



**INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT AUTHORITY AGENDA
SPECIAL MEETING
MONDAY, SEPTEMBER 11, 2017
CITY COUNCIL CHAMBERS
6:00 PM**

1. CALL TO ORDER

2. ROLL CALL

3. REGULAR AGENDA

- A. Conduct Public Hearing to Consider Establishing Development District No. 10, consisting of property located at 6940 and 6950 Dixie Avenue

4. ADJOURN

**MEMO
CITY OF INVER GROVE HEIGHTS**

TO: Inver Grove Heights Economic Development Authority

FROM: Thomas J. Link, Director of Community Development

DATE: September 6, 2017 for EDA Meeting of September 11, 2017

SUBJECT: Creation of Economic Development District No. 10

PURPOSE/ACTION REQUESTED

The Inver Grove Heights Economic Development Authority (EDA) is to consider adoption of Resolution Approving the Creation of Economic Development District No. 10, as attached.

BACKGROUND

William and Kathleen McPhillips, owners of residences at 6940 and 6950 Dixie Avenue, approached the EDA and expressed an interest in selling their property. The purpose of the acquisition would be economic development. The property is located within one of the 'catalyst' redevelopment sites identified in the Concord Neighborhood Plan Update. The EDA would acquire the property, combine it with other properties and, at some future undetermined time, sell the property for redevelopment. The EDA performed its due diligence, including the preparation of an appraisal and a Phase I environmental assessment. The EDA and the property owners have now completed negotiations and signed the purchase agreement, subject to the creation of an economic development district and other contingencies.

At its August 7 special meeting the EDA adopted the 'Resolution Calling for a Public Hearing to Consider the Creation of Economic Development District No. 10'. Economic Development District No. 10 consists of just the two McPhillips residential properties.

ANALYSIS

Minnesota Statutes requires that a property be in an economic development district before an EDA can acquire it. Minnesota Statutes also requires that the EDA conduct a public hearing when considering an economic development district.

The Planning Commission considered the acquisition on September 5, as required by Minnesota Statutes. The Planning Commission found the acquisition of the McPhillips properties to be consistent with the comprehensive plan on a vote of 8 ayes and 0 nays.

CONCLUSION

Staff recommends that the Inver Grove Heights Economic Development Authority (EDA) adopt the Resolution Approving the Creation of Economic Development District No. 10.

Enc: Resolution Approving the Creation of Economic Development District No. 10
Map of Economic Development District No. 10
Planning Commission Report of September 5, 2017
Planning Commission Recommendation

cc: William and Kathleen McPhillips

**CITY OF INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION APPROVING CREATION OF
ECONOMIC DEVELOPMENT DISTRICT NO. 10**

BE IT RESOLVED by the Board of Commissioners ("Board") of the City of Inver Grove Heights Economic Development Authority (the "Authority") as follows:

Section 1. Recitals.

1.01. Under Minnesota Statutes, Sections 469.090 to 469.1082 (the "EDA Act"), and specifically Section 469.101, subd. 1 thereof, the Authority is authorized to create and define the boundaries of economic development districts at any place or places within the City of Inver Grove Heights, the "City".

1.02. Within the boundaries of such economic development districts, the Authority may exercise any of the powers under the EDA Act.

1.03. The Authority has determined a need to establish Economic Development District No. 10 ("District No. 10") in order to carry out and foster the development of those areas pursuant to the EDA Act.

1.04. On this date, the Authority has held a duly-noticed public hearing regarding the creation of District No. 10, at which all persons were given an opportunity to comment.

Section 2. District Adopted; Further Proceedings.

2.01. The Authority hereby finds that it is proper and desirable to establish and develop District No. 10.

2.02. The tax parcel identification numbers and legal description of District No. 10 are described in Exhibit A, which is incorporated by reference.

2.03. Authority staff and consultants are authorized to take all actions necessary to carry out development of District No. 10 in accordance with the EDA Act.

Approved by the Board of Commissioners of the City of Inver Grove Heights Economic Development Authority this 11th day of September, 2017.

Rosemary Piekarski Krech, President

Attest:

Thomas J. Link, Executive Director

EXHIBIT A
LEGAL DESCRIPTION AND TAX PARCEL IDENTIFICATION NUMBERS FOR
ECONOMIC DEVELOPMENT DISTRICT NO. 10

6940 Dixie Avenue Property:

Real property located in the City of Inver Grove Heights, County of Dakota, State of Minnesota,
legally described as follows:

Lot 6 and 7, Block 6, Cleveland Park, Dakota County, Minnesota.

Abstract Property

Dakota County Tax Identification No.: 20-17750-06-071

AND

6950 Dixie Avenue Property:

Real property located in the City of Inver Grove Heights, County of Dakota, State of Minnesota,
legally described as follows:

