**Inver Grove Heights Economic Development Authority**
**Monday, February 10, 2025 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, February 10, 2025, will be provided to the EDA at or before the February 10, 2025 meeting.

1. **Call to Order**
2. **Roll Call**
3. **Approval of Agenda**
4. **Consent Agenda**
   All items on the consent agenda are considered routine and have been made available to the City Council at least two days prior to the meeting; the items will be enacted in one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which event the item will be removed from this agenda and considered in normal sequence.
   **A.** Approval of Claims
5. **Regular Agenda**
   **A.** Land Use and Zoning Discussion Regarding EDA-Owned on 70th Street and Babcock Trail.
   **B.** EDA Executive Director Update
6. **Next Meeting**
   **A.** Next Regularly Scheduled Meeting is Monday, April 7, 2025 at 5:00 P.M.
7. **Closed Session**
   **A.** Closed Session: Discussion of Negotiations & Intent to Sell Land Owned by the EDA.
8. **Adjourn**

City of Inver Grove Heights

# Budget Report
## Account Summary
For Fiscal: 2025 Period Ending: 02/28/2025

| | | 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 | 6,000.00 | 6,000.00 | 0.00 | 0.00 | -6,000.00 | 100.00 % |
| 290.5800.000.4990 | Transfers In from Other Funds | 177,990.00 | 177,990.00 | 0.00 | 14,832.50 | -163,157.50 | 91.67 % |

**Budget Detail**

| Description | Units | Price | Amount |
|---|---|---|---|
| General Fund-Tax Levy Transfer | 1.00 | -177,990.00 | -177,990.00 |

| | | Original Total Budget | Current Total Budget | Period Activity | Fiscal Activity | Variance Favorable (Unfavorable) | Percent Remaining |
|---|---|---|---|---|---|---|---|
| | **Revenue Total:** | **183,990.00** | **183,990.00** | **0.00** | **14,832.50** | **-169,157.50** | **91.94 %** |
| **Expense** | | | | | | | |
| 290.5800.000.5000 | Wages-Full Time Employees | 114,000.00 | 114,000.00 | 0.00 | 1,205.08 | 112,794.92 | 98.94 % |
| 290.5800.000.5030 | Employer Social Security | 7,100.00 | 7,100.00 | 0.00 | 75.47 | 7,024.53 | 98.94 % |
| 290.5800.000.5032 | Employer Medicare | 1,700.00 | 1,700.00 | 0.00 | 17.64 | 1,682.36 | 98.96 % |
| 290.5800.000.5040 | Medical Insurance | 19,400.00 | 19,400.00 | 0.00 | 0.00 | 19,400.00 | 100.00 % |
| 290.5800.000.5046 | Insurance-Cash Option | 5,100.00 | 5,100.00 | 0.00 | 35.64 | 5,064.36 | 99.30 % |
| 290.5800.000.5050 | Life Insurance | 200.00 | 200.00 | 0.00 | 1.85 | 198.15 | 99.08 % |
| 290.5800.000.5052 | LTD Insurance | 400.00 | 400.00 | 0.00 | 0.00 | 400.00 | 100.00 % |
| 290.5800.000.5058 | Account Fees-HSA/HRA/FSA | 100.00 | 100.00 | 0.00 | 0.00 | 100.00 | 100.00 % |
| 290.5800.000.5060 | Employer PERA | 8,500.00 | 8,500.00 | 0.00 | 90.37 | 8,409.63 | 98.94 % |
| 290.5800.000.5084 | Workers Compensation | 600.00 | 600.00 | 0.00 | 50.00 | 550.00 | 91.67 % |
| 290.5800.000.5190 | Other Supplies | 500.00 | 500.00 | 0.00 | 0.00 | 500.00 | 100.00 % |
| 290.5800.000.5305 | Legal Services | 6,000.00 | 6,000.00 | 0.00 | 0.00 | 6,000.00 | 100.00 % |
| 290.5800.000.5310 | Professional Services & Contracts | 40,000.00 | 40,000.00 | 0.00 | 0.00 | 40,000.00 | 100.00 % |
| 290.5800.000.5335 | Dues, Licenses & Subscriptions | 1,000.00 | 1,000.00 | 0.00 | 0.00 | 1,000.00 | 100.00 % |
| 290.5800.000.5340 | Training & Travel | 3,500.00 | 3,500.00 | 0.00 | 0.00 | 3,500.00 | 100.00 % |
| 290.5800.000.5380 | Utility Charges-Storm Water | 0.00 | 0.00 | 0.00 | 94.94 | -94.94 | 0.00 % |
| 290.5800.000.5450 | Insurance Allocation | 400.00 | 400.00 | 0.00 | 33.33 | 366.67 | 91.67 % |
| 290.5800.000.5455 | City Facilities Allocation | 315.00 | 315.00 | 0.00 | 26.25 | 288.75 | 91.67 % |
| | **Expense Total:** | **208,815.00** | **208,815.00** | **0.00** | **1,630.57** | **207,184.43** | **99.22 %** |
| | **Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):** | **-24,825.00** | **-24,825.00** | **0.00** | **13,201.93** | **38,026.93** | **153.18 %** |
| | **Report Surplus (Deficit):** | **-24,825.00** | **-24,825.00** | **0.00** | **13,201.93** | **38,026.93** | **153.18 %** |

