



Inver Grove Heights Economic Development Authority
Monday, December 2, 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, December 2, 2024, will be provided to the EDA at or before the December 2, 2024 meeting.

1. **Call to Order**
2. **Roll Call**
3. **Consent Agenda**
 - A. Approval of Financial Claims.
 - B. Approval of 2025 Meeting Dates
4. **Regular Agenda**
 - A. DEED Host Community Economic Development Grant Application
 - B. Closed Session: Discussion of Purchase Offer for EDA-Owned Property on Dickman Trail
 - C. Community Development Director Update
 - D. Schedule Economic Development Authority Meeting for January 13, 2025 at 5 p.m.
5. **Next Meeting**
6. **Adjourn**



Budget Report

Account Summary

For Fiscal: 2024 Period Ending: 11/30/2024

		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	0.00	6,513.59	3,513.59	217.12 %
290.5800.000.4990	Transfers In from Other Funds	169,515.00	169,515.00	14,126.25	155,388.75	-14,126.25	8.33 %
	Revenue Total:	172,515.00	172,515.00	14,126.25	161,902.34	-10,612.66	6.15 %
Expense							
290.5800.000.5000	Wages-Full Time Employees	107,800.00	107,800.00	1,177.44	5,004.12	102,795.88	95.36 %
290.5800.000.5030	Employer Social Security	6,700.00	6,700.00	73.97	315.77	6,384.23	95.29 %
290.5800.000.5032	Employer Medicare	1,600.00	1,600.00	17.29	73.81	1,526.19	95.39 %
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	178.20	4,921.80	96.51 %
290.5800.000.5050	Life Insurance	200.00	200.00	1.84	5.52	194.48	97.24 %
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	0.70	99.30	99.30 %
290.5800.000.5060	Employer PERA	8,100.00	8,100.00	88.28	375.21	7,724.79	95.37 %
290.5800.000.5082	Unemployment Compensation	0.00	0.00	0.00	171.40	-171.40	0.00 %
290.5800.000.5084	Workers Compensation	600.00	600.00	50.00	550.00	50.00	8.33 %
290.5800.000.5305	Legal Services	10,000.00	10,000.00	0.00	4,893.75	5,106.25	51.06 %
290.5800.000.5310	Professional Services & Contracts	43,000.00	43,000.00	6,427.50	86,723.75	-43,723.75	-101.68 %
290.5800.000.5335	Dues, Licenses & Subscriptions	8,000.00	8,000.00	81.28	81.28	7,918.72	98.98 %
290.5800.000.5340	Training & Travel	4,000.00	4,000.00	144.00	294.00	3,706.00	92.65 %
290.5800.000.5450	Insurance Allocation	200.00	200.00	16.67	183.37	16.63	8.32 %
290.5800.000.5455	City Facilities Allocation	315.00	315.00	26.25	288.75	26.25	8.33 %
	Expense Total:	213,515.00	213,515.00	8,140.16	99,139.63	114,375.37	53.57 %
	Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):	-41,000.00	-41,000.00	5,986.09	62,762.71	103,762.71	253.08 %
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	298.78	-298.78	0.00 %
	Expense Total:	0.00	0.00	0.00	2,002.53	-2,002.53	0.00 %
	Fund: 291 - EDA-ACQUISITIONS FUND Total:	0.00	0.00	0.00	2,002.53	-2,002.53	0.00 %
	Report Surplus (Deficit):	-41,000.00	-41,000.00	5,986.09	60,760.18	101,760.18	248.20 %

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	161,902.34	-10,612.66	6.15 %
Expense	213,515.00	213,515.00	8,140.16	99,139.63	114,375.37	53.57 %
Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):	-41,000.00	-41,000.00	5,986.09	62,762.71	103,762.71	253.08 %
Fund: 291 - EDA-ACQUISITIONS FUND						
Expense	0.00	0.00	0.00	2,002.53	-2,002.53	0.00 %
Fund: 291 - EDA-ACQUISITIONS FUND Total:	0.00	0.00	0.00	2,002.53	-2,002.53	0.00 %
Report Surplus (Deficit):	-41,000.00	-41,000.00	5,986.09	60,760.18	101,760.18	248.20 %

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	5,986.09	62,762.71	103,762.71
291 - EDA-ACQUISITIONS FUND	0.00	0.00	0.00	-2,002.53	-2,002.53
Report Surplus (Deficit):	-41,000.00	-41,000.00	5,986.09	60,760.18	101,760.18



Economic Development Authority Staff Report

SUBJECT: **Approval of 2025 Meeting Dates**

MEETING DATE: December 2, 2024
ITEM TYPE: Consent Agenda
CONTACT: Kris Wilson, City Administrator, 651.450.2511

PURPOSE/ACTION REQUESTED

The EDA is asked to approve the attached list of meeting dates for 2025.

BACKGROUND

For 2023, the EDA moved its meetings to every-other month, in the even-numbered months. This was a change from quarterly meeting. It is suggested that this frequency continue for 2025, with meetings being held at 5:00 p.m. on the first Monday of the month, just prior to the City Council work session.

FISCAL IMPACT

None.

RECOMMENDATION

Staff recommends adoption of the attached meeting calendar for the EDA in 2025.

ATTACHMENTS

1. 2025 IGH Economic Development Authority Meeting Schedule



2025 Economic Development Authority Commission Schedule

Economic Development Authority meetings are the First Monday of the month
and begin at 5:00 p.m.

