

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING  
MONDAY, FEBRUARY 10, 2025 - 8150 BARBARA AVENUE**

**1. CALL TO ORDER**

The Economic Development Authority (EDA) of Inver Grove Heights met in a Special Session Monday, February 10, 2025, in the Council Chambers at City Hall. President Gliva called the meeting to order at 5:30 p.m. The Pledge of Allegiance was said.

**2. ROLL CALL**

Present In-Person: President Gliva, Commissioner, Dietrich, Murphy, T'Kach, and Scales.

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

**3. APPROVAL OF AGENDA**

**Motion by T'Kach; Second by Sales; to Approve the Agenda as Published.**

**Motion Approved 5-0.**

**4. CONSENT AGENDA**

**A.** Approval of Claims.

**Motion by Murphy; Second by Sales; to Approve Consent Agenda Item.**

**Motion Approved 5-0.**

**5. REGULAR AGENDA**

**A.** Land Use and Zoning Discussion Regarding EDA-Owned on 70<sup>th</sup> Street and Babcock Trail.

Executive Director Ziemer provided a comprehensive overview of land use and zoning considerations for a parcel located at the northwest intersection of 70<sup>th</sup> Street and Babcock Trail. The parcel is approximately 4.25 acres in size and was acquired by the EDA in 2012 at a cost of \$1,352,000. This acquisition was partially funded by a \$1,000,000 loan from the Host Community Fund. The purchase also included a second lot, which was intended for development. Survey and planning work was conducted to detach this lot from the golf course and incorporate the second lot into the golf course. The EDA also requested grant funding to support utility design work for the site.

Currently, the land use designation for the site is Public Parks and Open Space, and the zoning classification is "P, Institutional." Several land use and zoning options are under consideration, including residential uses of varying density (low, medium, and high), commercial use, and mixed use. Considerations for selecting the most appropriate use include compatibility with adjacent properties, highest and best use of the land, development opportunity and potential, site constraints and requirements (i.e., ponding), and the financial objective to secure the highest possible price to repay the debt.

The suggested land use for the parcel is mixed-use, as this would offer the greatest opportunity and flexibility. Alternatively, medium or high-density residential use could also be considered. In terms of zoning, the recommendation is to implement a Mixed-Use Planned Unit Development (PUD) designation. Currently, the City does not have a mixed-use zoning district, and existing commercial zoning categories are deemed inadequate for the intended development. Since the EDA controls the land, it has the authority to proceed with these changes.

The next step in the process is to determine the approach for moving forward. This includes coordinating the re-guiding and rezoning of the property in conjunction with the plat review and

application process, which follows the City's typical procedures. A strategy for advertising the property for development also needs to be established.

Commissioner Scales emphasized the importance of keeping on record the history of a parcel that had been donated to the City by a long-term resident who also served as the City Clerk. He noted that the donation was made with the understanding that the land would not be developed. While acknowledging that many years have passed and circumstances may have changed, he expressed his strong belief that the City should honor that original understanding, even if it was not formalized in writing. He stated that he would not support any future development on that land out of respect for the agreement that was made at the time. He also clarified that he believed the current discussion was unrelated to that specific parcel.

Executive Director Ziemer confirmed that the property is being addressed separately. He explained that the City is replating the entire golf course into one consolidated lot, and as part of that process, the property in question will be incorporated into the overall golf course parcel.

Administrator Wilson explained that the City Council will need to take formal action this spring to reverse the prior sale of the property to the EDA. While the sale was legally executed with all necessary documentation, it must be rescinded as part of the process to replat the land into the golf course, requiring official Council approval.

Commissioner Scales said he had served on the Planning Commission when the decision was made and recalled it being a significant controversy. He expressed uncertainty about why the EDA pursued the action at the time, noting that it was not well-received by residents, which may be why the project never moved forward.

Commissioner T'Kach inquired as to how the decision would impact the existing financing and the loan that had been secured.

Administrator Wilson explained that if the remaining parcel cannot be sold for one million dollars, the City will likely ask the Council to write off the loan from the Host Community Fund, meaning it would not be fully repaid. She noted the Council has the discretion to do so since the City borrowed from itself. Preliminary discussions have taken place with the City Attorney, but the necessary documents and motions are still being prepared.

