



**Inver Grove Heights Economic Development Authority**  
**Monday, December 8, 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](mailto:sbodsberg@ighmn.gov)). Comments received prior to 4:00 p.m. on Monday, December 8, 2025, will be provided to the EDA at or before the December 8, 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 October 6, 2025, Economic Development Authority Special Meeting.
- B. Minutes of the October 13, 2025, Economic Development Authority Meeting.
- C. Minutes of the October 27, 2025, Economic Development Authority Special Meeting.
- D. Minutes of the November 3, 2025, Economic Development Authority Special Meeting.
- E. Minutes of the November 10, 2025, Economic Development Authority Special Meeting.
- F. Approval of Claims.
- G. Approve Termination of Purchase Agreement with Interstate Industrial, LLC.

5. **Regular Agenda**

- A. Update Regarding the Highway 52-Blaine Avenue Properties Due Diligence Work
- B. Update on 2025 EDA Budget and Related Projects

6. **Adjourn**

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING  
OCTOBER 6, 2025 - VETERANS MEMORIAL COMMUNITY CENTER, 8055 BARBARA AVE**

**1. CALL TO ORDER**

The Economic Development Authority (EDA) of Inver Grove Heights met in Special Session on Monday, October 6, 2025, in Community Room #3 at the Veterans Memorial Community Center. President Gliva called the meeting to order at 5:00 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 Deputy City Clerk Malott.

**3. APPROVAL OF AGENDA**

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

Ayes: 5

Nays: 0      Motion carried.

**4. CLOSED SESSION**

**A.** Closed Session: Discussion of Offer to Purchase Real Property.

Motion by Scales; Second by T’Kach; to Move into Closed Session pursuant to Minnesota Statute Section 13D.05, Subd. 3(b)(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 and 20-00600-05-010.

Ayes: 5

Nays: 0      Motion carried.

Motion by Dietrich; Second by Scales; to Reconvene in Open Session.

Ayes: 5

Nays: 0      Motion carried.

**5. ADJOURN**

Motion by Scales; Second by T’Kach; to Adjourn at 6:03 p.m.

Ayes: 5

Nays: 0      Motion carried.

Minutes prepared by Katie Malott, Deputy City Clerk.

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING  
OCTOBER 13, 2025 - CITY HALL, 8150 BARBARA AVENUE**

**1. CALL TO ORDER**

The Economic Development Authority (EDA) of Inver Grove Heights met in Regular Session on Monday, October 13, 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**

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.** 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.

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

Ayes: 5

Nays: 0      Motion Carried.

**5. PUBLIC HEARING**

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

Executive Director Ziemer presented the Development and Business Assistance Policy, beginning with background information noting that the initial Business Subsidy Policy was adopted in 1999 under Resolution No. 99-202. A revised draft of the policy was reviewed by the Economic Development Authority (EDA) on September 8, 2025. The purpose of the policy is to serve as a tool within the City’s Economic Development toolbox. It is intended to help applicants understand how and when the City becomes involved while also giving the City clear criteria and processes for decision-making and ensuring transparency. The policy enables the public to remove obstacles that hinder private development and supports the financial viability of projects that meet community needs and goals such as jobs, tax base, and redevelopment. It fulfills broader objectives as determined by the EDA and City Council and outlines the criteria for public participation and required processes. However, it is clear that no guarantee exists for public financial assistance.

The policy outlines the types of business subsidies covered under its scope. Common examples include business grants and loans, Tax Increment Financing (TIF), tax abatement, fee waivers, and land contributions and infrastructure. Non-subsidy examples include local funding under \$25,000 such as revolving loan funds, façade improvement programs, and forgivable loans and grants. Utility installment agreements such as WAC and SAC payment plans also fall outside subsidy classification. Annual reporting to the State is required for projects that reach certain financial thresholds: \$25,000

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to \$150,000 for grants and \$75,000 to \$150,000 for loans. Any assistance exceeding \$150,000 requires a public hearing.

The policy explains that business subsidies may be used to remove blight, encourage redevelopment, and expand and diversify the local economy and tax base. Subsidies are also intended to create and retain jobs, requiring a minimum of two permanent full-time equivalent positions with benefits. The wage requirement is set at 200% of the State minimum wage, which equals \$11.13 per hour in 2025, meaning the minimum qualifying wage is \$22.26 per hour. The policy further seeks to stimulate additional unsubsidized or "spin-off" development, offset costs that exceed normal development expenses, and promote other community benefits such as quality development design.

The process and application portion emphasize that applications will be required for all types of financial assistance, distinguishing between subsidy and non-subsidy requests. Applications must include an application fee and escrow to cover costs. City staff and financial consultants will conduct reviews and prepare the matter for EDA and City Council consideration. The EDA will evaluate and make recommendations to the City Council, and the applicable governing body will conduct any required public hearing. The policy establishes minimum and desired qualifications and requires agreements for all types of financial assistance. It also provides an option for pre-application review to guide prospective applicants before formal submission.