City Hall Council Chambers

8150 Barbara Ave, Inver Grove Heights, MN 55077

Meetings are subject to change.

MEETING TYPE	DATE
Regular Meeting	Monday, February 3
Regular Meeting	Monday April 7
Regular Meeting	Monday, June 2
Regular Meeting	Monday, August 4
Regular Meeting	Monday, October 6
Regular Meeting	Monday, December 1



Economic Development Authority Staff Report

SUBJECT: DEED Host Community Economic Development Grant Application

MEETING DATE: December 2, 2024

ITEM TYPE: Regular Agenda

CONTACT: Jason Ziemer, Community Development Director, 651-450-2546

PURPOSE/ACTION REQUESTED

The Economic Development Authority (EDA) is asked to provide direction as to the City's grant application to the Minnesota Department of Employment and Economic Development (DEED) for a 2025 Host Community Economic Development Grant.

BACKGROUND

Each year, the City of Inver Grove Heights submits a grant application to the Minnesota Department of Employment and Economic Development (DEED), requesting a Host Community Economic Development Grant. This state grant program was created by the Minnesota Legislature in 2013 to provide funding for "host communities" to pay for capital costs related to development or redevelopment projects that create jobs, increase tax base, and enhance a city's ability to attract private investment.

Minnesota Statute identifies a host community as a city located in the seven-county metropolitan area that is the site of a waste disposal facility that accepts mixed municipal solid waste generated in the metropolitan area. Inver Grove Heights and Burnsville are the two eligible host communities. Annual awards each of the past three years (2022-2024) were \$415,625 per City.

The past two years, funding was awarded to Inver Grove Heights for the acquisition of the Republic Services site adjacent to Heritage Village Park to assist with the redevelopment of the block into housing and commercial uses. Last year the funds expired and were returned to the General Fund. This year's funds must be spent, or an alternate use of the funding must be identified, approved and expended, no later than June 30, 2025. An alternate use would require DEED approval.

Host Community Economic Development Grant Request

Regardless of the final outcome of this year's grant funding, the City must submit an application for next year's funding to DEED by the end of the 2024 calendar year. For this next grant application, staff is proposing that the City request funding to support utility expansions to service EDA-owned properties on Dickman Trail (Dickman Parcel) and at the northwest corner of the Babcock Trail-70th Street intersection (Babcock Parcel). This would make the parcels more valuable and marketable as the City seeks to sell the parcels and return them to private, tax-paying uses.

Per City Council approval, the City contracted with Alliant Engineering to complete survey work on both EDA sites. The Dickman Parcel survey is complete and has been reviewed by City staff. Survey work on the Babcock Parcel is nearly complete. The next step will require a replat of the golf course

property to create and remove the parcel from the remainder of golf course.

The City has been approached by developers potentially interested in both the Dickman and Babcock Parcels; and two unsolicited purchase offers have been received for the Dickman Parcel. However, both sites are not presently served by municipal utilities – water, wastewater and stormwater. City Engineer Paul Merchlewicz has completed a draft sketch of a utility expansion plan and construction cost estimates; which are attached. It is estimated construction design for those projects will cost roughly 10% of construction costs. Pre-design, design, engineering and other similar expenses, also known as Soft Costs, are all eligible expenses for the grant funds. The recommendation is to make application to use the upcoming year's Host Community Economic Development grant to cover the design work for utility expansions to service both the Dickman and Babcock Parcels, with the remaining grant funding to cover construction costs for utility expansion to the Dickman Parcel. The intent would be for the City to seek future DEED Host Community grant dollars to help with construction costs for the Babcock Parcel.

Important note: Both projects are viewed as enabling development by essentially creating "shovel ready" sites. However, neither utility extension projects are currently in the City's Capital Improvement Plan. That means, if extension of utility service were to move forward, the City Council would need to determine how to pay for the remaining costs, not covered by grant funding.

Funding Request Breakdown

Dickman Trail Utility Expansion

Estimated Construction Cost: \$1,109,420 (includes contingency)

Estimated Design Costs: \$110,000

Babcock Trail-70th Street Utility Expansion

Estimated Construction Cost: \$1,277,997 (includes contingency)

Estimated Design Cost: \$125,000

Proposed FY2025 Host Community Economic Development Grant Request & Project Information

FY2025 Host Community Grant Request		
Project	Use	Request
Dickman Utility Expansion	Design	\$110,000
Babcock Utility Expansion	Design	\$125,000
Total Design		\$235,000
Dickman Utility Construction	Construction	\$180,625
Total Construction		\$180,625
Total Grant Request		\$415,625

Dickman Trail Construction Costs		
Construction Costs (est)		\$1,109,420
Sources	Uses	\$1,109,420
Host Community Grant	\$180,625	\$928,795

TBD	\$ --	\$928,795
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As for the portion of grant funds earmarked toward construction, the hope would be that if development were to occur on the Babcock Parcel before the Dickman Parcel that DEED would permit the City to re-direct funding allocated for construction to be swapped from one project to the next as the funding would be used for the same purposes.

