

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING  
AUGUST 11, 2025 – 8150 BARBARA AVENUE**

**1. CALL TO ORDER:**

The Economic Development Authority (EDA) of Inver Grove Heights met in Regular Session on Monday, August 11, 2025, in the Council Chambers at City Hall. President Gliva called the meeting to order at 5:00 p.m.

**2. ROLL CALL:**

Present In-Person: President Gliva, Commissioners, Dietrich, Murphy, and Scales

Staff in Attendance: City Administrator Wilson, City Attorney Nason, Deputy City Clerk Malott, and EDA Executive Director Ziemer.

**3. APPROVAL OF AGENDA:**

**Motion to approve Agenda as published by T’Kach, second by Dietrich.**

**Ayes: 5**

**Nays: 0      Motion carried.**

**4. CONSENT AGENDA:**

- A. Minutes of the May 12, 2025, Economic Development Authority Special Meeting.
- B. Minutes of the June 9, 2025, Economic Development Authority Meeting.
- C. C. Minutes of the July 14, 2025, Economic Development Authority Special Meeting
- D. D. Approval of Claims. E. Approve 1st Amendment to the Purchase Agreement related to the purchase of excess golf course property.
- E. F. Authorization to Enter into Contract for Soil Borings & Geotechnical Analysis

**Motion to approve Consent Agenda Items A-E by Dietrich second by Scales.**

**Ayes: 5**

**Nays: 0      Motion carried.**

**5. REGULAR AGENDA:**

- A. Next Steps Regarding Retail Recruitment and Consulting Services

Past and present efforts related to retail recruitment included the EDA conducting RFPs for retail recruitment services in February 2023, which resulted in three proposals being received and the selection of Krueger Real Estate Advisors. The initial contract commenced in March 2023 and was extended three additional times, with those extensions providing continuity during the Community Development Director vacancy. The most recent extension focused on transformative, destination type development and expired July 31. With that phase complete, staff are recommending that the EDA revisit and restart more focused retail recruitment efforts through a recommended work plan that establishes a foundation for understanding the current state of retail, develops shared knowledge of the community, determines a direction specific to retail recruitment, and identifies the resources needed to support this work.

The current state of retail would be established by developing an updated list of existing vacant buildings and spaces and quantifying the amount of available commercial square footage. This effort would also include creating an inventory of vacant, development ready individual sites and gross acreage properties that are guided or zoned commercial and have accessible utilities and adjacent roadways. In addition, staff would identify retail-oriented businesses that have opened since 2024, as

well as those that are currently planning or proposing to open, to provide a clear picture of recent activity and near-term development potential.

Retail broker outreach would focus on identifying specific retail segments that are considered priorities and hosting individual meetings with commercial brokers to discuss current market conditions and trends. These discussions would address market subsets and specific business projections such as expansion, scaling, or contraction, along with the identification of retail needs and issues. Findings from the broker outreach would be compiled and presented for review, followed by discussion regarding the potential hiring of a firm to develop a community retail profile, match that profile to targeted businesses, and assist with focused recruitment strategies.

Community economic data would be reviewed to determine the currency of available information and to better understand how current data is being utilized. Recent usage metrics show that Economic Development related content received 127 views in the last month and 1,229 views over the past 12 months, while Jobs related content received 1,000 views in the last month. As part of this effort, EDA members would familiarize themselves with the available economic and demographic data and engage in discussion about how this information can be more effectively used to support retail recruitment, business attraction, and broader economic development efforts within the City.

The proposed timelines for the retail recruitment next steps estimate that the work could be completed within up to six weeks, with a report back anticipated at the October EDA meeting. Immediate actions include inventorying existing available and developable commercial sites, compiling a list of businesses that have recently opened or are projected to open, developing an invitation list and agenda along with a survey and schedule for meetings with commercial brokers, and scheduling meetings with EDA members to review and discuss available economic data.