The document was reviewed and updated by the Economic Development Authority, with both the EDA and City Council required to conduct public hearings on the policy scheduled for this evening, October 13. City staff recommended approval of the policy as presented.

President Gliva opened the Public Hearing.

Motion by Dietrich; Second by T'Kach; to Close the Public Hearing.

Ayes: 5

Nays: 0      Motion Carried.

Commissioner T'Kach emphasized the importance of ensuring that assistance to one business does not set a precedent for others and commended the flexibility that allows staff to evaluate exceptional projects that provide significant community benefits. She then inquired whether the loans offered would be low interest or no interest.

Executive Director Ziemer explained that the loan structure has not yet been finalized but noted that such loans are typically either low interest or no interest depending on how they are arranged. He added that similar programs, such as façade improvement initiatives, have used forgivable loans over a five-year period, provided the business remains in operation. If the business is sold or closes before the term ends, the City would hold a mortgage on the property, requiring repayment of any remaining balance along with applicable interest.

Commissioner T'Kach stated that she believed the policy includes strong protection for the City and expressed her support for the policy as presented.

President Gliva asked for clarification regarding the desired qualifications, noting that their order in the document does not necessarily indicate priority. She confirmed that the intent is for the City to have flexibility to select among them rather than treating the first item as the most important. Executive Director Ziemer confirmed that this interpretation was correct.

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Motion by T'Kach; Second by Scales; to Approve and Adopt a Development and Business Assistance Policy.

Ayes: 5

Nays: 0      Motion Carried.

**6. REGULAR AGENDA**

**A. EDA Executive Director Update.**

Executive Director Ziemer provided an overview and update following the August 11<sup>th</sup> meeting regarding commercial and retail recruitment, outlining progress, next steps, and areas that have required additional attention. He noted that while some higher-priority matters have temporarily shifted focus, significant progress continues on multiple development fronts.

Bids for the Dickman Trail Redevelopment Project were received earlier in the day and came in favorable. The City Engineer is currently reviewing those bids, which will be brought before either the EDA or the City Council on October 27<sup>th</sup> for consideration. In the meantime, he is following up with the developer to address several questions and clarifications related to their construction estimates. The developer recently conducted additional soil borings on the site, and once updated information is available, it will be shared with the EDA. He confirmed that the Dakota County Community Development Agency grant request of \$2,250,000 was fully awarded, the maximum amount available.

Regarding the Highway 52 and Blaine Avenue area, that due diligence work is progressing. Surveying and wetland delineation have been completed, and soil borings, geotechnical testing, and a Phase I environmental study are underway. Survey and platting work revealed some property line gaps and overlaps that are being reviewed by the City Attorney's office to determine appropriate resolutions. Where discrepancies exist between City and Minnesota Department of Transportation property, they are relatively simple to correct; however, those involving private property require additional review. Some of the soil boring sites will require limited tree removal, and adjacent property owners are being notified in advance.

Dakota County has provided comments on the golf course plat, which is currently under review. The County has requested additional right-of-way both south and north of 70<sup>th</sup> Street, adjacent to golf course property owned by the EDA. The northern parcel, currently an outlot, will be addressed at the time of sale and development. The City continues to work with the County to determine the exact footage needed on the south side and whether any impact to existing golf course operations will result, though initial assessments suggest none.

In reference to the 4.25-acre lot, one formal development proposal has been received that would involve the sale of the parcel. Two additional developers have expressed interest and are exploring options, with all proposals expected to be presented collectively to the EDA in early November. He noted that preparations are in progress for the Minnesota Commercial Association of Realtors (MNCAR) Fall Expo on Thursday, November 6<sup>th</sup> from 3 to 7 p.m. Several representatives are expected to attend, and final arrangements for the booth setup and promotional materials are being finalized.

Commissioner Dietrich inquired as to whether the inquiries received for the 4.25-acre lot were all for similar types of developments.

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Executive Director Ziemer responded that all the proposals were residential in nature, though not all were the same type of development.

President Gliva asked whether the listings provided would be kept on hand for use at the MNCAR event. She sought clarification on how detailed the information should be when discussing available properties, such as industrial or commercial spaces, and whether the listings would be helpful for that purpose.

Executive Director Ziemer explained that the information will be valuable during and after the MNCAR event for responding to inquiries and following up with real estate agents and brokers. He stated that it will allow staff to connect interested parties with available properties and provide relevant details on listings and contacts. He added that the City's available properties range from small parcels to large-acreage development sites, offering flexibility to accommodate a variety of development interests.

President Gliva asked whether all the properties have MNCAR listings that can be accessed through a link or if that depends on the ownership of each lot.

Executive Director Ziemer explained that the information was compiled using data from the MNCAR database. He noted that if someone is interested in a property, it is easy to provide a direct link to the listing. He added that only a few of the properties were self-advertised and personally added by him.

Commissioner Dietrich asked when the EDA could expect to receive information on the commercial and retail businesses that have opened since 2024 or are planned to open.

Executive Director Ziemer stated that he has been coordinating with Communications Manager Looze to compile information on recent ribbon cuttings and business openings. He noted that the effort was temporarily delayed due to other priorities but should be finalized soon.

