



**INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT AUTHORITY AGENDA
MONDAY, FEBRUARY 12, 2018
CITY HALL COUNCIL CHAMBERS
5:30 P.M.**

1. CALL TO ORDER

2. ROLL CALL

3. CONSENT AGENDA

A. Consider Approval of Minutes from the November 13, 2017 Regular
Economic Development Authority Meeting

B. Consider Approval of Claims

4. REGULAR AGENDA

A. Consider Election of Officers

B. Consider Approval of EDA Strategic Plan

C. Consider Approval of Open To Business Contract

D. Hear Progress Plus Update

5. NEXT MEETING – May 14, 2018

6. ADJOURN

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

1 & 2 CALL TO ORDER/ROLL CALL 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. CONSENT AGENDA

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. REGULAR AGENDA

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.

City of Inver Grove Heights EDA Operations Fund 290
Budget vs Actual through 12/31/17

Account Description	2017 Amended Budget	12/31/17 Actual	Budget Remaining
Investment Earnings	300.00	1,039.90	(739.90)
Operating Transfers In	94,100.00	-	94,100.00
Total Revenue	94,400.00	1,039.90	93,360.10
Personnel	16,700.00	16,872.66	(172.66)
Prof/Tech Services	67,600.00	18,261.87	49,338.13
Purchased Services	300.00	300.00	-
Other Purchased Services	9,800.00	8,050.60	1,749.40
Total Expenditure	94,400.00	43,485.13	50,914.87
Fund 290 Surplus (Deficit)	-	(42,445.23)	(42,445.23)

Claim on Cash

50,698.18



City of Inver Grove Heights

Account Detail

Date Range: 10-26-17 - 1-31-18

Fund: 290 - EDA Operations

[290.100.1010199](#)

Claim on Cash

Post Date	Source Transaction	Description	Vendor	Amount	Running Balance
		Agrees to Previous report ending 10/25/17			47,835.63
10/01/2017	JN08299	3rd Qtr Interest Allocation		257.99	48,093.62
10/27/2017	PYPKT01212 - PR 10/27/17: 10/7/2017-10/20/2017	Packet PYPKT01212: PR 10/27/17 - IFT		(641.45)	47,452.17
10/27/2017	JN08270	Reclass EDA Projects to Fund 291		7,022.75	54,474.92
10/31/2017	JN08298	Corr Project coding - October		(96.00)	54,378.92
11/01/2017	JN08292	Record November Alloc & Depr		(41.66)	54,337.26
11/08/2017	222071	Payroll	11063 - GENESIS EMPLOYEE BENEFITS, INC	(0.26)	54,337.00
11/08/2017	222082	legal	00538 - LEVANDER, GILLEN & MILLER P.A.	(128.00)	54,209.00
11/10/2017	PYPKT01214 - PR 11/10/17: 10/21/2017-11/3/2017	Payroll		(638.72)	53,570.28
11/22/2017	222237	Payroll	11063 - GENESIS EMPLOYEE BENEFITS, INC	(1.47)	53,568.81
11/24/2017	PYPKT01220 - PR 11/24/17: 11/4/2017-11/17/2017	Payroll		(756.38)	52,812.43
12/01/2017	JN08360	December Allocations & Depreciation		(41.66)	52,770.77
12/08/2017	PYPKT01223 - PR 12/08/17: 11/18/2017-12/1/2017	Payroll		(638.72)	52,132.05
12/13/2017	222366	legal	00538 - LEVANDER, GILLEN & MILLER P.A.	(120.00)	52,012.05
12/15/2017	PYPKT01227 - Health Care Savings Plan Payout to HCSP: 12/11/2017	Payroll		(507.12)	51,504.93
12/20/2017	222440	Payroll	11063 - GENESIS EMPLOYEE BENEFITS, INC	(1.47)	51,503.46
12/20/2017	222494	2018 Membership - Lynch	02253 - RIVER HEIGHTS CHAMBER OF COMMERCE	(182.71)	51,320.75
12/22/2017	PYPKT01231 - PR 12/22/17: 12/2/2017-12/15/2017	Payroll		(622.57)	50,698.18
01/05/2018	PYPKT01237 - PR 01/05/18: 12/16/2017-12/29/2017	Payroll		(640.67)	50,057.51
01/09/2018	222718	2018 Membership - Link	02253 - RIVER HEIGHTS CHAMBER OF COMMERCE	(182.71)	49,874.80
01/09/2018	222722	Quiet Zone	03465 - SRF CONSULTING GROUP, INC	(2,902.88)	46,971.92
01/09/2018	222722	Quiet Zone	03465 - SRF CONSULTING GROUP, INC	(5,310.29)	41,661.63
01/09/2018	222722	Quiet Zone	03465 - SRF CONSULTING GROUP, INC	(813.75)	40,847.88
01/16/2018	222757	Payroll	11063 - GENESIS EMPLOYEE BENEFITS, INC	(1.47)	40,846.41
01/19/2018	PYPKT01247 - PR 01/19/18: 12/30/2017-1/12/2018	Payroll		(659.72)	40,186.69

City of Inver Grove Heights EDA Acquisitions Fund 291

Revenues Over (Under) Expenditures by Project

Project costs to Date as of 12/31/17

Project	Revenues	Expenditures	Revenue Over (Under) Expenditures
E001 - Golf Course Land Purchase	353,456.00	353,456.00	-
E002 - 8195 Babcock Trail	356,861.82	218,361.82	138,500.00
E003 - 6671 Concord	159,927.15	159,942.39	(15.24)
E004 - 6685 Concord	139,488.30	139,503.54	(15.24)
E005 - River Country Cooperative	681,654.66	681,654.66	-
E006 - 6845 Dixie Ave	337,444.55	337,471.79	(27.24)
E007 - 4196 68th St E	228,175.18	228,190.42	(15.24)
E008 - 6639 Concord	-	3,400.00	(3,400.00)
E009 - 6656 Doffing	-	450.00	(450.00)
E010 - McPhillips	250,000.00	416,278.32	(166,278.32)
E011 - 6863 Dickman Trail	-	3,000.00	(3,000.00)
E012 - 6840 Dixie Ave E	-	20,958.88	(20,958.88)
E013 - 6900 & 6910 Dixie Ave	248,833.00	274,529.72	(25,696.72)
E014 - 6653 Concord Blvd	196,758.63	217,030.67	(20,272.04)
E015 - 11025 Courthouse Blvd	-	2,200.00	(2,200.00)
E016 - 11105 Courthouse Blvd	-	2,200.00	(2,200.00)
E017 - 11097 Courthouse Blvd	-	2,200.00	(2,200.00)

Account Balances as
of 12/31/17

Claim on Cash

(245,220.73)

E002 - Land Available for Sale

1,138,500.00

Accounts Payable

1,508.19

E002 - Loan from Host Community Fund for Land Purchase

1,000,000.00



City of Inver Grove Heights

Account Detail

Date Range: 10-26-17 - 1-31-18

Fund: 291 - EDA Acquisitions

[291.100.1010199](#)