Commissioner T’Kach stated that the overview outlining the retail recruitment next steps was helpful in framing the broader retail landscape. She noted that retail discussions often reference factors such as rooftops, traffic counts, and trip generation, and asked how the criteria used by retail establishments differ from those considered by office, light industrial, or light manufacturing users. She further inquired about the opportunity cost for the City in prioritizing retail recruitment compared to attracting office or other employment uses, particularly those that provide family supporting jobs, versus lower wage retail employment.

Director Ziemer stated that the questions raised were significant and distinct and that he did not have a specific response prepared at that time. He explained that industrial uses typically seek locations near transportation corridors and hubs, such as highways and interchanges, where access is efficient and visibility may or may not be a priority. Commercial uses, by contrast, place greater emphasis on visibility and access and often prefer locations near residential areas or activity centers where people congregate. He noted that commercial development can also benefit from proximity to industrial areas, as nearby employment generates demand for services such as dining and retail. He added that while factors such as traffic patterns, traffic counts, and rooftops are more commonly associated with commercial development, industrial users often focus on workforce availability, housing, education, and population to evaluate labor supply. He concluded that although there are similarities between commercial and industrial considerations, the two differ in scope, and his remarks were primarily focused on the retail perspective.

Commissioner T’Kach asked about the cost of the EDA and the City focusing on retail recruitment. She questioned whether retail recruitment could proceed alongside other development efforts, and whether staff has the capacity to support both approaches or if additional or different consultant support would be required.

Director Ziemer stated that if the EDA and the City focus on retail, that focus should be clear and intentional. He noted that the City has limited land available for industrial development and while some

areas could support industrial uses, there are not significant amounts of developable land, making this an ongoing consideration for the future. He explained that there is a connection between job generating uses such as industrial and office development and retail, as employment activity helps support retail demand.

He emphasized the importance of relying on data to understand retail needs rather than anecdotal feedback. While certain retailers are often requested, consumer spending patterns determine what is viable in a community. A data driven approach would help guide targeted retail recruitment and could also support job related development, as employers consider the availability of services and amenities for their employees.

Commissioner Murphy stated that while information gathering is important, the City should not rely solely on measures such as rooftops or traffic counts, which he viewed as limited indicators of retail potential. He noted that comparable communities have successfully attracted retail and services often assumed not to work locally and questioned those assumptions. He emphasized that any plan should include updated input from residents seeking additional retail options and the ability to shop within the City.

He also stressed the importance of engaging landlords and existing business owners, particularly in strip mall areas, as part of the information gathering process, noting that some feel overlooked despite interest in attracting additional businesses. He added that while much of the data presented did not stand out to him, the City's relatively strong median disposable income is a key strength that should be highlighted when engaging prospective businesses and landlords and encouraged moving forward more quickly to maintain momentum.

President Gliva stated that she shared concerns about relying on overly simplistic conclusions, such as traffic pattern thresholds, to determine what retail can succeed in the City. She emphasized the importance of focusing on the strengths of the community, including higher median income, rather than emphasizing limitations. She also asked whether the consultants previously engaged for similar work approximately 2 years ago were national consultants.

Director Ziemer stated that the prior consultants were national firms specializing in retail recruitment. He explained that the purpose of engaging such consultants is to analyze data to understand where residents shop, how they spend money, disposable income levels, and consumer preferences, rather than relying too heavily on measures such as rooftops or traffic counts. This analysis helps identify which businesses are most likely to be a good fit for the City based on comparable market data.

He added that this information allows for more targeted outreach to specific businesses by demonstrating how Inver Grove Heights aligns with their site selection criteria, whether for expansion, relocation, or new stores. While acknowledging that retailers can be unpredictable despite strong data, he emphasized that a data driven approach enables more focused recruitment efforts, shifting from a broad approach to a more intentional and strategic one.

President Gliva stated that she likely would not have supported that approach 2 years ago, as the focus at that time was broader, but noted it may be another option to consider.

Director Ziemer stated that he has used this approach in other cities and finds it valuable. He noted that it often identifies businesses that may not initially seem like a fit, which can prompt discussion about pursuing opportunities that fall outside traditional expectations. He added that the process also helps deepen understanding of the community from perspectives beyond standard demographic data.