Commissioner Dietrich asked whether the information would be available before the MNCAR event.

Executive Director Ziemer stated that he would make an effort to complete it before the event.

President Gliva agreed and remarked that having the information available would be a helpful point of reference while engaging with attendees and promoting the City.

## **7. CLOSED SESSION**

## **8. NEXT MEETING**

## **9. ADJOURN**

Motion by Scales; Second by T'Kach; to Adjourn at 5:20 p.m.

Ayes: 5

Nays: 0      Motion Carried.

Minutes prepared by Tammy Greenlee, Recording Secretary.

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING  
OCTOBER 27, 2025 - CITY HALL, 8150 BARBARA AVENUE**

**1. CALL TO ORDER**

The Economic Development Authority (EDA) of Inver Grove Heights met in Special Session on Monday, October 27, 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**

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

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

**3. APPROVAL OF AGENDA**

Motion by Scales; Second by Dietrich; to Approve the Agenda after removing 5B, 6A & 6B to be moved to a later date.

Ayes: 5

Nays: 0      Motion carried.

**4. CONSENT AGENDA**

None.

**5. PUBLIC HEARING**

**A. Resolution Regarding Return of TIF Dollars. EDA Resolution 2025-09**

Finance Director Hove provided an overview of the City’s Tax Increment Financing Funds (Decertified TIF District 4-1) and the options for utilizing remaining funds following its decertification. In 1991, the City created TIF District 4-1 pursuant to special legislation to assist with the development of a major regional mall on approximately 120 acres at the southeast corner of Interstate 494 and Highway 52. The property presented development challenges due to difficult terrain and substandard soil conditions. Although the initial Development Agreement with the mall was later terminated, the TIF District remained active.

Over time, the TIF from the district was used to pay debt service on bonds that financed several projects, including the City’s Water Treatment Plant, the Voss-Todd development project, and the Kerasotes-JBM development project. Additionally, funds provided financial assistance for the Blackberry Pointe affordable housing development. All financial obligations associated with these projects have been paid in full. TIF District 4-1 was automatically decertified on December 31, 2019, as required under State Statute.

Two options are available for the remaining TIF funds. The first option is to use the funds to support affordable rental housing developments anywhere in the City. Projects under this option must either reserve 20% of the units for families earning at or below 50% of the median income or reserve 40% of the units for families earning at or below 60% of the median income. The second option is to return the funds to Dakota County for redistribution to the applicable taxing jurisdictions, including the City, County, and School District. Once redistributed, the City could use its portion for any purpose.

In June 2020, the City transferred administrative authority of TIF District 4-1 and its related funding to the City’s Economic Development Authority (EDA) and adopted an Affordable Housing

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Development Program. This program established a loan and grant program intended to provide financial assistance for affordable housing developments using funds available in TIF 4-1 to finance those loans and grants. Resolutions approved by both the City Council and the EDA confirm that the Council may, by resolution at any time before the final expenditure of those funds, determine to return such tax increments to Dakota County for redistribution to applicable taxing jurisdictions. However, since the program's adoption, no affordable housing loans or grants have been approved, and there are no active applications in progress.

If the City chooses to return the funds to Dakota County under Option #2, the redistribution will allocate approximately \$2,411,058 to the City of Inver Grove Heights, \$985,353 to School District 199, and \$947,603 to Dakota County, totaling \$4,344,014. Currently, the City has \$4,344,014 restricted solely for affordable housing purposes. If it decides instead to return these funds to Dakota County, it could then use its returned share estimated at \$2,411,058 for any City purpose once the funds are returned.

Commissioner Scales stated that using the funds for a constructive purpose benefiting the City and its residents would be a prudent decision. This approach would also assist current taxpayers and anticipated that the School District and County would not object. He expressed support for directing the funds toward a positive use rather than leaving them idle.

Commissioner T'Kach asked for confirmation that the request before the EDA was to endorse whatever action the City Council ultimately determines.

Finance Director Hove explained that while the City Council's final decision has not yet been made, the EDA is being asked to indicate its support if the Council decides to move forward with redistributing the funds.

Commissioner T'Kach respectfully disagreed with Commissioner Scales, emphasizing that the City should continue to strengthen its funding for affordable housing in alignment with the Comprehensive Plan. She acknowledged that while recent projects have not advanced, the need for affordable rental housing remains substantial. She opposed redistributing the TIF funds and recommended revisiting the topic during the January Work Session to explore strategies for expanding affordable housing within the City.

President Gliva sought confirmation that the intent was to proceed in accordance with the final decision of the City Council.

Finance Director Hove stated that the Resolution is intended to formally affirm the EDA's support for any redistribution action by the City Council.

Commissioner T'Kach asked whether there were any letters to be read into the public record.

City Administrator Wilson explained that any such correspondence would be presented at the time the City Council takes formal action.

Motion by Dietrich; Second by Scales; to Approve EDA Resolution 2025-09 regarding the return of Tax Increment Financing Funds from TIF District 4-1 to Dakota County.

