



Inver Grove Heights Economic Development Authority
Monday, October 13, 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, October 13, 2025, will be provided to the EDA at or before the October 13, 2025 meeting.

1. Call to Order

2. Roll Call

3. Approval of Agenda

4. Consent Agenda

All items on the consent agenda are considered routine and have been made available to the City Council at least two days prior to the meeting; the items will be enacted in one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which event the item will be removed from this agenda and considered in normal sequence.

A. Minutes of the August 25, 2025, Economic Development Authority Special Meeting.

B. Minutes of the September 8, 2025, Economic Development Authority Special Meeting.

C. Minutes of the September 22, 2025, Economic Development Authority Special Meeting.

D. Approval of Claims.

5. Public Hearing

A. Public Hearing to Consider and Adopt a Development and Business Assistance Policy

6. Regular Agenda

A. EDA Executive Director Update

7. Closed Session

8. Next Meeting

9. Adjourn

October 13, 2025 - Economic Development Authority Agenda

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING
AUGUST 25, 2025 - 8150 BARBARA AVENUE**

1. CALL TO ORDER

The Economic Development Authority (EDA) of Inver Grove Heights met in Special Session Monday, August 25, 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

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 Dietrich; Second by Scales; to Approve the Agenda as Published.

Ayes: 5

Nays: 0 Motion Carried.

4. CONSENT AGENDA None.

5. REGULAR BUSINESS

- A.** Authorize the City Engineer to finalize plans and ordering of improvements for the Dickman Trail Utility Improvement Project.

Executive Director Ziemer stated that the Dickman Trail Utility Project begins with a review of the Development Agreement. A Purchase Agreement was approved and executed with Interstate Industrial, LLC for one property on Dickman Trail and three on Dixie Avenue at a total price of \$721,360. The developer is obligated to construct a small industrial project focused on office, warehouse, and storage uses for the trades sector. The project must include no fewer than three buildings totaling 27,000 square feet of building space and 169,241 square feet of outdoor storage. It is anticipated to create between 10 and 20 jobs per building, resulting in 30 to 60 jobs overall. The Economic Development Authority is obligated to vacate a portion of Dixie Avenue adjacent to the development site and extend public utilities to the site.

Utility construction and costs were outlined with the design already complete, although final design and plan modifications are required before bidding. The project will be funded by a DEED Host Community grant. Construction costs include water, sanitary sewer, stormwater, and roadway improvements at \$1,281,910, excluding a utility crossing under the railroad at 71st Street. A contingency allowance of \$128,000 is included. The construction funds will be sourced from the DEED Host Community grant at \$416,625, Dakota County RIG (still pending), and a local share from the EDA or developer.

The expense budget for the project includes all estimated costs, with \$69,000 for project design already expended and reimbursed through a 2024 DEED grant. Funding will be finalized pending the Dakota County CDA RIG award, scheduled for September 23, 2025. The City Engineer has provided a maximum cost estimate for the project.

Recommended actions include approval of a resolution approving the budget for EDA Project No. 25-01, Dickman Trail Road and Utility Extension, and authorization of final plans and bidding. This authorizes up to \$15,000 to complete final plans, with work carried out under an existing Bolton &

Menk contract. Tentative dates include final plans by September 8, 2025, and bid opening by September 30, 2025. These steps are critical to maintaining the timeline required by the DEED construction grant, which sunsets on June 30, 2026, with all related work to be completed by May 30, 2026.

Commissioner T'Kach inquired whether the year is 2025 or 2026.

Executive Director Ziemer confirmed the year as 2026 and noted that the grant sunsets on June 30, 2026.

Future considerations include approval of the Purchase Agreement with the developer on September 9, 2025, at a Special Meeting. Utility project bids are anticipated to be reviewed either on October 6, 2025, at a Special Meeting or on October 13, 2025, during the Regular Meeting.

Commissioner T'Kach referenced earlier discussions and asked what the next steps would be, noting that bidding will not proceed until the RIG grant is confirmed.

Executive Director Ziemer explained that they will proceed with bidding, but the Commission will not necessarily be asked to award a bid until after information about the grant is received. He noted that the grant award is scheduled for September 23, with bids and the bid opening to follow on September 30.

Commissioner T'Kach expressed concern about the City's investment relative to the expected payback, noting that the project would generate approximately \$26,000 in additional tax revenue compared to the funds being committed. She also questioned how utilities would be provided since the budget does not include going under the railroad crossing.

Executive Director Ziemer explained that existing connections near Dixie Avenue will be reestablished, with the current lines in Dixie Avenue likely abandoned. The project includes provisions for a future railroad crossing connection, while the planned utility lines will run under Dickman Trail.

President Gliva asked whether, in the event the grant is not awarded or the agreement with Interstate falls through, the committed funds would remain available for a future project.

Executive Director Ziemer confirmed that this understanding was correct.

Commissioner T'Kach asked whether all the construction of utilities funded by the City would be paid from the respective Utility Funds.

Executive Director Ziemer explained that the project costs will be funded through EDA Fund 291, as the project is structured as an EDA initiative. No funds are proposed to be taken from the Pavement Management Fund or any of the Utility Funds.

Commissioner T'Kach asked what the remaining budget would be, specifically inquiring how much funding the EDA would have in its account at the completion of the project.

Executive Director Ziemer clarified that this project will not impact the EDA Operating Fund. He explained that the revenue from the grant dollars and the sale proceeds will be directed into the EDA Capital Fund, and the associated expenses will also be paid from that fund.

Commissioner T'Kach asked for the current balance in the Capital Fund.

Commissioner T'Kach asked what the remaining budget would be, specifically inquiring how much funding the EDA would have in its account at the completion of the project, noting it would be approximately \$40,000.

President Gliva asked if the revenue would flow into the fund and the expenses be paid from that same fund, with the intent that the developer's contributions would result in a net zero balance.

Executive Director Ziemer stated that the objective is for the balance to be zero at the conclusion of the project.

Commissioner T'Kach emphasized that the vote is essentially on obtaining a bid for utilities, which ensures plans will be in place regardless of the project's outcome. She clarified that this does not guarantee the project will move forward in its entirety and expressed hesitation given the significant City investment. While she stated she would support the measure since the utilities could benefit this or another developer, she questioned whether this represents the highest and best use of the property.

Motion by Murphy; Second by Scales; to Authorize the City Engineer to finalize plans and ordering of improvements for the Dickman Trail Utility Improvement Project.

Ayes: 5

Nays: 0 Motion Carried.

6. PUBLIC COMMENT None.

7. COMMISSION AND STAFF COMMENTS None.

8. ADJOURN

Motion by Scales; Second by T'Kach; to Adjourn at 5:45 p.m.

Ayes: 5

Nays: 0 Motion Carried.

Minutes prepared by City Recording Secretary Tammy Greenlee.

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING SPECIAL MEETING
SEPTEMBER 8, 2025 - 8150 BARBARA AVENUE**

1. CALL TO ORDER

The Economic Development Authority (EDA) of Inver Grove Heights met in Special Session on Monday, September 8, 2025, in the Council Chambers at City Hall. President Gliva called the meeting to order at 4:30 p.m.

The Pledge of Allegiance was recited.

2. ROLL CALL

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 Dietrich; Second by Scales; to Approve the Agenda as Published.

Ayes: 5

Nays: 0 Motion carried.

4. CONSENT AGENDA

A. Approve a Resolution, Authorizing an Extension to the Purchase Agreement with Interstate Industrial LLC. **EDA Resolution 2025-08**

Motion by Scales; Second by T’Kach; to Approve EDA Resolution 2025-08, Approving the First Amendment to Purchase Agreement for Interstate Industrial LLC for properties located on Dickman Trail & Dixie Avenue.

Ayes: 5

Nays: 0 Motion carried.

5. REGULAR BUSINESS

A. Receive and Discuss Draft Business Public Subsidy Policy.

EDA Executive Director Ziemer explained that the Development and Business Assistance Policy were originally adopted in 1999 through Resolution No. 99-202. The purpose of the policy is to serve as a tool in the City’s Economic Development toolbox. For applicants, the policy provides clarity on how and when the City becomes involved in projects. For the City, it establishes criteria and processes for making decisions while ensuring transparency. The policy allows the public to support the financial viability of private development, removes obstacles to development, and helps the City achieve certain community needs and goals. These goals include creating jobs, increasing the tax base, removing blight and contamination, redeveloping areas, and addressing other objectives as determined by the Economic Development Authority and the City Council. The policy also establishes criteria for public participation and sets forth clear processes. However, qualification under the policy does not guarantee public financial assistance. A “but-for” analysis must also be applied.

Types of business subsidies most used include business grants and loans, Tax Increment Financing, tax abatement, fee waivers, and land contributions or infrastructure support. Items that do not qualify as subsidies include local funding under \$25,000, such as revolving loan funds, façade improvement programs, and forgivable loans or grants. Utility installment

agreements, such as WAC/SAC payment plans, also fall into the category of non-subsidy support.

