

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING
MONDAY, JUNE 9, 2025 - 8150 BARBARA AVENUE**

1. CALL TO ORDER

The Economic Development Authority (EDA) of Inver Grove Heights met in Regular Session June 9, 2025, in the Council Chambers at City Hall. President Gliva called the meeting to order at 5:00 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

3. APPROVAL OF AGENDA

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

Ayes: 5

Nays: 0 Motion Carried.

4. CONSENT AGENDA

- A. Minutes of the January 13, 2025, Economic Development Authority Meeting.
- B. Minutes of the February 10, 2025, Economic Development Authority Special Meeting.
- C. Minutes of the April 14, 2025, Economic Development Authority Meeting.
- D. Minutes of the April 28, 2025, Economic Development Authority Special Meeting.
- E. Approval of Claims.

Motion by Dietrich; Second by Scales; to Approve the Consent Agenda.

Ayes: 5

Nays: 0 Motion Carried.

5. REGULAR AGENDA

- A.** Resolution Amending Purchase Agreement for Excess Golf Course Property from the City of Inver Grove Heights.

Executive Director Ziemer provided an overview of the proposed purchase of excess golf course land located at the northwest intersection of Babcock Trail and 70th Street. The subject property is approximately 4.25 acres. The EDA took ownership in 2012 as part of a land acquisition that included a second lot. The total acquisition cost was \$1,352,000, which included a \$1,000,000 Host Community Fund loan. The property was originally purchased with the intention of future development.

Recent approvals by the City on May 27, 2025, included approval of the Preliminary and Final Plat, a Comprehensive Plan Amendment to designate the property as Mixed Use, and Rezoning to R-3C, Multi-Family Residential.

The proposed action is to complete the 2012 land transaction by having the EDA acquire the 4.25-acre parcel. The value of the transaction remains the same at \$1,352,000. Final valuation will be determined at the time of a future land sale.

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Commissioner T'Kach inquired about the purchase agreement, specifically Section 1.7e, which states that one of the requirements of the agreement is for the property to be zoned Mixed Use and R-3C. T'Kach questioned what the possibility of removing this condition from the agreement in case an alternative use for the property might be considered in the future.

Executive Director Ziemer explained that the Zoning and Comprehensive Plan requirements outlined in the purchase agreement are part of the entitlement process necessary to complete the current land transaction. He clarified that these requirements are typical conditions of approval, similar to those any developer would need to satisfy before closing. These conditions apply only to the transaction itself and do not limit future decisions if the property is later sold, any new developer could propose different zoning or land use changes through the standard City process.

Motion by Dietrich; Second by Murphy; to Approve the EDA Resolution authorizing the purchase of real property from the City of Inver Grove Heights.

Ayes: 5

Nays: 0 Motion Carried.

City Administrator Wilson stated that the City Council will be addressing the City's side of the same transaction during tonight's 6:00 p.m. meeting. The item has been placed on the Consent Agenda to avoid repeating the same presentation, as all five EDA members also serve on the City Council.

B. Evaluation of City-Owned Properties Between Highway 52 and Blaine Avenue.

Executive Director Ziemer provided an update on the development readiness of City-owned land located near Highway 52 and Blaine Avenue. The land is adjacent to Highway 52, west of Blaine Avenue, east of McGroarty Park, and directly south of the AmericInn Hotel. It consists of four parcels with a total area of 32.26 acres.

The first set of actionable items includes replating City-owned parcels located west of Highway 52 and creating a single parcel for McGroarty Park. There are no proposed changes to the land east of Highway 52. However, the development potential of the land east of Highway 52 still needs to be determined.

The initial step is gathering detailed land information. This includes conducting boundary, topographic, and ALTA surveys; preparing preliminary and final plats; obtaining soil borings and a geotechnical report; completing a wetland delineation and a tree inventory; and performing a Phase 1 Environmental Site Assessment (ESA). These steps will support the creation of a future Master Development Plan. The estimated cost to complete this work is \$78,465. Updated costs are based on information regarding soil borings, geotechnical evaluations, and environmental assessments. Soil borings and geotechnical work are projected within a range of \$25,000 to \$35,000, depending on the level of detail selected. Legal costs for title work are not included in this estimate. The breakdown includes three surveys at \$16,180, platting and staking at \$9,460, wetland delineation at \$6,525, a tree inventory at \$6,800, soil borings and geotechnical work at \$35,000, and a Phase 1 ESA at \$4,500.

Funding for this work may come from the EDA Fund and the City Properties Fund. Assuming a start date of June 16th, the timeline for completion includes the tree inventory by the end of June and surveys by the end of July. The timing for other components will vary. Platting will depend on the

completion of other deliverables: the tree inventory, wetland delineation, and survey. Some of the field work can be completed simultaneously.

The EDA is asked to provide direction on whether to proceed with the full scope of work proposed or wait. If the decision is to proceed, it is recommended to move forward with the Alliant proposal and bring back a proposal from Braun at a later date.

Commissioner Scales expressed strong support for the proposed plan, stating that it provides clear direction and is essential for determining the future use of the property. There is importance in moving forward to fully understanding the site's capabilities and recommend proceeding with the work.

Commissioner T'Kach supports moving forward if adequate funding is available in the budget, noting it is EDA's responsibility to fund the work. T'Kach inquired as to whether the soil borings would identify any lead contamination from the former gun club.

Executive Director Ziemer stated that while soil borings could potentially identify contamination, the results depend on where the samples are taken. The Phase 1 ESA will provide a history of the property's use and determine whether a Phase 2 investigation is necessary. The borings are strategically placed, but there is no guarantee they will detect contamination.