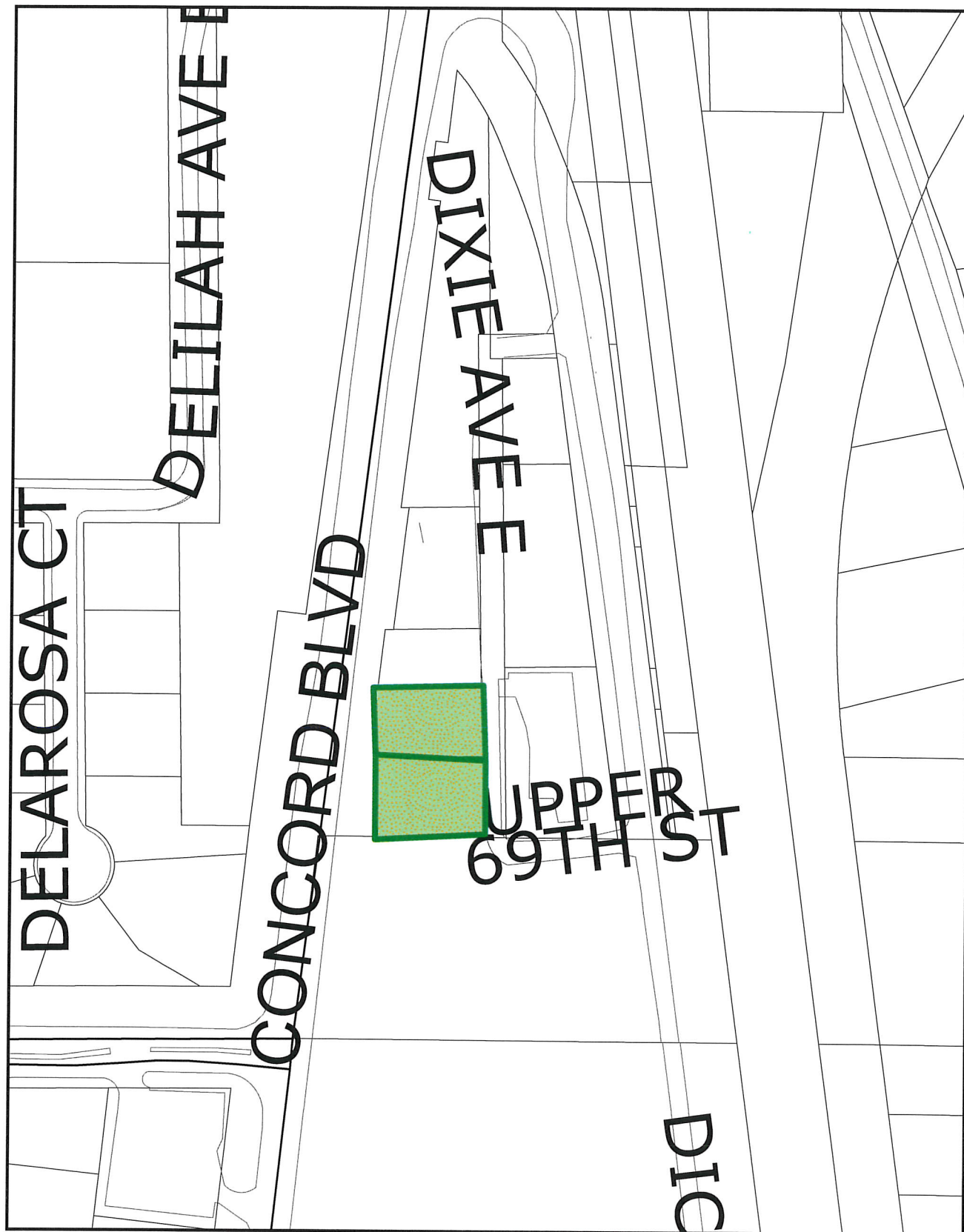
Lot 8 and 9, Block 6, Cleveland Park, Dakota County, Minnesota.

Abstract Property

Dakota County Tax Identification No.: 20-17750-06-090



ECONOMIC DEVELOPMENT DISTRICT NO. 10



P L A N N I N G R E P O R T
C I T Y O F I N V E R G R O V E H E I G H T S

REPORT DATE: August 30, 2017

CASE NO: 17-38X

HEARING DATE: September 5, 2017

APPLICANT: City of Inver Grove Heights

PROPERTY OWNER: William and Kathleen McPhillips

REQUEST: Review Potential Property Acquisition for Consistency with the Comprehensive Plan

LOCATION: 6940 and 6950 Dixie Avenue

COMPREHENSIVE PLAN: I-1, Light Industrial

ZONING: I-1, Limited Industrial

REVIEWING DIVISIONS: Planning
City Attorney's Office

PREPARED BY: Thomas J. Link
Comm. Dev. Dir.



BACKGROUND

William and Kathleen McPhillips, owners of 6940 and 6950 Dixie Avenue, approached the City and expressed an interest in selling their two single-family residential properties. The Inver Grove Heights Economic Development Authority (EDA) will be considering the acquisitions at their next regularly scheduled meeting on September 11. The Planning Commission is to consider making a recommendation on the consistency of the acquisitions with the Comprehensive Plan.

EVALUATION OF THE REQUEST

In accordance with Minnesota Statutes, the Planning Commission must review the municipal acquisition and sale of properties for consistency with the Comprehensive Plan. Specifically, State Statute Chapter 462.356, Subd. 2, states "no publicly owned interest in real property within the municipality shall be acquired or disposed of...until after the planning agency (Planning Commission) has reviewed the proposed acquisition or disposal...and reported its findings as to the compliance of the proposed acquisition or disposal with the Comprehensive municipal plan."

The Comprehensive Plan has several statements attesting to the importance of economic development and the role of the Economic Development Authority (EDA). One of the EDA's major economic development activities is the redevelopment of the Concord Boulevard Neighborhood. The plan states that the City should "support redevelopment efforts for the

Concord Neighborhood" and should "encourage or facilitate redevelopment and reinvestment along the corridor".

The City's redevelopment efforts date back to 1998 when the City Council adopted the Concord Neighborhood Plan. This neighborhood plan is reflected in the current Comprehensive Plan which states:

"Redevelopment of the Concord Boulevard corridor is an important future improvement that will support the significant investment in Heritage Park and the reconstruction of Concord Boulevard and provide an important critical mass that helps sustain commercial development in Inver Grove Heights. Future redevelopment will also take advantage of the Mississippi River Regional Trail Corridor connecting Inver Grove Heights with regional destinations."

The Comprehensive Plan was refined when the City adopted the Concord Boulevard Neighborhood Plan and Design Guidelines in December, 2012. Those documents identified four redevelopment areas, one of which is along the west side of Dickman Trail. The properties that the EDA is considering acquiring are located in this redevelopment site. The Neighborhood Plan and Design Guidelines state that the Dickman Trail area could be redeveloped as light industrial or residential. Light industrial is defined as "light manufacturing, goods movement and wholesale trade." The residential concept could include a mixture of single-family, townhomes, and market rate rental apartments.

The acquisition of this property, from a willing seller, would be consistent with the Comprehensive Plan. The properties lie in one of the areas selected by the City for redevelopment efforts. If acquired, the EDA would remove the structures and, at some future undefined time, sell the properties for redevelopment as light industrial or residential. The acquisition would eventually lead to redevelopment, as stated in the Concord Boulevard Neighborhood Plan and Design Guidelines. The acquisitions would align with the City's general economic development goals and the redevelopment plans of the Concord Neighborhood.

ALTERNATIVES

The Planning Commission has the following actions available for the request:

- A. **Approval.** If the Planning Commission finds the request acceptable, it should recommend that the acquisition of the properties by the Inver Grove Heights EDA is in compliance with the Comprehensive Plan.
- B. **Denial.** If the Planning Commission does not find the proposed acquisitions consistent with the Comprehensive Plan, it should recommend denial with findings provided to support that denial.

