



Inver Grove Heights Economic Development Authority
Monday, May 12, 2025 at 5:00 PM
8150 Barbara Avenue, Inver Grove Heights, MN 55077

AGENDA

NOTICE TO RESIDENTS: Individuals may submit written public comments in advance of the meeting by emailing comments to Stacy Bodsberg (sbodsberg@ighmn.gov). Comments received prior to 4:00 p.m. on Monday, May 12, 2025, will be provided to the EDA at or before the May 12, 2025 meeting.

1. **Call to Order**
2. **Roll Call**
3. **Consent Agenda**
4. **Public Hearing**
 - A. Consideration of Proposed Sale of EDA-Owned Properties Located on Dickman Trail and Dixie Avenue and Resolution Authorizing Sale
5. **Regular Business**
 - A. Update on Professional Services Recommended to Advance Potential Curling Center Development
6. **Public Comment**

Public comment provides an opportunity for the public to address the Council on items that are not on the agenda. Comments will be limited to three (3) minutes per person.
7. **Commission and Staff Comments**
8. **Adjourn**



**Economic Development Authority
Staff Report**

**SUBJECT: Consideration of Proposed Sale of EDA-Owned
Properties Located on Dickman Trail and Dixie Avenue
and Resolution Authorizing Sale**

MEETING DATE: May 12, 2025

ITEM TYPE: Public Hearing

CONTACT: Jason Ziemer, Community Development Director, 651-450-2546

PURPOSE/ACTION REQUESTED

The EDA is asked to hold a public hearing and accept public comment regarding the proposed sale of four EDA-owned properties on Dickman Trail and Dixie Avenue for the purpose of redevelopment. Following the public hearing, the EDA is asked to consider adoption of the attached Resolution, approving the sale and purchase agreement between the EDA and Interstate Industrial, LLC.

The properties proposed for sale are identified in Dakota County records with the following parcel identification numbers (PIDs): 20-01100-27-012, 20-17750-06-090, 20-17750-06-071 and 20-17750-06-050.

BACKGROUND

The Inver Grove Heights Economic Development Authority (EDA) has reached agreement with Interstate Industrial, LLC (Developer) to sell four properties owned by the EDA. The properties, which lack street addresses, are located on Dickman Trail and Dixie Avenue, to the east of Concord Blvd between the 6800 and 7200 blocks. The land transaction, if approved, would support a proposed redevelopment of the four EDA-owned parcels and two adjacent privately-owned parcels, resulting in a new, small-scale light industrial development. The Developer has a purchase agreement with the neighboring private property owner as well and has executed a Letter of Intent with the EDA. Adoption of the attached Resolution, would approve the formal purchase agreement between the EDA and Developer.

Public Property Sale Process

Minnesota State Statute requires two steps regarding the acquisition or disposition of land held by, or to be purchased by, a public entity; such as a City or an EDA. The Planning Commission must review the land transaction to ensure compliance with the City's Comprehensive Plan; and the public body (EDA or City Council) must hold a public hearing regarding the pending transaction.

Planning Commission Review & Findings

As required by Minnesota State Statute §462.356, Subd. 2, the Planning Commission reviewed the proposed sale at its May 6, 2025 meeting and determined the sale and proposed redevelopment project complies with the City's 2040 Comprehensive Plan and established findings in support of that determination. The findings adopted by the Commission include:

1. The redevelopment project supports the Concord Boulevard Neighborhood Plan to retain the industrial focus of the Dickman Trail area to attract new or relocating industrial businesses and create new job opportunities for residents.
2. The Subject Properties were previously acquired for the specific purpose of redevelopment in this area, with the intent to further facilitate reinvestment in this area by securing and/or working to secure public funding to clean up the properties and enable new business development.
3. Repurposing the industrial properties will improve the appearance of this area by removing blight and contamination, and will more efficiently use the Subject Properties, thereby significantly enhancing property values and community-wide tax base, generating new property tax revenues.
4. The area along Dickman Trail is in the Metropolitan Urban Service Area (MUSA) but the entirety of the Subject Property is not currently served by municipal utilities. The redevelopment project may enable the City to leverage available grant funds from the State of Minnesota and/or Metropolitan Council to extend utilities into the area and service the new businesses.

Public Hearing

Minnesota State Statute §469.105 allows the EDA to sell property it owns if it determines the sale is in the best interest of the City and its people, and the transaction furthers its general economic development plan. To complete the transaction, this Statute also requires the EDA to hold a public hearing, allowing taxpayers the opportunity to testify for or against the sale. This hearing was noticed for the special EDA meeting on May 12, 2025.

Land Use & Zoning

The entire redevelopment project area is located on land currently guided **Light Industrial**, per the 2040 Comprehensive Plan (“2040 Plan”), and zoned **I-1, Limited Industrial**. Thus, the redevelopment project is consistent with both the designated land use and current zoning. The proposed uses described below are currently allowed within the I-1 zoning district.

Development Site, Project & Purchase Agreement

Site History & Existing Conditions

The parcels, located on Dickman Trail and Dixie Avenue (“Subject Properties”), are vacant and/or largely underutilized industrial land with suspected contamination resulting from the historic and ongoing industrial-related uses on the land, likely requiring environmental cleanup and remediation. Attached is an evaluation of the site history, current uses and existing conditions. That information was based on a review of aerial maps dating back to 1925, property files and previously completed environmental site assessments, which were submitted by the EDA to state grant funding agencies for funding to support the necessary environmental investigation assessments.

Overview of Proposed Development & Purchase Agreement

The redevelopment project proposes to remove all existing uses and buildings within the development area, plus mitigate any identified contamination. The Purchase Agreement requires the Developer to construct at least three new industrial buildings, totaling no less than 27,000 square feet of building space combined, or any combination of buildings totaling 27,000 square feet but not less than a total of two new industrial buildings.