FISCAL IMPACT

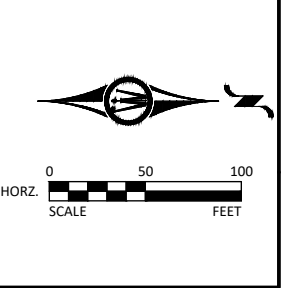
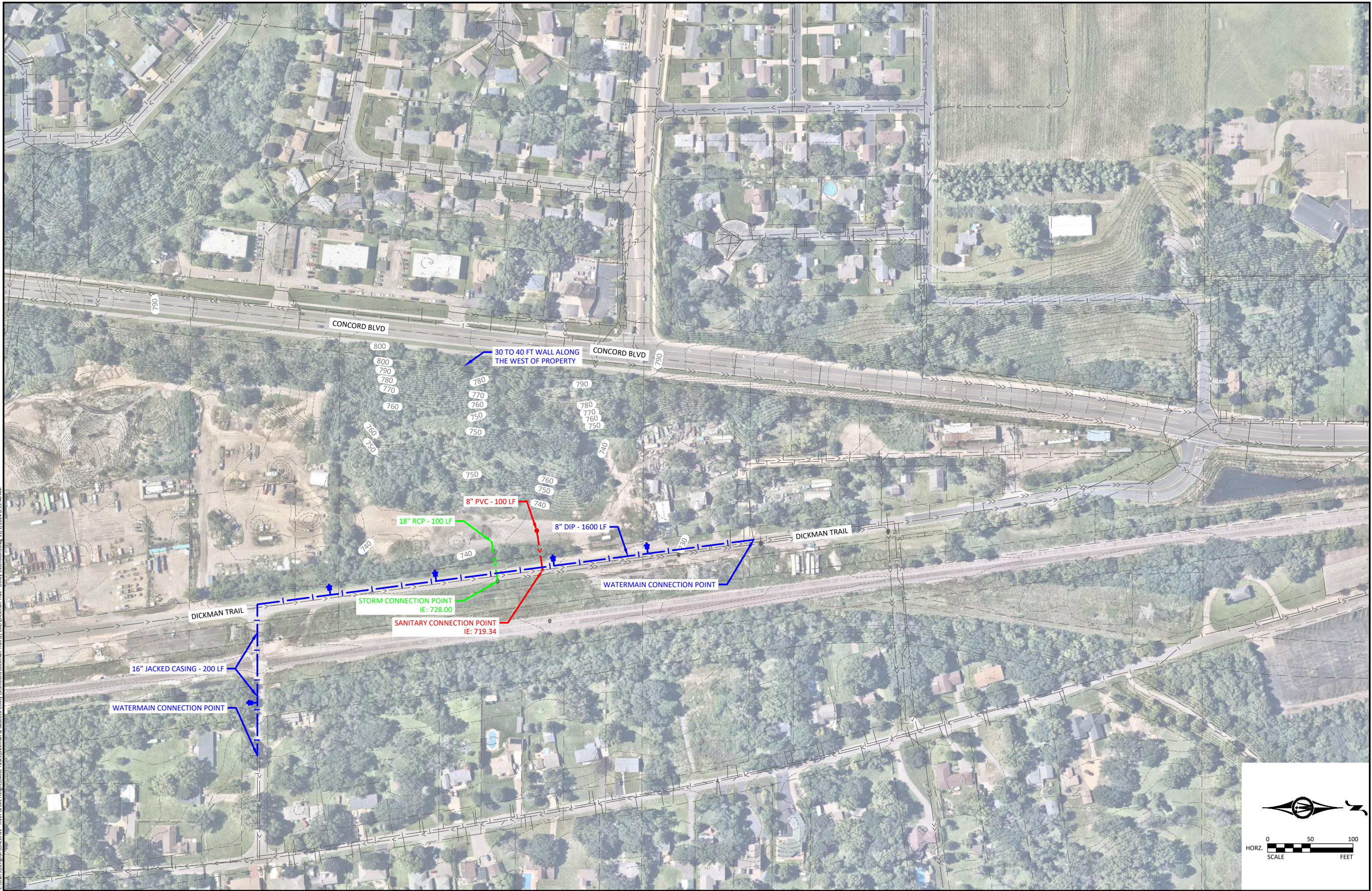
The grant request would fully fund the design work for the projects noted. There is potential cost to the City related to construction of the utilities, but the City would not be committing to construction of the utility extension in any specific time frame.

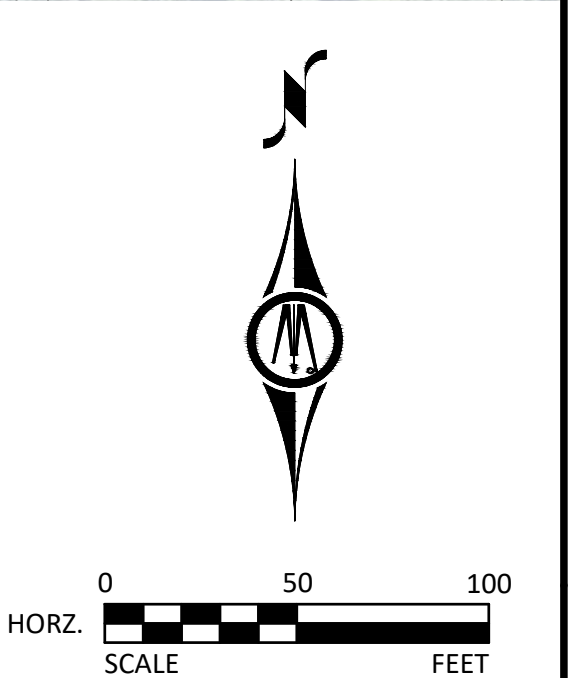
RECOMMENDATION

Staff recommends the EDA review the proposed grant request and direct staff to prepare a resolution of support for the grant application and place it on the December 9, 2024 City Council agenda. (The City Council - not the EDA - must be the grant applicant.)

