

**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.