## Group Summary

| Account Typ… | Original Total Budget | Current Total Budget | Period Activity | Fiscal Activity | Variance Favorable (Unfavorable) | Percent Remaining |
|---|---|---|---|---|---|---|
| **Fund: 290 - EDA-OPERATING FUND** | | | | | | |
| Revenue | 183,990.00 | 183,990.00 | 0.00 | 14,832.50 | -169,157.50 | 91.94 % |
| Expense | 208,815.00 | 208,815.00 | 0.00 | 1,630.57 | 207,184.43 | 99.22 % |
| **Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):** | **-24,825.00** | **-24,825.00** | **0.00** | **13,201.93** | **38,026.93** | **153.18 %** |
| **Report Surplus (Deficit):** | **-24,825.00** | **-24,825.00** | **0.00** | **13,201.93** | **38,026.93** | **153.18 %** |

# Fund Summary

| Fund | Original Total Budget | Current Total Budget | Period Activity | Fiscal Activity | Variance Favorable (Unfavorable) |
|---|---|---|---|---|---|
| 290 - EDA-OPERATING FUND | -24,825.00 | -24,825.00 | 0.00 | 13,201.93 | 38,026.93 |
| **Report Surplus (Deficit):** | **-24,825.00** | **-24,825.00** | **0.00** | **13,201.93** | **38,026.93** |

Agenda Item 5.A.

**Economic Development Authority**
**Staff Report**

**SUBJECT:** Land Use and Zoning Discussion Regarding EDA-Owned on 70th Street and Babcock Trail.

**MEETING DATE:** February 10, 2025
**ITEM TYPE:** Regular Agenda
**CONTACT:** Jason Ziemer, Community Development Director, 651-450-2546

**PURPOSE/ACTION REQUESTED**
The Economic Development Authority (EDA) is asked to discuss and consider a change to the land use and zoning of an EDA-owned parcel on the corner of 70th Street and Babcock Trail.

**BACKGROUND**
In 1990, the Inver Grove Heights City Council acquired land to construct Inverwood Golf Course. Years later, the Economic Development Authority (EDA) came into ownership of two properties within the golf course area, including a 4.93-acre parcel out the southside of 70th Street and west of the clubhouse, and a 4-plus-acre parcel, located on the northwest corner of the Babcock Trail and 70th Street intersection. Although separated by 70th Street, the second parcel remains a part of the Inverwood Golf Course.

EDA ownership occurred in 2012 when the City identified the two parcels as “excess golf course land” and sold them to the EDA for the purpose of development. The EDA acquired the property for $1,352,000, utilizing a $1 million loan from the City’s Host Community Fund. The sale would allow the City to defease the outstanding golf course bonds, thereby improving golf course’s financial position.

In September 2024, the EDA authorized City staff to hire Alliant Engineering to survey the second parcel, and replat the entire golf course. The resulting subdivision would combine the first parcel (noted above) into the golf course land, with the second parcel split off, allowing it to be sold for development. Alliant has completed the survey work and is finishing the preliminary and final plats, with the hope of seeking plat approval later this spring.

