

**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.