Commissioner T'Kach asked if there would be any possibility of using proceeds from future sales of other EDA-owned properties to help offset the loss, even if that occurs two or five years from now.

Administrator Wilson said it is possible the EDA could repay the Host Community Fund through another mechanism, though those options have not been explored. She noted that since the fund has gone without repayment for so long, staff's initial recommendation is to write off the unrecoverable portion of the loan.

President Gliva asked whether any payments had been made on the loan.

Administrator Wilson responded that no payments had been made on the loan and that it was established as an interest-free loan.

Commissioner Murphy stated that pursuing a mixed-use development approach would be a sensible and appropriate direction.

President Gliva asked if mixed-use would allow for a combination of commercial and residential uses. She also asked whether there are required units per acre or if the density depends on how the project is designed.

Executive Director Ziemer stated that the density for mixed-use is similar to high-density residential, around 12 to 35 units per acre, though reaching the upper limit on a four-acre site would be difficult. He emphasized the City and EDA's desire for a commercial component and noted that interested developers have generally been open to that, especially given the site's proximity to the golf course.

Commissioner T'Kach asked if a mixed-use designation could lead to a multi-story building with retail on the first floor and residential above, as had once been favored in the City. She then asked whether developers are now considering that model again or leaning more toward townhomes or owner-occupied housing.

Executive Director Ziemer explained that most developers are interested in constructing a three-story active senior living apartment complex, largely due to the site's proximity to the golf course. While vertically integrated mixed-use designs can be challenging, some developers are considering options where commercial space may be attached or partially integrated. He has had conversations with a senior housing developer and a medical clinic, both of whom have expressed interest in portions of the site. Although no formal commitments have been made, he has encouraged them to explore collaboration as they continue to assess the opportunity.

Commissioner T'Kach asked whether the utilities planned to be stubbed out during the County's 70th Street reconstruction would need to be coordinated with the size or type of development, to ensure adequate capacity and maximize the site's value for a potential buyer or developer.

Executive Director Ziemer said initial utility plans for this site and the Dickman parcel were based on rough estimates tied to grant funding discussions. While the utilities are intended to serve more than just this site, a detailed evaluation will be needed once a developer is in place to confirm they meet the capacity needs of the proposed project. He emphasized the goal of aligning utility work with future development.

Commissioner Dietrich agreed that mixed-use development is a strong option for the site's future. She expressed a preference to delay issuing a formal RFP and instead pursue discussions with developers who have already shown interest, to determine if those opportunities can advance. She added that, ideally, the project would complement the adjacent golf course, fostering a mutually beneficial relationship.

Commissioner T'Kach asked whether the EDA could restrict certain uses, such as a gas station, in favor of housing or other commercial developments if it retains ownership of the property. She also inquired whether that level of control would still be possible if the City Council rezoned the site to mixed-use.

Executive Director Ziemer explained that because EDA owns the land, it has the ability to include conditions in the sale, enabling the EDA to influence how the property is developed through the terms of the agreement.

Commissioner T'Kach stated that she did not believe a 24-hour or late-night convenience store would be appropriate in what is primarily a residential area.

President Gliva asked for confirmation that the EDA can evaluate developer proposals, reject those that do not align with its goals, and establish specific development conditions.

Director Ziemer confirmed that yes, the EDA can set conditions and approve or reject proposals accordingly.

Commissioner Scales said he does not favor issuing an RFP, noting that developers who have already shown interest may have well-thought-out ideas worth considering. He emphasized that the

EDA should rely on developers who understand the market and can propose a project that fits the neighborhood and complements the golf course.

President Gliva expressed agreement with both viewpoints and emphasized the importance of first pursuing discussions with the developers who have already shown interest. She recommended proceeding with that approach as an initial step.

Commissioner T'Kach recommended permitting staff to engage with potential developers and noted that the consultant should also be actively marketing the property. She added that this strategy could help generate development ideas without the need for a formal RFP.

President Gliva asked if the guidance provided was sufficient to move forward with a mixed-use approach.

Executive Director Ziemer confirmed that there is general agreement to pursue a mixed-use development and stated that staff will begin moving forward with that approach as the platting process advances.