Development Potential

EDA Executive Director Jason Ziemer has received numerous calls from developers interested in exploring the 70th and Babcock parcel for some type of higher development project, notably senior apartments that may or may not include some type of limited commercial. Ziemer has also talked with real estate brokers and other developers as to how they envision the market for the site from a use perspective, notably with a bend to commercial. Responses were generally less enthusiastic on purely commercial given its location and other surrounding uses, unless the commercial use had some relationship to a residential component. Both distance from Highway 52 and lack of visibility of the parcel from the highway were noted as drawbacks, making the parcel less appealing for pure commercial. Conversely, developers did note proximity to the golf course could be of interest to smaller commercial users that might be attractive to golfers, yet they also acknowledged those uses may need to largely depend on an integrated, residential use (i.e. medical clinic and senior housing, etc.).

A couple of the developers pulled back from further possible pursuit of the site until the plat work is finalized and the EDA determines a direction in terms of land use.

Parcel Land Use & Zoning

As presented at the December 2024 EDA meeting, because the second parcel is currently part of the golf course, it is currently guided and zoned that allows for parks and open space. Specifically, the land use designation is Public Parks and Open Space, per the 2040 Comprehensive Plan; zoning is currently P, Institutional. Meaning: Any sale and development of the parcel will require a Comprehensive Plan amendment and rezoning.

The decision surrounding land use and zoning is entirely legislative authority of the City Council. Land uses may be the following; the matching would correspond but is not listed

1. Low Density Residential

The immediate adjacent properties are all single-family uses, albeit more consistent with rural residential development. All of the adjacent parcels are guided as Low Density Residential, which supports future urban density-type of development, should such opportunities arise amongst owners and developers. While it is understandable to consider matching uses, consideration should be given to what is the highest and best use for the land. It is likely only two, single-family residential lots could fit on this property. Based on previous financial decisions, the designation and sale of this parcel as low-density residential would not likely help the EDA reach its financial (debt) obligations.

This land use is not recommended.

2. Low Medium Density Residential
3. Medium Density Residential

Medium density development has occurred adjacent to this parcel, to the east (quad homes) and southeast (twin homes) of Babcock Trail. So, a medium density-type of development would fit into the neighborhood, and given its location at an intersection would make medium-density housing logical. However, like the lower density housing discussion above, site constraints create limitations as to what can fit, resulting in an inefficient use of the land available. Developers that do such projects had little interest in the site unless more land was attainable for a larger project.

As stated, medium density housing could be an option, if other land was available to allow for a better, cohesive development design versus just dropping in a couple units. This land use could be pursued further but neither is recommended.

4. High Density Residential

This parcel – vacant and underutilized, odd shape and with site constraints – has a footprint resembling an infill development site. The majority of developer interest in this site has been from those looking for apartment projects, notably either active living senior and/or market rate. Although adjacent to the other lower-density residential uses, the site itself is physically separated from those uses by roads. With medium density housing to the east and southeast, a higher density use could be considered a fit to those uses. However, based on proximity to the larger lot home sites to the north, an apartment building by itself may be of little interest.

Purely based on the market this would be the highest and best land use designation, but not likely widely supported without a commercial component

5. Mixed Use / Mixed Use

The 2040 Comprehensive Plan defines mixed use as: "…consist of a mix of retail and service commercial, office, institutional, higher density residential, public uses and/or park and recreation uses, organized in a pedestrian-friendly environment." Housing densities are similar to the High-Density Residential category (12 to 35 units per net acre) with the intended housing types to include apartment and condominium buildings.

In other words, it is possible as a mixed-use site the parcel could develop as all commercial, all higher density residential, or a mix of both. The appeal of a Mixed Use designation is that it gives the EDA and developers the greatest flexibility to consider a wider variety of uses, allowing for creativity, versus a more narrow land use category. As the owner, the EDA remains in control as to whom to partner with on a development, based on the development proposed and the goals of the EDA.

Based on the increased use options, this would appear to be the best option for land use.

6. Commercial

It is a goal of the EDA to bring more commercial, notably retail uses to the community. Land guided for commercial uses are either limited or already developed, making it more difficult to find good sites for new commercial businesses. From a developer perspective, smaller sites, resulting in smaller commercial spaces, are typically more ideal for commercial development in that they allow for more control over leases and other business costs. Thus, at four-plus acres, the site fits that image. But, much like the 1.0-acre lot just south of the Upper 55th Street and Blaine Avenue intersection, location is a challenge. As noted above, the distance from Highway 52 and lack of visibility of the parcel from the highway is a significant drawback.