Business subsidies may be used to remove blight, encourage redevelopment, expand and diversify the local economy and tax base, and create or retain jobs. A minimum of two permanent full-time equivalent positions with benefits is required. Wages associated with the positions must equal 200% of the State minimum wage, which for 2025 is \$11.35 per hour, making the requirement \$22.26 per hour. Subsidies may also encourage additional unsubsidized development, offset increased costs over/above normal development, and promote other community benefits, such as quality development design.

All types of financial assistance, whether business subsidy or non-business subsidy, require a formal application, along with an application fee and escrow to cover costs. City staff and financial consultants review the application and prepare materials for consideration by the EDA. The EDA evaluates requests and makes recommendations to the City Council. The applicable body then conducts a required public hearing. The process establishes both minimum and desired qualifications. Priority development areas include the Concord Boulevard Neighborhood Plan, So. Robert Trail, 70th Street West, Arbor Pointe, and the Cahill Commercial Area. In addition, the 2040 Comprehensive Plan identifies specific focus areas for priority development. A subsidy agreement is required for all business subsidy and non-business subsidy assistance. There is also an option for a pre-application review.

Next steps include completion of final edits to the policy and scheduling public hearings before both the EDA and the City Council. Consideration will also be given to scheduling a Special Meeting of the EDA to hold the public hearing and adopt the policy.

Commissioner Murphy inquired as to if one firm conducts the "but-for" analysis or if there are several firms to choose from.

Ziemer stated that their current financial advisor is Ehlers and would use them to conduct that type of analysis.

Commissioner Murphy questioned if data is kept on how often the analysis determines whether a project can or cannot proceed without public financing.

Ziemer explained that project requests are fully analyzed with Ehlers, and staff provide a recommendation on whether they qualify. Most non-qualifying projects are advised upfront, though applicants may still proceed, and all related data is public record.

Murphy noted that Ehlers provides this service for other cities and asked if easily accessible data is kept on how often the analysis results indicate that assistance is or is not needed, broken down by company or firm.

Ziemer stated that he did not know and would need to confirm with Ehlers.

Commissioner T'Kach stated that the updates were helpful and appreciated. Referring to Section 4.1G, the Yellow Tree Project raised questions about reputation last year. How would staff or the City evaluate a business's reputation, given that Section G references general reputation near its conclusion.

Ziemer explained that requests are evaluated primarily from a financial perspective. If a developer or business owner has a history of issues such as bankruptcies, this body would want that information when considering approval or denial. Such matters are generally addressed on a case-by-case basis as projects move through the process.

Commissioner T'Kach recalled that previous discussion indicated it was not within their role to evaluate subcontractor pay or treatment. T'Kach inquired as to if parameters exist for this, noting her understanding that contractors and subcontractors are not required to be paid full-time job wages, unlike long-term business employees such as those in retail who must be paid at least 200% of the state minimum wage. She questioned whether those distinctions are accurate.

Zierner stated that he was not present when the Yellow Tree project decision was made and did not know the context of the concerns at that time. He noted that subcontractors are separate from the assistance provided to the developer or business, and that wages are tied to the business being created or supported. Housing assistance is not considered a business subsidy but that all requests are proposed to follow the same review process.

T'Kach noted that one issue with the Yellow Tree project involved whether the City would apply Northwest Area fee rates or non-Northwest Area rates for utility connections, and the City Council approved the lower rate (non-Northwest Area fee rates). She suggested that further discussion may be needed to clarify parameters in this area and offered that for consideration.

President Gliva recalled that concerns with the Yellow Tree project involved contractors not being paid appropriately and the topic was brought forward by an outside organization. She stated that while it is not the role of policymakers to oversee subcontractor payments, issues that come to light should be addressed. She emphasized that the focus should remain on compliance with established policy criteria and did not support creating policy on subcontractor payments.

Commissioner Murphy stated that it is not the role of the Commission or Council to dictate how a business operates. If businesses follow City rules, denial would be difficult and cautioned against expending significant staff time investigating every developer, as information provided is not always accurate.

Commissioner Scales stated that his understanding of the matter at that time was that it involved a dispute between two parties, and it was not their role to determine which side was correct given the limited information. He emphasized that it was not their place to re-litigate the subcontractor issues.

Commissioner T'Kach agreed with Commissioner Scales that the earlier matter involved two sides presenting conflicting information. Referring to Section 4.1G on *General Reputation*, she asked how staff ensure that businesses the City partners with are reputable, noting that past legal issues, such as lawsuits resolved against a company, should be considered to protect the City's reputation and ensure value.

Commissioner Scales stated that it is the Council's role, not staff's, to evaluate applications once a company meets the requirements and is recommended for approval. Council must consider the full application, including background factors, but cautioned against requiring staff to conduct extensive investigations on every application before it reaches the Council. Zierner explained that staff review requests in a straightforward manner, evaluating applications against established criteria and assessing whether the financial gap identified is reasonable based on the data provided. He stated that staff recommendations, whether approval or denial, are intended to show how a project aligns with policy and to provide Council with the information needed to decide whether to support the project. He

emphasized that staff aim to keep the review objective and data-driven, while noting that additional information is considered as it arises.

Commissioner Murphy noted that business subsidies should not be used when an applicant's credentials in the sole judgement of the City are inadequate due to previous history related to completion of projects, general reputation, or bankruptcy or other problems or issues considered relevant to the City. He stated that this relates to the quality of work and financial reliability and suggested that the term general reputation may not belong in the policy language.

President Gliva commented that the term *general reputation* appears subjective and somewhat arbitrary. Inquired if the reference to non-business refers to housing. Ziemer confirmed that it is correct.

Gliva inquired about the timeline for potential changes and adoption, and whether the goal was to move forward with adoption at this time.

Ziemer stated that a regular EDA meeting is scheduled for October 13 and that a special EDA meeting could be held on October 6, coinciding with the City Council Work Session. The intent is to bring the matter forward at one of those meetings. Since no substantial changes were identified, staff can incorporate minor adjustments to the language and prepare the document accordingly.

Gliva stated that the proposed timeline would be acceptable.

Ziemer stated that he would complete the revisions and distribute the final document in advance to allow additional time for review.

Gliva stated that the target date for consideration would be either October 6 or October 13, depending on scheduling.

6. PUBLIC COMMENT None.

7. COMMISSION AND STAFF COMMENTS None.

8. ADJOURN

Motion by Murphy; Second by Scales; to Adjourn at 4:58 p.m.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Tammy, Greenlee, Recording Secretary.

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING
SEPTEMBER 22, 2025 - 8150 BARBARA AVENUE**

1. CALL TO ORDER

The Economic Development Authority (EDA) of Inver Grove Heights met in Special Session on Monday, September 22, 2025, in the Council Chambers at City Hall. Vice President Scales called the meeting to order at 5:00 p.m.

The Pledge of Allegiance was recited.

2. ROLL CALL

Present In-Person: Vice President Scales, and Commissioner’s Dietrich, Murphy (late), and T’Kach.

Remote: President Gliva

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

3. APPROVAL OF AGENDA:

Motion to approve agenda as published by Dietrich; second by T’Kach.

Ayes: 4

Nays: 0 Motion carried.

4. CLOSED SESSION:

Motion to move into closed session pursuant to Minn. Stat. Sec. 13D.05, subd. 3(c)(3) to develop or consider offers for the purchase of the real property located in Inver Grove Heights identified by parcel identification numbers 20-00600-25-015 & 20-00600-05-010 by Dietrich, second by T’Kach.

Ayes: 4

Nays: 0 Motion carried.

Motion to move into open session by Dietrich, second by Murphy.

Ayes: 4

Nays: 0 Motion carried.

5. ADJOURN

Motion to Adjourn at 6:00 p.m. by T’Kach second by Murphy.

Ayes: 4

Nays: 0 Motion carried.

Minutes prepared by City Recording Secretary Tammy Greenlee.