The redevelopment project intends to provide new spaces for businesses in the trades sector and small industrial users that require both office, warehousing and indoor/outdoor storage for equipment and materials. Thus, the concept site plan shows up to 169,241 square feet of outdoor storage. The Developer has estimated that once constructed and occupied, the development will be home to 10 to 20 new jobs per building, equaling 30 to 60 new jobs in the community.

As this section of Dickman Trail does not currently have municipal utilities, the EDA has contracted for the engineering and utility design work necessary to install water, sewer and storm water to service the development and area. A Host Community Economic Development grant through the Minnesota Department of Employment and Economic Development (DEED) is funding 100% of the utility engineering and design work and currently planned to fund 60% of the utility construction. Utility construction is anticipated to begin in the summer of 2025 and wrap up in spring of 2026. Per the Agreement, responsibility for construction costs over and above grant funding received would be negotiated between the EDA and Developer.

Additionally, the EDA recently authorized grant application submittals to the Minnesota Department of Employment and Economic Development (DEED) for the environmental investigation grant program and to the Metropolitan Council Tax Base Revitalization Account (TBRA) for funding to support environmental investigation assessments (i.e. Phase 1, Phase 2, RAP/CCP, etc.).

FISCAL IMPACT

The proposed sale price for the four parcels is \$721,360. The EDA will receive the proceeds from the land sale and will determine at a future date how to use these funds in service of the EDA's mission and goals.

RECOMMENDATION

Following the public hearing, staff recommends adoption of the attached Resolution, approving the sale of the Subject Properties and authorizing execution of the Purchase Agreement.

ATTACHMENTS

1. Resolution Authorizing Sale of Properties
2. Final_Purchase Agreement_City IGH-Interstate Development_Dickman Trail_05-12-2025
3. Site History_Dickman Trail Industrail Development

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

EDA RESOLUTION NO. 2025-04

**A RESOLUTION AUTHORIZING THE SALE OF FOUR EDA-OWNED PARCELS
LOCATED ON DICKMAN TRAIL & DIXIE AVENUE**

WHEREAS, the Economic Development Authority (“EDA”) of the City of Inver Grove Heights (“City”) has received an offer from Interstate Industrial, LLC (“Developer”) and has agreed to sell land owned by the EDA to the Developer for the purpose of redeveloping that land and other adjacent private property, currently under separate purchase agreement; and,

WHEREAS, the following public properties owned by the EDA and subject to the redevelopment project are currently vacant and/or underutilized and are located on Dickman Trail and Dixie Avenue (“Subject Properties”):

Address	PID
6910 Dixie Avenue	20-17750-06-050
6940 Dixie Avenue	20-17750-06-071
6950 Dixie Avenue	20-17750-06-090
Unaddressed Dickman Trail	20-01100-27-012

WHEREAS, the Developer is proposing an industrial development on the Subject Properties that will enhance the City’s tax base and create a minimum of 30 to 60 new jobs in Inver Grove Heights; and,

WHEREAS, the EDA and Developer have reached agreement on a purchase agreement with a total sale price of \$721,360 for the Subject Properties; and,

WHEREAS, on May 6, 2025, pursuant to Minnesota Statute §462.356, Subd. 2, the Planning Commission (“Commission”) reviewed the proposed sale of public property as to the compliance of the sale in relation to the City’s 2040 Comprehensive Plan (“2040 Plan”), and determined the sale of the Subject Properties and proposed redevelopment project comply with the 2040 Plan per the following findings:

1. The redevelopment project supports the Concord Boulevard Neighborhood Plan to retain the industrial focus of the Dickman Trail area to attract new and relocate industrial businesses and create new job opportunities for residents.
2. The Subject Properties were previously acquired for the specific purpose of redevelopment in this area and is further facilitating reinvestment in this area by securing and/or working to secure public funding to clean up the properties and enable new business development.
3. Repurposing the industrial properties will improve the appearance of this area by removing blight and contamination, and will more efficiently use the Subject Properties, thereby significantly enhancing property values and community-wide tax base, generating new property tax revenues.

4. The area along Dickman Trail is in the Municipal Utilities Service Area (MUSA) but is currently underserved by municipal utilities. The redevelopment project will enable the City to leverage available public funds from the State of Minnesota to extend utilities into the area and service the new businesses.

WHEREAS, on May 12, 2025, pursuant to Minnesota Statute §469.105, the EDA held a public hearing on the proposed sale of the Subject Properties to the Developer, at which time the EDA received the above-referenced findings from the Commission and public comment as to the sale of the Subject Properties, and upon closing of the public hearing the EDA determined the sale is in the best interest of the City and the transaction supports its general economic development plan.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF INVER GROVE HEIGHTS, MINNESOTA, the sale of the aforementioned Subject Properties by the EDA to Interstate Industrial, LLC is hereby approved and the President and Executive Director of the EDA are authorized to execute this resolution, the purchase agreement and other documents required to accomplish the sale and closing of the Subject Properties to Interstate Industrial, LLC.

Passed by the Economic Development Authority of the City of Inver Grove Heights this 12th day of May, 2025.

Sue Gliva, EDA President

ATTEST:

Rebecca Kiernan, City Clerk

PURCHASE AGREEMENT

1. PARTIES. This Purchase Agreement ("Agreement") is made on this 12th day of May, 2025 ("Effective Date"), by and between the City of Inver Grove Heights Economic Development Authority, a Minnesota body corporate and politic ("EDA") and Interstate Industrial LLC, a Minnesota limited liability company and its permitted assigns ("Buyer").

