXT MEETING

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

6. ADJOURN

Motion by T'Kach; Second by Scales; all in favor to adjourn.

The meeting was adjourned by unanimous vote at 5:44 p.m.

Minutes prepared by Recording Secretary Sara Lyons.



Budget Report

Account Summary

For Fiscal: 2024 Period Ending: 07/31/2024

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 290 - EDA-OPERATING FUND							
Revenue							
290.5800.000.4610	Investment Interest-Received	3,000.00	3,000.00	457.05	4,108.86	1,108.86	136.96 %
290.5800.000.4990	Transfers In from Other Funds	169,515.00	169,515.00	14,126.25	98,883.75	-70,631.25	41.67 %
	Revenue Total:	172,515.00	172,515.00	14,583.30	102,992.61	-69,522.39	40.30 %
Expense							
290.5800.000.5000	Wages-Full Time Employees	107,800.00	107,800.00	294.36	294.36	107,505.64	99.73 %
290.5800.000.5030	Employer Social Security	6,700.00	6,700.00	19.58	19.58	6,680.42	99.71 %
290.5800.000.5032	Employer Medicare	1,600.00	1,600.00	4.58	4.58	1,595.42	99.71 %
290.5800.000.5040	Medical Insurance	17,500.00	17,500.00	0.00	0.00	17,500.00	100.00 %
290.5800.000.5046	Insurance-Cash Option	5,100.00	5,100.00	35.64	35.64	5,064.36	99.30 %
290.5800.000.5050	Life Insurance	200.00	200.00	0.00	0.00	200.00	100.00 %
290.5800.000.5052	LTD Insurance	300.00	300.00	0.00	0.00	300.00	100.00 %
290.5800.000.5058	Account Fees-HSA/HRA/FSA	100.00	100.00	0.00	0.42	99.58	99.58 %
290.5800.000.5060	Employer PERA	8,100.00	8,100.00	22.09	22.09	8,077.91	99.73 %
290.5800.000.5084	Workers Compensation	600.00	600.00	50.00	350.00	250.00	41.67 %
290.5800.000.5305	Legal Services	10,000.00	10,000.00	986.50	2,083.00	7,917.00	79.17 %
290.5800.000.5310	Professional Services & Contracts	43,000.00	43,000.00	7,800.00	53,800.00	-10,800.00	-25.12 %
290.5800.000.5335	Dues, Licenses & Subscriptions	8,000.00	8,000.00	0.00	0.00	8,000.00	100.00 %
290.5800.000.5340	Training & Travel	4,000.00	4,000.00	0.00	0.00	4,000.00	100.00 %
290.5800.000.5450	Insurance Allocation	200.00	200.00	16.67	116.69	83.31	41.66 %
290.5800.000.5455	City Facilities Allocation	315.00	315.00	26.25	183.75	131.25	41.67 %
	Expense Total:	213,515.00	213,515.00	9,255.67	56,910.11	156,604.89	73.35 %
	Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):	-41,000.00	-41,000.00	5,327.63	46,082.50	87,082.50	212.40 %
Fund: 291 - EDA-ACQUISITIONS FUND							
Expense							
291.5800.000.5305	Legal Services	0.00	0.00	0.00	1,703.75	-1,703.75	0.00 %
291.5800.000.5380	Utility Charges-Storm Water	0.00	0.00	0.00	189.74	-189.74	0.00 %
	Expense Total:	0.00	0.00	0.00	1,893.49	-1,893.49	0.00 %
	Fund: 291 - EDA-ACQUISITIONS FUND Total:	0.00	0.00	0.00	1,893.49	-1,893.49	0.00 %
	Report Surplus (Deficit):	-41,000.00	-41,000.00	5,327.63	44,189.01	85,189.01	207.78 %