Budget Report Account Summary

For Fiscal: 2025 Period Ending: 10/31/2025

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 290 - EDA-OPERATING FUND							
Revenue							
290.5800.000.4610	Investment Interest-Received	6,000.00	6,000.00	0.00	9,522.09	3,522.09	158.70 %
290.5800.000.4990	Transfers In from Other Funds	177,990.00	177,990.00	14,832.50	148,325.00	-29,665.00	16.67 %
Budget Detail							
Description							
General Fund-Tax Levy Transfer			Units 1.00	Price -177,990.00	Amount -177,990.00		
Revenue Total:		183,990.00	183,990.00	14,832.50	157,847.09	-26,142.91	14.21 %
Expense							
290.5800.000.5000	Wages-Full Time Employees	114,000.00	114,000.00	637.28	12,482.58	101,517.42	89.05 %
290.5800.000.5010	Wages-Non-Benefited Employees	0.00	0.00	46.18	98.13	-98.13	0.00 %
290.5800.000.5030	Employer Social Security	7,100.00	7,100.00	43.02	788.06	6,311.94	88.90 %
290.5800.000.5032	Employer Medicare	1,700.00	1,700.00	10.07	184.30	1,515.70	89.16 %
290.5800.000.5040	Medical Insurance	19,400.00	19,400.00	0.00	0.00	19,400.00	100.00 %
290.5800.000.5046	Insurance-Cash Option	5,100.00	5,100.00	17.82	356.40	4,743.60	93.01 %
290.5800.000.5050	Life Insurance	200.00	200.00	0.00	16.65	183.35	91.68 %
290.5800.000.5052	LTD Insurance	400.00	400.00	0.00	33.39	366.61	91.65 %
290.5800.000.5058	Account Fees-HSA/HRA/FSA	100.00	100.00	0.00	0.63	99.37	99.37 %
290.5800.000.5060	Employer PERA	8,500.00	8,500.00	51.26	943.64	7,556.36	88.90 %
290.5800.000.5084	Workers Compensation	600.00	600.00	50.00	500.00	100.00	16.67 %
290.5800.000.5190	Other Supplies	500.00	500.00	0.00	10.53	489.47	97.89 %
290.5800.000.5305	Legal Services	6,000.00	6,000.00	4,593.50	16,702.50	-10,702.50	-178.38 %
290.5800.000.5310	Professional Services & Contracts	40,000.00	40,000.00	15,671.50	65,535.30	-25,535.30	-63.84 %
290.5800.000.5330	Ads, Notices & Publications	0.00	0.00	0.00	699.13	-699.13	0.00 %
290.5800.000.5335	Dues, Licenses & Subscriptions	1,000.00	1,000.00	0.00	1,150.00	-150.00	-15.00 %
290.5800.000.5340	Training & Travel	3,500.00	3,500.00	0.00	53.47	3,446.53	98.47 %
290.5800.000.5380	Utility Charges-Storm Water	0.00	0.00	0.00	367.58	-367.58	0.00 %
290.5800.000.5450	Insurance Allocation	400.00	400.00	33.33	333.30	66.70	16.68 %
290.5800.000.5455	City Facilities Allocation	315.00	315.00	26.25	262.50	52.50	16.67 %
Expense Total:		208,815.00	208,815.00	21,180.21	100,518.09	108,296.91	51.86 %
Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):		-24,825.00	-24,825.00	-6,347.71	57,329.00	82,154.00	330.93 %
Fund: 291 - EDA-CAPITAL FUND							
Revenue							
291.5800.000.4280	State Grants	0.00	0.00	0.00	67,094.50	67,094.50	0.00 %
Revenue Total:		0.00	0.00	0.00	67,094.50	67,094.50	0.00 %
Expense							
291.5800.000.5310	Professional Services & Contracts	0.00	0.00	0.00	7,260.00	-7,260.00	0.00 %
291.5800.000.5330	Ads, Notices & Publications	0.00	0.00	127.60	127.60	-127.60	0.00 %
Expense Total:		0.00	0.00	127.60	7,387.60	-7,387.60	0.00 %
Fund: 291 - EDA-CAPITAL FUND Surplus (Deficit):		0.00	0.00	-127.60	59,706.90	59,706.90	0.00 %
Report Surplus (Deficit):		-24,825.00	-24,825.00	-6,475.31	117,035.90	141,860.90	571.44 %

Group Summary

Account Typ...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 290 - EDA-OPERATING FUND						
Revenue	183,990.00	183,990.00	14,832.50	157,847.09	-26,142.91	14.21 %
Expense	208,815.00	208,815.00	21,180.21	100,518.09	108,296.91	51.86 %
Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):	-24,825.00	-24,825.00	-6,347.71	57,329.00	82,154.00	330.93 %
Fund: 291 - EDA-CAPITAL FUND						
Revenue	0.00	0.00	0.00	67,094.50	67,094.50	0.00 %
Expense	0.00	0.00	127.60	7,387.60	-7,387.60	0.00 %
Fund: 291 - EDA-CAPITAL FUND Surplus (Deficit):	0.00	0.00	-127.60	59,706.90	59,706.90	0.00 %
Report Surplus (Deficit):	-24,825.00	-24,825.00	-6,475.31	117,035.90	141,860.90	571.44 %

Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
290 - EDA-OPERATING FUND	-24,825.00	-24,825.00	-6,347.71	57,329.00	82,154.00
291 - EDA-CAPITAL FUND	0.00	0.00	-127.60	59,706.90	59,706.90
Report Surplus (Deficit):	-24,825.00	-24,825.00	-6,475.31	117,035.90	141,860.90



**Economic Development Authority
Staff Report**

SUBJECT: **Public Hearing to Consider and Adopt a Development and Business Assistance Policy**

MEETING DATE: October 13, 2025

ITEM TYPE: Public Hearing

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

PURPOSE/ACTION REQUESTED

Conduct a public hearing to receive comment and adopt a proposed Development and Business Assistance Policy.

BACKGROUND

On September 8, 2025, the Inver Grove Heights Economic Development Authority (“EDA”) received and reviewed a draft copy of a proposed policy that allows the City to receive requests for and consider providing public financial assistance for development and redevelopment projects and businesses. Following that meeting, a public hearing date of October 13, 2025, was scheduled for both the EDA and City of Inver Grove Heights. Although the policy is the same for both the EDA and the City, both bodies are required to adopt the policy independently.

The City of Inver Grove Heights adopted a business subsidy policy in 1999, per Resolution 99-202. State Statutes have evolved and been revised over the years. Thus, a significant update to this policy is warranted.

Public Financial Assistance

Economic development incentives – aka business subsidies – are financial tools that enable the City to provide opportunities and benefits for its businesses and residents. Incentives can take a variety of forms. The list of options is exhaustive, but we are most familiar with types, including tax increment financing (TIF), property tax abatement, fee reductions and waivers, and state and local grants, as they are typically the most sought financial assistance items.

To award public financial assistance to development projects or businesses, the City is obligated to follow applicable State Statutes and must adopt a corresponding policy. Such a policy not only establishes the process for developer or business to make a request, but the criteria used by the City when evaluating and awarding such financial assistance. Generally, State Statute defines things as business subsidies and non-business subsidies. There are different thresholds that constitute what is and is not a subsidy, and different thresholds that trigger public hearing requirements.

Having such a policy does not guarantee a developer and/or business will qualify. Additionally, having a policy does not require the City or EDA to provide financial assistance. Rather, having a policy gives the City and EDA an important tool in its Economic Development Toolbox. It is common that creating a successful development or redevelopment project, or encouraging business growth, requires creative financing, which often leans on the “public” to pull different levers available to bring

out the type of successful development that creates jobs, expands tax base and provides other community benefits.

Policy Adoption

As described, adoption of this policy requires a public hearing – by both bodies. This item is also on the City Council agenda for October 13, 2025.

FISCAL IMPACT

N/A

RECOMMENDATION

City staff recommend adoption of the attached policy.

ATTACHMENTS

1. FINAL_DEVELOPMENT TOOLS BUSINESS ASSISTANCE POLICY_10-13-2025



CITY OF
**INVER GROVE
HEIGHTS**

**CITY OF INVER GROVE HEIGHTS &
CITY OF INVER GROVE HEIGHTS
ECONOMIC DEVELOPMENT AUTHORITY
DEVELOPMENT & BUSINESS ASSISTANCE POLICY**

EDA ADOPTED

October 13, 2025

CITY COUNCIL ADOPTED

October 13, 2025

TABLE OF CONTENTS

INTRODUCTION	3
1.0 PURPOSE & OBJECTIVES	3
2.0 CITY OBJECTIVES FOR PUBLIC FINANCIAL ASSISTANCE	4
3.0 PUBLIC FINANCIAL ASSISTANCE GUIDELINES & PRINCIPLES	4
4.0 PROJECTS WHICH MAY QUALIFY FOR PUBLIC FINANCIAL ASSISTANCE	5
5.0 PURPOSE, JOBS & WAGE REQUIREMENTS	7
6.0 AGREEMENT REQUIRED	7
7.0 APPLICATION EVALUATION	8
8.0 APPLICATION PROCESS	8

INTRODUCTION

This Development and Business Assistance Policy ("Policy") is established for purposes of the business subsidies act, pursuant to Minnesota Statutes, Sections §116J.993 through §116J.995, as amended ("Statutes"). Terms used in this Policy shall have the same meanings as those used in the Statutes. Minnesota Statutes, Sections §116J.993, Sub. 3 specifies forms of financial assistance that are not considered a business subsidy, including financial support for housing, redevelopment, and pollution clean-up, among others. This Policy and the processes outlined herein shall apply to all requests for public financial assistance, regardless of whether the proposed financial assistance would or would not constitute a business subsidy.