2. SALE OF PROPERTY. Subject to the terms and conditions of this Agreement, the EDA agrees to sell to the Buyer and the Buyer agrees to buy from the EDA, the real estate located in the City of Inver Grove Heights, Dakota County, Minnesota with the following Property Tax Identification Numbers, all as legally described in Exhibit A and depicted in Exhibit B as attached, together with all easements and rights accruing thereto collectively referred to hereafter as the "Property:"

PID: 20-01100-27-012 (10.38 acres)

PID: 20-17750-06-090 (.29 acres)

PID: 20-17750-06-071 (.24 acres)

PID: 20-17750-06-050 (.22 acres)

3. PURCHASE PRICE AND MANNER OF PAYMENT. At the Closing, the Buyer shall pay the EDA Seven Hundred Twenty-One Thousand, Three Hundred and Sixty Dollars (\$721,360.00) for the Property ("Purchase Price"). The Buyer shall deposit \$20,000.00 in earnest money ("Earnest Money") to be held in escrow by First American Title Insurance Company, in Minneapolis, Minnesota, attn. Jim Erickson ("Title Company") within five (5) days of the Effective Date. The Earnest Money shall be credited against the Purchase Price at Closing.

4. CLOSING CONDITIONS. Buyer's obligation to close the transaction and purchase the Property is specifically conditioned upon the following (each a "Buyer Closing Condition" and collectively the "Buyer's Closing Conditions"):

4.1. Representations and Warranties. The representations and warranties of the EDA contained in this Agreement must be true as of the Effective Date and on the Closing Date in all material respects as if made on the Closing Date and the EDA shall have delivered to the Buyer on the Closing Date, a certificate dated the Closing Date, signed by an authorized representative of the EDA, certifying that such representations and warranties are true as of the Closing Date in all material respects ("Bring Down Certificate").

4.2. Title. Title to the Property shall have been found marketable, or been made marketable, in accordance with the requirements and terms of Section 8 below.

4.3. Performance of the EDA's Obligations. The EDA shall have performed all of the obligations required to be performed by the EDA under this Agreement

in all material respects. Included within the obligations of the EDA under this Agreement shall be the following:

- 4.3.1. The EDA agrees to cooperate with the Buyer as reasonably necessary to permit the Buyer to investigate the Property.
- 4.3.2. The EDA shall deliver to the Buyer the Title Evidence required in Section 8 within ten (10) business days from the Effective Date of this Agreement.
- 4.3.3 The EDA shall deliver to the Buyer copies of any surveys, plats, civil plans, soils reports, environmental reports, and title work relating to the Property which are in the EDA's possession or control ("Due Diligence Materials") within ten (10) days from the Effective Date of this Agreement and the date the EDA delivers all of the Due Diligence Materials to the Buyer is referred to herein as the "Delivery Date".
- 4.4 Buyer's Purchase of Adjacent Properties. The Buyer shall have purchased the McPhillips Trucking Parcels (PID: 20-00200-56-070 and PID: 20-39900-00-170) ("Trucking Parcels") either prior to Closing on the Property or at the same time as Closing on the Property.
- 4.5 Land Use Approvals. The Buyer shall have obtained, at the Buyer's sole cost and expense, all consents, agreements, approvals, easements, licenses, and adequate assurances that are legally necessary for the Buyer to use the Property and the Trucking Parcels as intended for the development and construction of not less than three (3) industrial buildings totaling not less than 27,000 square feet of industrial building space, or any number of industrial buildings equal to or greater than two (2) industrial buildings and totaling not less than 27,000 square feet, including, but not limited to, land use approvals from the City of Inver Grove Heights ("City") or otherwise required by the Buyer, in Buyer's sole determination, including, but not limited to preliminary plat, final plat and site plan.
- 4.6 Vacations. The City shall have vacated Dixie Avenue from the north line of the Trucking Parcels to the south line of the Trucking Parcels.
- 4.7 Development Agreement. The City shall have made an irrevocable commitment to extend City water and sanitary sewer service to the Property to accommodate the Buyer's development ("Utilities") with the City obtaining grant funding to assist with costs associated for the construction of the Utilities. Notwithstanding the foregoing, the Buyer shall be responsible for paying any costs associated with the construction of the

Utilities necessary to service the Buyer's development on the Property and the Trucking Parcels, as negotiated between the City and the Buyer through a mutually agreed upon development agreement that shall be entered into between the Buyer and the City prior to Closing and subject to the successful Closing of the transactions anticipated to be taken under this Agreement.

5. CONTINGENCIES WHICH MUST BE EXERCISED BY WRITTEN NOTICE TO THE EDA ON OR BEFORE 120 DAYS AFTER THE DELIVERY DATE ("INITIAL CONTINGENCY PERIOD"):

5.1. Buyer's Contingencies.

5.1.1. Inspection and Testing. The Buyer shall have determined, in its sole determination, that the Buyer is satisfied with the results of, and matters disclosed by, any environmental site assessments, including a Phase I and Phase II if necessary, soil tests, surveys, engineering inspections, hazardous substances, and environmental reviews of the Property. The Buyer may enter the Property by providing twenty-four (24) hours' notice of its intended entry to the EDA.

- a. The Buyer shall promptly repair and restore any damage to the Property caused by the Buyer's testing and return the Property to substantially the same condition as existed prior to entry. The Buyer shall have no obligation to repair or remediate any environmental condition discovered or uncovered by Buyer or its agents or contractors.
- b. Except as qualified under Section 5.1.1(a) above, the Buyer shall indemnify, defend, and hold the EDA harmless from any claim for damage to person or property arising from any investigation or inspection of the Property conducted by the Buyer, the Buyer's agents or contractors, including the cost of attorneys' fees.
- c. Copies of any written reports, studies or test results obtained by the Buyer in connection with the Buyer's inspection of the Property or investigation relating to the Property shall be delivered to the EDA promptly upon receipt of the same at no cost to the EDA. The Buyer makes no warranties to EDA regarding the accuracy or completeness of any such tests or test results.

d. The Buyer shall be responsible for the costs of all investigation and testing performed by the Buyer with respect to the Property.