Commissioner Scales stated that while understanding demographic data has value, he favored a more proactive and outward facing approach to retail recruitment. He expressed concern about spending too much time on studies and emphasized the importance of actively pursuing opportunities, including having a clear process for responding when businesses express interest, engaging directly with

prospects, and working with landlords to facilitate development, noting that this is where he believes the City should focus most of its efforts moving forward.

Director Ziemer clarified that he was not advocating for a full retail profile study but rather noting that such an effort could be one component of broader data considerations. He emphasized that it was presented as an option for discussion, not a requirement, and sought to clarify that he was not recommending it as a necessary step.

Commissioner Scales emphasized a preference for active, hands-on engagement with businesses and stakeholders. He supported getting out into the community, building relationships, and taking a proactive role in attracting interest, noting that any planning effort should be brief and followed by a strong focus on outreach and engagement to encourage businesses to approach the City and pursue development opportunities.

Commissioner T’Kach requested clarification on how the City would identify and refine retail preferences expressed by residents and existing businesses. She noted that comparisons to nearby communities are often broad and asked whether a study could help better define specific retail needs. She also raised the question of whether retail development is dependent on a destination or anchor use to generate demand and whether this information would support clearer communication with prospective businesses regarding available sites and opportunities.

Director Ziemer stated that the City continues to receive inquiries from businesses interested in locating or expanding in Inver Grove Heights, noting that activity is occurring even if it does not always align with specific retailer’s residents may have in mind. He explained that staff regularly works to align business needs with available spaces, whether existing buildings or development opportunities, and to connect prospective businesses with property owners or developers as appropriate.

He noted that his intent was not to replace resident input, but to begin with conversations with commercial brokers to better understand which businesses they represent, their expansion interests, and their site requirements. This information could then inform more productive discussions with residents by aligning expressed preferences with realistic market opportunities. He added that many retailers have specific site criteria, and broker engagement helps identify where there may be alignment between business needs, available sites, and community interest, allowing staff to more effectively connect opportunities and advance potential development.

Commissioner T’Kach noted that residents and those who work within the community must ultimately support the businesses established in the City.

Commissioner Murphy stated that his initial approach was to ask residents what they want, reach out directly to prospective businesses, and actively promote the City to attract retail that would encourage residents to spend more of their discretionary income locally. He indicated that this combination of information gathering, and proactive outreach is a plan he could support.

He also requested clarification on the consumer behavior and tapestry data, asking whether the listed spending categories represent the top categories for the City or a standard set applied consistently across communities, and whether those categories vary by city.

Director Ziemer stated that the information presented was specific to Inver Grove Heights.

Commissioner Murphy stated that he did not find the information particularly useful, noting that categories such as travel are inherently more expensive and not directly actionable for the City. He questioned how such data should be interpreted in a practical sense and asked how it would translate into attracting specific types of businesses, such as travel related services or lodging, seeking clarification on what the data is intended to inform.

Director Ziemer explained that the data reflects how residents spend their income rather than identifying specific businesses to recruit. He noted that categories such as travel indicate personal spending patterns, including trips and related expenses, and do not necessarily translate directly into local business opportunities. He added that the information is intended to show general consumer behavior, such as spending on entertainment or subscriptions, to provide context on how residents allocate their monthly income, rather than serving as a direct guide for targeting particular retailers.

President Gliva asked how the data was obtained.

Director Ziemer stated that the data is obtained through the City's contract with Esri, a GIS platform that compiles and analyzes demographic and consumer data and provides it back to the City. He noted that staff is still working to confirm how frequently the data is updated and whether it reflects current or older information.

He added that this type of data is not widely available on many other cities' websites and requires significant effort to compile independently, making it a valuable resource despite the need for further clarity on its update cycle.