Claim on Cash

Post Date	Source Transaction	Description	Vendor	Amount	Running Balance
		Agrees to Previous report ending 10/25/17			(132,829.11)
10/27/2017	JN08270	Reclass EDA Projects to Fund 291		(7,022.75)	(139,851.86)
10/31/2017	221999	E010 - McPhillips relocation	12226 - AMERICAN MEDICAL RESEARCH INC.	(18,540.00)	(158,391.86)
10/31/2017	JN08296	10/2017 City utility payments		(19.47)	(158,411.33)
10/31/2017	JN08298	Corr Project coding - October		96.00	(158,315.33)
11/08/2017	222082	E010 - McPhillips legal	00538 - LEVANDER, GILLEN & MILLER P.A.	(516.00)	(158,831.33)
11/08/2017	222101	E010 - McPhillips relocation	12200 - SCHUSTER, CHAD	(2,500.00)	(161,331.33)
11/08/2017	222102	E010 - McPhillips relocation	12199 - SCHUSTER, DORIS & STEVEN	(2,500.00)	(163,831.33)
11/15/2017	DFT0009354	E010 - McPhillips purchase	11985 - DCA TITLE MENDOTA HEIGHTS	(277,707.05)	(441,538.38)
11/21/2017	222228	E010 - McPhillips relocation	12238 - SCHUSTER DIANE & DOUG	(19,600.00)	(461,138.38)
11/22/2017	222239	E010 - McPhillips legal	00538 - LEVANDER, GILLEN & MILLER P.A.	(1,031.49)	(462,169.87)
11/30/2017	JN08318	11/2017 CITY utility payments		(2.73)	(462,172.60)
12/06/2017	222306	E010 - McPhillips securing	11610 - J.D. NELSON CONSTRUCTION LLC.	(1,335.00)	(463,507.60)
12/06/2017	222317	E010 - McPhillips relocation	12200 - SCHUSTER, CHAD	(1,000.00)	(464,507.60)
12/06/2017	222317	E010 - McPhillips relocation	12200 - SCHUSTER, CHAD	(4,140.00)	(468,647.60)
12/06/2017	222318	E010 - McPhillips relocation	12199 - SCHUSTER, DORIS & STEVEN	(2,500.00)	(471,147.60)
12/06/2017	222318	E010 - McPhillips relocation	12199 - SCHUSTER, DORIS & STEVEN	(21,190.40)	(492,338.00)
12/13/2017	222366	E010 - McPhillips legal	00538 - LEVANDER, GILLEN & MILLER P.A.	(2,880.00)	(495,218.00)
12/20/2017	CR General Receipts 12-20-17	CLPKT03642		250,000.00	(245,218.00)
12/31/2017	JN08390	12/17 City utility payments		(2.73)	(245,220.73)
01/09/2018	222678	E010 - McPhillips relocation	04350 - EVERGREEN LAND SERVICES	(852.43)	(246,073.16)
01/09/2018	222716	E010 - McPhillips relocation	12219 - REPUBLIC SERVICES	(157.60)	(246,230.76)
01/09/2018	222716	E010 - McPhillips relocation	12219 - REPUBLIC SERVICES	(498.16)	(246,728.92)

MEMO
CITY OF INVER GROVE HEIGHTS

TO: Inver Grove Heights Economic Development Authority
FROM: Thomas J. Link, Director of Community Development
DATE: February 6, 2018 for EDA Meeting of February 12, 2018
SUBJECT: Election of Officers

The Economic Development Authority (EDA) is to elect officers for 2018.

The February meeting is the EDA's 'annual meeting', per the EDA's bylaws. Those bylaws state that the purpose of the annual meeting is to elect officers for the coming year. The current officers are:

Rosemary Piekarski Krech	President
Tom Bartholomew	Vice-President
George Tourville	Treasurer
City Finance Director	Assistant Treasurer
Executive Director's Designee	Secretary

MEMO
CITY OF INVER GROVE HEIGHTS

TO: Inver Grove Heights Economic Development Authority
FROM: Thomas J. Link, Director of Community Development 
DATE: February 7, 2018 for EDA Meeting of February 12, 2018
SUBJECT: Economic Development Strategic Plan

PURPOSE/ACTION REQUESTED: The Inver Grove Heights Economic Development Authority (EDA) is to consider adoption of the Economic Development Strategic Plan, as attached.

BACKGROUND: The EDA has developed the enclosed Strategic Plan at its last three meetings. The current document was presented to the EDA in November. The EDA made no changes to that document. Once adopted, the Strategic Plan will be incorporated into the Inver Grove Heights Comprehensive Plan Update.

CONCLUSION: Staff recommends the adoption of the Economic Development Strategic Plan.

Enc: Economic Development Strategic Plan

Inver Grove Heights Economic Development Authority

Strategic Plan 2017 - 2027

Introduction and Overarching Purpose

The Inver Grove Heights Economic Development Authority (EDA) was originally established in 1992 by resolution that was amended and restated in 2011. Per the establishing resolution, the overarching purpose of the EDA is: “to carry out certain economic development, redevelopment, and housing activities...”

This Strategic Plan recognizes that to carry out its purpose, the EDA will focus on building and growing the job base, increasing the tax base, and offering economic development services to its citizens and businesses. Furthermore, it is recognized that economic development is more than jobs, services, and tax base. The City strives to foster an attractive environment for economic development by retaining existing businesses, assisting businesses with start-up operations or expansion, attracting new businesses to the community, and enabling the rehabilitation and redevelopment of commercial areas within the City. The EDA’s efforts will thus focus on supporting a strong community that offers great neighborhoods to live in, a strong park and recreation system, quality infrastructure (including communication technology), a safe and connected transportation system, and sustainable/efficient government. The Inver Grove Heights City Council serves as the Board of the EDA and directs economic development activities.

Background

As part of developing its 2040 comprehensive plan, the City identified an interest in developing an EDA Strategic Plan, to offer more comprehensive and long-range thinking about EDA activities in the coming years. Objectives included outlining the EDA’s strategic priorities for the coming years, to focus its activities, and improve the EDA’s capacity to effectively address those priorities. The EDA Board engaged in two strategic plan workshop sessions, on April 10 and August 14, 2017. That led to the development and approval of this Strategic Plan.

Economic Development Goals

The big picture goals (in no particular order) that guide the EDA actions include the following:

1. **Economic Development Goal #1 (EDG1)** – Grow the number of living wage jobs available within Inver Grove Heights.

2. **Economic Development Goal #2 (EDG2)** – Establish and maintain a thriving and vibrant commercial (retail goods and services) presence in Inver Grove Heights.
3. **Economic Development Goal #3 (EDG3)** – Establish and maintain a quality and diverse tax base.