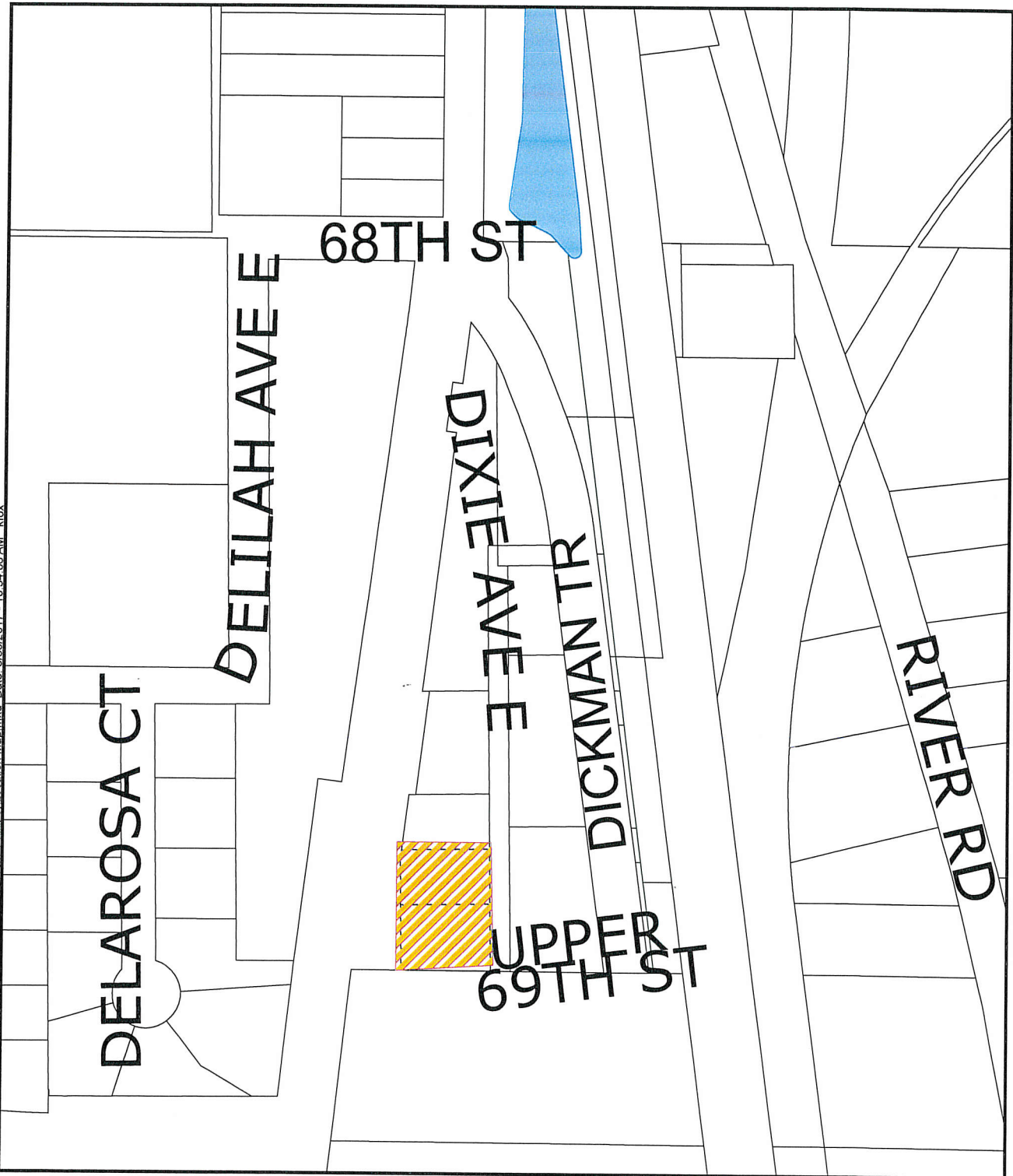
RECOMMENDATION

Staff recommends approval of the request to find the acquisition of the properties at 6940 and 6950 Dixie Avenue consistent with the Inver Grove Heights Comprehensive Plan.

Enc: Location Map
Comprehensive Plan Map
Excerpts from Concord Boulevard Neighborhood Plan and Design Guidelines

Cc: William and Kathleen McPhillips

LOCATION MAP - McPHILLIPS PARCELS 6940 AND 6950 DIXIE AVE E



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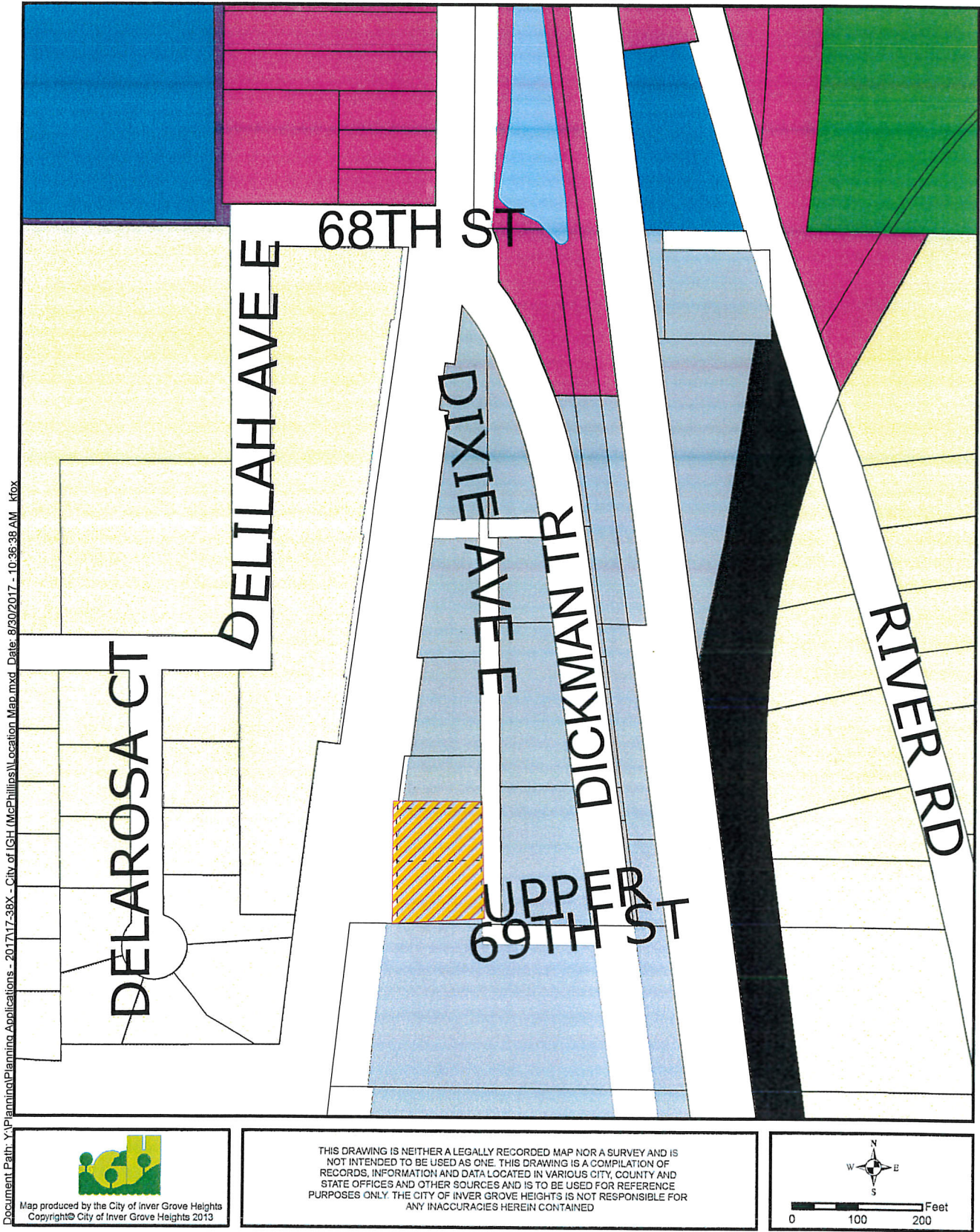
Map produced by the City of Inver Grove Heights
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COMPREHENSIVE PLAN MAP - McPHILLIPS PARCELS
6940 AND 6950 DIXIE AVE E