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	14,583.30	102,992.61	-69,522.39	40.30 %
Expense	213,515.00	213,515.00	9,255.67	56,910.11	156,604.89	73.35 %
Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):	-41,000.00	-41,000.00	5,327.63	46,082.50	87,082.50	212.40 %
Fund: 291 - EDA-ACQUISITIONS FUND						
Expense	0.00	0.00	0.00	1,893.49	-1,893.49	0.00 %
Fund: 291 - EDA-ACQUISITIONS FUND Total:	0.00	0.00	0.00	1,893.49	-1,893.49	0.00 %
Report Surplus (Deficit):	-41,000.00	-41,000.00	5,327.63	44,189.01	85,189.01	207.78 %

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	5,327.63	46,082.50	87,082.50
291 - EDA-ACQUISITIONS FUND	0.00	0.00	0.00	-1,893.49	-1,893.49
Report Surplus (Deficit):	-41,000.00	-41,000.00	5,327.63	44,189.01	85,189.01



Economic Development Authority Staff Report

SUBJECT: **Update from EDA Consultant Lee Krueger**

MEETING DATE: August 5, 2024

ITEM TYPE: Regular Agenda

CONTACT: Kris Wilson, City Administrator, 651.450.2511

PURPOSE/ACTION REQUESTED

The EDA is asked to receive a presentation from consultant Lee Krueger, who has been retained to recruit and attract retail, restaurant and other consumer service businesses to Inver Grove Heights.