Commissioner Dietrich stated that during the prior Krueger consulting engagement, the EDA had visibility into how time was allocated, including outreach efforts and general contacts, and noted that this matter has been discussed previously by the Commission. She requested a regular summary of staff time dedicated to EDA activities, such as a periodic overview of outreach efforts, contacts made, and general discussion topics, without the inclusion of proprietary information. She indicated that this level of transparency would be beneficial and suggested initiating this practice promptly based on current activities.

President Gliva stated that she supported the idea, noting that during the prior engagement with Mr. Krueger there was visibility into outreach efforts and contacts, which provided helpful context. She indicated that a similar approach would be a useful starting point, expressed some uncertainty about how time is currently allocated to EDA activities, and noted that there appears to be room for improvement.

Commissioner T'Kach noted that the consumer behavior data shows projected population growth among younger age groups, which could influence the types of businesses interested in locating in the City. She also acknowledged that higher income levels may be present in other demographic groups and asked how these figures compare to neighboring communities. She suggested that comparative data would be helpful in identifying relative advantages and informing retail recruitment and outreach efforts.

Director Ziemer stated that comparative information such as population growth, age projections, and similar data is generally available. He noted that more detailed consumer spending comparisons with neighboring communities may not be readily accessible without additional cost, as some data would require purchasing through Esri or similar providers. He added that other sources, such as regional organizations, may offer some comparative information, but emphasized the importance of clearly identifying which data points are most useful to avoid being overwhelmed by excessive information.

Commissioner T'Kach suggested that retail and commercial contacts likely already maintain extensive community level data, noting from prior industry experience that businesses often use detailed mapping and criteria-based tools to evaluate and compare potential locations.

Director Ziemer stated that retail businesses, such as grocery stores and similar uses, typically conduct their own market and data analyses. He noted that these analyses can also identify where the City has advantages or disadvantages relative to other locations.

President Gliva asked whether there was clear direction for staff.

Director Ziemer stated that he heard interest in increasing focus and effort on EDA activities, an emphasis on timelines and timely progress, and the need to engage residents, landlords, and existing businesses as part of the process. He indicated that these elements could form an initial framework, with additional steps to follow, and suggested providing periodic updates to the EDA as work progresses. He requested confirmation on whether this approach represents an appropriate initial direction for staff to proceed.

Commissioner T’Kach asked about the anticipated cost, specifically whether the proposed approach would require additional funding or consist primarily of staff time.

Director Ziemer indicated that the effort would consist solely of staff time.

President Gliva expressed support for an active, hands-on approach and emphasized the importance of receiving regular updates. She noted that given the limited number of scheduled EDA meetings, updates need not require a meeting each time but should be provided on a frequent and consistent basis. She suggested beginning with a simple framework outlining recent outreach efforts and contacts on a weekly basis, acknowledging that the format could be adjusted over time if it becomes cumbersome, and emphasized that this work is a priority.

Commissioners Dietrich and Scales indicated their agreement with the proposed approach.

Commissioner T’Kach noted that weekly updates would be relatively frequent, as responses from contacts such as Hempel can take several days.

President Gliva stated that reporting the absence of return calls is also important, noting that documenting when contacts do not respond provides meaningful information for the EDA.

Director Ziemer stated that staff can begin taking steps and adjust as needed over time.

## **6. CLOSED SESSION:**

### **A. Closed Session to Consider the Terms of Sale of Real Property**

**Motion to move into closed session pursuant to Minnesota Statute, Section 13D.05, Subdivision 3(c)(3), to develop or consider offers or counteroffers for the Sale of Real Property located near Dickman Trail and Dixie Avenue, identified by Dakota County Parcel ID numbers 2001-10027012, 2017-75006050, 2017-75006071, and 2017-75006091 by Murphy, second by Dietrich.**

**Ayes: 5**

**Nays: 0      Motion carried.**

**Motion to reconvene in open session by Scales, second by T’Kach.**

**Ayes: 5**

**Nays: 0      Motion carried.**

## **7. ADJOURN:**

**Motion to Adjourn at 6:17 p.m. by Scales second by T’Kach.**

**Ayes: 5**

**Nays: 0      Motion carried.**

Minutes prepared by City Recording Secretary Tammy Greenlee.