

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING
MONDAY, MAY 12, 2025 - 8150 BARBARA AVENUE**

1. CALL TO ORDER

The Economic Development Authority (EDA) of Inver Grove Heights met in a Special Session May 12, 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 recited.

2. ROLL CALL

Commissioners Present In-Person: President Gliva, Commissioners Dietrich, Murphy, T’Kach, and Scales.

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

Others Present: EDA Consultant, Lee Krueger

Motion by Scales; Second by T’Kach; to Approve the Agenda as Published.

Ayes: 5

Nays: 0 Motion Carried.

3. CONSENT AGENDA None.

4. PUBLIC HEARING

A. Consideration of Proposed Sale of EDA-Owned Properties Located on Dickman Trail and Dixie Avenue and Resolution Authorizing Sale.

EDA Executive Director Ziemer presented an overview of a redevelopment project involving the sale of EDA-owned property located along Dickman Trail and Dixie Avenue. The site includes six properties, four of which are owned by the EDA, covering approximately 15 acres. The development concept is focused on small industrial use targeted at the trades sector, specifically for office, warehouse, and storage needs. The project is expected to include no fewer than three buildings totaling 27,000 square feet, along with 169,241 square feet of outdoor storage. It is anticipated that each building will support 10 to 20 jobs, resulting in a total of 30 to 60 jobs for the development. The land is currently designated for light industrial use and is zoned as I-1, Limited Industrial, allowing office, warehousing, and outdoor storage uses.

A letter of intent was submitted between the EDA and Interstate Development to sell the four EDA-owned properties for a total price of \$721,360 to Interstate Industrial, LLC. A formal purchase agreement was scheduled for consideration by the EDA on May 12, 2025. The proposed sale underwent a statutory review under Minnesota Statute §462.356, Subd. 2, which required the Planning Commission to evaluate whether the transaction aligned with the City's Comprehensive Plan. This review was completed on May 6, 2025, and resulted in findings supporting the sale. Additionally, under Minnesota Statute §469.105, a public hearing was required to gather community input regarding the sale.

The final action recommended was to hold the public hearing and to approve a resolution, approving the sale of the four properties owned by the EDA and authorizing the President and Executive Director to execute the purchase agreement with Interstate Industrial, LLC.

Motion by Dietrich; Second by Scales; to Close the Public Hearing.

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Ayes: 5
Nays: 0 Motion Carried.

Commissioner Dietrich inquired as to how the purchasing developer became aware of the property availability. Executive Director Ziemer stated that the developer was unable to attend tonight's meeting, but that to his knowledge they learned of the properties through the City's EDA Consultant during discussions that began last summer.

Commissioner T'Kach stated that assuming the sale proceeds without major obstacles, when could the public expect to see visible site improvements and/or building construction. Executive Director Ziemer stated that the developer is eager to begin the project and had initially targeted a Fall 2025 start. However, the Purchase Agreement includes contingencies, including environmental review and potential cleanup, as well as the finalization of utility designs. The developer must also complete the City's approval process, including plat and site plan applications. As a result, construction likely would not begin until Spring 2026 at the earliest.

Motion by Scales; Second by Murphy; to Approve EDA Resolution 2025-04, Authorizing the Sale of Four EDA-Owned Properties Located on Dickman Trail and Dixie Avenue.

Ayes: 5
Nays: 0 Motion Carried.

Motion by T'Kach; Second by Scales; to Authorize the EDA and Executive Director to Enter into a Purchase Agreement with Interstate Industrial, LLC.

Ayes: 5
Nays: 0 Motion Carried.

5. REGULAR BUSINESS

A. Update on Professional Services Recommended to Advance Potential Curling Center Development.

EDA Executive Director Ziemer outlined the Curling Center concept and proposed next steps as part of the City's master planning efforts. He provided an overview of the architectural and engineering approach aimed at high-level pre-design and cost estimation. The primary goal is to evaluate up to three potential development sites, including Argenta Hills and City-owned property, to understand site-specific development needs and overall project costs. This includes estimating the cost per square foot of a future facility, identifying necessary site improvements such as grading, utilities, parking, and stormwater management, and assessing other needs as they arise. Kraus-Anderson would serve as the architectural and engineering consultant, with a proposed scope of work totaling approximately \$25,000 and an estimated project duration of eight weeks. Their responsibilities would include conducting a needs assessment to determine required square footage, developing a cost estimate, exploring facility programming and occupancy potential, and conducting a comparative analysis of each site's appropriateness and capacity.