2. Land Use

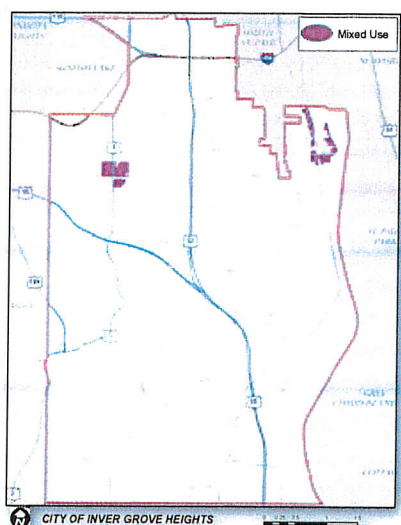


Figure 2.6: Mixed Uses

Mixed Use Assumptions

In order to establish development projections, mixed use areas are assumed to be approximately 2/3 residential and 1/3 commercial. Residential density would be at a minimum of 12 units per acre in mixed use areas.

Mixed Use (MU)

Mixed use areas consist of lots or parcels that contain 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 (see Figure 2.6: Mixed Uses).

Robert Street and 70th Street West: The Comprehensive Plan designates the area at the intersection of South Robert Trail and 70th Street West as mixed use. The vision for this area is to establish a neighborhood hub that integrates higher density residential uses with neighborhood commercial services. In recent years, there has been an increased interest in creating development patterns that capture historic urban qualities and land use relationships. This movement was originally known as "new urbanism" and is now generally known as "traditional neighborhood design" or TND. The mixed use area in Inver Grove Heights has the potential to be developed utilizing some of these design principles. The development pattern is expected to have a pedestrian orientation rather than a sole focus on vehicular movement. The opportunity exists to integrate a variety of land uses making neighborhood commercial areas truly accessible to the surrounding residential neighborhood both due to the close proximity of the uses and a pedestrian sidewalk or trail system that provides direct linkages. Also of long term consideration is the notion of "Transit Oriented Development" or TOD, which encourages mixed use as a means of supporting transit service because of its ability to generate transit users who both arrive and depart from a particular node (see inset TOD.) Developed in this manner, the mixed use area in Inver Grove Heights has the potential to become an attractive amenity for both the northwest area and the community as a whole.

Concord Boulevard: Another area of mixed use is the Concord Boulevard Corridor (generally north of 70th Street.). The idea for mixed use along the Concord Boulevard Corridor is to encourage or facilitate redevelopment and reinvestment along the corridor in a way that helps traffic flow by controlling access, encourages an attractive street frontage as a gateway corridor to the City and allows flexibility in the use of lands along the corridor as business or residential uses. This pattern of use current exists along the corridor. A redevelopment plan was prepared for the Concord Boulevard area, which was adopted by the City in 1998. The plan addressed a number of issues including:

- Land use patterns
- The role of the Mississippi River levee
- Housing

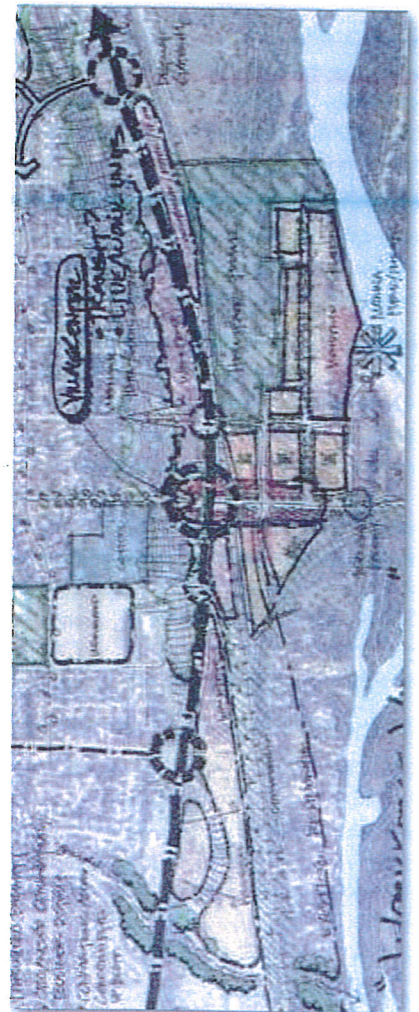
2. Land Use

- Businesses
- The river bridge
- Public recreation

The plan includes a set of detailed policies to direct future redevelopment efforts. The land use recommendations from the adopted Concord Boulevard Redevelopment Plan were directly incorporated into the Future Land Use Plan of the Inver Grove Heights Comprehensive Plan. This plan will continue to serve as a policy guide.

As Concord Boulevard improvements are implemented over the next few years, redevelopment proposals will likely be brought forward by property owners and developers interested in the corridor. The guiding principles for the Concord Boulevard Corridor are as follows:

1. Direct access to the corridor should be reduced and limited over time. Access should be via side streets, alleyways and in limited cases directly via shared drives.
2. Future development in the corridor may be either vertically mixed uses (i.e. residential or office over retail) or horizontally mixed uses. Redevelopment of individual parcels should be designed as part of a master planned area to avoid conflicts with existing adjacent landuses.
3. Commercial or business uses should be located around key intersections at 66th and 63rd Street and should be designed to utilize on street parking on side streets (not on Concord Boulevard) and shared off-street parking.
4. Commercial or office uses located along the corridor between key intersections should be designed to blend in with residential building characteristics and not require significant off street parking.
5. Residential uses occurring along the corridor should have porches that front on Concord Boulevard with yards that provide separation between the street and the residential structure.
6. Sidewalks should separate residential uses from the street and provide connectivity to area amenities and attractions such as Heritage Park and the Mississippi River.
7. Higher density residential uses should be supported not only as a means to redevelopment but as a means of intensifying the corridor to support commercial uses, provide a labor force and take advantage of public improvements such as Heritage Park.
8. Design features should consider building height in relationship to the bluff area and the Mississippi River.



