INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY REGULAR MEETING
MONDAY, NOVEMBER 13, 2017 – 8150 BARBARA AVENUE

1 & 2 <u>CALL TO ORDER/ROLL CALL</u> The Economic Development Authority (EDA) of Inver Grove Heights met on Monday, November 13, 2017, in the City Hall Council Chambers. President Piekarski Krech called the meeting to order at 5:00 p.m. Present were Economic Development Authority members Bartholomew, Hark, Perry, and Tourville; Executive Director Link, City Attorney Kuntz, Finance Director Smith, and Secretary Fox.

3. <u>CONSENT AGENDA</u>

A & B. Minutes

Motion by Bartholomew, second by Hark, to approve the minutes from the August 7, 2017 Special Economic Development Authority Meeting, the August 14, 2017 Regular Economic Development Authority Meeting, and the September 11, 2017 Special Economic Development Authority Meeting, and the disbursements from August 14, 2017 to November 12, 2017.

Ayes: 5
Nays: 0 Motion carried

4. <u>REGULAR AGENDA</u>

A. EDA Strategic Plan

Brad Scheib, Hoisington Koegler Group Inc., presented a draft of the EDA Strategic Plan, which the EDA will be asked to act on at their February 2018 meeting. He also discussed where they are at in the comprehensive planning process. He elaborated on the purpose of the EDA and how it relates to making Inver Grove Heights a great place to live, work, and play. The three economic development goals include 1) growing the number of living wage jobs within the City, 2) establishing and maintaining a thriving and vibrant commercial presence, and 3) establishing and maintaining a quality and diverse tax base. These goals will be pursued through a series of strategies.

The first strategy is revitalizing or redeveloping aging commercial nodes and corridors where vacancies threaten the loss of important community services and declining property values or where parcel reorganization and public improvements can create more usable/developable parcels. The implementation actions for this strategy include 1) conducting small area redevelopment/revitalization plans (the Arbor Pointe commercial area represents an immediate opportunity site for a small area plan), 2) continuing to implement the existing small area plan for the Concord Boulevard Neighborhood (immediate term), and monitoring and understanding vacancy/occupancy rates of key commercial nodes/centers (within three years). The small area study for Arbor Pointe could require 400-600 hours of consultant and city staff time, approximately 300-400 hours of staff time may be needed to negotiate and facilitate the acquisition and assembling of parcels for the Concord Neighborhood Plan, and maintaining a subscription to the Progress Plus real estate database, along with 10-20 staff hours per year, would be necessary to keep apprised of vacancy/occupancy rates of commercial nodes in the City. Possible measures of success are keeping track of the number of small area plans completed, parcels acquired for redevelopment, parcels under current contract for redevelopment, parcels sold and redeveloped, increase in estimated market value, and vacancy rates in commercial centers.

Mr. Scheib advised that the second strategy is conducting small area plans around the proposed interchange at I-494 and Argenta Trail. Staff would likely work with the property owner to determine the highest and best use for the property, establish that land use pattern, try to preserve the development potential, and encourage MNDOT to move the interchange up in their list of priorities.

President Piekarski Krech was concerned about the potential for no one wanting certain properties for what the City deems the highest and best use.

Mr. Scheib responded that a key challenge in planning is creating the ability to hold properties once they have decided what is best for a site. If a property owner wants to sell a parcel for something that does not fit that use, the City has the statutory authority not to allow it. In the case of the I-494/Argenta interchange there are other strategies that can be employed, such as purchasing right-of-way. This strategy is considered a near term priority.

Boardmember Tourville noted that the SE Quadrant was a good example of an area being much different now than what it was planned to be.

Mr. Scheib stated that the resource needs for Strategy 2 would be similar to those for Strategy 1 but could be more complex depending on the design of the interchange.

Boardmember Tourville advised there was already an existing interchange plan.

Mr. Scheib stated he would look into it further, but believed it was an interchange concept rather than an actual plan.

Boardmember Tourville stated another variable is that the City is not in control of the land at I-494/Argenta, the SE Quadrant, or Arbor Pointe.

Mr. Scheib advised that some possible measures of success for Strategy 2 would be the completion of a small area plan and having parcels certified as “Shovel Ready”.

Strategy 3 is supporting the retention and growth of local businesses and providing business development support services to existing and new businesses. Key implementation actions for this strategy include developing and maintaining a current inventory of available commercial land and buildings, developing a list of city businesses (including home-based businesses), developing a business retention program, connecting local businesses with resources to assist with growth and development (financial institutions, state and regional economic development agencies, partnering with technical colleges, etc.), collaborating with the Chamber of Commerce, CDA, Progress Plus, Greater MSP, etc., increasing communications within the City to inform the business community leaders and general public of ongoing and upcoming economic development related activities, developing a financial assistance program and policies for City businesses, and creating a liaison program that would offer businesses a first point of contact. The resource needs for this strategy would be 250-300 staff hours, plus funding for ongoing programs such as Open To Business. Possible measures of success include keeping track of the number of businesses assisted, types of requests, meetings with existing businesses, site selection visits, proposals offered, and creating customer feedback surveys.