The second phase of the planning process focuses on the financial aspects of the proposed facility. A financial consultant, Ehlers, would conduct a high-level evaluation of funding sources and project expenses, with an estimated fee of \$12,500 and a project timeline of four to six weeks. Their tasks would include analyzing curling market trends and membership data, reviewing construction cost estimates and related budgets, assessing the life cycle and replacement timelines for major facility components, and evaluating management, operations, user revenues, and overall operational costs.

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Ehlers would also develop a financial pro forma, analyze all projected revenue assumptions, and create a multi-year financial model to guide decision-making.

The third part of the plan includes a full survey of the City-owned site located on Blaine Avenue, adjacent to Highway 52. The focus of the survey is to evaluate the site for fit and pre-design purposes and to identify potential constraints such as property boundaries and topography. The estimated cost of the survey is \$15,000 per parcel, with an estimated project timeline of six weeks. This amount excludes the cost of platting.

Executive Director Ziemer stated that the next-step costs, which include \$37,500 for architectural, engineering, and financial consulting, and \$15,000 for surveying. The City is also engaging with a curling partner regarding commitment and exclusivity. The importance of public involvement in delivering the facility was emphasized, and a discussion was requested on whether to proceed. If the EDA chooses to move forward, staff would be directed to negotiate and finalize scopes of work, pricing, and contracts to be presented for EDA approval at the June 9, 2025, meeting.

Commissioner T'Kach suggested that it would be beneficial to examine real-world financial data from similar projects to compare estimated versus actual revenues, maintenance costs, and outcomes such as membership levels and naming rights. The interest in understanding how accurate prior projections were and how any shortfalls might be addressed differently in this case. T'Kach inquired about the project timeline, recalling that the group involved may be operating on an accelerated schedule or considering other locations. Executive Director Ziemer stated that the group had been in discussions with other entities, both within Minnesota and nationally. Their timeline appeared to be partially influenced by the scheduling of upcoming events such as the next Winter Olympics or U.S. Nationals.

Mr. Lee Krueger, EDA's Consultant, stated that the group has an immediate need and is likely to operate on a faster timeline than Inver Grove Heights can accommodate. The project may need to be approached in two phases, as they are engaged in serious discussions with other locations. An estimated decision could be made within six to eight weeks.

Commissioner T'Kach stated that bringing a contract forward by June 9th, further shortens the timeline.

Commissioner Scales expressed support for continuing to move forward, stating that the City has historically delayed decisions while other communities have taken advantage of opportunities. The outcome is uncertain but emphasized the importance of proceeding with the study to better understand the possibilities. Waiting further could result in missed opportunities, as has happened in the past.

Commissioner Murphy agreed, noting that other communities have benefited from similar projects and that Inver Grove Heights currently lacks comparable amenities. Supports moving forward promptly, emphasizing the importance of gathering information and expressing doubt about the exclusivity of the developer's interest.

Commissioner T'Kach expressed interest in moving forward but raised concerns about the project's accelerated timeline. She questioned whether it was prudent to invest approximately \$52,000 in a study, given the possibility that the developer may be advancing more quickly than the City can accommodate.

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Commissioner Scales emphasized that delaying a decision would likely result in the developer moving forward elsewhere, effectively removing the City from consideration. He stressed the importance of continuing to take incremental steps, acknowledging that while the outcome is uncertain, progress cannot be made without entering the process.

President Gliva expressed interest in reviewing detailed financials, specifically sources and uses. She questioned whether the process, particularly regarding Kraus-Anderson, could be accelerated to better support the project's timeline.

Executive Director Ziemer explained that the timeline provided is likely a best-case estimate and may be flexible. While timelines are often approximate, the City can request an expedited process to see what the team is able to deliver.

Commissioner Dietrich shared that she supported the project from the outset and had met multiple times with representatives from USA Curling. However, it may be time to shift focus, noting that the opportunity might no longer be viable in eight weeks. She acknowledged the complexity of public-private partnerships and expressed concern about continuing to allocate staff time and consultant fees, which she felt could no longer be reasonably justified to residents.