Ayes: 4

Nays: 1 (T'Kach) Motion carried.

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~~B. Proposed Dickman Trail Redevelopment Project.~~

**6. CLOSED SESSION**

~~A. Closed Session: Discussion of Offer to Sell Real Property.~~

~~B. Closed Session: Discussion of Offer to Purchase Real Property.~~

**7. PUBLIC COMMENT**

**8. COMMISSION AND STAFF COMMENTS**

**9. ADJOURN**

Motion by Scales; Second by Dietrich; to Adjourn at 5:12 p.m.

Ayes: 5

Nays: 0      Motion carried.

Minutes prepared by Tammy Greenlee, Recording Secretary.

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING  
NOVEMBER 3, 2025 - VETERANS MEMORIAL COMMUNITY CENTER, 8055 BARBARA AVE**

**1. CALL TO ORDER**

The Economic Development Authority (EDA) of Inver Grove Heights met in Special Session on Monday, November 3, 2025, in Community Room #3 at the Veterans Memorial Community Center. President Gliva called the meeting to order at 5:00 p.m. The Pledge of Allegiance was recited.

**2. ROLL CALL**

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

Staff In Attendance: City Administrator Wilson, EDA Executive Director Ziemer, and Deputy City Clerk Malott.

**3. APPROVAL OF AGENDA**

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

Ayes: 5

Nays: 0      Motion carried.

**4. REGULAR BUSINESS**

None.

**5. CLOSED SESSION**

**A.** Closed Session: Discussion of Offer to Purchase Real Property.

Motion by Gliva; Second by Scales; to Move into Closed Session pursuant to Minnesota Statute Section 13D.05, Subd. 3(b)(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 and 20-00600-05-010.

Ayes: 5

Nays: 0      Motion carried.

Motion by T’Kach; Second by Scales; to Reconvene in Open Session.

Ayes: 5

Nays: 0      Motion carried.

Motion by Scales; Second by Dietrich; to Approve the Letter of Intent as presented to the EDA to acquire 46.43 acres of real property including 40.93 acres identified as PID 20-00600-05-010 and 5.5 acres from the PID 20-00600-25-015.

Ayes: 5

Nays: 0      Motion carried.

**6. COMMISSION AND STAFF COMMENTS**

**7. ADJOURN**

Motion by T’Kach; Second by Scales; to Adjourn at 5:41 p.m.

Ayes: 5

Nays: 0      Motion carried.

Minutes prepared by Tammy Greenlee, Recording Secretary.

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING  
NOVEMBER 10, 2025 - CITY HALL, 8150 BARBARA AVENUE**

**1. CALL TO ORDER**

The Economic Development Authority (EDA) of Inver Grove Heights met in Special Session on November 10, 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**

Present In-Person: President Gliva; Commissioners Dietrich, Murphy, Scales, and T’Kach (Remote during the Closed Session only).

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

**3. APPROVAL OF AGENDA**

Motion by Dierich; Second by Scales; to Approve the Agenda as Published.

Ayes: 4

Nays: 0      Motion carried.

**4. REGULAR BUSINESS**

None.

**5. CLOSED SESSION**

**A.** Discussion of Offer to Sell Real Property.

Motion by Scales; Second by Dietrich; to Move into Closed Session pursuant to Minnesota Statute Section 13D.05 Subd. 3(b)(3) to Discuss the Sale of Real Property identified by Parcel Identification Numbers 20-17750-06-050, 2017750-06-071, 20-17750-06-090, and 20-01100-27-012 located near Dixie Trail.

Ayes: 4

Nays: 0      Motion carried.

Motion by Scales; Second by Dietrich; to Reconvene into Open Session.

Ayes: 5

Nays: 0      Motion carried.

Motion by Scales; Second by Gliva; to Move into Closed Session pursuant to Minnesota Statute Section 13D.05 Subd. 3(c)(3) to Discuss the Sale of Real Property identified by Parcel Identification Number 20-00800-01-013.

Ayes: 5

Nays: 0      Motion carried.

Motion by Dietrich; Second by Scales; to Reconvene into Open Session.

Ayes: 5

Nays: 0      Motion carried.

**6. COMMISSION AND STAFF COMMENTS**

**7. ADJOURN**

Motion by Scales; Second by T’Kach; to Adjourn at 5:46 p.m.

Ayes: 5

Nays: 0      Motion carried.

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Minutes prepared by Tammy Greenlee, Recording Secretary.