Economic Development Strategies and Implementation Actions

The economic development goals of the City of Inver Grove Heights will be pursued through a series of strategies. Each strategy includes the following:

- identification of which goal the strategy advances using “primary” and “secondary” to note the goals relevance to the strategy - it is important to note that each strategy can further advance all goals based on how it is implemented
- a general indication of priority (timing wise) as follows:
 - immediate;
 - near term within 3 years;
 - mid-term – within 5 years;
 - long term – beyond 5 years; and,
 - ongoing meaning the strategy or action is will continue indefinitely or until no longer part of the strategic plan
- resource needs are identified including staff resources and general financial implications where known
- possible metrics are identified to measures success of each strategy, which is important to continually assess progress in achieving the City’s overarching goals

Strategy #1. Revitalize or redevelop ageing 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 useable/developable parcels. (Primary EDG1 – Secondary EDG2)

Key implementation actions:

- 1-1. **Conduct Small Area Redevelopment/Revitalization Plans**: Small area plans provide an opportunity to drill down into a specific area to better understand the on the ground conditions that prevent an area from achieving success and vibrancy. Through the small area planning process, a planning team can meet with property owners, business owners, brokers, developers, and prospective tenants to help identify barriers, opportunities, and to leverage investments. The scope and degree of small area plans vary based on the area of study. Generally, the larger the area, the larger the scope and effort of the small area plan. Some plans may include more physical redevelopment and public improvements (i.e. building demolition, roadway changes, park/open space improvements, etc.), while others might need more programmatic needs (i.e. marketing, communications, or financial assistance). Candidate sites for this implementation action strategy should be identified through periodic updates to the comprehensive plan and in response to community input and observation. The Arbor Pointe area near Concord Boulevard and Broderick Boulevard represents an immediate opportunity site for a small area plan. (immediate term and ongoing)

1-2. **Continue to implement the existing Small Area Plan for Concord Boulevard area:** A Small Area Plan was established for the Concord Neighborhood in 2012. The EDA will continue the acquisition of individual properties in the North Dickman Trail and 66th/68th Concord Block, assemble the properties into a large enough mass to interest the development community, and negotiate with a developer for redevelopment of the catalyst site. Pursuing these strategies will result in maintaining and improving the existing residential neighborhood, increasing property values and tax base, strengthening and improving the commercial neighborhood, and increasing the employment base. (immediate term)

1-3. **Monitor and understand vacancy/occupancy rates of key commercial nodes/centers:** Establish a database of commercial spaces and periodically (not more than twice a year) evaluate vacancy/occupancy of each commercial center/node in the city. If a pattern emerges of having recurring high vacancy rates (greater than 15% over one to two year period) conduct follow up research and meet with key property owners to determine if the center needs to be a focus of small area planning for redevelopment or revitalization. This action step helps determine future Small Area Study needs (see 1-1). (near term and ongoing)

Resource Needs:

- Funding for small area studies. Funding is needed for outside expertise or where existing staffing does not afford time to complete or facilitate the study. Typical small area studies could require 400-600 hours of total (consulting and city) staff time on an annual basis to facilitate the process and prepare the plan, of which EDA staff could consume 20-25 percent of this time. Outside resources are most helpful in the areas of market analysis, urban design, environmental specialists, architecture, traffic engineering, and redevelopment financing. Depending on the area, specific expertise such as environmental analysis, architecture, or historic resources would likely need to be outsourced.
- Funding for parcel assembly and acquisition. The city has been leading the implementation efforts for the Concord Neighborhood Plan. EDA Staff resources are necessary to negotiate and facilitate the acquisition of parcels. Approximately 300 to 400 hours of time could be consumed facilitating this process. Funding will be needed to continue with these efforts. Some if not all of the acquisition funds can be recouped at time of sale. When enough land is assembled, city efforts will switch to finding potential development partners to finish any remaining acquisitions and proceed with new development.
- Maintain subscription to a real estate data base through Progress Plus and provide staffing time to monitor commercial centers (resource needs vary based on centers performance). EDA Staff resources would need 10 to 20 hours per year.

Possible measures of success:

- Number of Small Area Plans Completed
- Parcels acquired for redevelopment (parcels or acres)
- Parcels under contract for redevelopment (parcels or acres)
- Parcels sold and redeveloped (parcels or acres)
- Increase in estimated market value (\$ for area pre study – post study implementation)
- Vacancy rates in commercial centers (center by center or aggregate)

Strategy #2. Conduct Small Area Plan around proposed interchange at I-494 and realigned Argenta Trail. (Primary EDG 1 – Secondary EDG 2 and EDG3)

The area near the proposed interchange of the realigned Argenta Trail and I-494 is an exciting and prime opportunity area for future development in Inver Grove Heights. The area benefits from planned access and visibility to I-494, a new major road corridor, proximity to the new Vikings Training facility and sizable land parcels with few owners. Providing a small area plan for this area will promote and market the property for a land use and development pattern that helps achieve more specific Northwest Area needs. (near term)

Resource Needs:

Resource needs for Strategy 2 are similar to the resource needs identified in Strategy 1 for the small area planning process. However, depending on the need to design interchange access and impacts, this study could be much more complex. It is likely this kind of study would be outsourced. If outsourced, EDA staff resources would include project coordination and management of approximately 60-80 hours.

Possible measures of success:

- Completion of a Small Area Plan
- Parcels or acres that are certified as “Shovel Ready” under Mn DEED Shovel Ready Site Certification program - <https://mn.gov/deed/government/shovel-ready/>

Strategy #3. Support the retention and growth of local businesses and provide business development support services to both existing and new businesses (Primary EDG1 – Secondary EDG2 and 3)

The EDA will assume and expand the responsibilities recently performed by Progress Plus. It will strengthen the City’s relationship with the existing business community and expanding it through marketing and financial assistance. Pursuing these strategies will result in retaining and increasing the City’s job base, and increasing the City’s property value and tax base.

Key implementation actions:

- 3-1. Develop and maintain a current inventory of available commercial land and buildings (near term)
- 3-2. Develop a list of city businesses including home based businesses that could become a source for business growth and expansion (near term)
- 3-3. Develop a business retention program, with annual business visitation targets (near term and ongoing implementation)
- 3-4. Connect local businesses with resources to assist with growth and development of existing businesses including financial (local bank institutions), state and regional economic development agencies, Open to Business (business consulting) and technical colleges for labor, training, or educational resources. (near term and ongoing)
- 3-5. Collaborate with Chamber of Commerce, Dakota County CDA, Progress Plus, Greater Minnesota Partnership and Minnesota DEED to provide ... (ongoing)
- 3-6. Increase communications within the City to inform the business community, civic leaders, and the general public of ongoing and upcoming economic development related activities and initiatives. (ongoing)

3-7. Develop a financial assistance program and policies for City businesses (including tax increment financing, tax abatement, and small business loans) (long-term)

3-8. Develop a liaison program, that would offer businesses a first point of contact and support for the City regulatory, licensing and development processes that businesses go through. (mid-term)

Resource Needs:

Staff resources would be necessary to:

- build and maintain databases and business lists
- administer a business retention program
- provide services to connect businesses with resources
- prepare marketing, promotional, and communication materials;
- and represent the City at local and regional economic development events.

In all, this task would consume 250 to 300 hours of staff resource time per year. Resource needs also include funding of ongoing programs such as Open To Business.

Possible measures of success:

- Number of businesses assisted and types of requests
- Number and type of inquiries received, including applications for assistance
- Number of meetings with existing businesses
- Number of site selection visits hosted or attended and proposals offered
- Customer feedback surveys

Strategy #4. Assist with the disposition of City or other government excess property. (Primary EDG1 – Secondary EDG3)

The City of Inver Grove Heights from time to time has excess lands from prior land purchases, tax forfeiture or repurposed public facilities. Other regional agencies such as MnDot also have excess land inventory in the community. The EDA should take a lead role in understanding potential uses for vacant land and actively working to put such parcels into an active/productive land use as opposed to being vacant and simply a liability. (immediate and ongoing)

Resource Needs:

Resource needs for this strategy mostly include staff time coordinating and building relationships with agencies and brokers, to work towards achieving common goals. Resources also are need to assemble database, prepare marketing materials, determining land use/design, establish values, review and process proposals/transactions. Staff resourcing and costs vary based on parcels and transaction details.

Possible measures of success:

- Number of meetings with brokers or buyers and proposals tendered
- Acres of land placed back on tax rolls (Acres)
- Newly created market value (\$)

Strategy #5. Measure progress and revisit strategies annually.