Although a commercial use could be of interest with a higher-density type of project, a commercial designation by itself is not recommended.

A future step would be to determine how the EDA wishes to approach the transactional side of the parcel (i.e. land sale). For now, City staff is looking for direction as to how the EDA wishes to answer the questions about changes to land uses and zoning for the 70th and Babcock parcel. That work would coincide with the plat applications. As developers would need certainty as to the type of development, it is not recommended to leave land use and zoning as it is today, requiring developers to obtain those approvals.

Next Steps

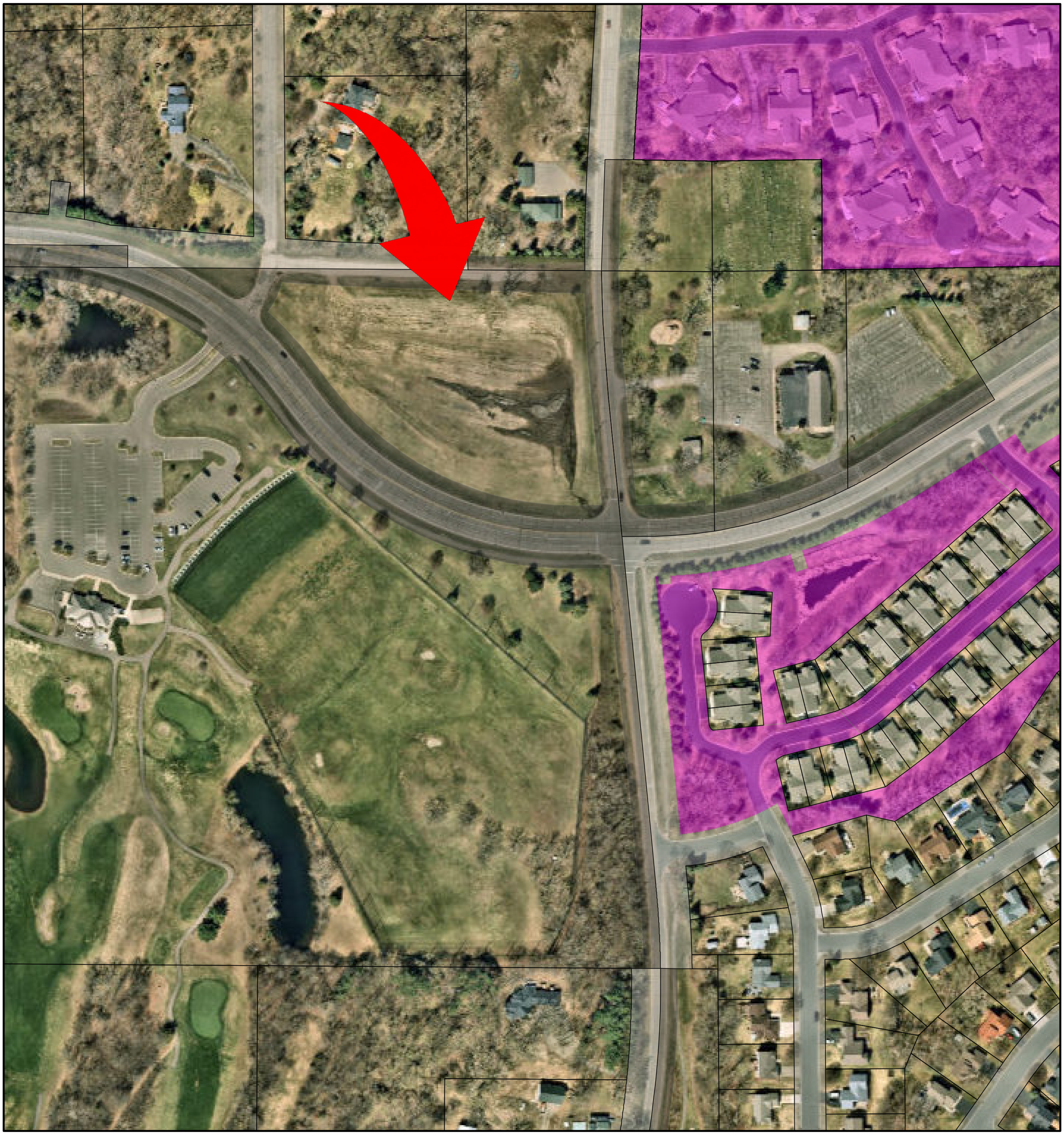
Based on EDA direction, City staff would proceed with the application for the Comprehensive Plan amendment and rezoning of the parcel; the golf course land is unaffected by this change. The process would require a public hearing with the Planning Commission and City Council action. Thus, approval of a Comprehensive Plan amendment and rezoning of the parcel would not be a decision of the EDA. Thus, the EDA is merely providing direction as to its application and its justification to the Commission and Council to approve the request. This is similar to any other developer or property owner seeking a similar type of request.