5.1.2. Financing. The Buyer shall have obtained acceptable financing for the purchase of the Property upon terms and conditions acceptable to Buyer in Buyer's sole discretion.

5.2. EDA's Contingencies.

5.2.1. Determination by the EDA after holding a public hearing required by Minnesota Statutes Section 469.105, subdivision 2 that the sale and conveyance of the Property to the Buyer is in the best interests of the City and its people, and that the transaction furthers the EDA's general plan of economic development.

5.2.2. Buyer's Purchase of the Trucking Parcels. Assurance to the EDA in its sole discretion that the Buyer has closed or will simultaneously close on its purchase of the Trucking Parcels with its purchase of the Property.

If on or before the Contingency Date either party determines that any of their respective contingencies listed in this Section have not been satisfied in its sole discretion, then this Agreement may be terminated by written notice from the party to the other, which notice must give no later than the Contingency Date. If the party does not give written notice of termination on or before the Contingency Date, all of such contingencies will be deemed to have been satisfied and the parties shall proceed to close this transaction in accordance with the terms of this Agreement, subject to the Buyer's Closing Conditions. All of the contingencies set forth in this Agreement are specifically stated and agreed to be for the sole and exclusive benefit of the respective party and each party shall have the right to unilaterally waive any of its contingencies by written notice to the other party. If this Agreement is terminated by either party in accordance with this Section, the Title Company shall disburse the Earnest Money to Buyer and neither party shall have any further rights or obligations regarding this Agreement or the Property.

6. CLOSING. The closing of the purchase and sale contemplated by this Agreement ("Closing") shall occur 15 days after the later of the Contingency Date or the date on which each of the Buyer Closing Conditions are met or such other date on which the parties may agree (the "Closing Date"). The EDA agrees to deliver possession of the Property to the Buyer on the Closing Date with the Property vacant and unoccupied.

6.1. EDA's Closing Documents. On the Closing Date, the EDA shall execute and deliver to the Buyer the following (collectively, "EDA's Closing

Documents”), all in form and content reasonably satisfactory to the EDA and the Buyer:

- 6.1.1. Deed. A quit claim deed (“Deed”) conveying the Property to the Buyer. The Deed shall contain a covenant running with the Property that the Buyer must construct at least two (2) industrial buildings on the Property and obtain Certificates of Occupancy for those buildings within two (2) years from the date of Closing. The Buyer must commence construction of the first industrial building (“Minimum Improvements”) within one (1) year of the date of Closing. If the Buyer does not complete the Minimum Improvements within one (1) year of the date of Closing, the Property shall revert back to the EDA. For purposes of this covenant, “Minimum Improvements” shall be defined as commencing construction of footings and foundation of the first industrial building on the Property.
- 6.1.2. Seller’s Affidavit. An affidavit of title by the EDA stating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving the EDA or the Property; that there has been no skill, labor or material furnished to the Property for which payment has not been made or for which mechanics’ liens could be filed; and that there are no other unrecorded instruments affecting the Property, together with whatever standard owner’s affidavit (ALTA form) which may be required by the Title Company to issue an Owner’s Policy of Title Insurance with the standard exceptions waived.
- 6.1.3. Original Documents. Original copies of any surveys, plans, and records in the EDA’s possession relating in any way to the Property.
- 6.1.4. FIRPTA Affidavit. A non-foreign affidavit, properly executed, containing such information as is required by the Internal Revenue Code Section 1445(b)(2) and its regulations.
- 6.1.5. Seller’s Settlement Statement. A Seller’s settlement statement reflecting the Purchase Price and the proration of costs and expenses in the manner required by this Agreement.
- 6.1.6. Other Documents. Any other documents reasonably required or reasonably requested by the Title Company necessary to complete the transaction contemplated by this Agreement.

6.2. Buyer's Closing Documents. On the Closing Date, the Buyer shall execute, as appropriate, and deliver to the EDA the following (collectively, "Buyer's Closing Documents"):

6.2.1. Purchase Price. The Purchase Price in collected funds (certified or cashier's check or wire transfer) deposited with the Title Company on the Closing Date.

6.2.2 Buyer's Settlement Statement. A Buyer's settlement statement reflecting the Purchase Price and the proration of costs and expenses in the manner required by this Agreement.

6.2.3. Other Documents. Such affidavits of purchaser, certificates of value or other documents may be reasonably required or reasonably requested by the Title Company necessary to complete the transaction contemplated by this Agreement.

7. PRORATIONS. The EDA and the Buyer agree to the following prorations and allocation of costs regarding this Agreement:

7.1. Title Insurance and Closing Fees. The Buyer shall pay the cost of the title insurance commitment, including any associated title examination and search charges. The Buyer shall pay the cost of any title insurance Buyer elects to purchase or endorsement premiums for such policy. The parties shall share equally the closing fee charged by the Title Company.

7.2. Real Estate Taxes and Special Assessments. The EDA shall pay the state deed tax. The EDA shall also pay, on or before the Closing Date, all special assessments levied, ordered or pending against the Property as of the Closing Date including, without limitation, any installments of special assessments that are payable with general real estate taxes ("Taxes") in the year in which Closing occurs. The EDA shall pay all Taxes for all years prior to the year in which the Closing occurs. Taxes for the year in which the Closing occurs shall be prorated between the parties as of the Closing Date.

7.3. Recording Costs. The EDA shall pay the cost of recording all documents necessary to vest marketable title in the EDA and cure title objections, if any. The Buyer shall pay the cost of recording all other documents, including, but not limited to, the Deed.

7.4. Attorneys' Fees. Each of the parties shall pay its own attorneys' fees.

8. TITLE EXAMINATION. Title examination shall be conducted as follows:

8.1. EDA's Title Evidence. Within ten (10) days of the Effective Date, the EDA shall deliver the following (collectively, "Title Evidence") to the Buyer:

8.1.1. Title Commitment. A title insurance commitment for the Property issued by the Title Company.

8.1.2. Survey. The Buyer, at the Buyer's option, may obtain, at the expense of the Buyer, a survey of the Property. Any survey obtained by the Buyer shall be certified and delivered to the EDA as well as the Buyer and any other parties that the Buyer may designate.