1.0 PURPOSE & OBJECTIVES

- A. This Policy establishes criteria for the City of Inver Grove Heights and the Inver Grove Heights Economic Development Authority for the granting of all forms of public financial assistance for private development within the City. As used in this Policy, the term "City" shall be understood to include the EDA. The criteria outlined in this Policy shall be used as a guide in processing and reviewing applications requesting business subsidies and/or other City public financial assistance not defined as a business subsidy.
- B. The City's ability to grant business subsidies or other public financial assistance is governed by the limitations established in the Statutes and other provisions of Minnesota law. The City reserves the right to choose to apply the criteria contained herein to other development activities not covered under the Statutes.
- C. Business subsidies include grants by state or local government agencies, contributions of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient of the assistance, any reduction or deferral of any tax or any fee, tax increment financing (TIF), abatement of property taxes, loans made from City funds, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.
- D. The criteria contained herein shall be used in conjunction with other relevant policies of the City. Compliance with this Policy shall not automatically mean compliance with such separate policies.
- E. The City, at its sole discretion, may deviate from the job and wage goals criteria outlined in Section 5 D, E and F below by documenting in writing the reason(s) for the deviation. The documentation shall be submitted to DEED with the next annual report.
- F. The City reserves the exclusive and absolute discretion whether to provide public financial assistance. Meeting minimum requirements and/or desired qualifications for public financial assistance does not guarantee applicants will receive assistance for their project. Public financial assistance shall be based on the City's own assessment of merit and need for the project and shall not be a precedent for future decisions.
- G. The City may amend this Policy at any time. Amendments to this Policy are subject to public hearing requirements contained in the Statutes.

2.0 CITY OBJECTIVES FOR PUBLIC FINANCIAL ASSISTANCE

The City may consider using business subsidies which may include tax increment financing (TIF), tax abatement, and other forms of public financial assistance as appropriate, to assist

private development projects. Such assistance must comply with all applicable statutory requirements and accomplish one or more of the following objectives:

- A. Remove blight and/or encourage redevelopment in designated redevelopment and development area(s) per the goals and visions established by the City.
- B. Expand and diversify the local economy and tax base.
- C. Encourage additional unsubsidized private development in the area, either directly or through secondary "spin-off" development.
- D. Enhance the City's position as a regional destination.
- E. Offset increased costs for redevelopment over and above the costs that a developer would incur in normal urban and suburban development, as determined as part of the "But-For" analysis.
- F. Facilitate the development process and promote development on sites that could not be developed without the assistance.
- G. Retain local jobs and/or increase the number and diversity of quality jobs.
- H. Provide opportunities for small businesses and/or entrepreneurs and promote resident economic stability.
- I. Meet other uses of public policy, as adopted by the City from time to time, including but not limited to promotion of quality urban design, quality architectural design, energy conservation, sustainable building practices, and decreasing the capital and operating costs of local government.

3.0 PUBLIC FINANCIAL ASSISTANCE GUIDELINES & PRINCIPLES

The following general assumptions of development and/or redevelopment shall serve as a guide for City public financial assistance. The City may, at its sole discretion, waive certain requirements, including applications and public hearings, for requests equal to or less than \$25,000, so long as all Statutory requirements are satisfied.

- A. All applicants must complete the Public Financial Assistance Application and provide all documentation as required by the City.
- B. The applicant shall pay all applicable application fees and pay for the City's fiscal and legal advisors' time as stated in the Public Financial Assistance Application.
- C. All requests for public financial assistance shall be reviewed by staff and/or a third-party financial advisor ("Advisor"), if so designated, who will inform the City of its findings and recommendations. This process, known as the "But For" analysis, is intended to determine if the project would not be feasible but for the City assistance.
- D. City staff and Advisor will prepare a memorandum documenting the "But For" Test has been met.
- E. The City shall establish mechanisms within the Public Financial Assistance Agreement, per Section 6.0 of this Policy, to ensure that adequate checks and balances are incorporated in the distribution of financial assistance where feasible and appropriate, including but not limited to:
 - 1. "look back" provisions
 - 2. minimum assessment agreements; and
 - 3. documentation of all costs.

- F. TIF and tax abatement will generally be provided on a pay-as-you-go-basis. Any request for upfront assistance will be evaluated on its own merits and may require security to cover any risks assumed by the City.
- G. The City may set up TIF districts in accordance with the maximum number of statutory years allowable. No applicant should assume assistance shall be granted for the full term of the TIF district.
- H. The City may elect to have the fiscal disparities contribution come from inside applicable TIF district(s) to eliminate any impact on existing taxpayers of the community.
- I. Public financial assistance will not be used in projects that would give a significant competitive financial advantage over similar projects in the area due to the use of business subsidies. Priority consideration will be given to projects that fill an unmet market need.
- J. The City may consider fee waivers, including the use of SAC credits to offset a project's SAC expenses, if SAC credits are available. For the potential use of excess and available SAC credits, see the City's Sewer Availability Charge (SAC) Policy.
- K. The applicant shall attempt to minimize the amount of public financial assistance needed through the pursuit of grants, innovative solutions to structure project funding and financing and other funding mechanisms.
- L. Depending on the project and type of public financial assistance provided, projects may be subject to execution and recording of a Minimum Assessment Agreement.

4.0 PROJECTS WHICH MAY QUALIFY FOR PUBLIC FINANCIAL ASSISTANCE

All applications for public financial assistance must meet each of the following minimum qualifications.

4.1 Minimum Qualifications & Requirements

- A. In addition to meeting the applicable requirements of State law, the project shall meet one or more of the public financial assistance objectives outlined in Section 2 of this Policy.
- B. The applicant must demonstrate to the satisfaction of the City that the project is not financially feasible "But For" the use of the public financial assistance.
- C. The project is, or will be, through the City approval processes consistent with the City's Comprehensive Plan, Zoning Ordinances and/or any other applicable land use documents and development policies of the City.
- D. Prior to approval of a financing plan, the applicant may be required to provide any requested market and financial feasibility studies, appraisals, soil borings, private lender commitment and/or other information the City or its Advisor may require to proceed with an independent evaluation of the application.
- E. The applicant must provide adequate financial guarantees to ensure the repayment of any business subsidy and completion of the project. These may include, but are not limited to assessment agreements, letters of credit, personal deficiency guarantees and guaranteed maximum cost contracts.
- F. Any applicant requesting public financial assistance must be able to demonstrate a previous capability for successful project completion, as well as specific capability

regarding the type and size of the development proposed, except for projects that meet Desired Qualifications criteria in Section 4.2.

- G. The applicant shall retain ownership of any portion of the project long enough to complete it, stabilize its occupancy, establish project management and/or needed mechanisms to ensure successful completion and as applicable operation of the project.

4.2 Desired Qualifications

- A. Projects providing a high ratio of private investment compared to City public investment shall receive priority consideration. Private investment includes developer cash, government and bank loans, conduit bonds, tax credit equity and land, if already owned by the applicant.
- B. Proposals that significantly increase the amount of property taxes paid after completion of the project will receive priority consideration.
- C. Proposals that encourage the following will receive priority consideration:
 - 1. Implements the City's vision and values for City-identified priority development and redevelopment areas according to the Concord Boulevard Neighborhood Plan and 65th Street Small Area Plan; continued business growth in the Arbor Pointe, Argenta Hills, Bishop Heights and Cahill Corridor commercial areas; and future Interstate 494 interchange at Argenta Boulevard and east of Vikings Lakes in Eagan.
 - 2. Provides significant improvement to surrounding land uses, neighborhoods, and/or the City.
 - 3. Attracts new or retains existing employers within the City.
 - 4. Provides increased quality and higher paying jobs.
 - 5. Promotes housing investment meeting one or more of the following City goals:
 - a) Increases housing choice within the community, diversifies existing housing stock and provide options that do not currently exist.
 - b) Provides affordable housing units.
 - c) Includes housing as part of City special purpose projects or other priority City redevelopment areas.
 - d) Increases multi-family housing with high amenities considered luxury and/or market rate.
 - 6. Provides opportunity for the attraction of destination-oriented uses such as outdoor recreation, entertainment and shopping.
 - 7. Provides opportunities for small businesses and/or entrepreneurs.
 - 8. Enables projects that promote resident economic stability.
 - 9. Redevelops blighted, contaminated and/or challenged areas.
 - 10. Preserves and/or stabilizes a major commercial or industrial node.
 - 11. Adds needed public infrastructure such as roads, utilities or structured parking.

5.0 PUBLIC PURPOSE, JOBS & WAGE REQUIREMENTS

- A. All public financial assistance must satisfy a public purpose with measurable benefit to the City as a whole. Public financial assistance that does not constitute a business subsidy, per the Statues, may not be required to comply with the remaining requirements of this Section.

- B. Creation of tax base shall not be the lone public purpose for public financial assistance.
- C. Job retention may only qualify as a public purpose in cases where job loss is specific and demonstrable. The City shall document the information used to determine the nature of the job loss.
- D. Unless the creation of jobs is removed from a particular project pursuant to the requirements of the Statutes, the creation of jobs is a public purpose for granting the business subsidy. Creation of at least two (2) Full Time, or Full Time Equivalent (FTE) jobs is a minimum requirement for consideration of public financial assistance. Full Time Equivalent jobs must be permanent positions with set hours and be benefits-eligible.
- E. Part-Time Equivalent jobs may receive partial credit and be counted toward the job goals.
- F. Wages to be paid for the jobs created shall be not less than 200% of the State of Minnesota minimum wage. The City may seek to create jobs with higher wages as appropriate for the overall public purpose of the business subsidy. Wage goals may also be set to enhance existing jobs through increased wages, which increase must result in wages higher than the minimum under this Section.
- G. After a public hearing, if the creation or retention of jobs is determined by the City to not to be a goal, the wage and job goals may be set at zero.