Commissioner T'Kach stated that she is not convinced there is a need to move quickly on developing the property, noting other priorities such as the excess acreage at the movie theater property. While the information is valuable for the future, her support is not based on the assumption that development will occur in the near term.

President Gliva inquired as to what the costs for the soil borings, geotechnical work, and the Phase 1 ESA are variable and not yet fully determined.

Executive Director Ziemer stated that the Phase 1 ESA is the most certain cost, estimated at approximately \$4,500 if all three parcels, including the MnDOT parcel, are included. By removing the MnDOT parcel, the cost could be reduced slightly. If the parcels were assessed individually, the cost would be around \$3,000 each, but conducting the assessment all at once results in savings.

President Gliva questioned if the cost for the soil borings is still uncertain.

Executive Director Ziemer stated that the estimate for soil borings ranges from 6 to 10, based on a preliminary review of the property. This estimate could change depending on site conditions and final determination of where the borings need to be placed.

President Gliva inquired as to whether, from a budget standpoint, the full \$78,000 could be covered by the EDA. Prior discussions about available savings from other line items within the budget. Ziemer confirmed that there are savings in the EDA budget. But since the parcel is City-owned, the City's Properties Fund could cover a portion of the cost, possibly splitting it with the EDA.

Commissioner Dietrich stated that she was interested in hearing more about the behind-the-scenes discussions, specifically the pros and cons of using the different funding sources and any other related considerations that were discussed. Ziemer stated that he did not know the current balance of the City Properties Fund. Since the City owns the property, there is a rationale for the City to cover

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the cost but also acknowledged the EDA's interest in future development. There may be logic in sharing the cost but did not propose a specific split.

Commissioner Dietrich questioned what the EDA might have to forgo if it uses a significant portion of its funds for this project and what potential opportunities could be missed as a result. Ziemer stated that it would need to be reviewed within the budget to confirm, but he is not aware of any specific studies or projects currently planned that would be affected. Items such as participation in the fall MNCAR Expo are already accounted for in other areas of the budget, so typical activities would not be impacted by this expense.

Commissioner Murphy expressed support for moving forward with the project, stating that the City would ultimately benefit from a potential future sale. Agreed that splitting the cost between the two funds made sense and would support that approach, depending on how the Council decides.

Commissioner T'Kach questioned whether the City has evaluated using the property or a portion, possibly including the MnDOT land, for future City needs such as storage for Parks and Recreation or salt storage. T'Kach inquired as to whether an economic tradeoff analysis had been done to compare potential development value with the cost savings of meeting future municipal needs without purchasing additional property at a later date. City Administrator Wilson stated that the only current land needs the City is actively exploring is for a potential third fire station. However, a recent preliminary study suggested that any relocation would likely be to the west, while this site is located to the east. Public Works can always use land for temporary storage such as snow or storm debris, using high-profile land near the highway for material storage does not align with the goals and principles of the EDA.

President Gliva stated that there appears to be consensus to moving forward, with some uncertainty remaining about how to split the cost between City and EDA funds.

City Administrator Wilson reported that as of the end of April, the City Properties Fund had a balance of approximately \$392,000. With no known expenditure in the past six weeks, that amount has remained steady.

President Gliva stated that there are funds available and suggested the EDA should contribute a portion of the cost. Would recommend developing a reasonable method for splitting the cost, such as by land area or another staff-recommended approach.

Executive Director Ziemer stated that if there is interest in proceeding, Staff can determine the cost split and present it at a future meeting. It would be recommended to begin the initial work now to ensure consultants can accommodate the project in their schedules. Ziemer questioned whether the EDA would like staff to obtain a more detailed quote from Braun. President Gliva agreed and stated that bringing back a more detailed quote from Braun would be appropriate.

Executive Director Ziemer stated that components of the survey work, such as the tree inventory and wetland delineation, fall under the Alliant proposal and not the others, which is beneficial as it allows that work to begin promptly.

Commissioner Dietrich questioned what types of expenses typically come out of the City Properties Fund.

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City Administrator Wilson stated that the City Properties Fund has no formal designation but has been informally used to clean up and organize City-owned land. This includes consolidating parcels like those at Heritage Village Park to simplify legal descriptions and enable grants or improvements. The fund may also cover costs related to transferring land to the EDA, such as legal, title, and survey work. Though not guided by a City Council resolution, the fund supports long-term City land management and development.

Commissioner Dietrich inquired as to whether the City Properties Fund grows solely through interest. City Administrator Wilson confirmed that this is correct.

City Administrator Wilson stated that when the City Council previously approved the platting and cleanup of the golf course property, a portion of the cost was covered by the City Properties Fund. Using a similar cost-sharing approach for the current proposal would be consistent with that earlier decision.

Executive Director Ziemer suggested that if there is agreement to proceed with the Alliant work, the EDA could make a motion to accept it and direct staff to move forward. The Braun estimate can be brought back and added to a future agenda once it is received.

Motion by Scales; Second by Dietrich; to Approve and Proceed with the Alliant Proposal.

Ayes: 5

Nays: 0 Motion Carried.

6. NEXT MEETING

The next regularly scheduled meeting is Monday, August 11, 2025, at 5:00 p.m.

7. ADJOURN

Motion by Scales; Second by T'Kach; to Adjourn at 5:28 p.m.

Motion Carried 5-0.

Respectfully Submitted by Tammy Greenlee, Recording Secretary.