Commissioner T'Kach questioned whether, given the rapidly progressing timeline, it would be possible for Staff to negotiate and formalize the scope of work and then hold a Special EDA meeting in late May.

City Administrator Wilson stated that the City Council is meeting weekly and an EDA meeting could be scheduled sooner than June 9th, if the Council wishes to accelerate the process. Staff could pursue the developer's openness to an Exclusive Agreement and finalize the project scope but emphasized that more information is needed before entering into any agreement, including cost and revenue projections.

Commissioner T'Kach emphasized the importance of clarifying ownership and operational responsibilities, while expressing support for the project's potential benefits to the community. If the process can be accelerated, it may prove worthwhile in reviewing if the Highway 52 and Blaine Avenue property aligns well with the City's broader goals.

Executive Director Ziemer stated that although the Chaska Curling Center has been referenced as a possible model, the proposed project is broader in scope and intended to have a national impact. Some publicly available data on Chaska's costs and operations may help inform initial analysis but stressed the importance of further study into the evaluation of site-specific limitations, total project costs, and potential public investment. Consultant support would be critical to carry out this analysis.

President Gliva inquired about the process for drafting an Exclusivity Agreement, and whether it should be completed before or alongside the architectural and engineering work, and whether it could be done quickly. She also questioned what terms such an agreement would include and what USA Curling would be willing to commit to.

Executive Director Ziemer stated that the City Attorney would need to be involved in drafting an Exclusivity Agreement and emphasized the importance of confirming that USA Curling is not pursuing agreements with other entities simultaneously. Having such an agreement in place should be a key step before committing to further expenditures.

President Gliva inquired as to a general sense of whether USA Curling would be willing to enter into an Exclusivity Agreement and how quickly such an agreement could be put in place, noting prior discussions and their apparent readiness.

Mr. Krueger explained that while a full Exclusivity Agreement is unlikely, an Exclusive Right of First Refusal may be a workable option. This would allow the City to match competing offers without preventing USA Curling from exploring other opportunities. He stressed that the City initiated this opportunity and must first decide whether it wants to pursue attracting this type of business. If so, it should evaluate what would be necessary to make the project successful. The project will be both complex and costly, likely requiring public-sector involvement such as State bonding and County partnerships. USA Curling is financially limited due to previous leadership challenges and does not have significant financial backing. While the site presents strong development potential, the City should continue exploring this opportunity while also keeping alternative, more financially feasible projects in mind. If private funding had been sufficient, the project likely would have advanced by now.

President Gliva noted that if the project relies on bonding dollars and similar funding sources, the timeline would likely be significantly extended, pushing the project far into the future.

Mr. Krueger estimated that if the project were to move forward in Inver Grove Heights, it could take up to four years due to the time required for site work, construction, and securing funding. If legislative bonding is needed, funds likely would not be available until 2026 or later, potentially pushing full project funding to 2027. Given this timeline, there is doubt that USA Curling would wait, as they need to make decisions ahead of the 2029 trials. An Exclusive Right of First Refusal is more realistic than full exclusivity, allowing the City the opportunity to match other offers rather than being the sole negotiating party.

President Gliva inquired as to whether completing some of the architectural or engineering work could still be beneficial for future projects, even if this project does not move forward.

Commissioner Murphy inquired as to which of the proposed items, such as architectural, engineering, financial, or survey work, would provide the most useful information to support next steps. While the \$52,500 may be a reasonable cost for doing business, recent updates had caused him to reconsider. He also questioned the long-term value of the work and its potential shelf life.

Executive Director Ziemer stated that the property survey would offer the most immediate and essential details, including boundary lines, topography, and potentially a wetland review. While geotechnical work such as soil testing and earthwork evaluation is not currently included, it could provide valuable insight into construction requirements. The proposals are currently designed with the curling center concept in mind, focusing on building scope and size. It would be worthwhile to consult with Kraus-Anderson to assess whether any of the architectural and engineering work could still be useful to the City if the project does not move forward.

Commissioner Murphy inquired as to what the shelf life would be for a property survey.

Executive Director Ziemer stated that the shelf life of a property survey is essentially indefinite.