ATTACHMENTS

1. Dickman Trail_Utility Extension Design Concept
2. Babcock & 70th_Utility Extension Design Concept
3. Combined Estimate_Utility Extensions





DICKMAN TRAIL - UTILITY EXTENSION CONSTRUCTION COST ESTIMATE

Item Code	Bid Item	Unit	Unit Price
2021.501	Mobilization	LS	\$ 44,024.60
2104.503	Sawing Bituminous Pavement - Full Depth	LF	\$ 3.00
2104.504	Remove Bituminous Pavement - Full Depth	SQ YD	\$ 7.50
2106.507	Common Excavation	CY	\$ 12.00
2106.507	Subgrade Excavation	CY	\$ 38.00
2123.61	Street Sweeper	HR	\$ 150.00
2211.509	Aggregate Base CL V	TON	\$ 25.00
2503.503	18" RC Pipe Sewer CL V	LF	\$ 115.00
2503.602	Connect to Existing Sanitary Structure	EA	\$ 3,500.00
2503.602	Connect to Existing Drainage Structure	EA	\$ 2,500.00
2503.603	16" Steel Casing (Jacked)	LF	\$ 1,600.00
2504.602	Connect to Existing Watermain	EA	\$ 4,000.00
2504.602	Install Hydrant	EA	\$ 5,500.00
2504.602	8" Gate valve and Box	EA	\$ 3,200.00
2504.603	8" DIP CI 52 Watermain	LF	\$ 150.00
2504.608	MJ Fittings	LB	\$ 17.50
2506.502	Construct Drainage Structure DES 48-4020 W/Sump & Snout	EA	\$ 6,000.00
2506.503	Construct Sanitary manhole DES 48-4020	EA	\$ 6,000.00
2506.603	Clean Pipe Sewer	LF	\$ 1.50
2563.601	Traffic Control	LS	\$ 15,000.00
Total Construction Cost			
20% contingency			
Construction + Contingency			

Quantity		Total
1	\$	44,024.60
200	\$	600.00
4978	\$	37,335.00
1244.5	\$	14,934.00
3733.5	\$	141,873.00
10	\$	1,500.00
150	\$	3,750.00
100	\$	11,500.00
1	\$	3,500.00
1	\$	2,500.00
200	\$	320,000.00
2	\$	8,000.00
5	\$	27,500.00
6	\$	19,200.00
1600	\$	240,000.00
1200	\$	21,000.00
1	\$	6,000.00
1	\$	6,000.00
200	\$	300.00
1	\$	15,000.00
	\$	924,516.60
	\$	184,903.32
	\$	1,109,420.00

BABCOCK TRAIL & 70TH STREET - UTILITY EXTENSION CONSTRUCTION COST ESTIMATE

Item Code	Bid Item	Unit	Unit Price
2021.501	Mobilization	LS	\$ 50,714.17
2104.503	Sawing Bituminous Pavement - Full Depth	LF	\$ 3.00
2104.504	Remove Bituminous Pavement - Full Depth	SQ YD	\$ 7.50
2106.507	Common Excavation	CY	\$ 12.00
2106.507	Subgrade Excavation	CY	\$ 38.00
2123.61	Street Sweeper	HR	\$ 150.00
2211.509	Aggregate Base CL V	TON	\$ 25.00
2503.503	8" PVC PIPE	LF	\$ 110.00
2503.602	Connect to Existing Sanitary Structure	EA	\$ 3,500.00
2503.602	Connect to Existing Drainage Structure	EA	\$ 2,500.00
2503.603	16" Steel Casing (Jacked)	LF	\$ 1,600.00
2504.602	Connect to Existing Watermain	EA	\$ 4,000.00
2504.602	Salvage & Install Hydrant	EA	\$ 3,500.00
2504.602	8" Gate valve and Box	EA	\$ 3,200.00
2504.602	16" Butterfly Valve	EA	\$ 7,500.00
2504.602	24" Butterfly Valve	EA	\$ 12,500.00
2504.603	8" DIP CI 52 Watermain	LF	\$ 150.00
2504.603	16" DIP CI 52 Watermain	LF	\$ 165.00
2504.603	24" DIP CI 52 Watermain	LF	\$ 175.00
2504.608	MJ Fittings	LB	\$ 17.50
2506.503	Construct Sanitary manhole DES 48-4020	EA	\$ 6,000.00
2506.603	Clean Pipe Sewer	LF	\$ 1.50
2563.601	Traffic Control	LS	\$ 15,000.00
Total Construction Cost			
20% contingency			
Construction + Contingency			

Quantity		Total
1	\$	50,714.17
200	\$	600.00
4444	\$	33,333.33
1787.5	\$	21,450.00
5362.5	\$	203,775.00
20	\$	3,000.00
134	\$	3,350.00
950	\$	104,500.00
1	\$	3,500.00
1	\$	2,500.00
175	\$	280,000.00
1	\$	4,000.00
1	\$	3,500.00
2	\$	6,400.00
2	\$	15,000.00
2	\$	25,000.00
500	\$	75,000.00
630	\$	103,950.00
400	\$	70,000.00
1200	\$	21,000.00
3	\$	18,000.00
950	\$	1,425.00
1	\$	15,000.00
		\$ 1,064,997.50
		\$ 212,999.50
		\$ 1,277,997.00



Economic Development Authority Staff Report

SUBJECT: **Closed Session: Discussion of Purchase Offer for EDA-Owned Property on Dickman Trail**

MEETING DATE: December 2, 2024

ITEM TYPE: Regular Agenda

CONTACT: Jason Ziemer, Community Development Director, 651-450-2546

PURPOSE/ACTION REQUESTED

The EDA is asked to go into closed session for the purpose of receiving and discussing an offer to sell EDA-owned land.