**B. EDA Executive Director Update.**

Executive Director Ziemer provided a summary of ongoing EDA activities. For the Concord Boulevard Redevelopment project, the City is working on a Small Area Plan with an estimated cost of \$38,000. Dakota County Community Development Agency (CDA) has shown interest in partnering and may provide up to \$25,000 in grant funding. Conversations with developers continue regarding the Republic site and City-owned lots.

President Gliva asked about the timing and when a study related to the project might be conducted.

Executive Director Ziemer stated that while staff has considered a brief pause on the Republic site, they are continuing due diligence and conversations with developers to address key questions and sustain momentum on City-owned properties. This work may eventually include outreach to other property owners to explore potential partnerships. He noted that if progress slows, it may be necessary to reconsider the idea of a small area plan. Although not a current priority, staff will continue to monitor the situation and bring it back to the EDA as needed.

President Gliva noted that there is a meeting scheduled for Monday, April 7, 2025, and asked whether it would be reasonable to expect an update at that time, even if no significant progress has been made.

Executive Director Ziemer stated that staff has been leading the initial efforts, including a review of internal records to gain a clearer understanding of the site's history and related elements. He confirmed that it would be appropriate to provide a progress update at the April 7 meeting.

Commissioner T'Kach raised the topic of the 70th Street and Babcock Trail parcel, emphasizing that while no immediate action is required, the City should begin evaluating the broader implications of selling green space. She noted that, unlike some communities, the City does not appear to have a no-net-loss policy for parkland and recommended that any future sale include consideration of land replacement or contributions to a park acquisition fund. She also pointed out that the parcel's flat terrain could make it suitable for green space or community use and encouraged collaboration among the EDA, City Council, and Parks Commission on this matter.

Regarding the Argenta Trail and Highway 494 interchange, early discussions have focused on mostly alignment and design options but are now expanding to include land use and development. This

project is not expected to move forward in the near term, as it is projected to be at least five years out.

The EDA remains focused on pursuing transformational development opportunities. As part of this initiative, staff traveled to Duluth to meet with a group exploring potential development sites and are now engaged in follow-up conversations, including reviewing concept designs and renderings to evaluate the project's suitability and feasibility.

Commissioner Dietrich added that the representatives from the Olympic Curling group are very interested in Inver Grove Heights, despite having interest from other cities. She emphasized the importance of progressing to the next steps in the discussion.

Commissioner T'Kach asked whether there is a specific acreage or property size that the curling group or other interested parties may be seeking.

Executive Director Ziemer stated that the appropriate property size is still being determined and will be discussed further during the upcoming meeting with the curling group. He noted they have referenced various facility models, with similar developments typically exceeding 30,000 square feet. The final size will depend on their specific needs and how the facility can serve both the group's goals and the broader community as a unique and beneficial development.

Commissioner Dietrich stated that it was important for her to understand that the group envisions including a restaurant component in the project, as this aligns with the City's goals and objectives.

## **6. NEXT MEETING**

The next regularly scheduled meeting is Monday, April 7, 2025, at 5:00 p.m.

Administrator Wilson stated that, in light of recent discussions about modifying the Work Session format, staff are considering moving EDA meetings to the second Monday of each month to accommodate the new structure. As a result, the April meeting may be rescheduled to Monday, April 14, 2025, with final details to be confirmed.

Commissioner Dietrich asked how the proposed EDA meeting schedule would align with the Planning Commission's schedule, particularly as they consider moving to one meeting per month.

Administrator Wilson noted that, because the Planning Commission meets on Tuesdays, changing the EDA meetings to the second Monday would not create a scheduling conflict. She added that staff can provide an overview of how agenda items would align under the revised schedule.

**Motion by Scales; Second by T'Kach; to Move to Closed Session Pursuant to MN State Statute 13D.05 Subdivision 3C (1 & 3) to discuss Development Offers for the EDA.  
Motion Approved 5-0.**

## **7. CLOSED SESSION**

**A.** Discussion of Negotiations and Intent to Sell Land Owned by the EDA.

**Motion by Scales; Second by T'Kach; to Move to Open Session.  
Motion Approved 5-0.**

## **8. ADJOURN**

**Motion by T'Kach; Second by Scales; to Adjourn at 6:00 p.m.  
Motion Approved 5-0.**

Minutes prepared by Recording Secretary Tammy Greenlee.