6.0 AGREEMENT REQUIRED

- A. Upon granting public financial assistance, if required by the Statutes or otherwise required by the City, the recipient shall enter into a Public Financial Assistance Agreement ("Agreement") or equivalent agreement with the City that includes the following information:
 - 1. wage and job goals, if applicable
 - 2. commitment to provide necessary information for reporting purposes
 - 3. five (5) year operation commitment after the benefit date; and
 - 4. recourse for failure to meet goals required by the Statutes.
- B. The Agreement may be incorporated into a broader development contract for an approved development project.
- C. The Agreement will commit the recipient to provide the reporting information required by the Statutes, if any.
- D. For assistance that does not constitute a business subsidy under the Statutes, the grantee and the City or the EDA may enter into an agreement setting forth the terms of the assistance.

7.0 APPLICATION EVALUATION

The following methods of analysis will be used for all projects seeking public financial assistance.

- A. Project is deemed consistent with City's goals and objectives.
- B. Satisfaction of public financial assistance minimum qualifications.
- C. Ability of the project to meet or exceed business subsidy desired qualifications.
- D. Project meets "But-For" analysis and/or statutory qualifications.

The evaluation methodology is intended to provide a balanced review. Each area will be evaluated individually and collectively and in no case should one area outweigh another in terms of importance to determining the level of assistance.

8.0 APPLICATION PROCESS

8.1 Application Form & Requirements

All applicants must use the Public Financial Assistance Application form provided by the City and must include all information required by the application form and this Policy. This Application must be completed for all projects requesting public financial assistance, regardless of whether the financial assistance constitutes a business subsidy. The review of applications shall generally follow the process outlined below. City staff have the authority to request additional information from the applicant as may be necessary to review and process an application.

- A. Deadline: Applications must be submitted not less than 30 business days prior to the next regularly scheduled City meeting where action may be taken by the City on the application.
- B. Submission: The application shall be submitted electronically (PDF) and must include all supporting and necessary documentation as required or requested. All fees shall also be paid at the time of application submittal. Applications shall be emailed to the Community Development Director or designee.
- C. Staff Meetings: City staff may require a meeting with the applicant to review the application, discuss status and additional information needed, and review staff recommendations.
- D. Public Meetings: Completed applications, along with staff and financial advisor recommendation(s), shall be presented to the EDA for consideration and recommendation or action. The EDA shall establish findings and make recommendations to the City Council for approval or denial of the requested public financial assistance, except where the EDA is providing the public financial assistance and no City Council action is required.
- E. Public Hearing: When necessary, a public hearing to consider the request for a business subsidy or other public financial assistance shall be conducted by the appropriate governing body. Notice of public hearing shall be published in the official City newspaper and posted at City Hall at least 10 days prior to the hearing. Notices shall be mailed to Dakota County and the applicable School District, if such mailed notice is required by the Statutes.
- F. Agreement: Upon approval of an application, a Public Financial Assistance Agreement or equivalent agreement shall be entered into by the issuing entity and the applicant.
- G. Fee & Escrow: The applicant shall pay to the City the application fee and a minimum escrow deposit, as established by the City Fee Schedule. The escrow amount shall be used to reimburse the City for all legal and financial professional services and other expenses related to review and processing of the application. The application fees and escrow are due at the time of application submittal or the application shall be deemed incomplete.

8.2 Pre-Application Review

Upon request of the applicant, and at applicant expense, the City will conduct an initial review of the applicant's financial data to determine feasibility of the project in relation to the level of assistance requested. The applicant shall submit a minimum escrow deposit, as stated by the City's fee schedule, to reimburse the City for legal and financial professional services related to said pre-application review.



**Economic Development Authority
Staff Report**

SUBJECT: EDA Executive Director Update

MEETING DATE: October 13, 2025

ITEM TYPE: Regular Agenda

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

PURPOSE/ACTION REQUESTED

Receive an update from the EDA Executive Director.

BACKGROUND

Commercial & Retail Recruitment

At the August 11, 2025, meeting, members of the Economic Development Authority (EDA) discussed efforts and next steps related to commercial-retail business recruitment. At that meeting, the EDA discussed the following approaches:

- Establish a current state of retail in Inver Grove Heights by compiling a database of existing vacant buildings and spaces; vacant, development-ready properties; and retail-oriented businesses that have opened or plan to open since 2024.
- Reach out and meet with retail brokers; compile results of meetings.
- Update the economic development data publicly available on the City's Website.

Much of that work was initiated but has been paused with other priority EDA efforts, including the Dickman Trail industrial redevelopment project, Highway 52-Blaine Avenue site due diligence work (surveys, etc.) and other recent development efforts, as directed by the EDA. Here is the status of those three items.

1. Current State of Retail

Using the MNCAR public listing exchange and other available platforms, the attached list was compiled showing the location, general size and published lease rates of buildings and spaces available for sale/lease and vacant lots and land lots available for sale. The focus on this information is only for office, commercial and industrial uses. The larger developable land masses were not included in this review. The vacant, developable land information was assembled into handouts and provided to developer representatives during those meetings. A list of commercial-retail businesses that have opened since 2024 or plan to open in Inver Grove Heights has not yet been compiled.

2. Retail Broker Outreach

The Executive Director has continually met with retail brokers and developers as to available opportunities in Inver Grove Heights. As vacant buildings and spaces already have brokers

representing owners to secure leases, much of the focus of those other meetings were focused on vacant and available land. On September 5, 2025, a commercial/retail recap from meetings to date was provided to EDA members; see attached. The Executive Director has continued to meet with developers, including a handout of available sites and site information; see attached. Due to ongoing 494 interchange planning efforts, discussions with developers have also included their vision for this area – after the interchange.

3. Community Economic Data

City GIS staff did confirm this data is current. GIS staff also assisted with obtaining the same data from adjacent and peer cities for the purpose of comparing those economic indicator areas with those other cities. This comparison data on this will be presented to the EDA at a future meeting.

Dickman Trail Redevelopment Project

The street and utility project has gone to bid; bids were scheduled to be open on October 13, 2025. The City Engineer will review the bids and bring forward those costs and a recommendation at a special EDA meeting on Monday, October 27, 2025. Interstate Industrial (Developer) had to delay its development application submittal as additional soil borings for their site design, notably stormwater ponding. The Developer is now targeting a November 3, 2025, submittal. The land purchase closing between the Developer and McPhillips is December 20, 2025; the City's closing date with Interstate is on or before January 15, 2026. As previously reported, the Dakota County Community Development Agency (CDA) approved the City's \$250,000 grant funding request.

Highway 52-Blaine Avenue

All the survey work and wetland delineation are complete; soil borings, geotechnical work and Phase 1 environmental work are underway. Discrepancies with existing lot lines are currently being reviewed by the City Attorney's office. Some of the discrepancies can be simply addressed with the plat; others will require additional legal work. Soil boring locations will require tree removal to access those drill locations. Despite this, the work is still tracking an initial project duration estimate with a late fall completion date. The platting work and plat approvals will need to take place over the winter.

Golf Course Plat

The plat comment letter from Dakota County is currently being reviewed by City staff. As expected, the County is seeking additional right-of-way (ROW) adjacent to Babcock Trail – both north and south of 70th Street. We will be able to provide the additional ROW south of 70th Street; the additional ROW north of 70th Street on the 4.25-acre lot created with the plat will be addressed in the future once the County has finished its roadway design. The 4.25-acre lot is being platted as an outlot, so providing the ROW will be done when the lot is sold and replatted for development.

Regarding the sale of the 4.25-acre lot. The EDA has received one offer; a second offer is pending. And, the Executive Director met with another interested group that is likely to submit an offer. We are targeting a special EDA meeting in November – either November 3 or 10 – to consider any offers, in addition to any other EDA-related items.

MNCAR Fall Expo

Reminder the City / EDA has a booth at the MNCAR Fall Expo. The Expo is on Thursday, November 6th, from 4 - 7 p.m. EDA members need to advise the Executive Director whether they plan to attend the Expo. Communications Director Amy Looze is helping finalize our booth, order SWAG and produce handouts.

FISCAL IMPACT

N/A

RECOMMENDATION

N/A

ATTACHMENTS

1. IGH Spaces for Lease and Sale
2. Memo Commercial Retail Update
3. Inver Grove Heights Site Selection Info

COMMERCIAL - OFFICE - INDUSTRIAL LAND & EXISTING SPACES

As of 09/03/2025.