# Budget Report Account Summary

For Fiscal: 2025 Period Ending: 12/31/2025

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
<b>Fund: 290 - EDA-OPERATING FUND</b>							
<b>Revenue</b>							
<a href="#">290.5800.000.4610</a>	Investment Interest-Received	6,000.00	6,000.00	0.00	10,362.72	4,362.72	172.71 %
<a href="#">290.5800.000.4990</a>	Transfers In from Other Funds	177,990.00	177,990.00	0.00	163,157.50	-14,832.50	8.33 %
<b>Budget Detail</b>							
<b>Description</b>							
General Fund-Tax Levy Transfer		Units	Price	Amount			
		1.00	-177,990.00	-177,990.00			
<b>Revenue Total:</b>		<b>183,990.00</b>	<b>183,990.00</b>	<b>0.00</b>	<b>173,520.22</b>	<b>-10,469.78</b>	<b>5.69 %</b>
<b>Expense</b>							
<a href="#">290.5800.000.5000</a>	Wages-Full Time Employees	114,000.00	114,000.00	0.00	15,031.70	98,968.30	86.81 %
<a href="#">290.5800.000.5010</a>	Wages-Non-Benefited Employees	0.00	0.00	0.00	202.05	-202.05	0.00 %
<a href="#">290.5800.000.5030</a>	Employer Social Security	7,100.00	7,100.00	0.00	954.05	6,145.95	86.56 %
<a href="#">290.5800.000.5032</a>	Employer Medicare	1,700.00	1,700.00	0.00	223.12	1,476.88	86.88 %
<a href="#">290.5800.000.5040</a>	Medical Insurance	19,400.00	19,400.00	0.00	0.00	19,400.00	100.00 %
<a href="#">290.5800.000.5046</a>	Insurance-Cash Option	5,100.00	5,100.00	0.00	427.68	4,672.32	91.61 %
<a href="#">290.5800.000.5050</a>	Life Insurance	200.00	200.00	0.00	20.78	179.22	89.61 %
<a href="#">290.5800.000.5052</a>	LTD Insurance	400.00	400.00	0.00	41.73	358.27	89.57 %
<a href="#">290.5800.000.5058</a>	Account Fees-HSA/HRA/FSA	100.00	100.00	0.00	0.70	99.30	99.30 %
<a href="#">290.5800.000.5060</a>	Employer PERA	8,500.00	8,500.00	0.00	1,142.64	7,357.36	86.56 %
<a href="#">290.5800.000.5084</a>	Workers Compensation	600.00	600.00	0.00	550.00	50.00	8.33 %
<a href="#">290.5800.000.5105</a>	Office Supplies	0.00	0.00	0.00	84.10	-84.10	0.00 %
<a href="#">290.5800.000.5160</a>	Small Tools & Minor Equipment	0.00	0.00	0.00	7,090.99	-7,090.99	0.00 %
<a href="#">290.5800.000.5190</a>	Other Supplies	500.00	500.00	0.00	30.74	469.26	93.85 %
<a href="#">290.5800.000.5305</a>	Legal Services	6,000.00	6,000.00	0.00	31,240.75	-25,240.75	-420.68 %
<a href="#">290.5800.000.5310</a>	Professional Services & Contracts	40,000.00	40,000.00	0.00	131,240.96	-91,240.96	-228.10 %
<a href="#">290.5800.000.5330</a>	Ads, Notices & Publications	0.00	0.00	0.00	699.13	-699.13	0.00 %
<a href="#">290.5800.000.5335</a>	Dues, Licenses & Subscriptions	1,000.00	1,000.00	0.00	1,525.74	-525.74	-52.57 %
<a href="#">290.5800.000.5340</a>	Training & Travel	3,500.00	3,500.00	0.00	183.27	3,316.73	94.76 %
<a href="#">290.5800.000.5380</a>	Utility Charges-Storm Water	0.00	0.00	0.00	492.14	-492.14	0.00 %
<a href="#">290.5800.000.5450</a>	Insurance Allocation	400.00	400.00	0.00	366.63	33.37	8.34 %
<a href="#">290.5800.000.5455</a>	City Facilities Allocation	315.00	315.00	0.00	288.75	26.25	8.33 %
<b>Expense Total:</b>		<b>208,815.00</b>	<b>208,815.00</b>	<b>0.00</b>	<b>191,837.65</b>	<b>16,977.35</b>	<b>8.13 %</b>
<b>Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):</b>		<b>-24,825.00</b>	<b>-24,825.00</b>	<b>0.00</b>	<b>-18,317.43</b>	<b>6,507.57</b>	<b>26.21 %</b>
<b>Fund: 291 - EDA-CAPITAL FUND</b>							
<b>Revenue</b>							
<a href="#">291.5800.000.4280</a>	State Grants	0.00	0.00	0.00	67,094.50	67,094.50	0.00 %
<b>Revenue Total:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>67,094.50</b>	<b>67,094.50</b>	<b>0.00 %</b>
<b>Expense</b>							
<a href="#">291.5800.000.5310</a>	Professional Services & Contracts	0.00	0.00	0.00	72,265.00	-72,265.00	0.00 %
<a href="#">291.5800.000.5330</a>	Ads, Notices & Publications	0.00	0.00	0.00	127.60	-127.60	0.00 %
<b>Expense Total:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>72,392.60</b>	<b>-72,392.60</b>	<b>0.00 %</b>
<b>Fund: 291 - EDA-CAPITAL FUND Surplus (Deficit):</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-5,298.10</b>	<b>-5,298.10</b>	<b>0.00 %</b>
<b>Report Surplus (Deficit):</b>		<b>-24,825.00</b>	<b>-24,825.00</b>	<b>0.00</b>	<b>-23,615.53</b>	<b>1,209.47</b>	<b>4.87 %</b>