8.2. Buyer's Objections. No later than fourteen (14) business days after receiving the updated Title Commitment, the Buyer must make written objections ("Objections") to the marketability of title to the Property based on the Title Evidence. If the Buyer elects to obtain a survey, Objections based upon the survey must be made within fourteen (14) business days after receipt of said survey but in no event later than the Contingency Date. The Buyer's failure to make Objections within such time periods will constitute a waiver of Objections. However, any matter which is not referenced in the title commitment and is first recorded, discovered, or disclosed after the effective date of the title commitment, may be objected to by the Buyer in the manner described herein. If not sooner satisfied, the EDA shall cause the Property to be released from any mortgages or other liens against the Property at the Closing. Any matter shown on such Title Evidence, other than a mortgage or other lien and not objected to by the Buyer shall be a "Permitted Encumbrance" hereunder. Within seven (7) days after receipt of the Buyer's Objections, the EDA shall notify the Buyer in writing if the EDA elects not to cure the Objections. If such notice is given within said seven (7) day period, the Buyer may either waive the Objections or terminate this Agreement by giving written notice of termination to the EDA within ten (10) days after the EDA's notice is given to the Buyer. If written notice by the EDA is not given within the ten (10=) day period, the EDA shall use commercially reasonable efforts to correct any Objections within thirty (30) days after the expiration of the ten (10=) day period ("Cure Period"). If the Objections are not cured within the Cure Period, the Buyer shall have the option to do any of the following:

8.2.1. Terminate this Agreement by giving written notice to the EDA and the Title Company within ten (10) days after the expiration of the Cure Period and neither the EDA nor the Buyer shall have further rights or obligations hereunder. In such event the Title Company shall immediately disburse the Earnest Money to the Buyer.

8.2.2. Waive the objections and proceed to close without reduction in the Purchase Price.

The Buyer shall make the election within ten (10) days after expiration of the EDA's Cure Period. A failure to make an election within such period shall be deemed an election to proceed to close pursuant to subsection 8.2.2.

9. REPRESENTATIONS AND WARRANTIES BY THE EDA. The EDA represents and warrants to the Buyer that the following are true in all material respects as of the Effective Date and as modified by any changes about which the EDA notifies the Buyer in writing following after the Effective Date, will be true in all material respects on the Closing Date:

- 9.1. Authority. The EDA is a public body corporate and politic, duly created under and subject to the laws of the State of Minnesota; the EDA has the requisite power and authority to enter into and perform this Agreement and those EDA Closing Documents signed by it; such documents have been or will be duly authorized by all necessary action on the part of the EDA and have been or will be duly executed and delivered; such execution, delivery and performance by the EDA of such documents does not conflict with or result in a violation of any judgment, order, or decree of any court or arbiter to which the EDA is a party; such documents are valid and binding obligations of the EDA, and are enforceable in accordance with their terms, subject to bankruptcy, reorganization, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally and principles of equity.
- 9.2. Rights of Others to Purchase the Property; Possession. The EDA has not entered into any other contracts for the sale of the Property, nor are there any rights of first refusal or options to purchase the Property or any other rights of others that might prevent the sale of the Property contemplated by this Agreement. At the Closing, no person shall have any lease, license or other agreement to use or occupy the Property and the EDA shall deliver the Property to the Buyer vacant and unoccupied.
- 9.3. Use of the Property. To the best of the EDA's knowledge without investigation, the Property is usable for its current uses without violating any federal, state, local or other governmental building, zoning, health, safety, platting, subdivision or other law, ordinance or regulation, or any applicable private restriction.
- 9.4. Proceedings. There is no action, litigation, investigation, condemnation or proceeding of any kind or to the EDA's actual knowledge without

investigation pending or threatened against the EDA with respect to the Property or any portion of the Property.

9.5. Wells. No wells exist on the Property.

9.6. Sewage Treatment Systems. No sewage treatment system exists on the Property.

9.7. Title. The EDA owns fee title to the Property.

The EDA's representations shall be true, accurate and complete as of the Effective Date, in all material respects and, as modified by any notices given by the EDA to the Buyer, on the Closing Date in all material respects. If any time prior to Closing, the Buyer shall determine that any representation herein made by the EDA was not true in all material respects when made, the Buyer's sole remedy shall be to terminate this Agreement by giving notice to the EDA and seeking any applicable remedies for breach from the EDA. The Earnest Money paid by the Buyer shall be returned to the Buyer.

Notwithstanding the above paragraph, all representations and warranties shall terminate eighteen (18) months following the Closing Date. Any claim by the Buyer not made by written notice delivered to the EDA before the date the representation or warranty terminates shall be deemed waived.

10. "AS IS, WHERE IS." The Buyer acknowledges that the Buyer has inspected or has had the opportunity to inspect the Property and agrees to accept the Property "AS IS" with no right of set off or reduction in the Purchase Price. Except for the EDA's representations and warranties made under this Agreement, such sale shall be without representation of warranties, express or implied, either oral or written, made by the EDA or any official, employee or agent of the EDA with respect to the physical condition of the Property, including but not limited to, the existence or absence of petroleum, hazardous substances, pollutants or contaminants in, on, or under, or affecting the Property or with respect to the compliance of the Property or its operation with any laws, ordinances, or regulations of any government or other body and Buyer acknowledges and agrees that the EDA has not made and does not make any representations, warranties, or covenants of any kind or character whatsoever, whether expressed or implied, with respect to warranty of income potential, operating expenses, uses, habitability, tenant ability, or suitability for any purpose, merchantability, or fitness of the Property for a particular purpose, all of which warranties EDA hereby expressly disclaims, except as stated above. Except for the EDA's representations and warranties made under this Agreement, the Buyer is relying entirely upon information and knowledge obtained from the Buyer's own investigation, experience, and knowledge obtained from the Buyer's own investigation, experience, or personal inspection of the Property. The foregoing provision shall survive Closing

and shall not be deemed merged into any instrument of conveyance delivered at Closing.