The fourth strategy is assisting with the disposition of City or other government excess property. An example of this would be the EDA actively working to put the Gun Club site to a productive use. Resource needs for this strategy would include staff time, and perhaps financial resources for planning, designing and environmental remediation. Possible measures of success include the number of meetings with brokers/buyers, acres of land placed back on tax rolls, and creation of a market value.

Strategy 5 is measuring progress and revisiting business strategies annually. The EDA already does this.

Boardmember Bartholomew added that businesses are lacking access to high end fiber.

Mr. Link asked EDA members to contact he or the City Administrator with any comments and advised that the EDA would be asked to adopt the Strategic Plan at their February meeting.

Mr. Scheib advised they have had a workshop with the Planning Commission and will be having a second one on January 22. Per the Metropolitan Council, there are 5,700 new housing units and 3,500 new jobs projected for 2017-2040, which will likely be absorbed in the Northwest Area, vacant land in the remainder of the City, and through redevelopment. Mr. Scheib showed a map where that growth might be absorbed, providing the property owners are interested in selling and that infrastructure is available to those sites.

Boardmember Hark asked whether ‘job’ was considered as one that provides a livable wage.

Mr. Scheib replied that he did not believe it was tied to a livable wage job, just fulltime equivalency. Inver Grove Heights has more than enough land to accommodate job growth, but not as much to accommodate the residential units without increasing density or redeveloping some areas of the City.

Boardmember Bartholomew asked if the large industrial office area shown on the map was in the current comprehensive plan.

Mr. Scheib replied in the affirmative, stating industrial open space seemed to be a good use around the landfill and refinery areas. In determining how much developable area remained in the 2,200 gross acres of the Northwest Area, they removed the future and existing road right-of-way, which left them with 1,821 acres. Next they removed the pipeline and electric transmission corridors, which left them with 1,787 acres. Removing the wetlands and water basins left them with 1,514 acres; taking out existing parks and the Cole property resulted in 1,234 remaining acres.

President Piekarski Krech questioned whether the Cole property was in a conservation easement.

Mr. Link replied that he would check into it but believed it was not in a conservation easement. He advised to his knowledge all the work so far has been conceptual, with part of it remaining as open space, part of it possibly becoming a city park, and other areas being preserved for development.

Mr. Scheib advised that removing large lots, recently platted neighborhoods, and a percentage of the land with steep slopes left them with 608 developable acres. He then provided a map showing potential land use patterns and where growth could occur in the NWA. They did some lotting patterns, looked at the topography, green space, and open space and believe it could work provided they see more high-density developments. They are currently working with Ehlers to figure out what that means financially. He identified several other neighborhood nodes where growth could occur, including the Concord Neighborhood, Arbor Pointe, 65th Street and Cahill, and the parcels east/southeast of Walmart.

President Piekarski Krech asked if they were looking at the Southeast Quadrant as well.

Mr. Scheib replied that they communicated with some of the property owners in the Southeast Quadrant but have not seriously delved into it yet. There may be some opportunities for some change in land use, but likely not in the near term. He advised that they should also keep an eye on the former Best Buy location.

President Piekarski Krech noted that the car dealerships were always expanding and questioned whether that was a benefit.

Mr. Scheib commented that the City of Richfield addressed a similar situation by having the dealerships expand vertically rather than horizontally.

Mr. Link stated that car dealerships serve some economic goals, but not others. They provide goods and services, as well as good employment; however, they do not provide the needed tax base and typically are not aesthetically appealing.

At Boardmember Bartholomew's request Mr. Link advised he would email Mr. Scheib's presentation to EDA Boardmembers.

B. 2018 EDA Budget

Mr. Link asked the EDA to make a recommendation on the draft 2018 EDA budget. The 2018 budget is $11,000 less than the 2017 budget, with the two primary changes being a reduction in legal costs and a reduction in professional services. Staff recommends approval of the 2018 EDA budget to the City Council.

Boardmember Hark asked if the $5,000 for Progress Plus included the Xceligent database.

Mr. Link replied it was not included in the $5,000 but rather in the $3,000 set aside for other services.

Boardmember Bartholomew asked if the funding for this transferred in from the general fund.

Kristi Smith, Finance Director, replied in the affirmative.

Motion by Tourville, second by Perry, to approve the 2018 EDA Budget.

Ayes: 5
Nays: 0 Motion carried

C. Progress Plus Update

Jennifer Gale was unable to attend tonight's meeting, so Mr. Link summarized last quarter's Progress Plus activities. He advised that he and Ms. Gale continue to communicate/coordinate at monthly meetings, as well as at the Local Issues Committee meetings. Amongst other things, Ms. Gale scheduled a meeting with Laurie Crow of Open To Business to discuss their increased marketing efforts, assisted with the December 5 Minnesota Vikings and Twin City Orthopedics planning event, is working with Dakota County on a business survival guide for businesses to reference during construction projects, provided assistance for the City's Food Truck Day, and continues to promote the City through social media.

5. NEXT MEETING: February 12, 2018

6. ADJOURNMENT: Motion by Tourville, second by Perry, to adjourn. The meeting was adjourned by unanimous vote at 6:15 p.m.