For Lease				
Location	Sq Ft	\$\$/SF	Use Type	Notes
5440/5480 Robert Trail	2,604	Neo	Commercial	
5440/5480 Robert Trail	1,668	Nego	Commercial	
5565 Blaine Avenue	18,262	Nego	Office/Medical	
5565 Blaine Avenue	924	Nego	Office	
5565 Blaine Avenue	695	Nego	Office	
5810 Blackshire Path	2,688	\$16	Office	
5816/5870 Blaine Avenue	1,420	Nego	Commercial	
2980 Buckley Way	8,296	1.21	Office / Medical	\$8.46/SF CAM/Tax (Also For Sale)
6115 Cahill Avenue	1,850	\$10	Office	
6240/6250 Carmen Avenue	72,738	Nego	Industrial	Multi-Tenant
7649/7655 Concord Boulevard	7,500	\$7	Industrial	
9076 Buchanan Trail	2,517	Nego	Commercial	3 Yr Min Lease
9078 Buchanan Trail	1,889	Nego	Commercial	3 Yr Min Lease
9082 Buchanan Trail	1,965	Nego	Commercial	3 Yr Min Lease
9041/9061 Broderick Boulevard	1,900	\$17	Commercial	
7781 Amana Trail	1,109	\$22	Comm/Office	Up to \$24/SF
10730 Briggs Drive	8,200		Industrial	1800sf Off/6400sf Whse
11600 Courthouse Boulevard	51,534		Industrial	Up to 144,474 SF

Existing Buildings+Land For Sale						
Location	Sq Ft	Acres	Use Type	List Price	List \$\$/SF	List \$\$/Acre
5754/5758 Blackshire Path	5,376	0.10	Office Condo	\$699,000	\$130.02	
2980 Buckley Way	8,296	1.21	Office / Medical	\$1,499,999		
5842 Carmen Avenue	162,116	13.90	Industrial	\$18,000,000	\$110.00	
9079 Buchanan Trail	6,976	1.03	Commercial	\$1,300,000	\$186.35	

Vacant Land For Sale						
Location	Sq Ft	Acres	Use Type	List Price	List \$\$/SF	List \$\$/Acre
5505 Blaine Avenue		1.44	Office/Commercial	Negotiable		
Blaine/Blackshire		1.06	Commercial (Culver's)	Negotiable		
1620 80th Street		4.86	Industrial	Listed For Sale or Lease-Build2Suit		
7771 Amana Trail		1.47	Comercial	Negotiable		
Amana/Argenta		17.00	Comm/Res	Negotiable		
Argenta Trail			Industrial	Lease-Build2Suit		
Concord/Hwy 55 (Walmart Outlot)		1.62	Commercial	\$415,000	\$2.53	\$256,173.00

Memo

Community Development Department



To:	President Sue Gliva and Economic Development Authority Members
From:	Jason Ziemer, Community Development Director
Date:	09/05/2025
Subject:	Commercial / Retail Updates
CC:	Kris Wilson, City Administrator

President Gliva and EDA members,

This past week I met individually with several real estate brokers and developers to understand “who” is active in the commercial/retail market. The purpose of this meeting was two-fold: 1. Get Inver Grove Heights back on their radar, and specifically with their clients actively looking for locations; and, 2. Find partners for a roundtable discussion on future development around 494 Interchange.

As expected, the hot growth areas remain “QSR” (Quick Service Retail) food options and automotive. Example of QSR food groups: Chipotle, Chick-fil-A, Panera, etc. or anyone with drive-thru and mobile order/pick-up service. Ground up full-service (“sit down”) restaurant development has stalled; new restaurants are opening in locations where previous restaurants closed. Automotive groups include convenience (Kwik Trip and Speedway), quick lube, tire and car washes. Les Schwab Tire Centers is on a major growth tract right now; I worked with them in my previous community. Beyond those two group types, localized growth continues in personal service areas, such as dentists, etc. provided residential growth remains on an upward trend. This year we have seen a new dentist and chiropractor offices open.

A major point shared by me - if you look along the 494 corridor from Eagan and Woodbury there is a sizable gap in service and convenience and IGH is situated nicely to fill that gap, especially at 494 and 52. For example: there are no Chick-fil-A restaurants along 494 from Bloomington to Woodbury; there is one farther north on Robert Street and one on 35E in Eagan. Another example: there are no Dick’s House of Sport from Bloomington to Woodbury. Both of those businesses are looking for additional locations, as is Panera and 7 Brew a new, walk-up and drive-thru coffee concept (600 sf building).

Brokers cited the City’s immediate and major competition is the large commercial presence on Robert Street in West St. Paul, notably every likely business of interest that could locate in IGH is in that Robert area - and the distance between the Robert area and Upper 55th for example is a 5-minute drive. And, most of IGH homes are within a 10-minute drive from that area. Another concern noted was the high utility costs in the Northwest Area and high community land prices (i.e. Bianca Fine land and future 494 land areas), which is a deterrent for commercial development and driving residential in the Northwest Area. The Walmart and Target areas - although anchored by national retailers - were noted as “green,” meaning less nearby population and lower traffic, despite being adjacent to Highway 55.

One broker I have known for years, and worked with on previous projects, acknowledged IGH has been seen as “flyover country.” He cited the different commercial areas in IGH and noted those locations each had their own set of issues not accommodating to users. Using the example of

restaurants, he said: "Development and construction costs are generally the same wherever you build in the Twin Cities. The larger variable is land price. The food guys need to maximize the whole day and so they rely on booth rooftops and daytime population to turn a profit." Daytime population is a direct correlation to jobs and the "inflow" of workers that supplant the "outflow" of residents going elsewhere for work; this also ties back to housing. He went on to explain the QSRs can survive on \$2.5 million in annual sales, whereas a full-service restaurant needs to be double or triple that or more as they have higher labor, operational costs, etc.

My point to him was it is time he and others re-look at IGH. And, we need to get in front of those businesses to tell our story, and my point for my discussion was he is such a point person and someone that stop the flyover. He acknowledged there are users that are looking for sites and they would explore sites, citing those users are looking for ground-up development, not existing spaces, which could be a challenge. We discussed several different locations, including potential infill and redevelopment sites. I simply asked for a continued discussion and an opportunity to at least hear who and their criteria and needs are and let us figure out how we can meet that list of criteria, if they are interested. It is important to acknowledge some may not work out either because of lack of site or just lack of business interest.

The brokers know Inver Grove Heights and knew our different business districts. The concept of "flyover country" was noted as the community feeling as person gets as they travel along 494 and Highways 52 and 55 - not much going on, not much activity and that is seen by businesses as they explore potential sites. In other words, we have work to do.

I have another meeting scheduled for next week and have reached out to several others. And, I do generally expect to hear the same storylines. Understanding those storylines helps us understand the challenges before us while creating opportunities for us in how we respond and how we create our business identity to tell our story.