BACKGROUND

Pursuant to Minnesota Statute 13D.05, Subd. 3.(b)(3), the City Council is asked to go into closed session for the purpose of considering a Letter of Intent to Purchase an EDA-owned parcel located on Dickman Trail (PID: 20-01100-27-012).

FISCAL IMPACT

N/A

RECOMMENDATION

Staff recommends the EDA go into closed session.

ATTACHMENTS

None



Economic Development Authority Staff Report

SUBJECT: Community Development Director Update

MEETING DATE: December 2, 2024

ITEM TYPE: Regular Agenda

CONTACT: Jason Ziemer, Community Development Director, 651-450-2546

PURPOSE/ACTION REQUESTED

This agenda item is informational only; no action requested at this time.

BACKGROUND

Developer Roundtables

The Inver Grove Heights Economic Development Authority (EDA) contracted with financial consulting firm Ehlers & Associates to assist with exploratory work related to the potential acquisition of the Republic Services property, located at 4325 66th Street East (PID: 20-36500-24-062) (Subject Property). The EDA has a right of first refusal to purchase the property.

As part of the City's due diligence work, Ehlers was hired to coordinate a developer roundtable with a select group of developers to discuss the potential redevelopment of the Subject Property. The purpose of the developer roundtables was intended to gain an outside perspective as to the City in general, site specific feedback in terms of redevelopment potential of the site and potential end uses, and the identification of a possible development partner. Community Development Director Jason Ziemer and Ehlers staff met with four developers on Thursday, October 31, 2024 and Friday, November 1, 2024.

Attached is the report from Ehlers, recapping the developer roundtable meetings, including feedback, key takeaways and next steps. City staff are requesting the EDA schedule an additional meeting in January to discuss the report with Ehlers staff.

Golf Course Parcel

The Economic Development Authority (EDA) owns an approximately five-acre parcel on the northwest corner of the Babcock Trail and 70th Street intersection. Although separated by 70th Street, this parcel is currently part of the Inverwood Golf Course land. The City Council authorized survey and platting work to ultimately remove this parcel from the Golf Course and prepare it for future development. The survey work is nearly complete; the preliminary and final plat reviews to create the lot will take place in the New Year. As the property is currently part of the Golf Course, it is currently guided and zoned for parks and open space. This City will need to initiate a Comprehensive Plan amendment and rezoning of the property to allow it to be sold for development. There is active developer interest in the property.

As part of the work noted above, the EDA should think about what opportunities it sees for this parcel

that can help with future land use and zoning adjustments, and ultimately attract the right developer. This agenda item is intended to plant the seed for a future discussion.

Lee Krueger Contract Update

At the October meeting, the EDA directed City staff to work with Mr. Lee Krueger of Krueger Real Estate Advisors on a contract extension to continue his current services, assisting the City with identifying and recruiting businesses and development to the community. The EDA requested a six-month extension. Community Development Director Jason Ziemer met with Mr. Krueger on November 25, 2024 to discuss the status of previous work efforts and outstanding items, where things left off and next steps, and thoughts on a new contract and focus and scope of his work. During the discussion, Mr. Krueger expressed an interest in a contract with a primary focus on large-scale, transformative development projects, as was previously discussed with the EDA, with a secondary focus on assisting local brokerage communities on finding tenants. Mr. Krueger and Director Ziemer also discussed meeting with the EDA to establish goals and direction related to his work, specifically, amongst EDA priorities, goals, and work plan in general. The contract proposed by Mr. Krueger was a three-month extension with the option for additional extensions. The cost for the term was proposed at \$7,500.

FISCAL IMPACT

None.

RECOMMENDATION

None. This is informational only.

ATTACHMENTS

1. Developer Roundtables Recap & Summary_11-22-2024
2. EDA Golf Course Lot_Aerial Map
3. EDA Golf Course Lot_Land Use & Zoning Maps

MEMORANDUM

TO: Jason Ziemer, Community Development Director, Inver Grove Heights
FROM: Jason Aarsvold and Schane Rudlang, Ehlers
DATE: November 22, 2024
SUBJECT: Republic Site - Developer Roundtable Meetings

The City of Inver Grove Heights (“City”) requested that Ehlers help assess the redevelopment possibilities of the 6520 Concord Boulevard site and adjacent City-owned parcels (“Republic Site” or “Site”). Ehlers has found that meeting directly with multiple developers about a site’s potential is an effective way to help determine the real-world, development potential for a project. Ehlers and City Staff met with four developers with a diverse range of real estate expertise including single-family housing, multifamily housing, and commercial/industrial developments. This memorandum summarizes those meetings, provides key takeaways, and suggests next steps for redevelopment of the Republic Site.

Summary of Developer Meetings

The discussions with developers focused on three main topics: the City of Inver Grove Heights generally, the Republic Site itself, and their development interest in the Site.

Inver Grove heights Generally – Developers have a mostly positive impression about the City, but expressed some frustrations relative to the development process. The City’s location in the metro is convenient along the 494-694 loop and taxes in Dakota County are lower than Hennepin and Ramsey. Development is happening in the Southeast quadrant of the metro, with the City positioned nicely between Eagan’s commercial developments and Cottage Grove and Rosemount’s growing workforce supply. Some developers commented that the City has a negative reputation in the development community relative to: the planning and zoning process, higher fees, and uncertainty from the decision-making boards.