A concept for Concord Boulevard explores the idea of mixed use along the corridor with commercial focused at key nodes. This concept takes advantage of the improvements with Heritage Park and the potential connections to the Mississippi River.

2. Land Use

Redevelopment of the Concord Boulevard corridor is an important future improvement that will support the significant investment in Heritage Park and reconstruction of Concord Boulevard and provide an important critical mass that helps sustain commercial development in Inver Grove Heights. Future redevelopment will also take advantage of the Mississippi River Regional Trail Corridor connecting Inver Grove Heights with regional destinations.

Mixed Use Area Policies

1. Provide a unique mix of commercial, residential, public and related uses in a pedestrian friendly environment.
2. Provide a flexible land use tool that supports redevelopment while minimizing the creation of non-conforming uses.
3. Enact zoning modifications necessary to facilitate a mixed use development pattern that includes small, neighborhood scale structures and design features.
4. Provide walkway and trail linkages to other public recreational facilities in the area.
5. Encourage consistent design standards that serve as a framework for both public and private improvements addressing streets, lighting, landscaping, building materials and building placements.
6. Limit commercial uses to those that provide neighborhood and convenience goods and services.

Industrial Office Park (IOP)

Industrial office park includes lots or parcels containing warehousing, storage and light industrial uses with associated office functions (see Figure 2.7: Industrial Uses). Industrial office park developments are usually designed in a unified manner and feature landscaped open areas and roadway edges, consistent lighting, and entry monumentation. The future land use plan identifies a number of IOP parcels along Highway 55 and 55/52.

Industrial Office Park Area Policies

1. Provide opportunities for new industrial development and expanded employment opportunities in Inver Grove Heights.
2. Provide attractive, planned environments as means to induce employers to locate within the City.
3. Enact standards for industrial developments that are in keeping with the need to improve the appearance and character of industrial properties.
4. Provide public services and infrastructure in keeping with the needs of

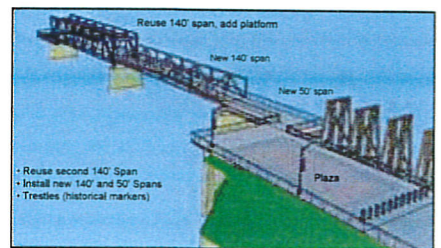
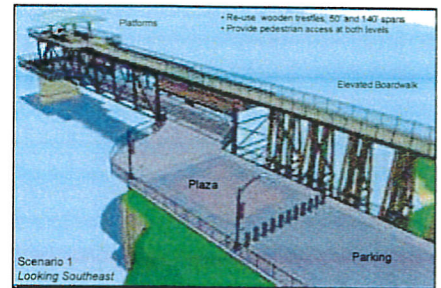
9. Critical Area Plan



could provide educational opportunities to the community at large. A combination of funding from the Park and Recreation Department and Macalister College as well as staff time could be used initially to implement this project.

Project #4

Continue to support redevelopment efforts for the Concord Neighborhood. In 1998, the City adopted a redevelopment plan for the Concord Neighborhood, which has the highest concentration of older structures in the community. More recently, Dakota County has begun constructing upgrades to the roadway. The City should actively participate in planning redevelopment efforts that respect the goals and policies of the Critical Area Plan. Continued redevelopment planning in this corridor should seek to enhance the value of Heritage Park improvements and foster economic vibrancy and connectivity with the river corridor.



A photo of Bridge 5600 (top) and two alternative design concepts that were evaluated in 2007 for reuse of Bridge 5600 as a scenic overlook.

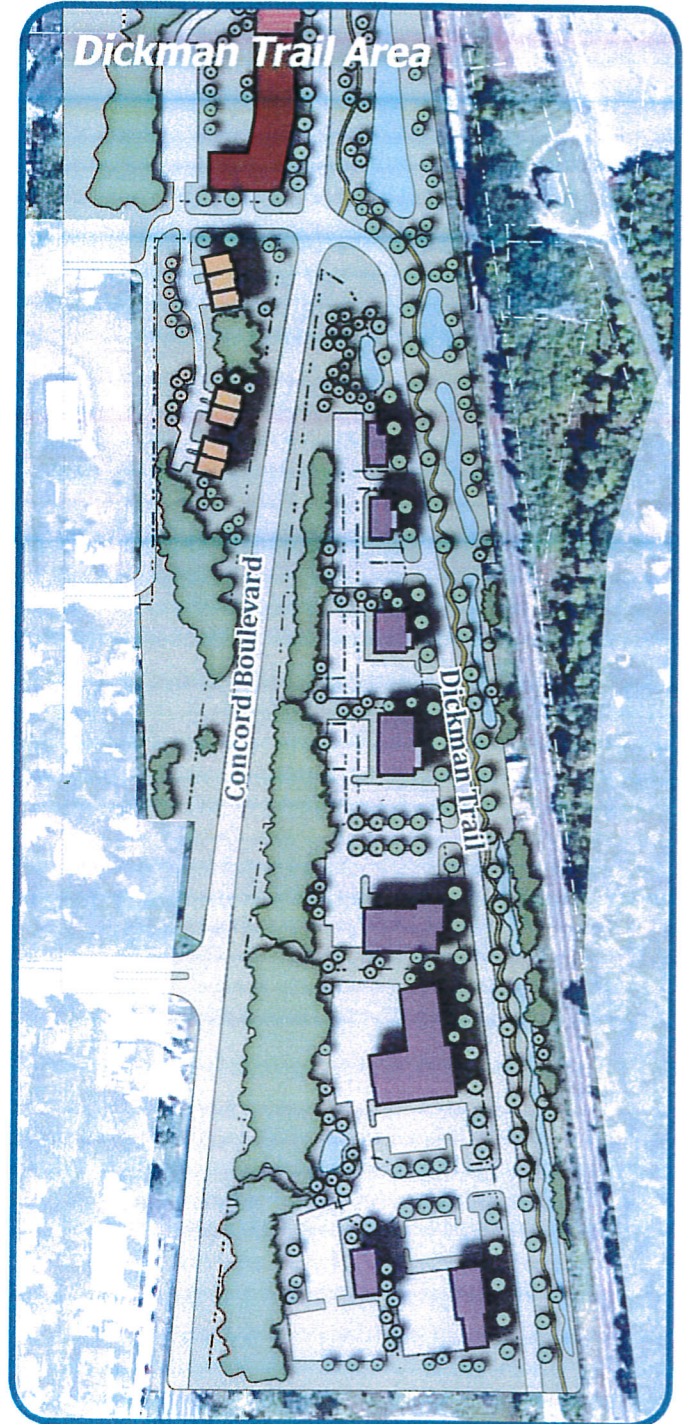
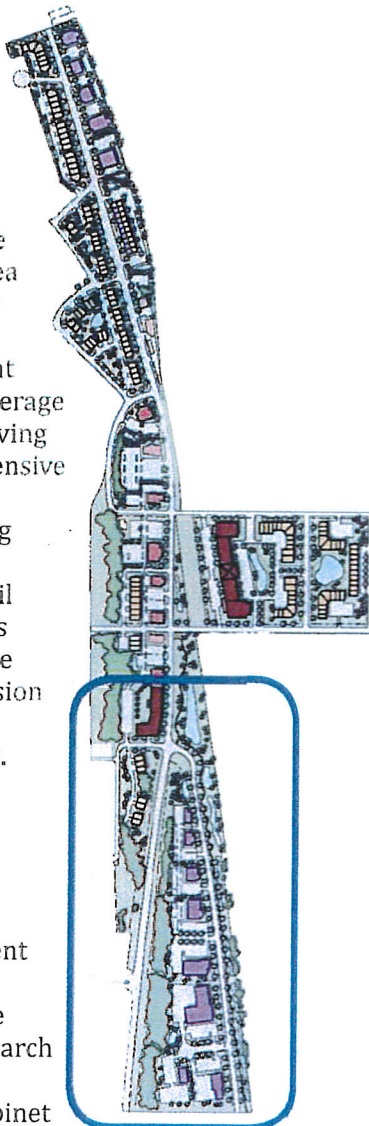
PREFERRED MASTER PLAN