## Group Summary

Account Typ...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
<b>Fund: 290 - EDA-OPERATING FUND</b>						
Revenue	183,990.00	183,990.00	0.00	173,520.22	-10,469.78	5.69 %
Expense	208,815.00	208,815.00	0.00	191,837.65	16,977.35	8.13 %
<b>Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):</b>	<b>-24,825.00</b>	<b>-24,825.00</b>	<b>0.00</b>	<b>-18,317.43</b>	<b>6,507.57</b>	<b>26.21 %</b>
<b>Fund: 291 - EDA-CAPITAL FUND</b>						
Revenue	0.00	0.00	0.00	67,094.50	67,094.50	0.00 %
Expense	0.00	0.00	0.00	72,392.60	-72,392.60	0.00 %
<b>Fund: 291 - EDA-CAPITAL FUND Surplus (Deficit):</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-5,298.10</b>	<b>-5,298.10</b>	<b>0.00 %</b>
<b>Report Surplus (Deficit):</b>	<b>-24,825.00</b>	<b>-24,825.00</b>	<b>0.00</b>	<b>-23,615.53</b>	<b>1,209.47</b>	<b>4.87 %</b>

### 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	0.00	-18,317.43	6,507.57
291 - EDA-CAPITAL FUND	0.00	0.00	0.00	-5,298.10	-5,298.10
<b>Report Surplus (Deficit):</b>	<b>-24,825.00</b>	<b>-24,825.00</b>	<b>0.00</b>	<b>-23,615.53</b>	<b>1,209.47</b>



**Economic Development Authority  
Staff Report**

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**SUBJECT:** **Approve Termination of Purchase Agreement with Interstate Industrial, LLC.**

**MEETING DATE:** December 8, 2025

**ITEM TYPE:** Consent Agenda

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

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**PURPOSE/ACTION REQUESTED**

Motion to approve a termination agreement with Interstate Industrial, LLC related to the Dickman Trail industrial redevelopment project.

**BACKGROUND**

The Inver Grove Heights Economic Development Authority (“EDA”) entered into a Purchase Agreement (“Agreement”) with Interstate Industrial, LLC (“Developer”) on May 12, 2025 to sell four properties owned by the EDA; said properties are located on Dickman Trail and Dixie Avenue. On September 8, 2025, the EDA approved an extension to the closing date until January 15, 2026. At that time, the Developer was also under contract to acquire the adjacent two properties owned by the McPhillips family; the closing for that agreement was extended to December 20, 2025.

On November 19, 2025, the Developer advised City staff of its intent to no longer pursue the redevelopment project and submitted an agreement to terminate said Agreement. The Developer also advised it would be canceling its purchase agreement with the adjacent private landowner.

The redevelopment project called for the construction of up to three industrial buildings of not less than 27,000 square feet on the six parcels. During an October 24, 2025 meeting, Lonnie Provencher, Developer representative, advised the City Administrator, EDA Executive Director, Mayor and EDA President difficulties with the site, notably the presence of bedrock, would result in them significantly reducing the scope of the development to one, 12,000-square foot building.

The EDA met in closed session on October 27, 2025 to consider the lesser development and potential revised terms of the purchase agreement. EDA members rejected the scaled back development. The Developer was advised of the EDA’s decision; the Developer opted to terminate the Agreement and no longer pursue the development.

**FISCAL IMPACT**

N/A

**RECOMMENDATION**

City staff recommend approval of the termination agreement.

**ATTACHMENTS**

1. Signed\_Termination Purchase Agreement\_Interstate-IGHEDA\_Dickman Trail

**AGREEMENT FOR TERMINATION OF  
PURCHASE AGREEMENT**

**THIS AGREEMENT FOR TERMINATION OF PURCHASE AGREEMENT** (“Termination Agreement”) is entered into and effective as of December 8, 2025 (“Effective Date”), by and between the CITY OF INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY, a Minnesota body corporate and politic (“EDA”), and INTERSTATE INDUSTRIAL LLC, a Minnesota limited liability company and its assigns (“Buyer”). EDA and Buyer are sometimes collectively referred to herein as the “Parties” and individually as a “Party.”

RECITALS

**WHEREAS**, EDA and Buyer entered into that certain Purchase Agreement effective as of May 12, 2025 (“Purchase Agreement”) under which EDA had agreed to sell to Buyer, and Buyer had agreed to purchase from Seller, Seller’s right, title and interest in and to certain real property located in Inver Grove Heights, Dakota County, Minnesota, as more particularly described therein (“Property”); and,

**WHEREAS**, pursuant to Section 4.4 of the Purchase Agreement, Buyer’s obligation to proceed to Closing and consummate the transaction contemplated thereunder is expressly and specifically conditioned upon, among other conditions, Buyer’s purchase of the Trucking Parcels, as more particularly described therein (“McPhillips Purchase Contingency”); and,