The Republic Site – Developers expressed that while the Site has good local access, it is over a mile from either I494 or Hwy 52, which limits its development potential. Heritage Village Park to the North is a great amenity for residential development, especially the dog park. Developers had truly mixed opinions about the existing land use to the South and whether or not that had an impact on the development potential. The core site with the adjacent parcels to the East is 7.86 Acres; any additional land that can be added to supplement the core site is beneficial to development opportunities. Developers wondered if all of the park land is needed for park uses, or whether if some of the land could be added to development of the Site.

The Site is bisected by an overhead power easement which limits the developable area for buildings, and has a vestigial railroad easement which may be able to be vacated. Developers had concerns about environmental contamination due to the historic railroad uses and current use by the waste management company. More information about any flood plain impacts would be helpful as well.

The Mississippi River to the east is an amenity for recreation, but a barrier for providing the market and customers needed for most commercial development. Some developers thought the marina to the east was an amenity that could help with residential development, but they noted that the market for people wanting to live close to a marina is small.

Developers thought that rents for multifamily development for this area would be lower than most prime suburban sites, making this type of development challenging. Single-family, or townhome development priced in the mid-\$300,000s or low-\$400,000s could be feasible, especially if adjacent parcels can be developed at the same time to add economies of scale.

Development Interest in the Site and Development Potential - Medium-density housing is the use that both had interest from developers and is synergistic with the adjacent park. There was little interest in traditional commercial development beyond the land use that exists today, with the exception of the potential for 'Barndominiums' for maker spaces.