## FISCAL IMPACT
N/A

## RECOMMENDATION
City staff recommends consideration of a Comprehensive Plan amendment and rezoning of the EDA-owned parcel on 70th Street and Babcock to Mixed Use.

## ATTACHMENTS
1. EDA 70th & Babcock Lot_Aerial Map
2. EDA 70th & Babcock Lot_Land Use & Zoning Maps

# 70th & Babcock EDA Lot



11/27/2024, 4:07:48 PM

Parcels

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

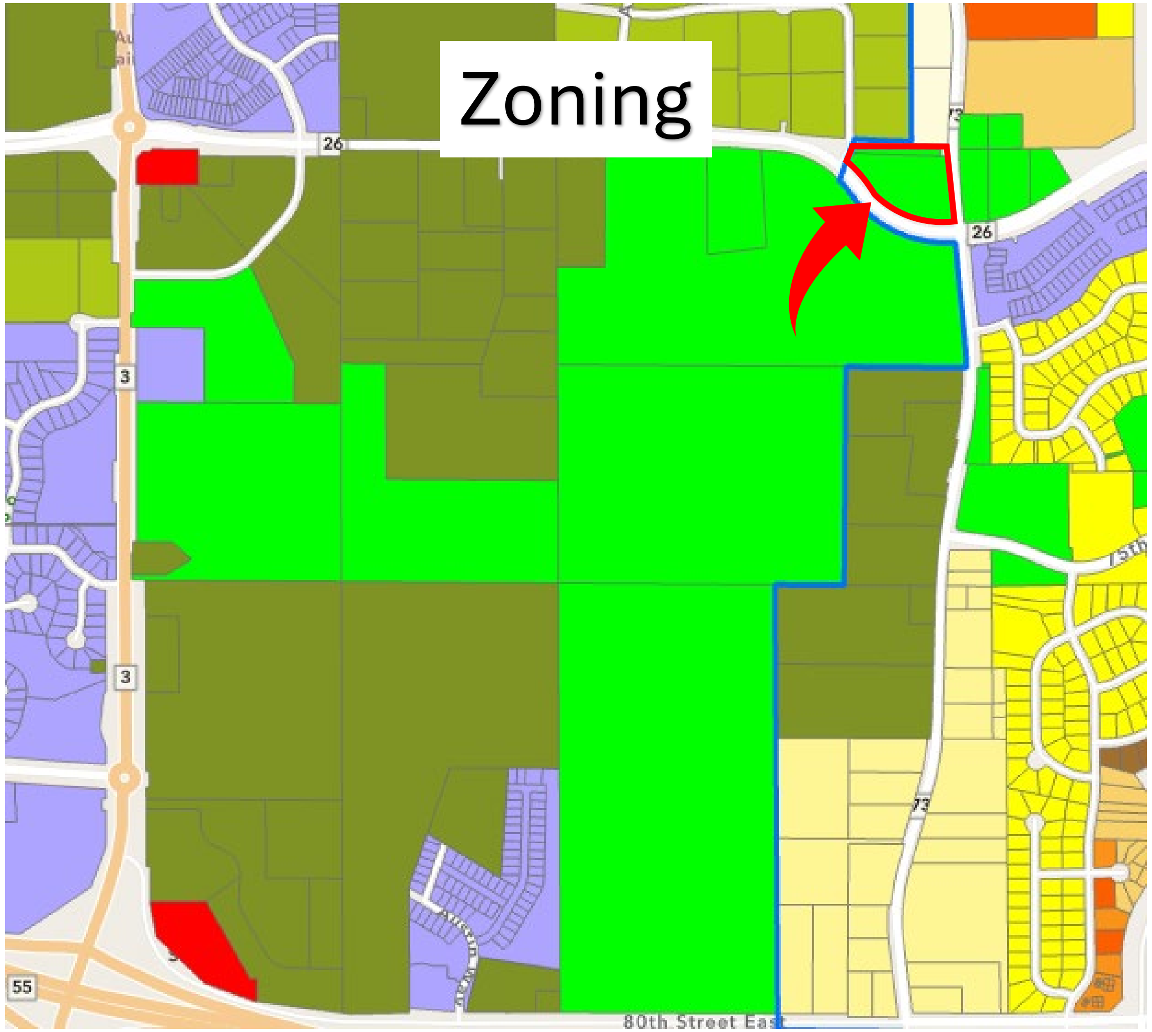
1:4,514

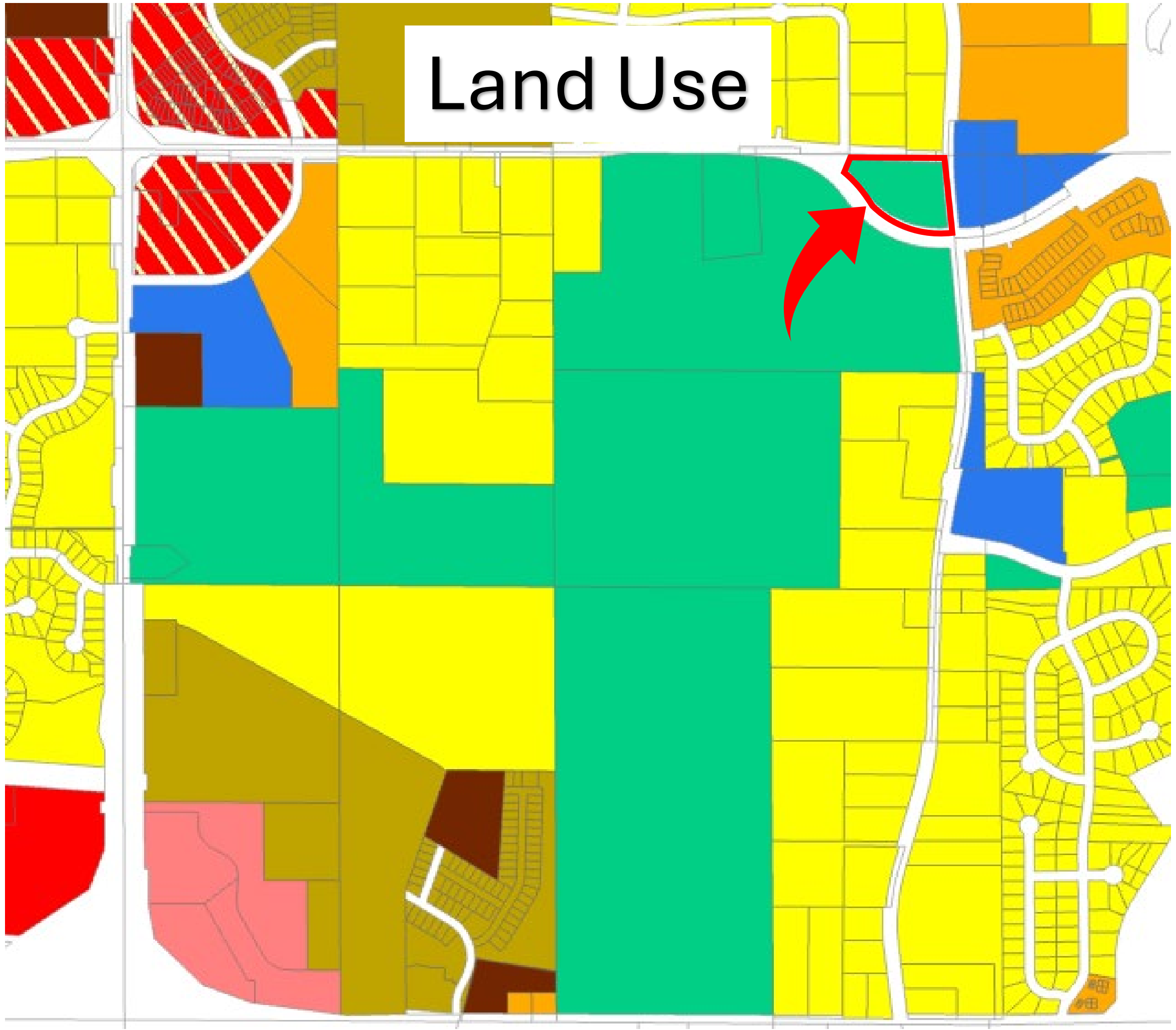
0 0.03 0.05 0.1 mi

0 0.04 0.09 0.17 km

Dakota County, Maxar

# EDA-Owned Parcel
# Babcock Trail & 70th Street



Agenda Item 5.B.

**Economic Development Authority**
**Staff Report**

# SUBJECT: EDA Executive Director Update

**MEETING DATE:** February 10, 2025
**ITEM TYPE:** Regular Agenda
**CONTACT:** Jason Ziemer, Community Development Director, 651-450-2546

## PURPOSE/ACTION REQUESTED

The Economic Development Authority (EDA) is receiving updates regarding several EDA topics and projects.

## BACKGROUND

Concord Boulevard Redevelopment

At the request of the Economic Development Authority (EDA), EDA Executive Director Jason Ziemer reached out to a planning firm to understand the potential cost to complete a Small Area Plan. A modified map, similar to what was provided at the January EDA meeting, was provided to the planning firm for context. The firm provided an estimated a scope of work with an estimated price of $38,000. City staff are not recommending proceeding with such a project, at this time. The Dakota County CDA is an interested partner in such study and indicated it can provide grant funding toward the project at a 1:1 ratio up to $25,000.