A key to successful economic development is the ability to measure successes and recognize where strategies or action items maybe are not delivering on desired outcomes. The City should annually revisit the strategies, celebrate successes, and identify new strategies and implementation actions where needed.

Resource needs:

Staff resources will be needed for on-going monitoring of strategies, collection of data to measure progress and effectiveness, and preparation of an annual report. 40-50 hours a year is estimated for this strategy. (ongoing)

End of Report

**MEMO
CITY OF INVER GROVE HEIGHTS**

TO: Inver Grove Heights Economic Development Authority
FROM: Thomas J. Link, Director of Community Development 
DATE: February 7, 2018 for EDA Meeting of February 12, 2018
SUBJECT: Joint Powers Agreement with Dakota County CDA – Open to Business Program

PURPOSE/ACTION REQUESTED

The Inver Grove Heights Economic Development Authority (EDA) is to consider approving the Joint Powers Agreement between the Dakota County Community Development Agency (CDA) and the City of Inver Grove Heights Regarding the 2018-2020 Open To Business Program.

ANALYSIS

The attached Joint Powers Agreement renews Inver Grove Heights' participation in the Open to Business program for the years 2018-2020. The program is offered by the Metropolitan Consortium of Community Developers (MCCD) through the Dakota County CDA. The program provides free technical assistance to existing and startup businesses. That technical assistance can pertain to various issues, including business plan development, feasibility analysis, marketing, operational analysis, and regulatory assistance. The Open to Business Program also provides limited financial assistance in the form of small business loans.

The 2018 contract has two changes. First, the contract is for three years rather than one year. A city, however, can cancel the contract at any time with a 30-day notice. Second, the annual fee increases by 7%. This rate is locked in for the three years of the contract. The annual fee for Inver Grove Heights is \$13,868. Dakota County continues to pay one half of the costs. The City's share, therefore, is \$6,934.

Attached, for the EDA's information, are the Open To Business 2017 Annual Reports for Dakota County and the region. The program served eight clients in Inver Grove Heights.

RECOMMENDATION

Staff recommends approval of the Joint Powers Agreement between the Dakota County Community Development Agency (CDA) and the City of Inver Grove Heights Regarding the Open To Business Program.

Enc: Joint Powers Agreement
 Annual Report – Dakota County
 Annual Report - Region

cc: Jennifer Gale, Progress Plus

JOINT POWERS AGREEMENT

Open to Business Program

THIS JOINT POWERS AGREEMENT (this “**Agreement**”), is made as of January 1, 2018, by and between the DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY (the “**CDA**”), a public body corporate and politic organized and existing under the laws of the State of Minnesota (the “**State**”), and each of the CITY OF BURNSVILLE, CITY OF LAKEVILLE, CITY OF MENDOTA HEIGHTS, INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY, APPLE VALLEY ECONOMIC DEVELOPMENT AUTHORITY, EAGAN ECONOMIC DEVELOPMENT AUTHORITY, HASTINGS ECONOMIC DEVELOPMENT AND REDEVELOPMENT AUTHORITY, ROSEMOUNT PORT AUTHORITY, FARMINGTON ECONOMIC DEVELOPMENT AUTHORITY, SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY, AND WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY, MINNESOTA (each individually a “**Local Government Entity**” and together the “**Local Government Entities**”), each a political subdivision of the State.

RECITALS:

A. In order to pursue common goals of fostering economic development, the CDA and the Local Government Entity Cities desire to engage the Metropolitan Consortium of Community Developers, a Minnesota non-profit corporation (“**MCCD**”) to undertake the “Open To Business Program” (the “**Program**”) within Dakota County (the “**County**”).

B. Pursuant to the Program, MCCD will provide technical assistance and access to capital to small business and potential entrepreneurs in the County.

C. The CDA and the Local Government Entities propose to jointly exercise their common economic development powers to undertake the Program.

NOW, THEREFORE, in consideration of the mutual covenants and obligations of the CDA and each of the Local Government Entities, each party does hereby represent, covenant and agree with the others as follows:

Section 1. **Representations.** Each of the Local Government Entities and the CDA makes the following representations as to itself as the basis for the undertaking on its part herein contained:

(a) It is a political subdivision of the State of Minnesota with the power to enter into this Agreement and carry out its obligations hereunder.

(b) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which it is now a party or by which it is bound, or constitutes an event of default under any of the foregoing.

Section 2. **Powers to be Exercised.** The powers to be jointly exercised pursuant to this Agreement are the powers of the CDA and the Local Government Entities under Minnesota Statutes, Chapter 469, to undertake activities to promote economic development within their respective jurisdictions.

Section 3. **Method for Exercising Common Powers; Funds.** The CDA, on its own behalf and on behalf of the Local Government Entities, will initially enter into an agreement with MCCD in substantially the form attached hereto as Exhibit A (the "**Agreement**") to engage MCCD to operate the Program within Dakota County. The CDA and each of the Local Government Entities will make payments to MCCD as described in Exhibit A of the Agreement.

The CDA may from time to time execute and deliver documents amending, modifying or extending the Agreement as it deems necessary or convenient, provided, that no such document will adversely affect services provided to, or amounts payable by, any Local Government Entity without the prior written consent of such Local Government Entity.

Section 4. **Limited Liability.** Neither the CDA nor the any of the Local Government Entities shall be liable for the acts or omissions of the other in connection with the activities to be undertaken pursuant to this Agreement. To the extent permitted by law, (a) the CDA hereby indemnifies the Local Government Entities for costs associated with claims made against the Local Government Entities directly relating to actions taken by the CDA, and (b) each Local Government Entity hereby indemnifies the CDA for costs associated with claims made against the CDA directly relating to actions taken by such Local Government Entity. Nothing herein shall be deemed a waiver by the indemnifying party of the limits on liability set forth in Minnesota Statutes, Chapter 466; and the indemnifying party shall not be required to pay, on behalf of the indemnified party, any amounts in excess of the limits on liability set forth in Minnesota Statutes, Section 466.04, less any amounts the indemnifying party is required to pay on behalf of itself, its officers, agents and employees for claims arising out of the same occurrence.

Section 5. **Conflict of Interests; Representatives Not Individually Liable.** The CDA and each of the Local Government Entities, to the best of its knowledge, represents and agrees that no member, official or employee of their respective bodies shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested. No member, official or employee of the CDA or any Local Government Entity shall be personally liable with respect to any default or breach by any of them or for any amount which may become due to the other party or successor or on any obligations under the terms of this Agreement.

Section 6. **Term; Distribution of Property.** The term of this Agreement shall commence on January 1, 2018 and shall automatically renew January 1, 2019 and January 1, 2020, ending December 31, 2020. Local Government Entities may, at their sole discretion and without cause, cancel any remaining years covered under this agreement by providing written notice to the other Parties at least 30 days prior to renewal. Each Party to this agreement agrees that a Party that opts out of the contract under these terms shall be subject to no penalty, and held harmless for future liability or obligation related to the terms of this agreement. The remaining Parties will continue on with the agreement unless it is determined to no longer be viable for the remaining Parties.

There is no property which will be acquired by the CDA or any Local Government Entity pursuant to the Program which would need to be distributed at the end of the term hereof.