**WHEREAS**, pursuant to Section 14.1 of the Purchase Agreement, if the McPhillips Purchase Contingency is not satisfied, Buyer shall have the right to terminate the Purchase Agreement, in which event the Title Company shall immediately disburse the Earnest Money to the Buyer; and,

**WHEREAS**, Buyer has elected not to purchase the Trucking Parcels, and therefore the McPhillips Purchase Contingency has not been satisfied and Buyer is no longer obligated to purchase the Property under the Purchase Agreement; and,

**WHEREAS**, the Buyer desires to terminate the Purchase Agreement in accordance with Section 14.1 of the Purchase Agreement; and,

**WHEREAS**, EDA consents to said termination and shall authorize the Title Company to return Earnest Money to Buyer in accordance with Section 14.1 of the Purchase Agreement.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants between the Parties herein contained, EDA and Buyer agree as follows:

1. **Termination of Agreement.** Buyer and EDA hereby mutually terminate the Purchase Agreement. Buyer agrees and declares that Buyer shall not proceed to Closing and shall not purchase the Property and Buyer hereby releases all rights to the Property. Neither Buyer nor EDA shall have any further rights or obligations under the Purchase Agreement, except to the extent such rights expressly survive termination of the Purchase Agreement.

2. **Title Company Instructions.** The Title Company is hereby instructed to terminate the Purchase Agreement under its general file number and to immediately release the entire Earnest Money to Buyer.

3. **Release.** Buyer and EDA each release the other and its members, owners, partners, agents, representatives, heirs, successors and assigns from all further obligation to buy, sell or exchange the

Property under the Purchase Agreement or otherwise and from all existing and future, known and unknown causes of action, claims, demands, liabilities and losses of every kind and nature, including, without limitation, claims for breach of contract, fraud, misrepresentation, reliance, and attorney fees, each may have against the other arising out of or related to the Purchase Agreement.

4. **Authority.** Each Party guarantees, warrants and represents that it has the full authority and capacity to enter into this Termination Agreement and to make the covenants and warranties contained herein, and the representative of each Party executing this Termination Agreement has the full and complete authority of its principal.


5. **Entire Agreement.** This Termination Agreement expresses the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior written or oral understandings and agreements between the Parties, except to the extent such prior agreement expressly survives the termination of the Purchase Agreement. No provision of this Termination Agreement may be modified, waived, or terminated except by instrument in writing executed by the Parties.

7. **Capitalized Terms.** Capitalized terms used, but not defined, herein, shall have the meanings given them in the Purchase Agreement.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, EDA and Buyer have executed this Termination Agreement to be effective as of the Effective Date.

**BUYER:**  
**INTERSTATE INDUSTRIAL LLC**

By:  \_\_\_\_\_  
Lonnie Provencher

Its: President

**EDA:  
CITY OF INVER GROVE HEIGHTS  
ECONOMIC DEVELOPMENT AUTHORITY**

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Sue Gliva, EDA President

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Jason Ziemer, EDA Executive Director



**Economic Development Authority  
Staff Report**

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**SUBJECT: Update Regarding the Highway 52-Blaine Avenue Properties Due Diligence Work**

**MEETING DATE:** December 8, 2025

**ITEM TYPE:** Regular Agenda

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

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**PURPOSE/ACTION REQUESTED**

The EDA is asked to receive an update regarding the continued development exploratory work of City-owned land along Highway 52.

**BACKGROUND**

On June 9, 2025, the Economic Development Authority (“EDA”) authorized City staff to engage Alliant Engineering to proceed with due diligence work of City-owned property adjacent to Highway 52. The work has two objectives: 1) determine the development potential of the land east of Highway 52 and adjacent to Blaine Avenue, and 2) replat the land west of Highway 52 into one parcel for McGroarty Park.

The scope of approved work included: boundary, topography and ALTA surveys; tree inventory; wetland delineation; and preliminary plat and final plat; the cost was stated as \$38,965. In August, the EDA gave direction to proceed with hiring Braun Intertec to completed soil borings, geotechnical analysis and report, and Phase 1 Environmental Site Assessment (“ESA”); the estimated to cost for that work was up to \$35,000.

All survey work, wetland delineation and soil boring work is complete; the geotechnical report has also been received. Work continues on the Phase 1 ESA. The survey work identified small lot boundary conflicts – “gaps and overlaps” – between City land and the adjacent private properties; most were next to McGroarty Park. As those issues create title conflicts, those issues need to be resolved before we can go to Preliminary and Final Plat.

The swiftest correct to the overlaps is for the City to quit claim deed those areas to the benefit of the adjacent property owners. These deeds have been prepared and will be presented to the City Council on December 15, 2025. The City Attorney’s office continues to research the small gap between City and a private property. The goal is to identify the owner(s) and request them or their heirs to sign a quit claim deed. If that is not possible, the City will need to engage a quite title action to resolve this.

Future Plat

Although we are not yet ready to plat, City staff are considering a four-lot plat, creating one larger lot for McGroarty Park versus the current three independent parcel areas; one lot City lot for stormwater purposes; and two lots on the east side of Highway 52 for development. Plat work will not likely

commence until early 2026.