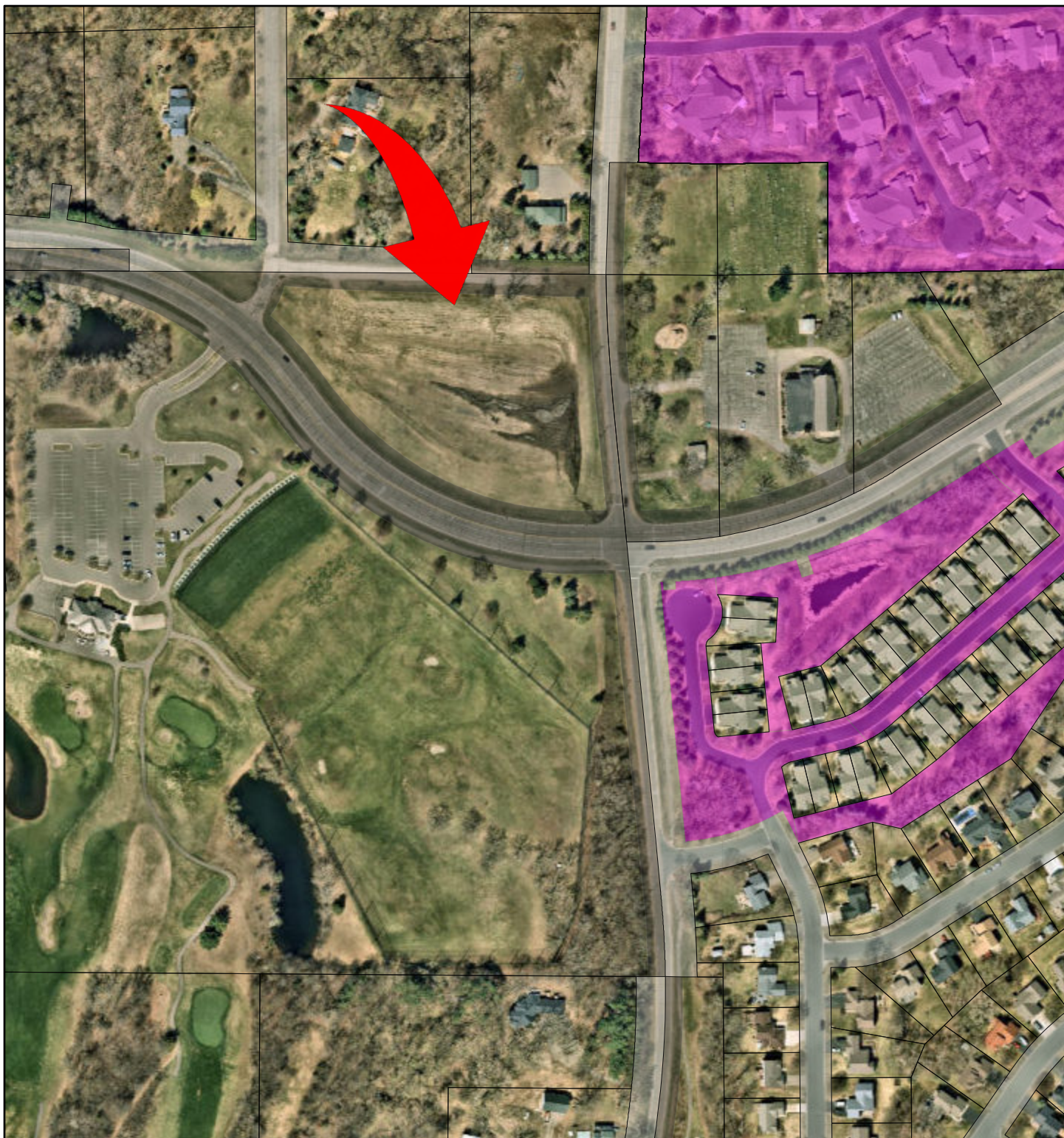
Key Takeaways

1. More information about the Site is needed including environmental conditions and restrictions due to easements.
2. Public subsidy in the form of a land write-down and/or TIF will likely be necessary to make desired development financeable.
3. New commercial development of any significant size is unlikely to be built in the area given market limitations noted above. The focus should be on enhancing and repositioning existing commercial uses in the area, including local restaurants.
4. Higher density luxury rental housing may also be challenging on the site given the high cost to construct and the slightly lower than average rental rates in the immediate market area. Lower density and lower cost multifamily rental housing may be feasible on the site. This may mean fewer stories, more surface parking, basic amenities, and lower quality interior and exterior finishes.
5. Given the challenges noted in 3 and 4 above, all developers indicted vertical mixed-use projects (commercial integrated into a housing development), would not be feasible from both a financial and market perspective.
6. Medium-density housing is the land use that is the most feasible and financeable, beyond what exists today. The housing could include for sale or rental housing options. Developers indicated both attached and detached townhouse styles could work well on the site.

Recommended Next Steps

- A. Review the City's planning and zoning processes and fee structures to help change certain perceptions about the City in the development community.
- B. Decide what the City's vision is for the Republic Site and be clear about the goals, costs, and any willingness to use public financing to accomplish those goals.
- C. Coordinate planning for the park with the planning for development of the Site and surrounding area. The City may be able to maximize the impact of new public and private investment by coordinating and integrating these components of the project. A small area plan could be done that revisits how redevelopment might take shape.
- D. Add adjacent developable land, if possible, to increase the economies of scale and the positive impacts for development. While the republic site is 7.86 acres, the development potential is limited by the aforementioned easements and, potentially, floodplain issues. Each developer indicated a larger site would be more attractive for development.