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City Administrator Wilson stated that exploring the potential of City-owned land offers the most long-term value, as the City controls the property and its future use. Understanding what is feasible to build on the site and what types of development it could support would be beneficial regardless of whether the curling center project moves forward. This information would also position the City to respond more effectively should the curling center remain an option in the coming weeks or if another development opportunity arises. Advised against proceeding with the architectural and engineering work proposed by Kraus-Anderson unless the project is specifically focused on a curling center, noting that such a facility has highly specialized design and operational requirements that may not be transferable to other projects. A brief overview of the Chaska model, the City of Chaska owns the facility, built it on City-owned property, and covers the annual debt service of \$1.5 million through City funds rather than revenue generated by the facility itself. There is importance in determining whether Inver Grove Heights is prepared to make a similar financial commitment before moving forward.

Commissioner Scales stated that this approach is like how the City is currently using its Host Community Fund.

City Administrator Wilson confirmed that while the City currently has no debt on its community center, capital needs are funded through the Host Community Agreement. Private ice rinks and curling clubs are rare because they often are not financially viable, which is why the public sector is typically called upon to support such amenities. If prioritized by the community, the City could leverage alternative funding sources to help make these projects possible.

President Gliva inquired as to whether the group was ready to provide any direction on moving forward with the project, either in full capacity or part. The survey stands somewhat separately from the financial, architectural, and engineering components.

Commissioner Scales expressed interest in exploring development options for the City-owned property that has remained unused for years. Supports investing time, effort, and funding to determine what the site could support, regardless of whether it becomes the location for a curling center. While acknowledging the challenges of bringing in a curling facility, a forward-looking approach and the importance of focusing on what is possible rather than why it may not work. He also noted that not owning the other potential site near Highway 52 may complicate development efforts and reiterated his support for evaluating the City-owned property.

Commissioner Dietrich stated that perhaps the City should move forward with only the survey portion at this time.

Commissioner Scales stated that a survey is a necessary starting point regardless of the project's outcome.

Commissioner Dietrich inquired whether a survey currently exists for the site.

Commissioner T'Kach inquired if Commissioner Scales was referring to a full survey of the property, including utilities and its capacity to support a facility such as an office building or curling center. And whether \$15,000 would be sufficient to cover that scope of work.

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City Administrator Wilson clarified that the \$15,000 would cover only a basic land survey, including topography, lot dimensions, and identification of existing easements. A separate effort would be required to conduct a capacity or fit study to determine what could reasonably be built on the site.

President Gliva stated that the survey appears to be necessary regardless of how the project proceeds and asked for confirmation of agreement, to which others responded affirmatively.

Executive Director Ziemer stated that, given the discussion, it would be helpful for the EDA to provide formal direction if they intend to move forward with a survey of the City-owned property. Given the feedback received, a detailed proposal will be developed outlining the scope of the survey, which may include additional elements such as soil analysis. This would be separate from the broader proposal previously presented and a decision on that full proposal is still pending.

Commissioner T'Kach stated that she does not support selling the land at this time but believes that there is value in completing the survey. The information will be needed regardless of future use and confirmed support for the survey while clarifying it should not imply immediate plans to sell the property.

Commissioner Dietrich made a motion to proceed with reviewing the scope of work for a potential curling center, provided there is no staff or financial cost involved, and expressed support for moving forward with a survey of the City-owned parcel. For clarification, she confirmed that the \$15,000 portion of the \$37,500 total cost would apply to the survey work for the Blaine Avenue area.

Commissioner Scales stated that he supports moving forward with the survey of the City-owned property and expressed interest in learning more about the curling center. While acknowledging the concerns and potential costs. It was worthwhile continuing the discussion and gathering more information as the next step.

Commissioner T'Kach asked for clarification, stating her understanding that the land survey would be completed, but it would not include information about soils or the site's capacity to support a curling center.

Commissioner Dietrich stated that it was her understanding that Executive Director Ziemer would return with details outlining exactly what the survey would include, confirming that it would be for the survey only.

City Administrator Wilson stated that no formal motion was needed at this time and confirmed that Staff has clear direction to proceed. Staff will continue to keep things moving and be in contact with President Gliva in case an additional EDA meeting is needed.

6. NEXT MEETING

The next regularly scheduled meeting is Monday, June 9, 2025, at 5:00 p.m.

7. PUBLIC COMMENT None.

8. ADJOURN

Motion by Dietrich; Second by Scales; to Adjourn at 5:57 p.m.

Motion Carried 5-0.

Respectfully submitted by Tammy Greenlee, Recording Secretary.