Site Selection

Site Details

Location

Near Highway 52 @ Upper 55th Street & Blaine Avenue

Address/PID

20-14161-01-010

Site Size

0.78 Acres

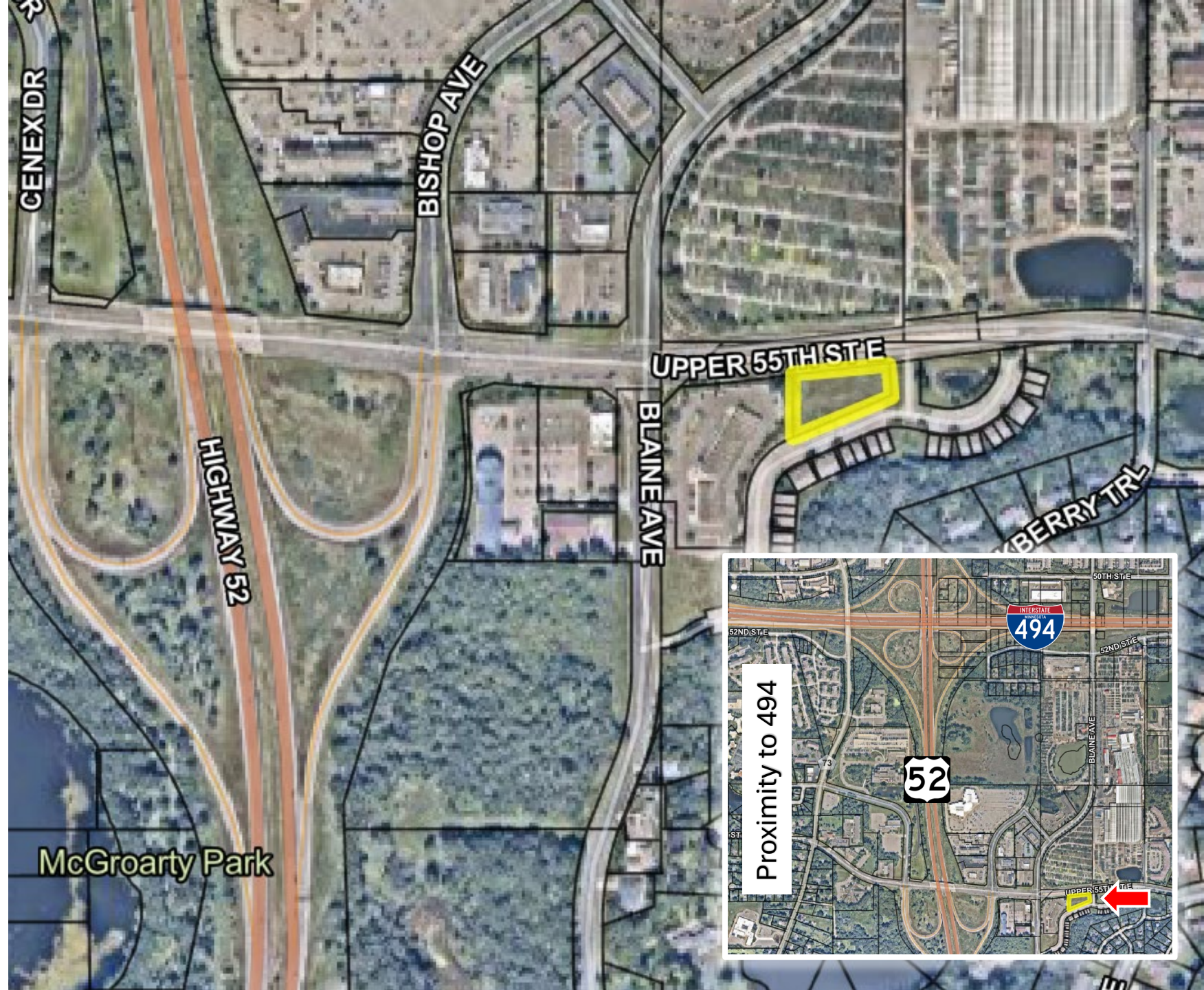
Adjacent Uses

- Office condos (Blackshire Path)
- Multi-tenant commercial center w/ Jimmy John's, PerpleBunny's Axe House, Market Liquor
- Culver's (vacant lot)
- Gerten's
- AmericInn

Recent Sale Information

8/2023 – \$250,000

Notes: N/A



Site Details

Location

Blaine Avenue; Highway 52 Visibility

Address/PID

20-03310-56-011

20-00400-25-015

Site Size

~23.0 Acres

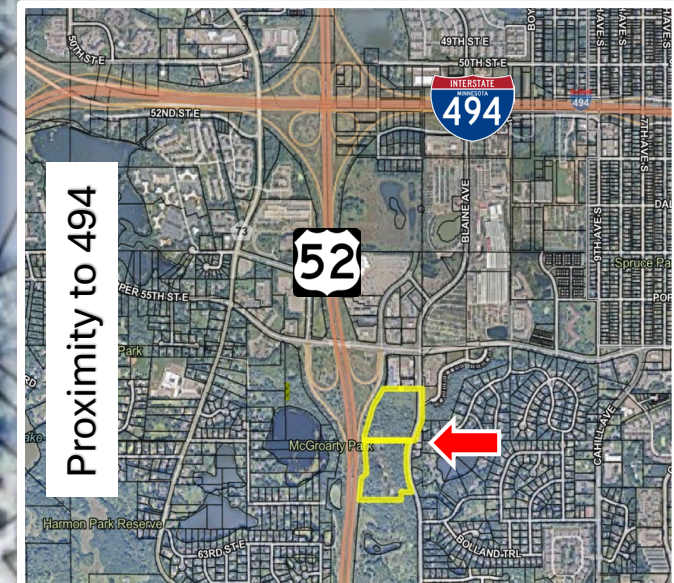
Adjacent Uses

- Highway 52
- Office Condos
- AmericInn
- Applebee's
- Residential Neighborhoods

Recent Sale Information

Owned by City of IGH

Notes: Pre-development work in process by City (i.e. survey, platting, wetland delineation, soil borings & geotechnical analysis).



Site Details

Location

Bishop Avenue north of Upper 55th Street; Highway 52 visibility

Address/PID

5567 Bishop Avenue
20-14150-01-010

Site Size

13.13 Acres

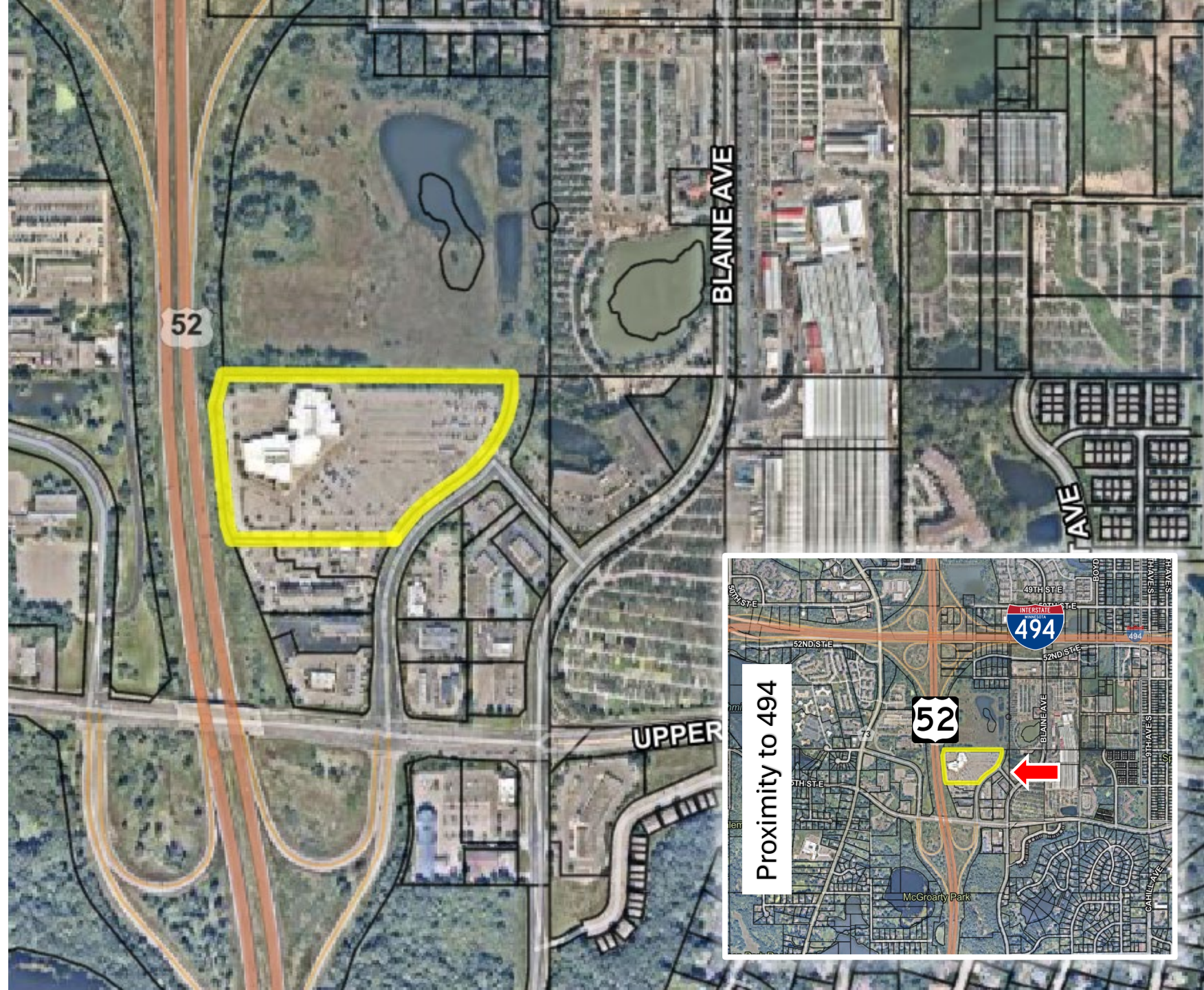
Adjacent Uses

- Office/Medical Office Complex
- B-52 Burgers & Brew
- Pizza Pub
- Holiday Inn Express
- Microtel Inn & Suites
- Speedway

Recent Sale Information

N/A

Notes: Redevelopment & infill of AMC Theaters parking lot.