11. REPRESENTATIONS AND WARRANTIES BY THE BUYER. The Buyer represents and warrants to the EDA that the Buyer has the requisite capacity, power, and authority to enter into this Agreement and the Buyer's Closing Documents; such execution, delivery, and performance by the Buyer of such documents does not conflict with or result in a violation of any judgment, order or decree of any court or arbiter to which the Buyer is a party; such documents are valid and binding obligations of the Buyer, and are enforceable in accordance with their terms.

12. CONDEMNATION. If, prior to the Closing, eminent domain proceedings are commenced against all or any material part of the Property, the EDA shall immediately give notice to the Buyer of such fact and at the Buyer's option (to be exercised within fifteen (15) days after the EDA's notice), this Agreement shall terminate, in which event neither party will have further obligations under this Agreement. Thereupon the Title Company shall disburse the Earnest Money to the Buyer. If the Buyer fails to give such notice, then there shall be no reduction in the Purchase Price, and the EDA shall assign to the Buyer at the Closing all of EDA's right, title, and interest in and to any award made or to be made in the condemnation proceedings. Prior to the Closing, the EDA shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without the Buyer's prior written consent. For purposes of this section, the words "a material part" means a part if acquired by a condemning authority would materially hinder Buyer's operations on the Property. Notwithstanding any other term or condition of this Section 12 to the contrary, the EDA shall not commence nor consent to any eminent domain proceedings affecting all or any part of the Property without the Buyer's prior written consent, which consent shall not unreasonably be withheld.

13. COMMISSIONS. Both the Buyer and the EDA represent that they have not entered into a contract with any other real estate broker, whereby the broker is entitled to a commission resulting from the transaction contemplated by this Agreement. Each party agrees to indemnify, defend and hold harmless the other party against any claim made by a real estate broker for a commission or fee based on alleged acts or agreements with the indemnifying party.

14. REMEDIES.

14.1. Buyer's Remedies. If any one or more of the Buyer's Closing Conditions fails or the EDA otherwise fails to consummate this Agreement for any reason except the Buyer's default or the termination of this Agreement pursuant to a right to terminate given herein, and such failure continues for longer than ten (10) days after the date Buyer delivers written default hereunder to the EDA (an "EDA Default") or the Buyer Closing Conditions under Sections 4.4, 4.5, 4.6 or 4.7 shall not be met, then the Buyer may, at its option, terminate

this Agreement by written notice delivered to the EDA and the Title Company, in which event the Title Company shall immediately disburse the Earnest Money to the Buyer and upon such payment, neither party shall be further obligated to the other (except for the Buyer's and the EDA's indemnities set forth in this Agreement). The Buyer specifically waives any right to make a claim against the EDA for compensatory or consequential damages or any other type of monetary claim, except for the indemnity obligations set forth in this Agreement.

14.2. EDA's Remedy. If the Buyer fails to consummate this Agreement for any reason except the EDA's default or the termination of this Agreement pursuant to a right to terminate given herein, the EDA's sole and exclusive remedy shall be to terminate this Agreement by giving thirty (30) days' written notice to the Buyer, pursuant to Minnesota Statutes, Section 559.21, as amended from time to time, in which case, the Earnest Money shall be retained by the EDA as liquidated damages.

15. ASSIGNMENT. The Buyer may not assign the Buyer's rights under this Agreement without prior consent of the EDA, which shall not unreasonably be withheld.

16. SURVIVAL. All of the terms of this Agreement and warranties and representations herein contained shall survive and be enforceable after the Closing.

17. NOTICES. Any notice required or permitted hereunder shall be given by personal delivery; or if deposited cost paid with a nationally recognized, reputable overnight courier; by email; or by certified mail, return receipt requested; properly addressed as follows:

If to the EDA: City of Inver Grove Heights
Economic Development Authority
8150 Barbara Avenue
Inver Grove Heights, Minnesota 55077
Attention: Executive Director
Email: jziemer@ighmn.gov

If to the Buyer: Interstate Industrial LLC
6390 Carlson Drive
Eden Prairie, MN 55346-1727

Attention: Legal Notices
Email: LP@interstatedevelopment.com

With copy to: Messerli & Kramer, P.A.
100 South Fifth Street

Suite 1400
Minneapolis, MN 55402
Attention: Anthony L. Barthel
Email: abarthel@messerlikramer.com

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit, as aforesaid; provided, however, that if notice is given by deposit, the time for response to any notice by the other party shall commence to run one business day after any such deposit or if by email upon sending email to the address set forth in this Section. Any party may change its address for the service of notice by giving notice of such change ten (10) days' prior to the effective date of such change.

18. CAPTIONS. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

19. ENTIRE AGREEMENT, MODIFICATIONS. This Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties.

20. BINDING EFFECT. This Agreement binds and benefits the parties and their heirs, successors, and assigns.

21. CONTROLLING LAW. This Agreement has been made under the substantive laws of the State of Minnesota, and such laws shall control its interpretation.

[Remainder of this page intentionally left blank.]

BUYER

INTERSTATE INDUSTRIAL LLC

Lonnie Provencher, President

EDA

**CITY OF INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT AUTHORITY**

Sue Gliva, President

Jason Ziemer, Executive Director

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PID: 20-01100-27-012 (10.38 acres)

The Northwest Quarter of the Northwest Quarter of Section 11, Township 27, Range 22 lying East of the South Highway 56 except the South 600 feet. Also, all West of the railroad of Government Lot 8 except the South 600 feet except Parcel 44 of the Dakota County Right-of-Way Map 294, County of Dakota, State of Minnesota.