BACKGROUND

FISCAL IMPACT

RECOMMENDATION

ATTACHMENTS

None



Inver Grove Heights EDA

August 5, 2023

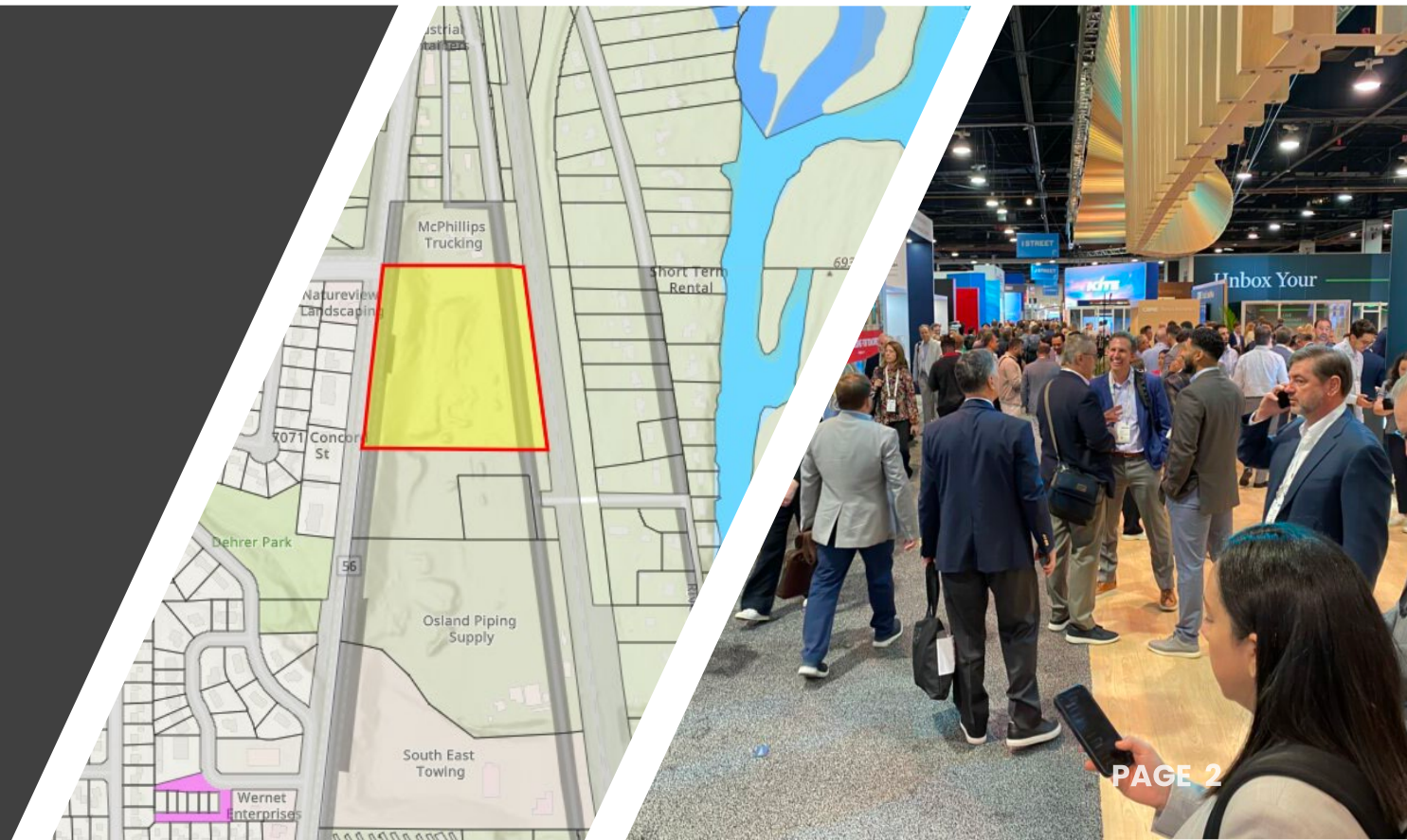
www.kruegerrea.com





Since we last met:

- Dining out continues to grow.
- Social Media drives many decisions.
- Competitive Socializing shows no sign of slowing.
- Concord Street Site has a lot of interest.
- IGH has increased its market awareness.





Key Locations

CHAMBER OF COMMERCE

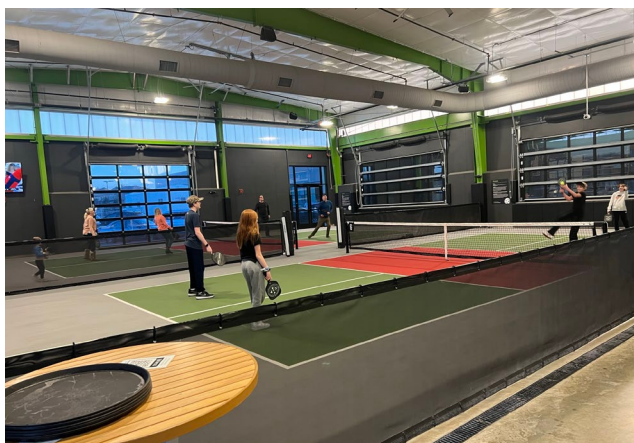
NEW MEMBER WELCOME!




9043 Broderick Blvd
Inver Grove Heights MN 55076



- Argenta Hills (Hempel site).
- Arbor Pointe.
- Excellent infill opportunities.
- Strong brokerage community.
- New businesses opening.
- Bishop Heights.



Observations

- Word Association-IGH?
- "Control the controllable."
- Possible partnership(s).
- Seek desired outcomes.
- Development attracts development.

How To Enhance Development

- Be A **Catalyst**
- Be An **Accelerator**
- Be **Predictable**
- Gain Site **Control**
- Act As **Developer**
- Control Desired **Outcomes**
- Increase **Speed** To Market



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Economic Development Authority Staff Report

SUBJECT: **Potential Sale of EDA Owned Property on Dickman Trail**

MEETING DATE: August 5, 2024
ITEM TYPE: Regular Agenda
CONTACT: Kris Wilson, City Administrator, 651.450.2511

PURPOSE/ACTION REQUESTED

The EDA is asked to discuss the potential sale of an EDA-owned parcel on Dickman Trail.