DICKMAN TRAIL:

BUSINESS PARK

The area south of 68th Street along Dickman Trail is an area with a wide mix of uses. Many of the uses are heavy industry that generates significant truck traffic, noise and dust issues.

The longevity of some of these uses was questioned through the stakeholder engagement process. A limited number of single family homes are scattered throughout the site. The plan for this area suggests redevelopment over time that would intensify the employment density and building coverage of business uses and moving away from more site intensive uses to more building intensive uses. Increasing job density in the area will further support retail and professional services and could be an attractive opportunity given the vision for Heritage Village Park and other improvements. Opportunities to better utilize the land area within this district can be explored through replatting of the site and reconfiguring development parcels. Uses envisioned in this area might include light manufacturing, research and design, technology companies, assembly, cabinet makers or other light industry.



PREFERRED MASTER PLAN

PROJECT #3 68TH STREET AND CONCORD MIXED USE AREA

The node on the northwest quadrant of 68th and Concord Boulevard includes a mix of single family homes and vacant lots. Some of these parcels are already owned by the City of Inver Grove Heights, acquired over the years to remove problem properties. Some of the homes sit on deep lots, which when combined create a feasible re-development project. This project will require the assembly of remaining parcels, re-platting and detailed site design. The project could then be marketed for a higher density housing project (owner or renter occupied) or a mixed use project with commercial on the ground floor and residential or office on upper floors.

PROJECT #4 NORTH CONCORD RESIDENTIAL

This project includes redevelopment of the single family homes on the west side of Concord Boulevard between Upper 61st Street to Dawn Way. A number of these properties have been rumored to be available for sale and could be acquired over time to provide a reasonable sized development parcel. This project presents an opportunity to eliminate individual driveway access points, to enhance the street front of Concord and to intensify the density of the area further supporting commercial and recreational uses in the district. The project would require acquisition of single family homes. Due to the number of homes to acquire, this project may be a longer term project.

PROJECT #5 DICKMAN TRAIL BUSINESS PARK

The triangle of industrial and single family homes south of the intersection of Dickman Trail and Concord Boulevard presents an economic development opportunity. Redevelopment of the site would eliminate conflicting land uses and would better utilize available land and infrastructure resources. Extension of this concept further to the south to include areas currently used for outside storage and salvage should be explored as part of master planning this

project area. Redevelopment of this area will include master planning, site acquisition, utility extensions, environmental investigation and clean-up and re-platting.

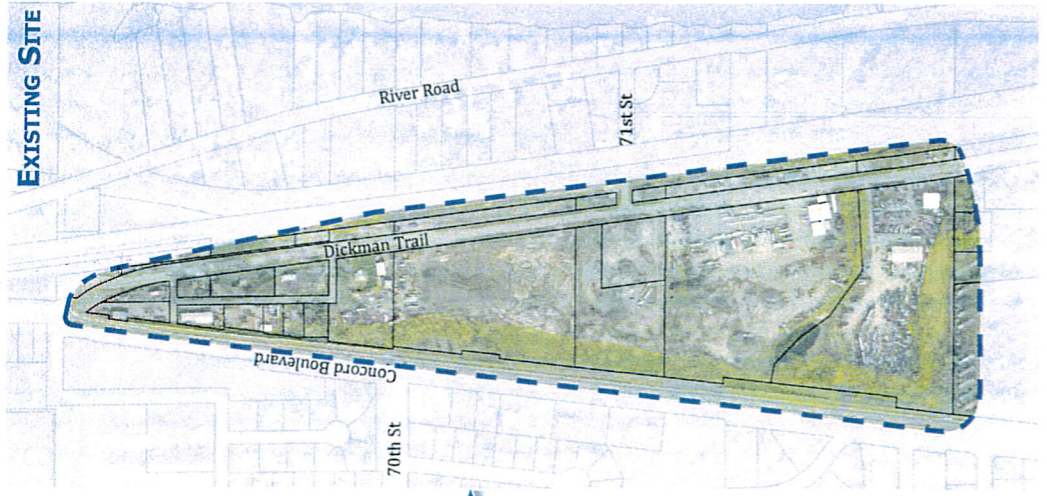
PROJECT #6 LIVE/WORK ON CONCORD

The site between Upper 61st Path and Delilah Ave on the east side of Concord Boulevard is identified as a site for a concept defined as Live/Work. The site currently is occupied by a refuse hauler, a sandblasting operation and an auto repair business. Redevelopment of the site will make for better use of the land and infrastructure. City and /or developer actions that would be required for this project would include acquisition and relocation of existing businesses, environmental investigation and remediation, re-platting and site design.

PROJECT #7 NORTH CONCORD COMMERCIAL

This project refers to the commercial users north of Upper 61st Path on the east side of Concord. The project area is represented by three separate property owners. Redevelopment of these areas could occur as a whole or separately on an individual basis. It would not require assembly of all the properties in order to proceed. The City's role in this project may best be suited to acting as a facilitator while working in close collaboration with the property owners so that when properties come up for sale, the City can help in securing the right user for redeveloping the site.