Simultaneously, the EDA Executive Director and Planning staff met with the developer interested in a (re)development project in the same area, inclusive of the Republic Services property and other parcels currently owned by the City and EDA. Both parties agreed to continue with their due diligence efforts to understand the cost implications and practicality of pulling off the type of development conceptually viewed by the developer. As the majority of the City- and EDA-owned parcels were acquired via grant funding and with certain encumbrances, Planning staff are reviewing property records, past grant agreements and other property/title items to understand if those hurdles can be cleared to allow for (re)development to proceed. As the potential development sites sit near the Mississippi River, the developer was provided flood plain data for further review.

Argenta & 494 Interchange

Dakota County initiated a workgroup, including the cities of Inver Grove Heights, Eagan and Sunfish Lake, to commence direct conversations specific to a new 494 interchange, north of the Argenta Trail-65th Street intersection. This past December, the County hosted a kickoff meeting comprised of staff from those cities, County and MnDOT. Public Works Director Brian Connolly and City Engineer Paul Merchlewicz attended the kickoff meeting.

That workgroup looked at a variety of high-level interchange concepts, and discussed outcomes, expected issues and future steps in the process. It was reported that a regional roadway visioning study did not show the need for a new interchange within the next five years, and that improvements to other interchanges in the area were of higher priority than adding a new interchange. And, until more development occurs in and around the expected interchange location, it is unlikely the interchange may show up in any shorter-term programming by MnDOT, County or cities. In part, this exercise is to identify a preferred design.

As future development needs to be informed by the interchange design, and vice versa, EDA Executive Director Jason Ziemer will join the City delegation at future meetings to discuss how the area between 65th Street and I-494 could develop and what uses those developments might include. The EDA will receive more updates as things progress.

<u>Development Pursuits</u>

Mayor Dietrich, EDA Executive Director Jason Ziemer and Consultant Lee Krueger drove to Duluth on January 29, 2025 to meet with a group looking to bring a national sports venue to Minnesota, and likely the Twin Cities metropolitan area. Dietrich, Ziemer and Krueger also made a quick stop to tour an entertainment venue in the Duluth area. The trio along with EDA President Sue Gliva and City Administrator Kris Wilson met on Friday, February 7, 2025 to debrief and discuss next steps, which will likely include site and a fit analysis using a sketch plan approach.

**FISCAL IMPACT**
N/A

**RECOMMENDATION**
This item is informational only; no action is required on any items at this time.

**ATTACHMENTS**
None