BACKGROUND

At its April and May meetings, the EDA reviewed an inventory of properties owned by the EDA and/or the City that are not currently or planned for use as a city facility, park, etc. As a result, the EDA directed staff to begin the process of preparing certain parcels for potential sale – including the 10.38 acre parcel located at 70XX Dickman Trail. (The parcel has yet to be assigned a street address but is identified as PID#200110027012 in the Dakota County records system.) This is the southernmost parcel out of 6 total parcels owned by the EDA in the area of Dickman Trail and Dixie Ave., and by far the largest. The property is currently guided Light Industrial and zoned Limited Industry (I-1). The EDA appears to have owned it since 2014.

Staff recently received an unsolicited offer to purchase the property from a metro-area developer of commercial and industrial properties, who has indicated they would develop the site for light industrial uses. The details of that offer will be provided to the EDA under separate cover and discussed in closed session.

As background for the EDA's consideration of the offer in hand and in case the EDA should elect to pursue additional or alternative offers, the following is an overview of the rules and regulations for the sale of land owned by an EDA.

- **Public or Competitive Process**

An EDA is not required to publicly list a property for sale, notify surrounding property owners that it is for sale, list the property with a real estate broker, etc. – but it may wish to do one or more of these things. Benefits of doing some form of public or competitive process may include increased transparency, public buy-in, and/or a higher sale price. This would, however, take some time to put in motion and complete. If the EDA wishes to seek multiple offers, it can do so by listing the property with a real estate broker or issuing a Request for Proposals.

- **Public Hearing**

Once the EDA has agreed upon terms of a sale for any EDA owned land, whether through a public, competitive process or not, state law requires that a public hearing be held and the

terms and conditions of the pending sale be made available to the public prior to the public hearing.

In addition to process considerations, it may also be valuable for the EDA to discuss its priorities in terms of selling this property. One consideration is obviously the sale price, but other items of importance may include:

- the development plans, timeline and track record of a prospective purchaser;
- the future jobs and/or tax base the proposed development would generate;
- how the proposed use of the property supports EDA priorities and goals;
- what infrastructure is in place and/or what would need to be extended to serve the proposed use

FISCAL IMPACT

RECOMMENDATION

ATTACHMENTS

1. Map of City/EDA Parcels

Requirements & Considerations when Selling EDA-Owned Land

*Kris Wilson, City Administrator
August 5, 2024*



Selling EDA-Owned Land

Method of selling EDA-owned land is largely up to the EDA, but . . .

- Planning Commission must share findings as to whether sale of the land is consistent with the City's Comprehensive Plan
- EDA must have a public hearing
(after terms & conditions of sale are known)

Selling EDA-Owned Land

Considerations:

- Transparency

- Getting the best price

- Track record of buyer

- Proposed use - # of jobs - tax base created

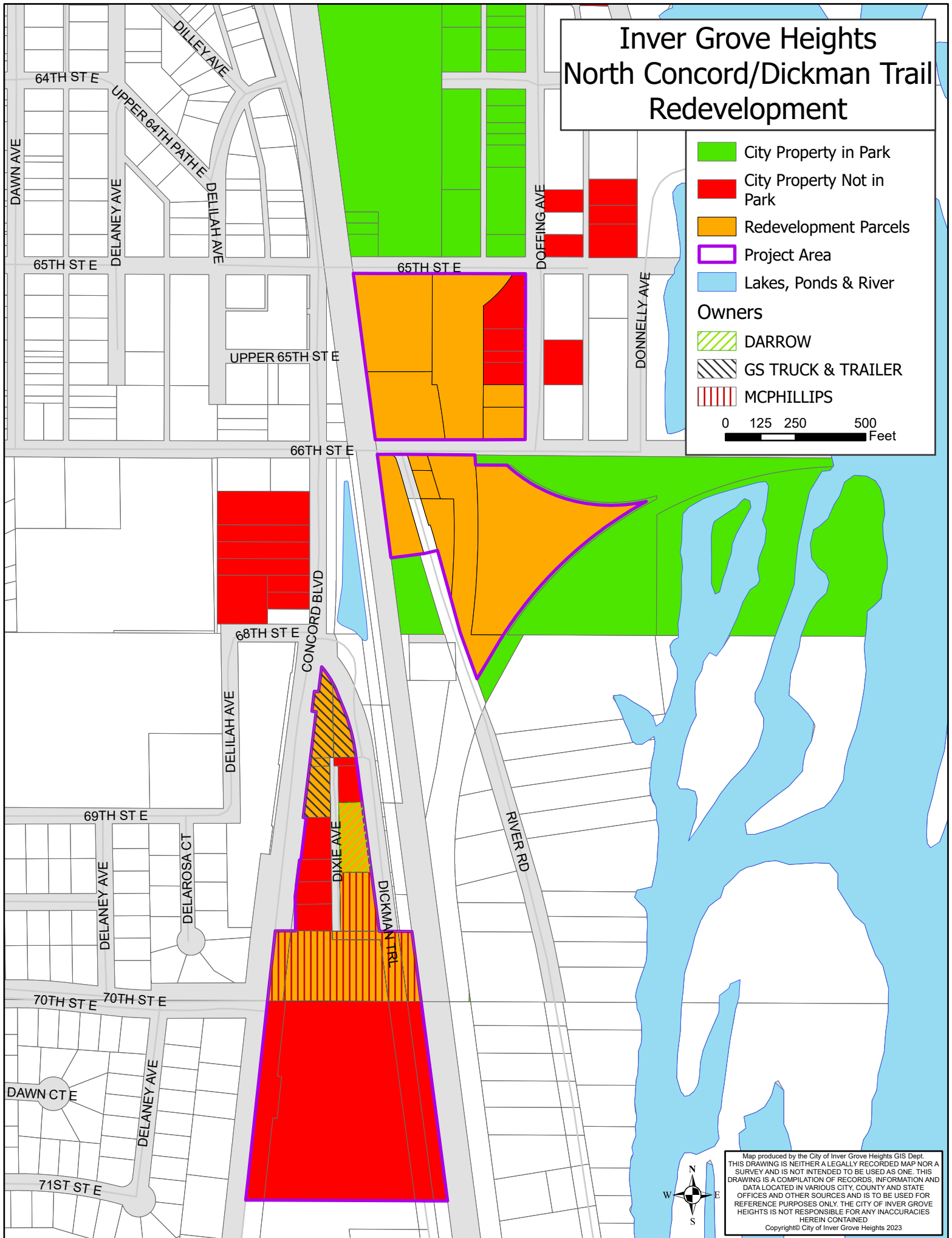
- Alignment with City goals and priorities

- Infrastructure needs

Inver Grove Heights North Concord/Dickman Trail Redevelopment

- City Property in Park
 - City Property Not in Park
 - Redevelopment Parcels
 - Project Area
 - Lakes, Ponds & River
- Owners**
- DARROW
 - GS TRUCK & TRAILER
 - MCPHILLIPS

0 125 250 500
Feet



Map produced by the City of Inver Grove Heights GIS Dept.
THIS DRAWING IS NEITHER A LEGALLY RECORDED MAP NOR A
SURVEY AND IS NOT INTENDED TO BE USED AS ONE. THIS
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Economic Development Authority Staff Report

SUBJECT: **CLOSED SESSION to Discuss an Offer to Purchase
EDA-Owned Property**

MEETING DATE: August 5, 2024

ITEM TYPE: Regular Agenda

CONTACT: Kris Wilson, City Administrator, 651.450.2511

PURPOSE/ACTION REQUESTED

The EDA is asked to enter into a Closed Session pursuant to Minn. Stat Sec. 13D.05, subd. 3(c)(3) in order to develop or consider offers or counteroffers for the sale of the real property located on Dickman Trail and identified by Dakota County Parcel ID Number 20-01100-27-012.

BACKGROUND

FISCAL IMPACT

RECOMMENDATION

ATTACHMENTS

None