CONCORD BOULEVARD NEIGHBORHOOD
 CATALYST SITE: **DICKMAN TRAIL - INDUSTRY**



EXISTING CONDITIONS

PROJECT SUMMARY - NORTH	
Site Area	14.75 ac. - 9.1 ac Buildable
Intended Use	Office Flex / Light Industrial
SF	90,000 SF
Density	.24 Floor to Area Ratio (of buildable)

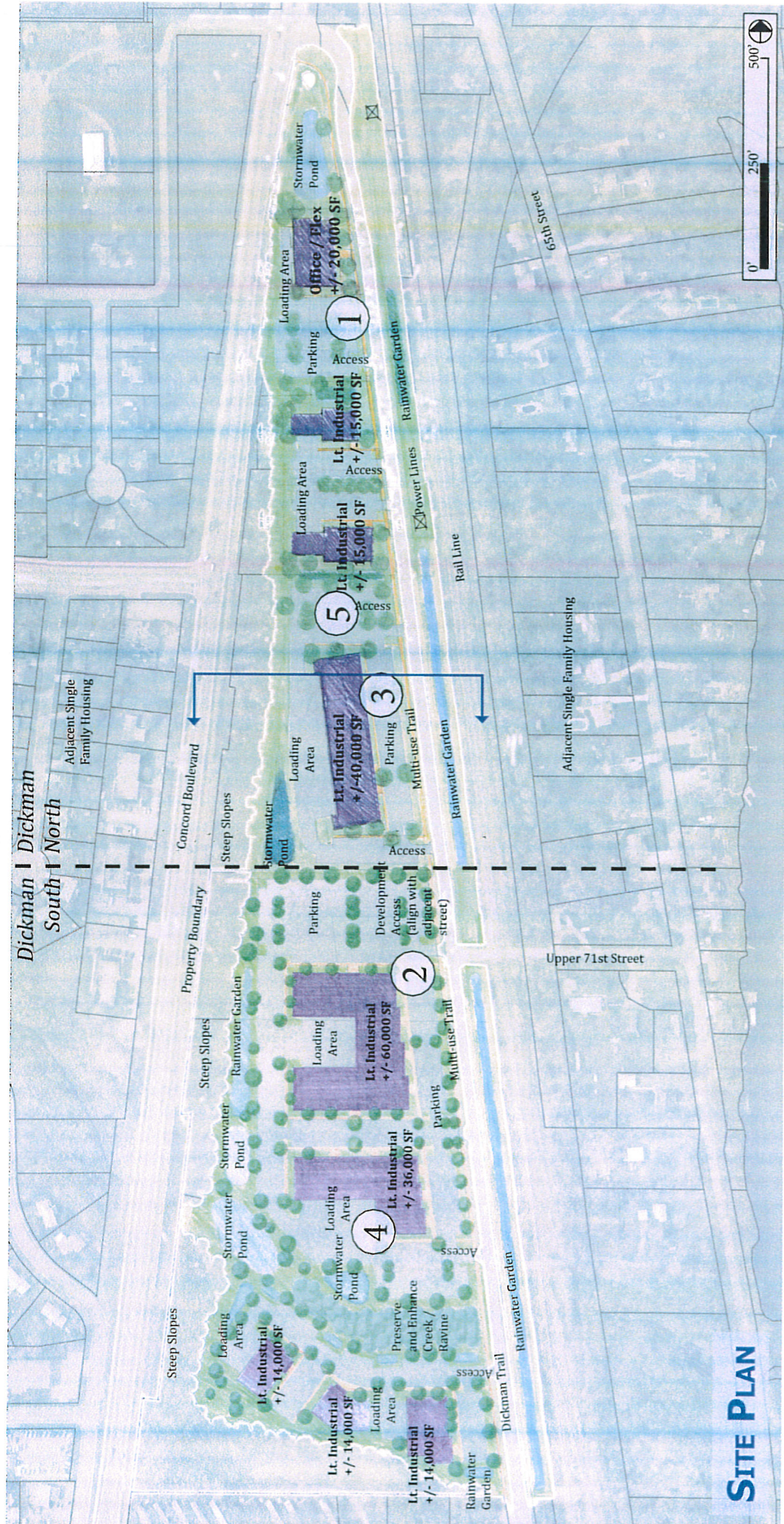
PROJECT SUMMARY - SOUTH	
Site Area	25.6 ac. - 15.5 ac Buildable
Intended Use	Office Flex / Light Industrial
SF	138,000 SF
Density	.20 Floor to Area Ratio (of buildable)

Dickman Industrial Park (South)

- Multi-Tenant Light Industrial (60,000 Sq. Ft.)
- Multi-Tenant Light Industrial (36,000 Sq. Ft.)
- (3) 1 acre Light Industrial Sites (+/- 14,000 Sq. Ft. for each site)

Dickman Industrial Park (North)

- 2 story Office / Flex (20,000 Sq. Ft.)
- (2) 1 Acre Light Industrial Sites (+/- 30,000 Sq. Ft.)
- Multi-Tenant Light Industrial (40,000 Sq. Ft.)

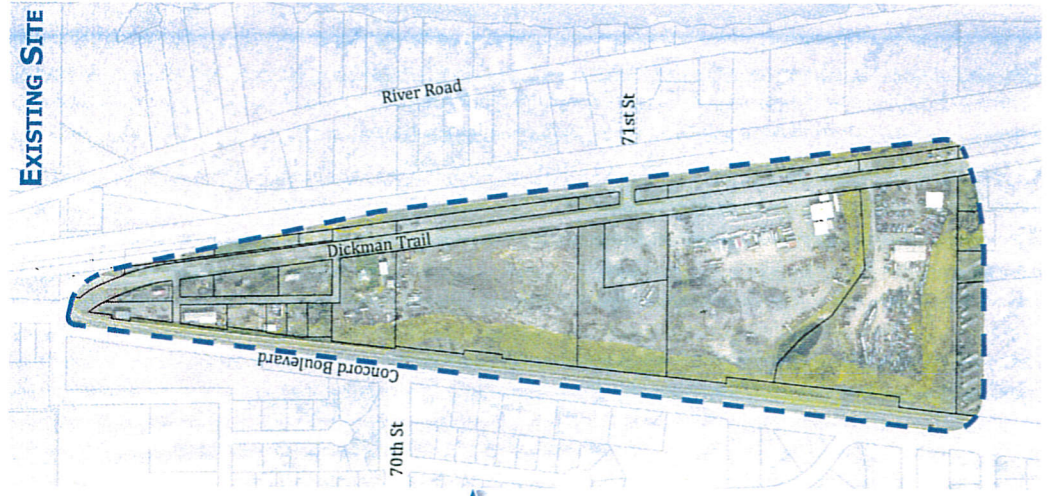


SITE PLAN

CONCORD BOULEVARD NEIGHBORHOOD
CATALYST SITE: DICKMAN TRAIL - RESIDENTIAL



SITE LOCATION



EXISTING SITE

SITE SUMMARY - NORTH	
Site Area	14.75 ac. - 9.1 ac Buildable
Intended Use	Townhomes, High Density Residential
Units	72 Townhomes, 66 High Density Residential
Density	15 Dwelling Units / Acre (of buildable)