### Soil Boring Results

A major question is whether the two parcels between Highway 52 and Blaine Avenue are conducive to development. A total of 12 soil boring locations were identified and samples taken from. The results, as stated in the Braun report, find that the site “appears suitable for development” with the most suitable land being the northern parcel. The report indicates soil corrections are likely necessary given the presence of organics in the soils. Minimal groundwater was encountered at the different test sites, except for near the large wetland complex on the southern property. As this work was intended to provide a high-level overview of development suitability, the report does identify that additional geotechnical work will be necessary at the time of development when specific building locations and other design aspects are finalized. However, the report does provide for site grading and subgrade preparation, stormwater and other typical development items.

This information may be helpful with decisions as how the two parcels east of Highway 52 will be replatted. For example, it may make sense to plat land not conducive to development by itself and stay in City ownership. This would allow the City to have a larger property available for development and likely more attractive to a prospective developer.

### Next Steps

With this work complete, the EDA can start considering an outcome with the developable land. One thought is to hire an appraiser to help determine a potential market price to help set a potential sale price. We can also start looking at how we market the land availability. If the intent is to entice development, we will likely need to discuss a change in land use and zoning; the land is currently guided and zoned for office uses.

### **FISCAL IMPACT**

N/A

### **RECOMMENDATION**

No action is recommended at this time.

### **ATTACHMENTS**

None



**Economic Development Authority  
Staff Report**

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**SUBJECT: Update on 2025 EDA Budget and Related Projects**

**MEETING DATE:** December 8, 2025

**ITEM TYPE:** Regular Agenda

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

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**PURPOSE/ACTION REQUESTED**

The EDA is asked to receive an update regarding the 2025 EDA budget and related projects.

**BACKGROUND**

The adopted 2025 budget for the Economic Development Authority (“EDA”) is \$208,815, which is broken down by Personnel (\$157,100), Supplies (\$500) and Charges for Service (\$51,215). The Personnel budget includes an allocation of 10% of the Community Development Director wages and benefits, to cover service as the EDA Executive Director, plus funding for an unfilled full-time economic development staffer. The EDA has historically used funding for that unfilled position, in addition to the approved professional services funding, to fund identified priorities and projects. For example, previous consulting services provided by Krueger Real Estate Advisors (KREA) were paid for by funding available through the unfilled position.

Throughout this past year, expenditures authorized by the EDA have included:

- a limited scope contract with KREA;
- concept work on a potential curling center;
- survey and plat work related to EDA-owned properties on Dickman Trail and adjacent to the golf course;
- survey, plat and development readiness work on City-owned land adjacent to Highway 52.

Additionally, recent work has been focused on a prospective event and entertainment commercial development in the NWA and having a booth at the MNCAR expo last month, which was an unbudgetted expense. Lastly, the EDA has also incurred legal expenses specific to some of the projects listed above.

Initially, these items all fit into the overall adopted budget. However, recent work on the prospective development in the NWA has resulted in costs in excess of the adopted budget. As the commercial development has shifted from concept to more reality, the EDA has incurred and is continuing to incur expenses for legal, financial, planning and engineering consulting services. Much of that work has not yet been invoiced. As of today – based on current expenses, remaining contract balances to be billed, and invoice estimating – the 2025 EDA budget is projected to be overspent by \$13,000. It is possible this number will exceed \$30,000.

This is an informational item at this time, however, staff wants the EDA/Council to be aware of the

likely need for a budget amendment once all invoices have been received. Funding for the anticipated budget amendment would come from the EDA's fund balance, which is currently estimated at approximately \$360,000.

**Major Project-by-Project Breakdown**

Project	Budget	Billed Expense
<b>Commercial Recruitment</b>		
Krueger Real Estate Advisors	\$16,250	\$13,500
<b>Architectural Services – Curling Center</b>		
Jeffrey Agnes	\$5,000 + Reimbursables	\$5,142.30
<b>Survey &amp; Plat – Dickman Trail Lot &amp; Golf Course Lot</b>		
Alliant Engineering	\$41,044	\$37,064.25
<b>Surveying, Platting, Soil Borings / Geotech &amp; Environmental – Highway 52-Blaine Avenue</b>		
Alliant Engineering	\$64,775*	\$37,130.91
<b>MNCAR Fall Expo – Booth, SWAG &amp; Giveaways, Flyers &amp; Supplies</b>		
Various Vendors	\$10,000	\$10,480.74
<b>Event &amp; Entertainment Commercial Development</b>		
Loucks	\$29,000	\$29,000.00
Kennedy & Graven	---	\$6,355.50
Ehlers	---	\$1,677.50
Dakota County	---	\$126.00

*Note: Estimated outstanding invoices for legal and financial services are \$12,000; not included above. Loucks also has a pending invoice for work tied to the MOU and purchase agreement.*

**FISCAL IMPACT**

See above.

**RECOMMENDATION**

This is an informational item at this time, no action is requested.

**ATTACHMENTS**

None