Section 7. **Notices and Demands.** A notice, demand or other communication under this Agreement by any party to another shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested or delivered personally to the person and at the addresses identified on each signature page hereto, or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 8. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the CDA and the Local Government Entities have caused this Agreement to be duly executed in their respective names and behalf as of the date first above written, with actual execution on the dates set forth below.

DAKOTA COUNTY COMMUNITY
DEVELOPMENT AGENCY

Dated: December 13, 2017

By: _____
Its Executive Director

Notice Address:

Dakota County Community Development Agency
1228 Town Centre Drive
Eagan, MN 55123
Attn: Lisa Alfson, Director of Community and Economic Development

EAGAN ECONOMIC DEVELOPMENT
AUTHORITY

Dated: _____

By _____
Its _____

By _____
Its _____

Notice Address:

3830 Pilot Knob Road

Eagan, MN 55122

Attn: _____

CITY OF BURNSVILLE, MINNESOTA

Dated: _____

By _____
Its City Manager

By _____
Its _____

Notice Address:

100 Civic Center Parkway
Burnsville, MN 55337
Attn: City Manager

CITY OF LAKEVILLE, MINNESOTA

Dated: _____

By _____
Its Mayor

By _____
Its City Clerk

Notice Address:

20195 Holyoke Avenue
Lakeville, MN 55044
Attn: Community and Economic Development Director

CITY OF MENDOTA HEIGHTS

Dated: _____

By _____
Its _____

By _____
Its _____

Notice Address:

1101 Victoria Curve
Mendota Heights, MN 55118
Attn: _____

APPLE VALLEY ECONOMIC DEVELOPMENT
AUTHORITY

Dated: _____

By _____
Its _____

By _____
Its _____

Notice Address:

7100 147th Street W.
Apple Valley, MN 55124
Attn: _____

INVER GROVE HEIGHTS ECONOMIC
DEVELOPMENT AUTHORITY

Dated: _____

By _____
Its President

By _____
Its Executive Director

Notice Address:

8150 Barbara Avenue
Inver Grove Heights, MN 55077

Attn: Tom Link

HASTINGS ECONOMIC DEVELOPMENT AND
REDEVELOPMENT AUTHORITY

Dated: _____

By _____
Its: _____

By _____
John Hinzman
Its Executive Director

Notice Address:

101 East 4th Street
Hastings, Minnesota 55033
Attn: Executive Director

ROSEMOUNT PORT AUTHORITY

Dated: _____

By _____
Its _____

By _____
Its _____

Notice Address:

2875 145th Street
Rosemount, MN 55068

Attn: _____

FARMINGTON ECONOMIC DEVELOPMENT
AUTHORITY

Dated: _____

By _____
Its _____

By _____
Its _____

Notice Address:

430 Third Street
Farmington, MN 55024

Attn: _____

SOUTH ST. PAUL ECONOMIC
DEVELOPMENT AUTHORITY

Dated: _____

By _____
Its _____

By _____
Its _____

Notice Address:

125 Third Ave. No.
South St. Paul, MN 55075
Attn: Executive Director

WEST ST. PAUL ECONOMIC
DEVELOPMENT AUTHORITY

Dated: _____

By _____
Its _____

By _____
Its _____

Notice Address:

1616 Humboldt Avenue
West St. Paul, MN 55118
Attn: Executive Director

Exhibit A

Contract for Services for the Open To Business Program

**Contract for Services
for the
Open to Business Program**

THIS AGREEMENT is dated December 13, 2017, and is between the **Dakota County Community Development Agency** ("CDA") and **Metropolitan Consortium of Community Developers**, a Minnesota nonprofit corporation ("**MCCD**").

WHEREAS, the CDA, on behalf of itself and the eleven political subdivisions of the State of Minnesota listed on Exhibit A hereto (the "**Local Government Entities**"), which each have powers with respect to a city with a population over 10,000 (collectively the "**Municipalities**"), wishes to engage MCCD to render services under a model known as "**Open to Business**," an initiative providing small business technical assistance services to existing businesses and residents and other parties interested in opening a business within Dakota County (the "**County**") (the "**Initiative**"); and

WHEREAS, MCCD has successfully provided the services required to administer and carry out the Initiative in Dakota County since 2013; and

WHEREAS, pursuant to CDA Resolution No. 17-5945, adopted on December 12, 2017 (the "**Resolution**"), the CDA is authorized to enter into this agreement with MCCD for the Initiative; and

WHEREAS, pursuant to the Resolution and certain joint powers agreements to be entered into between the CDA and the Local Government Entities (the "**Joint Powers Agreements**"), the CDA will act as fiscal agent for the Local Government Entities in connection with this Agreement; and

WHEREAS, the CDA will pay from its own funds 50% of the fee charged by MCCD for the Initiative in the Municipalities and 100% of the fee charged by MCCD for the Initiative in the small cities and townships within the County with populations of less than 10,000 people ("**Small Cities and Townships**"), as further described herein and in Exhibit A; and

WHEREAS, pursuant to the Joint Powers Agreements, the Local Government Entities will be required to pay a Participation Fee to the CDA in accordance with the schedule in Exhibit A, representing the remaining 50% of the fee charged by MCCD for the Initiative in the Municipalities.

Now therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

TIME OF PERFORMANCE

The service to be provided by MCCD shall commence on January 1, 2018 and unless canceled by either party, shall automatically renew January 1, 2019 and January 1, 2020. Either party may, at their sole discretion and without cause, cancel any remaining years covered under this agreement by providing written notice to the other party at least 30 days prior to renewal. Each Party agrees that a Party that opts out of the contract under these terms shall be subject to no penalty, and held harmless for future liability or obligation related to the terms of this agreement. All services, documents, and information to be furnished or performed by MCCD in order to carry out the Initiative shall be furnished or performed as promptly as possible, and with the fullest due diligence.

COMPENSATION

Subject to reduction as provided below, the CDA will compensate MCCD for its services hereunder an amount equal to One Hundred Fifty Thousand Dollars (\$150,000) annually ("Contract Amount") to operate the **Initiative** for the 2018, 2019, and 2020 calendar years. The CDA will pay such amount in two equal installments, the first no earlier than January 30 and the second no earlier than June 30, upon receipt of invoices from MCCD. Subject to the limits above, payments will be due within 15 days of receipt of the respective invoices. The portion of the Contract Amount payable from Participation Fees will be payable by the CDA only from and to the extent such Participation Fees are paid by the respective Local Government Entities.

Unless the agreement is cancel by either party, CDA agrees to compensate MCCD the above Contract Amount, and deliver payment on as detailed above in each subsequent calendar year the contract is renewed.

In the event a Local Government Entity does not pay to the CDA its Participation Fee in amounts and by the deadline described in Exhibit A, the CDA will notify MCCD, and MCCD will immediately cease the Initiative in that Municipality. Upon such termination, the Contract Amount will be reduced by an amount equal to the Participation Fee which such Local Government Entity did not pay and the amount the CDA would have paid as a matching payment.

SCOPE OF SERVICES

MCCD will provide technical assistance to existing businesses, residents and those parties interested in starting a business in any of the Municipalities and Small Cities and Townships as further described on Exhibit B and Exhibit C attached hereto, which sets forth the Dakota Open to Business Program Scope of Services.

