



Inver Grove Heights Economic Development Authority
Monday, August 25, 2025 at 5:30 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, August 25, 2025, will be provided to the EDA at or before the August 25, 2025 meeting.

1. **Call to Order**
2. **Roll Call**
3. **Approval of Agenda**
4. **Consent Agenda**
5. **Regular Business**
 - A. Authorize the City Engineer to Finalize Plans and Ordering of Improvements for the Dickman Trail Utility Improvement Project
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: Authorize the City Engineer to Finalize Plans and Ordering of Improvements for the Dickman Trail Utility Improvement Project

MEETING DATE: August 25, 2025
ITEM TYPE: Regular Business
CONTACT:

PURPOSE/ACTION REQUESTED

Motion to approve a resolution authorizing the City Engineer to draft final construction plans, order the improvements and approve the project budget for EDA Project No. 25-01, Dickman Trail Road and Utility Extension.

BACKGROUND

On May 12, 2025, the Economic Development Authority (“EDA”) approved a Purchase Agreement (“Agreement”) with Interstate Industrial, LLC (“Developer”), agreeing to sell four EDA-owned parcels on Dickman Trail and Dixie Avenue. Per the Agreement, the Developer is to pay \$721,360 to the City. Both parties executed the agreement and have been working through the due diligence period. Note: The Developer also has the two adjacent private properties under contract.

Development Overview

The Agreement requires the Developer to construct new industrial buildings, totaling no less than 27,000 square feet of building space, plus up to 169,241 square feet of outdoor storage. The redevelopment project is estimated to create 10 to 20 new jobs per building, equaling 30 to 60 new jobs in the community. The new buildings will provide much-needed spaces for businesses in the trades sector and small industrial users that require both office, warehousing and indoor/outdoor storage for equipment and materials.

To support the development, public utilities – water, sanitary sewer and stormwater – must be extended into the area. Bolton & Menk recently completed utility design work and provided a cost estimate to construct the utilities, including a new underground railroad crossing for utilities at 71st Street, and reconstruct Dickman Trail. City engineering staff estimated the portion of the utility extension necessary to support the development at \$1,281,910. That excludes the railroad crossing. Bolton & Menk’s contract was supported by a Minnesota Department of Employment and Economic Development (“DEED”) grant.

The City was awarded a grant through DEED, totaling \$415,625, to help fund utility construction, and has submitted an additional funding request through the Dakota County Community Development Agency (“CDA”) Redevelopment Incentive Grant (“RIG”) program. Per the Agreement, the balance of the utility construction project, not funded by grants, is to be funded, as negotiated, between the City

or Developer and/or combination of both. As funding does include special assessments, no feasibility study was required with this project.

Final Plans & Bidding

As the City awaits the announcement regarding its RIG grant application, and works with the Developer to finalize the local share for that portion of the project cost not covered by grant funding, the EDA is asked to authorize the City Engineer to finalize construction plans, put together the bid package, and go out for bid on the project. City Engineer Paul Merchlewicz estimated it will cost about \$10,000 to \$15,000 and take at least three weeks to complete these tasks. As the DEED funding for construction sunsets on June 30, 2026, waiting to complete these items until after the RIG announcement, at a minimum, may result in the City losing needed construction days – including days yet this fall. The DEED funding used to develop the utility design expired on June 30, 2025, so the three tasks are currently unfunded, but would be coded to the project account for tracking purposes. If, for some reason, the development does not proceed, the City would not be required to move forward with the utility project.

The proposed project budget, as presented in the attached resolution, includes the previously completed utility design work, estimated construction cost and contingency. The design work was funded by a DEED grant; it is included in the project budget for coding and tracking purposes. The City Engineer asked for the project to also include a contingency as is typical for public improvements. The total project budget requested is:

PROJECT USES	COSTS
Project Design	\$69,000
Construction	\$1,281,910
Contingency	\$128,000
Total Project	\$1,478,910

The EDA is not asked to vote on final project funding, at this time. The estimate was derived from the design work and is a summary of estimated project costs. Final project costs will be determined through the final design process and project bidding. The budget would be further revised at that time and presented to the EDA prior to awarding a construction contract for the work. Funding sources would also be finalized at that time.

FISCAL IMPACT

The \$10,000 to \$15,000 would be coded to the EDA Capital Projects Fund (291) along with the construction costs.

RECOMMENDATION

City staff recommend authorization of the City Engineer to proceed as noted.

ATTACHMENTS

1. EDA Resolution No_Dickman Trail Improvement Order_08-25-2025

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

RESOLUTION NO. EDA 25-07

**RESOLUTION AUTHORIZING FINAL PLANS AND ORDERING IMPROVEMENTS
AND APPROVING THE BUDGET FOR EDA PROJECT NO. EDA25-01**

WHEREAS, on May 12, 2025, the City of Inver Grove Heights (“City”) Economic Development Authority (“EDA”) entered into a Purchase Agreement (“Agreement”) with Interstate Industrial, LLC (“Developer”), to sell EDA-owned land for a redevelopment project as proposed by the Developer on Dickman Trail and Dixie Avenue (“Project Site”); and,

WHEREAS, the Agreement requires the extension of water and sanitary sewer services to the Project Site to support the development; and,

WHEREAS, the EDA has considered EDA Project No. EDA25-01, providing for the construction of new water and sanitary sewer mains, roadway reconstruction and paving, new curb and gutter, new storm sewer improvements, and restoration (“Improvements”); and

WHEREAS, City staff, in cooperation with consulting staff, completed the necessary utility design and construction documents and determined an estimated cost of the Improvements; and,

WHEREAS, the EDA finds the Improvements to be necessary to the development and beneficial to the orderly and efficient construction and/or maintenance of city infrastructure; and,

WHEREAS, a feasibility report and public hearing was not required for this project as funding for the Improvements will not include special assessments.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF INVER GROVE HEIGHTS CITY COUNCIL, MINNESOTA, the following budget is hereby adopted for EDA Project No. EDA25-01:

PROJECT USES	COSTS
Project Design	\$69,000
Final Plans & Bidding	\$15,000
Construction	\$1,281,910
Contingency	\$128,000
Total	\$1,493,910

BE IT FURTHER RESOLVED, the EDA Executive Director is authorized to take the steps necessary to proceed with the Improvement project according to the following findings:

1. The EDA has considered the Improvements and funding sources associated with EDA Project No. EDA25-01, Dickman Trail Road and Utility Extension, with an estimated construction cost of \$1,281,910.
2. The Improvements are necessary to support the development and are cost-effective and feasible.
3. Such Improvement are hereby ordered as proposed in this Resolution.

4. The project is being funded with grant funding through the Minnesota Department of Employment and Economic Development and Dakota County Community Development Agency Redevelopment Incentive Grant program, with the balance of construction costs to be funded between the EDA or Developer and/or combination of both, as to be negotiated per the Purchase Agreement.
5. The construction contract for the Improvements shall be let no later than three years after the adoption of this Resolution.

Passed by the Economic Development Authority of the City of Inver Grove Heights, Minnesota this 25th day of August, 2025.

Sue Gliva, EDA President

ATTEST:

Rebecca Kiernan, City Clerk