Site Details

Location

Blaine Avenue; north of Upper 55th Street

Address/PID

5505 Bishop Avenue
20-36575-01-020

Site Size

1.44 Acres

Adjacent Uses

- Office/Medical Office Complex
- Gerten's
- TGK Automotive
- Mallard's Restaurant
- Tono's Pizzeria & Cheesesteaks
- Chipotle
- Caribou

Recent Sale Information

N/A

Notes: N/A



Site Details

Location

Highway 55 & Concord Boulevard

Address/PID

9079 Buchanan Trail

20-11865-01-010

Site Size

1.03 Acres

Adjacent Uses

- Multi-tenant commercial center
- A&W Drive Thru
- Inver Grove Brewing
- Dollar Tree
- Walmart
- Holiday

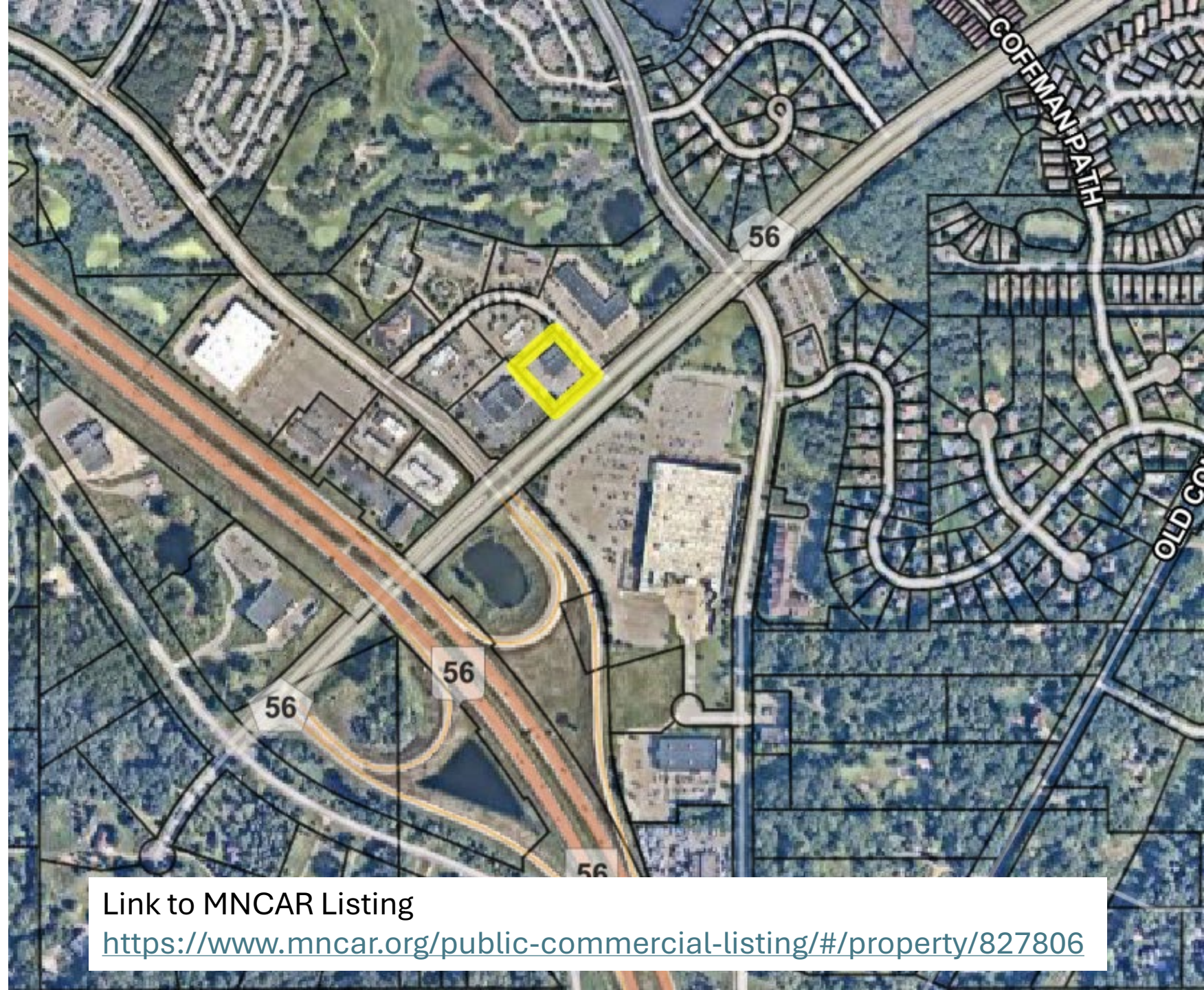
Recent Sale Information

06/2005 - \$540,398

Presently Listed For Sale - \$1,300,000

Notes: Existing building (6,935 sf).

Current business – “Nerdin Out.”



Link to MNCAR Listing

<https://www.mncar.org/public-commercial-listing/#/property/827806>

Site Details

Location

Highway 55 & Courthouse Boulevard;
Highway 55 visibility

Address/PID

20-11900-00-010

Site Size

1.62 Acres

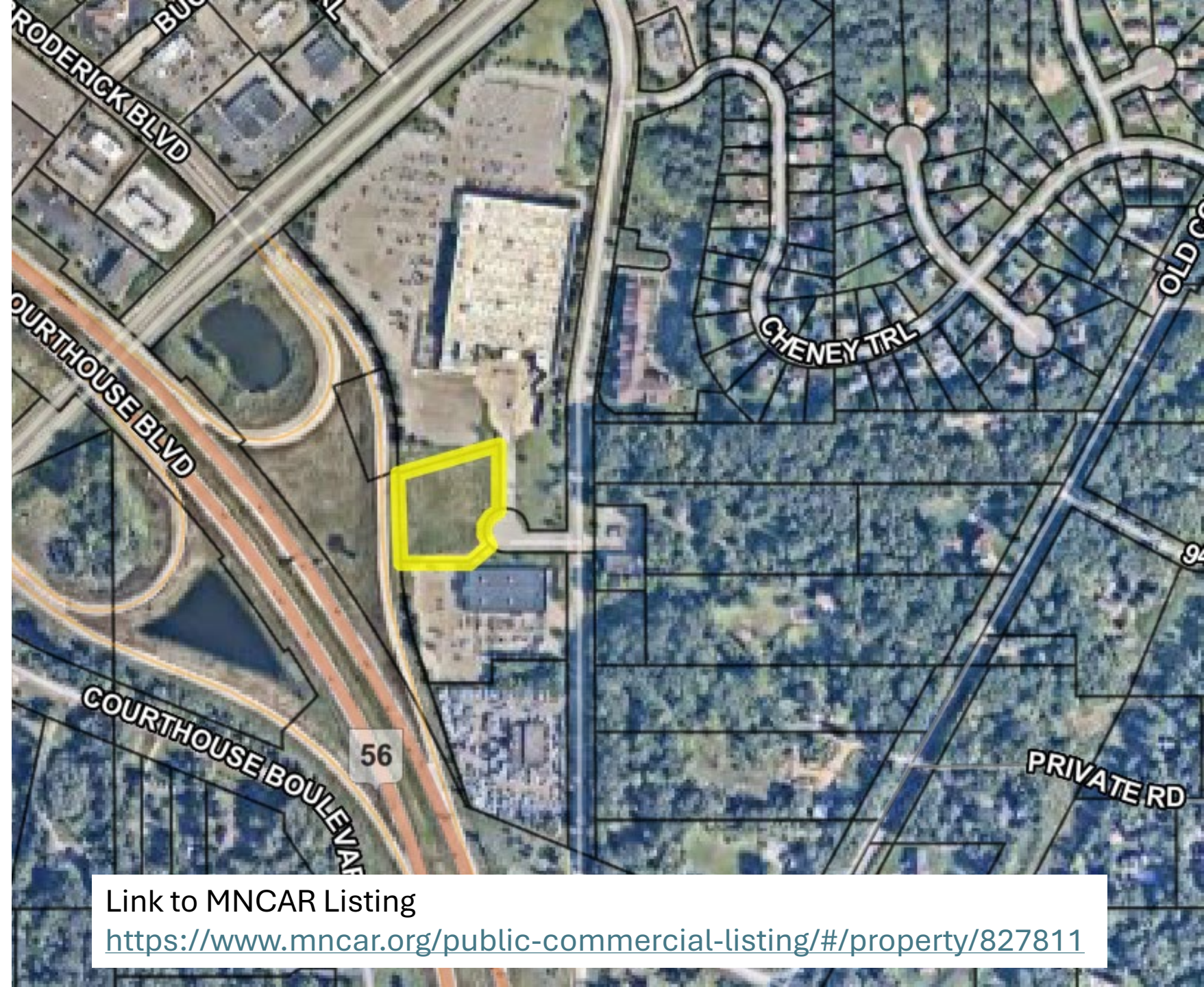
Adjacent Uses

- Highway 55
- Walmart
- Tractor Supply
- Absolute Trailer Sales

Recent Sale Information

Presently Listed For Sale - \$415,000

*Notes: Walmart outlot; owned by
Walmart Stores Inc.*



Link to MNCAR Listing

<https://www.mncar.org/public-commercial-listing/#/property/827811>

Site Details

Location

Highway 55 & Robert Trail; Highway 55 visibility

Address/PID

7771 Amana Trail
20-12050-01-040

Site Size

1.47 Acres

Adjacent Uses

- Highway 55
- Target
- KinderCare (*under construction*)
- Iwa Sushi, Oyespa Aveda, Ideal Credit Union & F45 Training

Recent Sale Information

N/A

Notes: KinderCare site (1.84 acres) sold for \$812,000 on 04/21/2025. Vacant pad area ~14,375 sf.



Site Details

Location

Highway 55 Robert Trail & Argenta Boulevard; Highway 55 visibility

Address/PID

20-12050-00-030

Site Size

4.79 Acres

Adjacent Uses

- Highway 55
- Target
- KinderCare (*under construction*)
- Iwa Sushi, Oyespa Aveda, Ideal Credit Union & F45 Training

Recent Sale Information

N/A

Notes: KinderCare site (1.84 acres) sold for \$812,000 on 04/21/2025.