REPORTING

MCCD will submit quarterly reports to the CDA in form and substance acceptable to the CDA. Reports will provide information in the aggregate for the County and will include a subreport for each Municipality and each of the Small Cities and Townships. Reports will include the following information:

- Number of inquiries
- Hours of technical assistance provided
- Type of assistance provided
- Type of business
- Annual sales revenue
- Number of businesses opened
- Number of business expanded/stabilized
- Number and amounts of financing packages
- Demographic information on entrepreneurs
- Business address or resident address
- Number and wage of FTEs created
- Number and wage of FTEs retained

The required reporting schedule is as follows:

1st quarter January – March, report due April 30th

2nd quarter April – June, report due July 31st

3rd quarter July – September, report due October 31st

4th quarter October – December, report due January 31st of following year

In addition to the foregoing, MCCD will provide additional reports as reasonably requested by the CDA.

PERSONNEL

MCCD represents that it has, or will employ or contract for, at its own expense, all personnel required to perform the services necessary to carry out the Initiative. Such personnel will not be employees of, or have any contractual relationship with, the County, the CDA or any of the Local Government Entities. No tenure or any other rights or benefits, including worker's compensation, unemployment insurance, medical care,

sick leave, vacation pay, severance pay, or any other benefits available to the County's, the CDA's or any of the Local Government Entities' employees shall accrue to MCCD or employees of MCCD performing services under this agreement. The MCCD is an independent contractor.

All of the services required to carry out the Initiative will be performed by MCCD and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such work.

USE OF CDA OFFICE SPACE

The CDA will make available a cubicle space for MCCD personnel at the CDA office building for use by MCCD in carrying out the Initiative. MCCD personnel will have access to the CDA's meeting rooms, wireless internet service, copy machines and printers. MCCD personnel shall comply with all CDA office rules and policies regarding the use of CDA office space, equipment and internet access. If the CDA, in its sole discretion, determines that MCCD Personnel have failed to comply with CDA office rules and policies, MCCD Personnel will be required to vacate the CDA office and the CDA will cease to provide MCCD office space to carry out the Initiative.

INTEREST OF MEMBERS OF THE CDA AND OTHERS

No officer, member, or employee of the CDA and no member of its governing body, and no other public official or governing body of any locality in which the Initiative is situated or being carried out, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the Initiative, will participate in the decision relating to this Agreement which affects his/her personal interest or the interest of any corporation, partnership, or association in which he/she is, directly or indirectly, interested or has any personal or pecuniary interest, direct or indirect, in this Agreement.

ASSIGNABILITY

MCCD will not assign any interest in this Agreement, and will not transfer any interest in the same without the prior written approval of the CDA.

COMPLIANCE WITH LOCAL LAWS

MCCD agrees to comply with all federal laws, statutes and applicable regulations of the State of Minnesota and the ordinances of the Local Government Entities.

INSURANCE

MCCD agrees at all times during the term of this Agreement, and beyond such term when so required, to have and keep in force the following insurance coverages:

	<u>Limits</u>
1. Commercial General Liability on an occurrence basis with contractual liability coverage:	
General Aggregate	\$2,000,000
Products—Completed Operations Aggregate	2,000,000
Personal and Advertising Injury	1,500,000
Each Occurrence—Combined Bodily Injury and Property Damage	1,500,000
2. Workers' Compensation and Employer's Liability:	
Workers' Compensation	Statutory
In the event that MCCD should hire employees or subcontract this work, MCCD shall obtain the required insurance.	
Employer's Liability. Bodily injury by:	
Accident—Each Accident	500,000
Disease—Policy Limit	500,000
Disease—Each Employee	500,000

INDEMNIFICATION

MCCD agrees to defend, indemnify, and hold harmless the County, the CDA, the Local Government Entities, and each of their respective officials, officers, agents, volunteers and employees from any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, resulting directly or indirectly from any act or omission of MCCD, its subcontractors, anyone directly or indirectly employed by MCCD or any of its subcontractors, and/or anyone for whose acts and/or omissions MCCD may be liable in the performance of the services required by this Agreement, and against all loss by reason of the failure of MCCD to perform any obligation under this Agreement.

NOTICES

A notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by mail, postage prepaid, return receipt requested, or delivered personally; and

- (a) In the case of MCCD, is addressed or delivered personally to:

Lee Hall, Associate Director
Metropolitan Consortium of Community Developers
3137 Chicago Avenue South
Minneapolis, MN 55407

- (b) In the case of the CDA is addressed or delivered personally to:

Lisa Alfson, Director of Community and Economic Development
Dakota County Community Development Agency
1228 Town Centre Dr.
Eagan, MN 55123

or at such other address with respect to any party as that party may designate in writing and forward to the other as provide in the Section.

MODIFICATION

This Agreement may not be modified, changed, or amended in any manner whatsoever without the prior written approval of all the parties hereto.

NON-DISCRIMINATION

In connection with its activities under this Agreement, MCCD will not violate any Federal or State laws against discrimination.

DEFAULT AND CANCELLATION

Failure of the MCCD to perform any of its obligations under this Agreement to the satisfaction of the CDA will constitute a default hereunder.

Unless MCCD's default is cured within 15 days following notice by the CDA, the CDA may (i) cancel this Agreement in its entirety by 5 additional days' written notice to MCCD, or (ii) withhold payment from MCCD as long as such default continues.

MINNESOTA LAWS GOVERN

The Laws of the State of Minnesota shall govern all questions and interpretations concerning the validity and construction of this Agreement and the legal relations between the parties and their performance. The appropriate venue and jurisdiction for any litigation will be those courts located within the County. Litigation, however, in the federal courts involving the parties will be in the appropriate federal court within the State of Minnesota. If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions will not be affected.

**DAKOTA COUNTY COMMUNITY
DEVELOPMENT AGENCY**

By: 
Executive Director
Date: December 13, 2017

MCCD

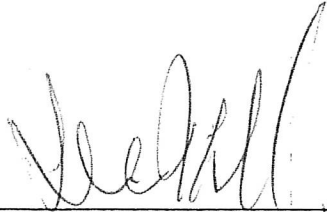
By: 
Printed Name: Lee Hall
Printed Title: Associate Director
Date: Dec 13, 2017

Exhibit A
Local Government Entity Participation 2018, 2019 & 2020
Fee Schedule

Municipality	Local Government Entity	Total Fee	CDA Share of Fee	Local Government Entity Participation
Eagan	Eagan Economic Development Authority	\$16,559	\$8,299	\$8,300
Burnsville	City of Burnsville	\$16,559	\$8,299	\$8,300
Lakeville	City of Lakeville	\$16,559	\$8,299	\$8,300
Apple Valley	Apple Valley Economic Development Authority	\$16,559	\$8,299	\$8,300
Inver Grove Heights	Inver Grove Heights Economic Development Authority	\$13,868	\$6,934	\$6,934
Hastings	Hastings Economic Development and Redevelopment Authority	\$11,026	\$5,513	\$5,513
Rosemount	Rosemount Port Authority	\$11,026	\$5,513	\$5,513
Farmington	Farmington Economic Development Authority	\$11,026	\$5,513	\$5,513
South St. Paul	South St. Paul Housing and Redevelopment Authority	\$11,026	\$5,513	\$5,513
West St. Paul	West St. Paul Economic Development Authority	\$11,026	\$5,513	\$5,513
Mendota Heights	City of Mendota Heights	\$5,510	\$2,755	\$2,755
Small Cities and Townships	n/a	\$9,096	\$9,096	\$0
Total		\$150,000	\$79,546	\$70,454