SITE SUMMARY - SOUTH	
Site Area	25.6 ac. - 15.5 ac Buildable
Intended Use	Single Family Residential
Units	46 Single Family Residential
Density	3 Dwelling Units / Acre (of buildable)

EXISTING CONDITIONS

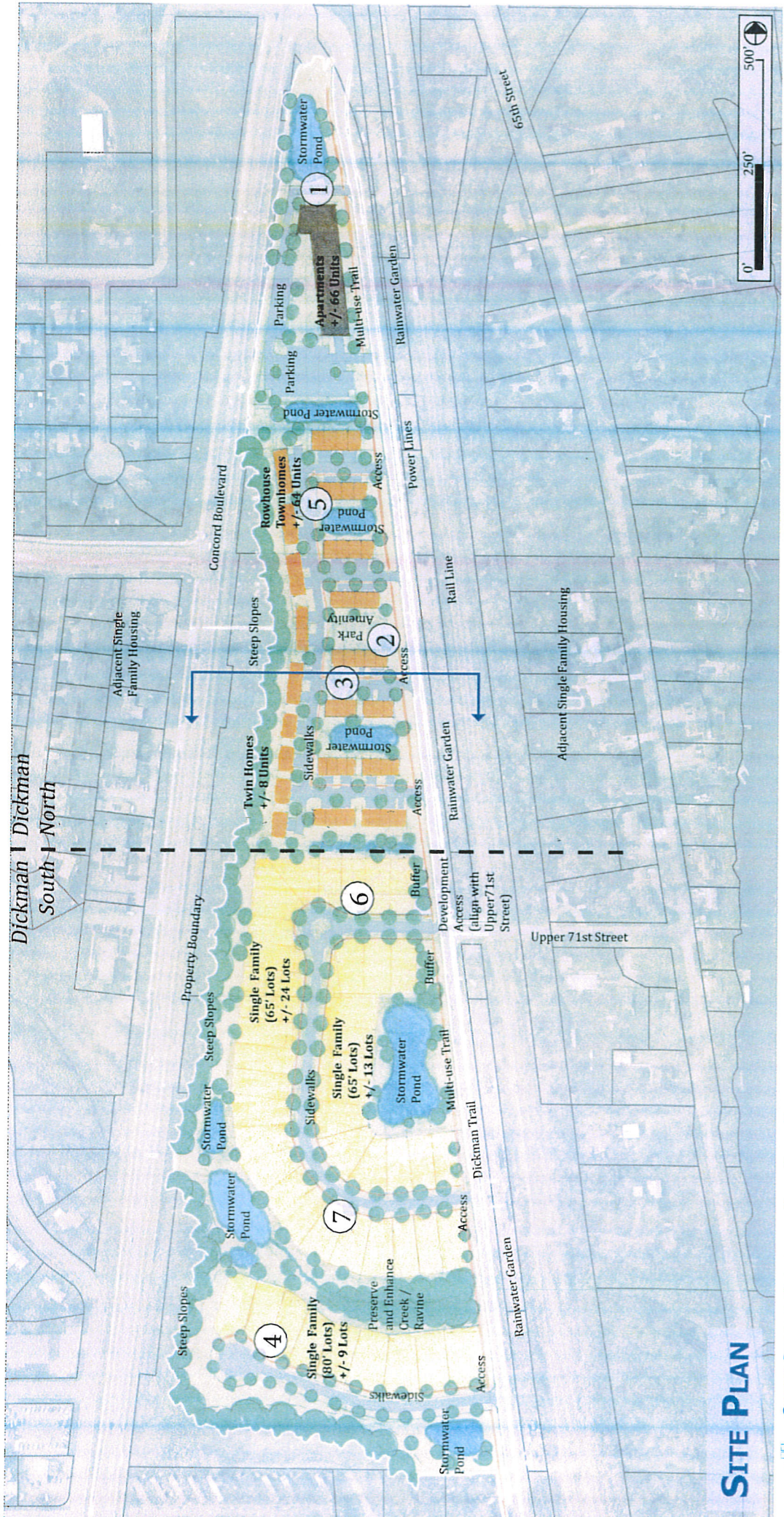


Dickman Residential (South)

- +/- 9 Single Family Lots at 80' width
- +/- 37 Single Family Lots at 65' width

Dickman Residential (North)

- 3 story Market Rate Rental Apartments (66 Units)
- Underground Parking
- Owner Occupied Townhomes (72 Units)



SITE PLAN

**RECOMMENDATION TO
CITY OF INVER GROVE HEIGHTS**

TO: Mayor and City Council of Inver Grove Heights

FROM: Planning Commission

DATE: September 5, 2017

SUBJECT: **CITY OF INVER GROVE HEIGHTS (McPhillips) – CASE NO. 17-38X**

There was no public hearing notice.

Presentation of Request

Tom Link, Community Development Director, explained the request as detailed in the report. He advised that the owners of 6940 and 6950 Dixie Avenue approached the City and expressed an interest in selling their two single-family residential properties to the Inver Grove Heights Economic Development Authority (EDA). The Planning Commission is being asked to consider whether the City acquisition of these two properties is consistent with the comprehensive plan. The comprehensive plan includes several statements regarding the importance of economic development and the role of the EDA, and specifically states that the City should support redevelopment efforts for the Concord Neighborhood. Mr. Link advised that the Concord Boulevard Neighborhood Plan, adopted in 2012, identifies this neighborhood as one of four 'catalyst' sites. The City's plans are to acquire properties from willing sellers, assemble them into larger parcels, remove the structures, and at some future time sell them for redevelopment. Staff recommends that the acquisition be found consistent with the comprehensive plan.

Commissioner Simon asked for clarification of which parcels in this neighborhood were owned by the City.

Mr. Link displayed a map indicating which of the parcels were currently City-owned.

Planning Commission Recommendation

Motion by Commissioner Simon, second by Commissioner Lissarrague, to recommend approval of the request to find the acquisition of the properties at 6940 and 6950 Dixie Avenue consistent with the Inver Grove Heights Comprehensive Plan.

Motion carried (8/0).