PID: 20-17750-06-090 (.29 acres)

All of Lots 8 and 9, Block 6, Cleveland Park, and 30 feet of vacated adjacent Grover Avenue. Subject to Parcel 42, Dakota County Right-of-Way Map 294, County of Dakota, State of Minnesota.

PID: 20-17750-06-071 (.24 acres)

Lots 6 and 7, Block 6, Cleveland Park, subject to Parcel 41, Dakota County Right-of-Way Map 294, County of Dakota, State of Minnesota.

PID: 20-17750-06-050 (.22 acres)

Lots 4 and 5, Block 6, Cleveland Park, subject to Parcel 40, Dakota County Right-of-Way Map 294, County of Dakota, State of Minnesota.

EXHIBIT B

MAP OF PROPERTY



SITE HISTORY & CURRENT USE

DICKMAN TRAIL INDUSTRIAL DEVELOPMENT

According to available property tax records, property files and other information readily available to the City of Inver Grove Heights, development of the properties located within the development site boundary began in the early 1900s. The first residential home in the area was constructed in 1925 on the property addressed 6971 Dickman Trail; a detached garage was constructed prior to 1927 in association with the residential home. By 1937, additional surface disturbances showed up, likely indicative of clearing and possibly cutting into the adjacent slope, resulting in the currently present concrete bunker/garage structure located on the northwest corner of the property. Aerial images from 1937 indicate an additional residential home constructed on 6940 Dixie Avenue; by 1970, another residential home had been constructed on 6950 Dixie Avenue. The parcel addressed 6910 Dixie Avenue remained relatively vacant from the early 1900s, except for being used for parking and outdoor storage of adjacent commercial uses until 2005 when a storage building was constructed on the property. By 2017, the uses were gone and all structures were demolished on 6910 Dixie Avenue. Two years later, in 2019, the homes and structures were gone on 6940 and 6950 Dixie Avenue.

Industrial uses, including a salvage yard and trucking company maintenance facility, first occurred on land within the development site boundary in the early 1980s, with the more industrial uses predominantly occurring on the 10.38-acre EDA-owned property and the two (2) privately-owned properties. Except for the residential homes, historic uses in this area generally supported commercial and industrial users from as early as the 1960s, including a commercial truck service garage, rubbish hauling business and a metal fabrication shop that included on-site welding, cutting, sandblasting and painting. To this day, the residential home and trucking/contractor business operations are in continuous use on the two privately-owned properties within the development site boundary, including parking and outdoor storage of equipment and materials on both lots simultaneously.

Aerial images show the larger EDA-owned parcel within the development site boundary as a vacant parcel with vegetation and trees up to about the late 1960s. In 1970, the north end of the site was graded and was used for earthen material storage (i.e. soils, gravel, etc.). By 1977, the vegetation had been removed, and the entire site was graded with material storage and related trucking operations expanded across the entire property; aerial images also suggest the likely presence of mineral extraction (mining) occurring on this parcel. Those uses continued until approximately 1985 when it appears the use ceased and remained vacant with vegetation retaking the property throughout the 1990s. In 2000, aerial images show much of the vegetation removed and the area adjacent to Dickman Trail graded again and used for exterior storage of earthen materials (i.e. soils, gravel, etc.) for an adjacent contractor business. This use continued and intensified over the next decade. In the mid-2000s, aerial images show what appears to be active mining of the property. City records show in 2008, the City notified the owner that mining was not a permitted use and issued an order to cease such activities immediately. During that year, the City and Dakota County also took action against the property owner for violations related to hazardous waste for an unexpired license as a very small waste generator. In 2010, aerial images show the use of the property for storage of earthen materials on the decline. In 2014, the Inver Grove Heights Economic Development Authority closed on the 10.38-acre property on Dickman Trail, and from that date aerial images show the gradual

re-vegetation of the property. The City constructed a perimeter fence and until recently used the property as outdoor storage for the Public Works and Parks Department equipment and materials.

Given the historical and ongoing commercial and industrial uses of the main properties subject to the proposed development, the historical activities described above likely involved the use of significant quantities of hazardous substances and/or petroleum products from the 1960s to present day. Additionally, soil conditions are relatively unknown given the past on-site rubbish hauling business and presence of surface fill materials of unknown origin or quality resulting from past uses including mining-type activities.

SUBJECT: Update on Professional Services Recommended to Advance Potential Curling Center Development

MEETING DATE: May 12, 2025

ITEM TYPE: Regular Business

CONTACT: Jason Ziemer, Community Development Director, 651-450-2546

PURPOSE/ACTION REQUESTED

The EDA is asked to receive an update and provide direction as to the next steps regarding a potential curling center development.

BACKGROUND

On April 14, 2025, EDA Executive Director Jason Ziemer and EDA Consultant Lee Krueger provided an update to the EDA as to the ongoing conversations and status of a conceptual curling center development in Inver Grove Heights. That update included a recap of a fit analysis for building the potential facility on a 4.79-acre parcel owned by Hempel Real Estate in the Argenta Hills commercial area. That fit analysis was completed by architect Jeff Agness and paid for by the EDA; at a cost of \$5,000.

At the April meeting, members of the EDA, as well as Director Ziemer and Mr. Krueger, discussed the need for a more in-depth project review to determine whether the project is viable and whether the EDA wishes to pursue it further. That additional information includes quantifying total development costs (uses) and identifying likely revenue and funding options (sources). A discussion with the potential curling partner would also require detailed understanding as to the financial commitment of that partner and some type of temporary exclusive relationship, if the EDA were to pursue the development further and allocate funding toward answering said questions.

EDA members asked City staff to come back at the May 12 meeting with information as to what resources are needed to complete additional, detailed analysis and cost for completing that work. Three resource areas identified are: architectural and engineering, financial and surveying.