Exhibit B

Dakota Open to Business Program Scope of Services

Open to Business (“OTB”) Technical Assistance Services

MCCD will provide intensive one-on-one technical assistance to Municipalities’ and Small Cities’ and Townships’ businesses, residents and aspiring entrepreneurs intending to establish, purchase, or improve a business in Municipalities and Small Cities and Townships within Dakota County (the “County”). MCCD will dedicate one full time staff person based in the County to provide the Technical Assistance Services (“Dakota OTB Staff”). In addition, MCCD will make available the expertise of all MCCD technical and support staff in the delivery of services to Dakota Open to Business Program. Technical assistance includes, but is not limited to, the following:

- Business plan development
- Feasibility analysis
- Marketing
- Cash flow and other financial projection development
- Operational analysis
- City and State licensing and regulatory assistance
- Loan packaging, and other assistance in obtaining financing
- Help in obtaining competent legal advice

MCCD Dakota OTB Staff will be available to meet clients at the CDA office building, various Municipality city halls or at the client’s place of business. MCCD Dakota OTB Staff will provide technical assistance on a walk-in basis monthly in each Municipality, if requested. MCCD will also hold two-hour “Test Drive Your Business Idea” sessions once a month in various Municipality locations.

Open to Business Access to Capital

Access to capital will be provided to qualifying businesses through MCCD’s Emerging Small Business Loan Program (see **Exhibit C** Small Business Loan Program Guidelines below). MCCD also provides it’s financing in partnership with other community lenders, banks or Local Government Entities interested in making capital available to residents and/or businesses in their community.

EXHIBIT C

Small Business Loan Program Guidelines

Loan Amounts:

- Up to \$25,000 for start-up businesses
- Larger financing packages for established businesses
- Designed to leverage other financing programs as well as private financing provided by the commercial banking community.

Eligible Projects:

- Borrowers must be a “for-profit” business.
- Business must be complimentary to existing business community.
- Borrowers must have equity injection as determined by fund management.

Allowable Use of Proceeds:

- Loan proceeds can be used for working capital, inventory, building and equipment and general business operations.

Interest Rates:

- Loan interest rate is dependent on use, term and other factors, not to exceed 10%.

Loan Term Length:

- Loan repayment terms will generally range from three to five years, but may be substantially longer for major asset financing such as commercial property.

Fees and Charges:

- Borrowers are responsible for paying all customary legal and other loan closing costs.



Dakota County 12.31.2017

Open to Business

3137 Chicago Ave
Minneapolis, MN 55407
612-789-7337

Clients Served:

Pre-Start Planning	37
Start-up	13
Existing Business- Opportunity	26
Existing Business- Challenged	24

Total Clients: 100

Financing:

Approved:

Number	8
Amount	\$209,500
Leveraged	\$1,599,000

Program Hours:

1 st QTR-	272.50
2 nd QTR-	197.00
3 rd QTR-	222.25
4 th QTR-	240.25
Total Contract:	932.00

Industry Segment:

Retail	5
Service	51
Food	23
Health/Fitness	1
Manufacturing	7
Construction/Real Estate	4
Technology	2
Unknown	7

Referral Source:

Municipality	62
Other Entrepreneur	1
Bank Referral	10
Family/Friend	9
Other	18

City:

Apple Valley	8
Burnsville	17
Eagan	11
Farmington	12
Hastings	9
Inver Grove Heights	8
Lakeville	17
Mendota Heights	3
Rosemount	5
S. St. Paul	4
W. St. Paul	5
Other	1

Quarter 4, 2017 at a Glance

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
MCCD Direct Loans – Total					
How many direct loans did we make in 2017?	9	14	18	17	58
How much of our own funds have we lent out?	\$312,000	\$526,200	\$759,000	\$619,499	\$2,216,699
How much other money did our loan fund leverage?	\$62,750	\$7,486,887	\$3,809,198	\$3,296,851	\$14,655,686
How many jobs will our small businesses create or retain?	61	147.5	79.5	85	373
Direct Loans generally of \$25,000 or less (to new and emerging businesses)					
How many micro-loans did we make in 2017?	6	6	11	10	33
How much of our own funds did we lend out as micro-loans?	\$77,000	\$83,200	\$94,500	\$106,850	\$361,550
How much other money did our micro-loan program leverage?	\$11,525	\$64,334	\$123,625	\$147,950	\$347,434
How many jobs will our micro-loan borrowers create or retain?	20	40	21	14	95
Direct Loans generally greater than \$25,000 (to second stage and growing businesses)					
How many second stage business loans did we make in 2017?	3	8	7	7	25
How much of our own funds did we lend out as second stage loans?	\$235,000	\$443,000	\$664,500	\$512,649	\$1,855,149
How much other money did our second stage loan program leverage?	\$51,225	\$7,422,553	\$3,685,573	\$3,148,901	\$14,308,252
How many jobs will our second stage borrowers create or retain?	41	107.5	58.5	71	278
Credit Builder Loans					
How many credit builder loans did MCCD make in 2017?	32	19	44	30	125
What share of our credit builder loans went to minorities?	94%	95%	91%	87%	91%
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Total Loan Volume (Direct Loans, Credit Builder Loans, and Administered Loans)					
In all, how many loans did we close in 2017?	41	45	81	49	216

In all, how much money have we lent out?	\$332,300	\$658,885	\$876,915	\$715,550	\$2,583,650
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Credit Builder Loans	
19 Credit Builder Borrowers	\$5,185

Recent Loan History At a Glance

<i>MCCD Direct Loans – Total</i>	2012	2013	2014	2015	2016	2017	Total
How many direct loans did we make since 2012?	32	47	57	65	47	58	306
How much of our own funds did we lend out?	\$1,581,685	\$1,470,456	\$1,659,448	\$2,393,376	\$1,823,429	\$2,216,699	\$11,145,093
How much other money did our loan fund leverage?	\$7,758,436	\$14,627,466	\$20,738,105	\$21,007,349	\$7,225,179	\$14,655,686	\$86,012,221
How much financing from banks, community partners, and equity did every \$1 of MCCD funds leverage?	\$4.91	\$9.95	\$12.50	\$8.78	\$3.96	\$6.61	\$7.72
How many jobs will our business borrowers create or retain?	248	261	395.5	625.5	310.5	373	2,213.5
<i>Direct Loans generally \$25,000 or less (to new and emerging businesses)</i>							
How many micro-loans did we make since 2012?	20	31	43	44	31	33	202
How much of our own funds did we lend out as micro-loans?	\$244,892	\$383,556	\$570,448	\$604,675	\$340,429	\$361,550	\$2,505,550
How much other money did our micro-loan program leverage?	\$935,836	\$1,590,989	\$5,793,871	\$3,523,000	\$432,140	\$347,434	\$12,623,270
How much financing from banks, community partners, and equity did every \$1 of MCCD microloan funds leverage?	\$3.82	\$4.15	\$10.16	\$5.83	\$1.27	\$0.96	\$5.04
How many jobs will our micro-loan borrowers create or retain?	117	97.5	96	130.5	92.5	95	628.5