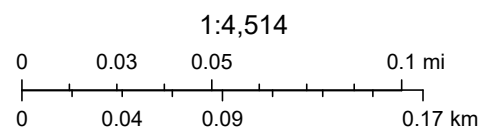
Golf Course EDA Lot



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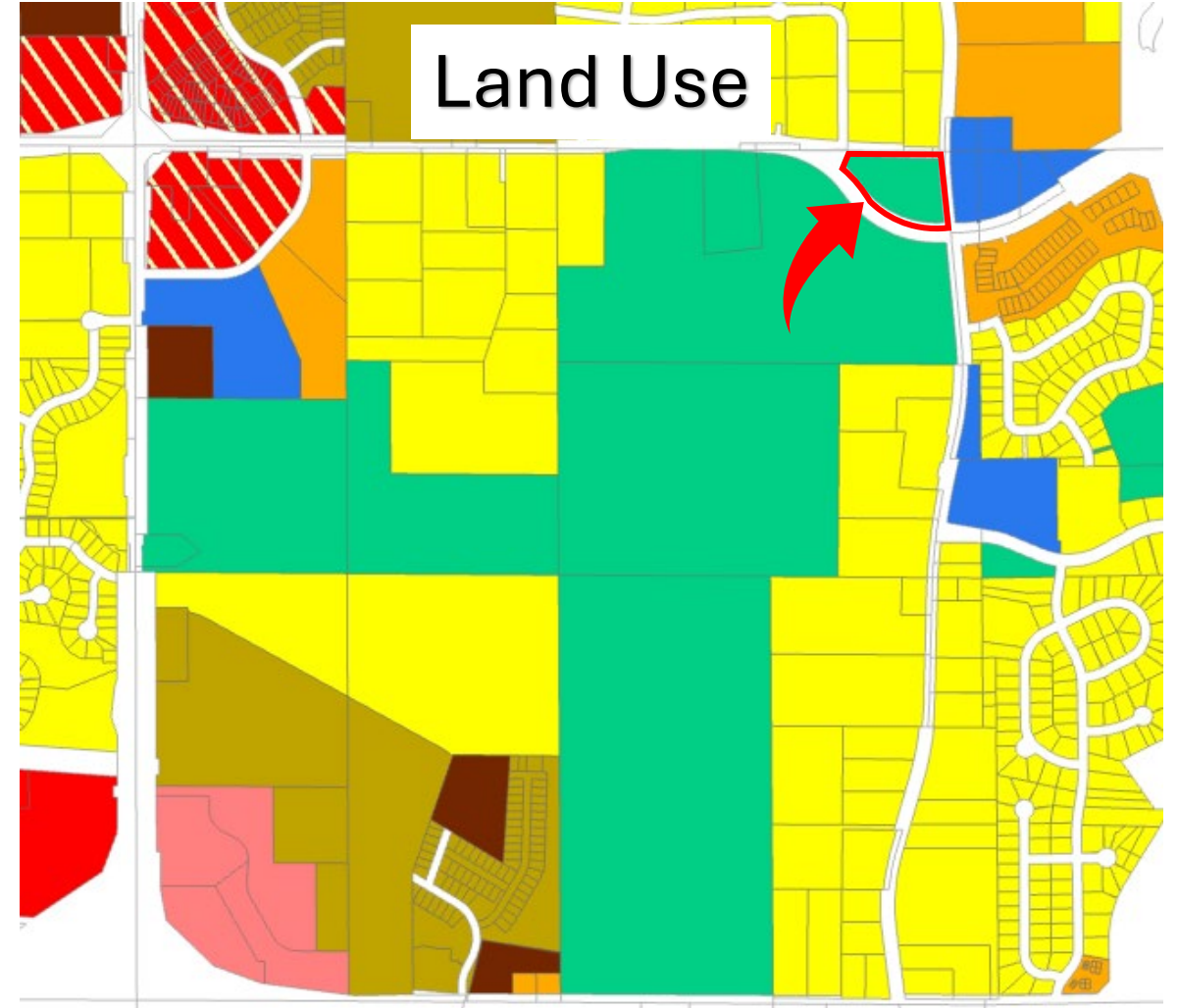
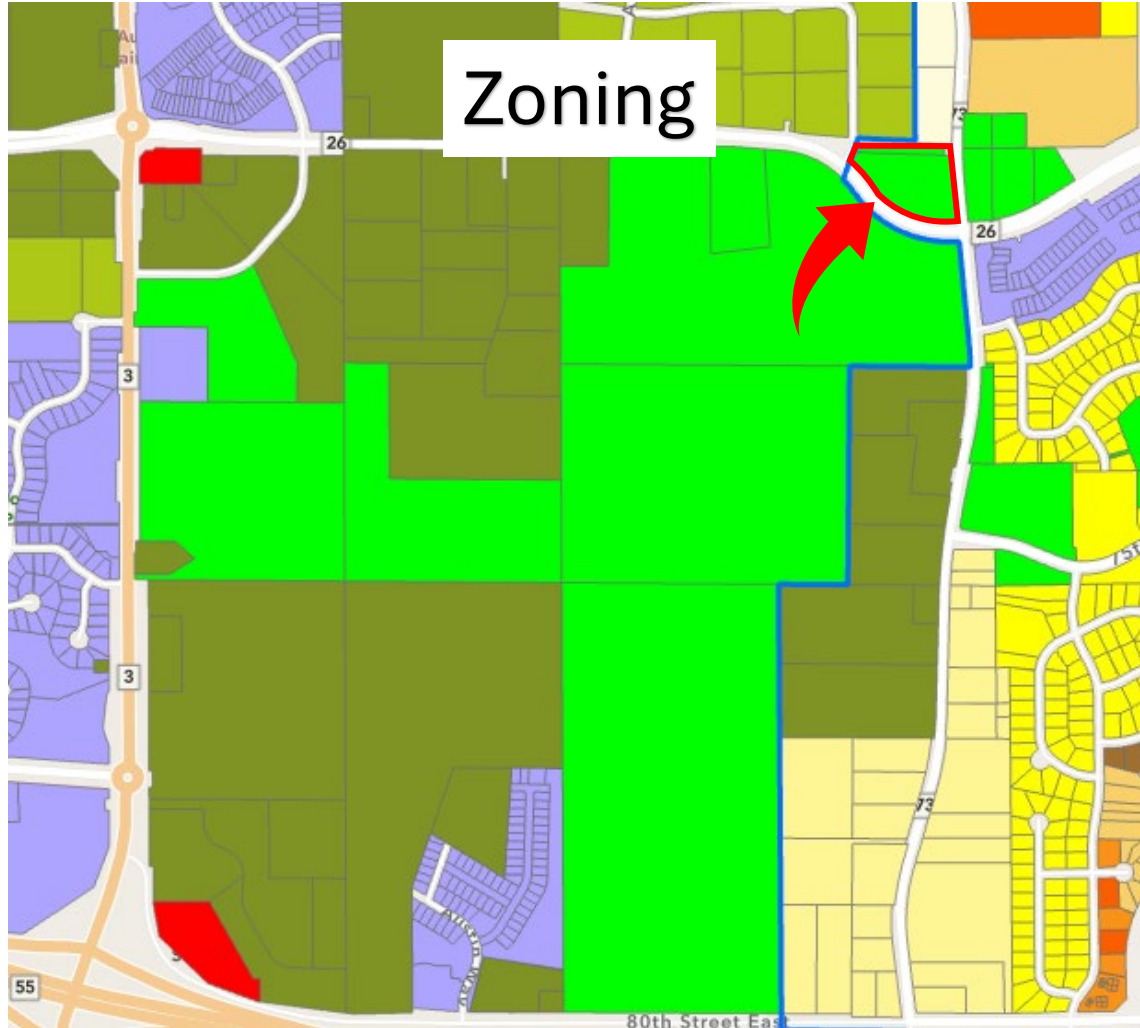
-  Dedicated Right of Way
-  Multi-owner Parcel
-  Right of Way Easement
-  Tax Parcel



Dakota County, Maxar

Golf Course Parcel – Babcock Trail & 70th Street

Owned by the EDA





Economic Development Authority Staff Report

SUBJECT: **Schedule Economic Development Authority Meeting for
January 13, 2025 at 5 p.m.**

MEETING DATE: December 2, 2024

ITEM TYPE: Regular Agenda

CONTACT: Jason Ziemer, Community Development Director, 651-450-2546

PURPOSE/ACTION REQUESTED

The Economic Development Authority is asked to schedule a regular meeting on January 13, 2025 at 5 p.m.

BACKGROUND

As provided in the Community Development Director's report, the agenda for this meeting would include presentation from and discussion with Ehlers and Associates staff regarding the Developer Roundtable meetings on October 31, 2024 and November 1, 2024 regarding the Republic Services property, and a discussion regarding the EDA-owned lot on the northwest corner of Babcock Trail and 70th Street intersection.

FISCAL IMPACT

None.

RECOMMENDATION

City staff recommend calling the January EDA meeting as noted.

ATTACHMENTS

None