Architectural & Engineering Review

The initial architectural work focused on evaluating the fit of a facility within the existing 4.79-acre vacant parcel owned by Hempel Real Estate in the Argenta Hills commercial area. While this site poses opportunities, notably as a likely development-ready location, there are also some limiting factors, making it worthwhile to further evaluate other sites. The fit analysis only explored a conceptual building and estimated parking, based on other existing curling centers (i.e. Chaska), yet it did not fully explore full site development and cost. Previous estimates provided were focused on building construction, not full site development – including costs such as earthwork, parking, stormwater ponding, utilities, etc. Land acquisition, development fees, SAC/WAC charges, etc. also need to be a factor in determining an all-in project cost.

To give the EDA a full picture of site options and costs related to developing those sites, City staff contacted Kraus Anderson, which is the company currently working with the City on a new Central Maintenance Facility. Based on an overview of the facility and identified information needed, Kraus Anderson determined the EDA would need to complete two tasks: Pre-Design and Cost Estimating. **They estimated these two tasks would cost roughly \$25,000 and take eight weeks to complete.** These services would be intended to establish a clear understanding of the curling center's requirements, constraints and potential opportunities before proceeding to design and construction.

Overview of these services, as identified by Kraus Anderson:

- Complete a needs assessment to identify minimum and desired needs and features of the facility to determine the overall square footage of each use and project, and determine comprehensive total cost analysis inclusive of hard, soft and incidental costs.
- Explore phased and/or partial use occupancy opportunities, and create programming priorities to establish a building cost model.
- Evaluate zoning and site appropriateness, and develop site capacity studies and comparative analysis, for up to three site locations.
- Develop project pricing.

Deliverables of the Pre-Design Services include: total allowable cost model, site capacity studies, comparative analysis summary and preliminary project schedule. Items not included in the estimated scope of work presented by Kraus Anderson include concept design, site surveys and geotechnical work, design drawings or renderings, traffic or environmental assessments.

Financial Review

A second major need, if this potential project is going to continue to progress, is understanding how initial construction and ongoing operations and maintenance costs would be paid for. The easiest path to analyze this is to base it on the assumption that the curling center would be entirely publicly financed and owned. Staff understand that is generally not a favorable position. However, it was mentioned such projects often require significant public financial involvement, which could mean the City leveraging its different financing tools – from fee waivers to tax increment financing and tax abatement – and bonding capacity, including likely seeking state funding. And, there would certainly be non-tax revenues, such as leases (i.e. curling and restaurant users), naming rights, curling league fees, etc.

Ehlers & Associates, the City's financial consulting firm, was asked to provide a general scope of work and cost for completing these tasks. Fortunately, Ehlers staff noted that they have experience evaluating curling facilities. **They estimated this work would cost approximately \$12,500 and take about four to six weeks to complete.** The work would include the following tasks.

- Analyze curling market statistics (locations, memberships, waiting lists, etc.) provided by curling partner.
- Review cost estimates for facility to determine if budget is all inclusive (i.e. FF & E, specialized equipment, fit/finish of exterior, architecture and engineering, site costs, landscaping, parking lots, etc.) to attempt to eliminate future funding needs not anticipated. Discuss appropriate inflation assumptions.
- Discuss life expectancy and replacement timelines for major components of the facility and need to fund replacement reserves and/or depreciation.

- Discuss facility management, hours of operation, potential contract users, advertising, operational costs, restaurant assumptions (type, food options, liquor, etc.), etc.
- Review the project and current financial pro forma of curling partner, including model assumptions.
- Review and analyze data and background assumptions, including but not limited to, revenue projections by user classifications, events, vending, advertisement, operational, etc. (base facility needs), including projected or conceptual restaurant financials.
- Develop a multi-year pro forma model to provide the City with the ability to complete sensitivity analysis of any changes (costs, revenues, expenses, depreciation) to assist in evaluating the fiscal costs and benefits associated with the facility.

Ehlers staff would complete the work and prepare model assumptions based on the data, as well as attend meetings with the City, EDA consultant and curling partner to review findings. In completing their assessment, Ehlers staff noted the restaurant component as the biggest outlier of the facility. Although an identified important asset for the project, Ehlers staff noted it is nonessential to the curling facility’s success. And, it needs to be privately managed and revenue neutral.

Survey City-Owned Land

Although four possible locations have been identified as potential sites for this type of development, two of those sites seem most immediately plausible – the Hempel site noted above and a 20-plus-acre site currently owned by the City between Highway 52 and Blaine Ave. To analyze the City-owned land as a potential development site, the parcel will need to be surveyed. (Note: Surveying the property will have other benefits to the City, such as laying the foundation for subdividing the land on the east side of Highway 52 from the land that is McGroarty Park on the west side of Highway 52, as these are currently all part of the same legal parcels of land.)

Based on staff’s experience with the recently completed survey for the EDA parcel on Dickman Trail, **the cost to complete a boundary, topography and ALTA survey for the City owned land east of Highway 52 is estimated to be about \$12,000 to \$15,000 and take about six weeks to complete.** Not included are legal costs to obtain and review the title. Also not included are costs for Preliminary Plat and Final Plat work, which would cost an additional \$9,000 – but that is a future item.

Summary of Projected Costs

Work Area	Cost Estimate	Completion Timeline
Architectural & Engineering	\$25,000	8 Weeks
Financial	\$12,500	Up to 6 Weeks
Surveyor*	\$15,000	6 Weeks
Total Cost	\$52,500	

* Survey work only; excludes Preliminary Plat and Final Plat.

FISCAL IMPACT

The combined estimated cost of professional services is estimated at \$52,500, which would be funded by the EDA budget. The 2025 EDA budget has sufficient unspent salary dollars and professional services budget to cover these costs, if the EDA elects to proceed.

RECOMMENDATION

ATTACHMENTS

None