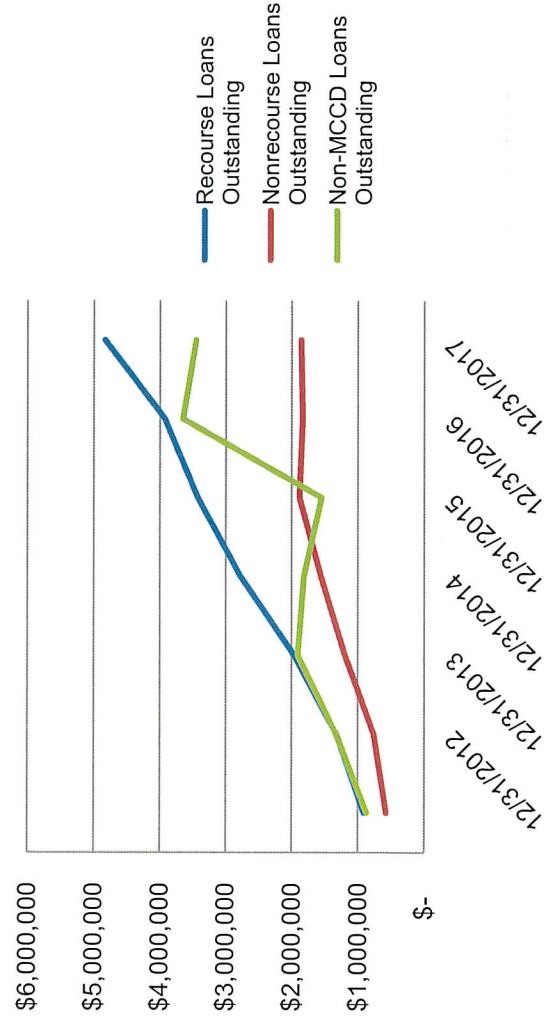
	2012	2013	2014	2015	2016	2017	Total
<i>Direct Loans greater than \$25,000 (to second stage and growing businesses)</i>							
How many second stage business loans did we make since 2012?	12	16	14	21	16	25	104
How much of our own funds did we lend out as second stage loans?	\$1,336,793	\$1,086,900	\$1,089,000	\$1,788,701	\$1,483,000	\$1,855,149	\$8,639,543
How much other money did our second stage loan program leverage?	\$6,822,600	\$13,036,477	\$14,944,234	\$17,484,349	\$6,793,039	\$14,308,252	\$73,388,951
On average, how much financing from banks, community partners, and equity did every \$1 of MCCD second stage loan funds leverage?	\$5.10	\$11.99	\$13.72	\$9.77	\$4.58	\$7.71	\$8.49
How many jobs will our second stage borrowers create or retain?	131	163.5	299.5	495	218	278	1,585
<i>Credit Builder Loans</i>							
How many credit builder loans did MCCD make in the last three years?	57	75	108	87	103	125	555
What share of our credit builder loans went to minorities?	88%	88%	92%	94%	94%	91%	92%
<i>Growth of MCCD's Portfolio</i>							
Annual Growth Rate						Total Growth since 2011	
At what rate did MCCD's Direct Loan Portfolio grow since 12/31/2011?	41%	52%	37%	22%	9%	16%	356%

The MCCD Loan Portfolio at a Glance

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
Recourse Loans Outstanding	\$900,888	\$1,318,251	\$1,957,073	\$2,772,118	\$3,421,313	\$3,925,007	\$4,827,835
Nonrecourse Loans Outstanding	565,358	752,920	1,195,619	1,558,164	1,879,299	1,830,404	\$1,855,845
Subtotal MCCD Portfolio	\$1,466,246	\$2,071,171	\$3,152,692	\$4,330,282	\$5,300,612	\$5,755,411	\$6,683,680
Non-MCCD Loans Outstanding	861,298	1,324,274	1,906,989	\$1,812,732	\$1,548,114	\$3,645,192	\$3,449,763
Total Portfolio	\$2,327,544	\$3,395,445	\$5,059,681	\$6,143,014	\$6,848,726	\$9,400,603	\$10,133,443
Recourse Loans							
Allowance (a)	\$117,932	\$179,492	\$210,025	\$356,131	\$195,951	\$357,029	\$348,234
As % of Loans Outstanding	13.1%	13.6%	10.7%	12.8%	5.7%	9.1%	7.2%
Nonrecourse Loans							
Allowance (a)	\$115,643	\$132,388	\$211,551	\$304,827	\$328,879	\$323,901	\$249,439
As % of Loans Outstanding	20.5%	17.6%	17.7%	19.6%	17.5%	17.7%	13.4%

(a) In order to keep the allowances for loan loss more in line with the actual loan losses, MCCD has reduced the allowances for best risk rated loans (A, B, and C) to 2%, 4%, and 7%, respectively. Prior to 2015, they were 5%, 10%, and 15%. Allowance for loans risk rated D were lowered to 15% from 25% in 2017.

Growth of MCCD Portfolio



PROGRESS PLUS

ECONOMIC DEVELOPMENT PARTNERSHIP

Report: February, 2018

Economic Development Activities

Events/meetings:

- Continued scheduled staff meetings with ED staff.
- Made several attempts to schedule a meeting with Laurie Crowe to learn about their increased marketing efforts and how Progress Plus can help.
- Scheduled a State of the County Address on April 4 at Southview Country Club
- Met with the Vikings about their facility opening in March.
- Met with Ryan Rother, management for Arbor Pointe Center about lease comparisons and possible tenant ideas.
- Continued meeting with TriDistrict on local career paths to strengthen economic development.
- Met with Jon Holm to outline the new format of the MNCAR Exchange database replacing Xcelligent.
- Met with Tony Schertler of the Dakota County CDA on county development plans and priorities within South St. Paul and Inver Grove Heights.

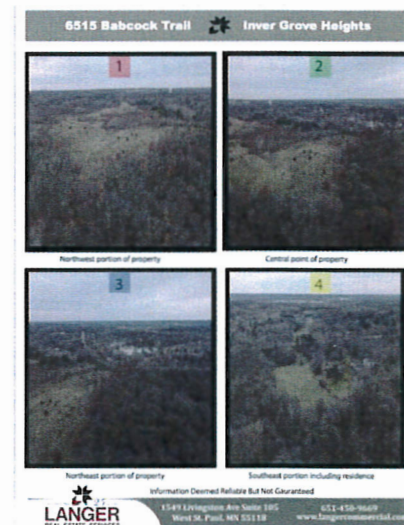
Marketing:

- Promoted on social media, the blog and the Weekly Update sections (example):

Langer Real Estate Has This Great Land/Redevelopment Opportunity For Sale!

Inver Grove Heights Land 25+ Acres

- Low density residential development opportunity in IGH
- Beautiful rolling land includes City/County road extension plans
- The site is adjacent to Harmon Park nature area
- Part of the NW area expansion of Water and Sewer
- Pricing is UNDER \$50,000 per acre, a great long term hold opportunity
- Existing homestead (4BR) part of 60 year family hobby farm



Grow Minnesota:

- Met with:
 1. Wipaire Inc., SSP/IGH
 2. Lash Envy, IGH
 3. Superior Landscape, SSP
 4. Cherokee Mfg., SSP
 5. Cobra Transportation, SSP
 6. Inver Hills Community College, IGH
 7. Youth Service Bureau, Woodbury
 8. Metzen Realty, SSP
 9. One Main Financial, Mendota Heights
 10. Waterous Co. SSP
 11. Vermillion Bank, IGH

Assisted:

- Continued to work with Sassy Pecan on their revised business plan.
- Working with John Young from Paramount to highlight their property listings.
- Worked on the proposed McGough multi housing development with area residents.

Planning:

- Planning purposeful marketing concepts for 2018 and seeking input from city staff to complete the workplan.