INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION
MONDAY, MARCH 2, 2026, 6:05 P.M. – 8150 BARBARA AVENUE

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, January 12, 2026, in person. Acting Mayor Murphy called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Council Members: Gliva, Murphy, T'Kach, and Scales
Remote Attendance: Mayor Dietrich (Present for only session in Community Room #1)
Staff In Attendance: Interim City Administrator Hiniker, Finance Director Hove, Public Works Director Connolly, Chief Chiodo, Parks and Recreation Director Lares, Community Development Director Ziemer, City Attorney Nason, Utility Superintendent Kramer, Sergeant Winget, Investigator Malcom, Officer DeRosier, Officer Steinberg, and Deputy City Clerk Malott

Motion to Recess and reconvene in Community Room #1 by T'Kach, second by Scales.
Ayes: 4
Nays: 0 Motion carried.

Motion to Reconvene meeting in Community Room #1 by Scales; Second by Gliva.
Ayes: 5
Nays: 0 Motion carried.

3. APPROVAL OF AGENDA:

Motion to approve agenda by Scales; second by T'Kach.
Ayes: 5
Nays: 0 Motion carried.

4. DISCUSSION ITEMS:

A. Minnesota Hockey Hall of Fame Development Update

Community Development Director Ziemer stated that the Minnesota Hockey Hall of Fame (MNHHOF) Development Project includes several discussion topics, including an overview of the MNHHOF and a development rewind from the beginning to the present. He noted that updates and next steps address Development & Planning, Parks & Recreation considerations, Site & Public Improvements, Funding & Financing, and Legislative efforts. Additional items include decision timelines and Council discussion points, including initiating schematic (30%) civil plan work and reviewing a draft Pre Development Agreement.

The development rewind outlines the process leading to the MNHHOF project. The site selection process began with the initial MNHHOF meeting on September 18, 2025, followed by the Site Purchase Agreement on December 8, 2025, and the public announcement on December 17, 2025. The Purchase Agreement totals $8,740,200. Due diligence was authorized on January 26, 2026 and includes surveys (ALTA & Topo) estimated at $27,000 beginning February 9 and completing March 20, a tree inventory estimated at $5,500 beginning February 9, a Phase 1 ESA estimated at $3,800 beginning February 10 and completing March 6, and soil borings and geotechnical work estimated at $27,000 beginning March 9 and completing April 17. The estimated total for these due diligence activities is $63,300.

The development rewind also includes plans to provide a development ready site. This includes acquiring land totaling 46.43 acres, including approximately 5.5 acres of right of way. Site and civil work will include mass grading, constructing roads and parking, and installing utilities. Specific elements include site grading and excavation, an internal road and parking lot, Argenta Boulevard and Vikings Parkway extensions, and installation of water, sanitary sewer, and stormwater infrastructure. The project also includes relocating overhead power lines. The total updated public investment for these improvements is $18,754,175, which includes land acquisition but excludes overhead power line relocation.

Current target timelines and decisions related to the project include completion of due diligence items such as surveys by March 20, the Phase 1 ESA draft by March 6, and soil borings and geotechnical work by April 17. The legislative session addressing potential State appropriations is currently underway and is scheduled to end May 18. The Purchase Agreement includes earnest money provisions where $100,000 becomes non-refundable on July 1, with a review planned in June. The land transaction closing date is October 31, with another review also planned in June.

Planning and development activities include land use and development applications. The Comprehensive Plan Amendment was approved February 23, 2026, and sent to the Metropolitan Council, amending the 2040 Plan for the area from Office to Mixed Use. Future applications will include a Concept or Sketch Plan, Rezoning, Planned Unit Development (PUD), a Preliminary Plat, and a Final Plat.

Council Member Murphy asked how the potential bonding request was split.

Director Ziemer stated that the potential bonding request includes $20 million for the Hockey Hall of Fame and $5 million for the City.

Parks and Recreation Director Lares explained that, consistent with other development projects, park dedication is typically required through either land or cash and that the same expectation would apply to the MNHHOF development as it advances.

He noted that the proposed development could affect operations at the VMCC, particularly ice utilization and revenue. The Community Center currently operates 2 sheets of ice with approximately 1,200 hours of available ice each season. If the MNHHOF project includes 1 or more additional sheets of ice nearby, it could affect demand for the City's existing ice time and impact partnerships with youth associations and other agencies that help support capital investments and cost recovery for the facility. While additional ice is needed in the region and opportunities may exist for collaboration on tournaments, leagues, and programming, potential long-term revenue and operational impacts should be considered, particularly as the City prepares for future capital projects such as the anticipated arena compressor conversion.

Public benefit was also identified as an important consideration. If public funding supports the development, discussion should include how residents and community programming could access the arena and event space, including whether reduced rate or no cost use opportunities should be incorporated into future agreements.

Council Member Scales inquired about the current level of utilization of the facility.

Director Lares stated that the west rink is currently being removed to prepare the space for turf due to a facility issue with the mechanical unit. During the hockey season, the facility typically operates at approximately 98% to 100% capacity, reflecting strong demand for ice time in the community and surrounding area.

The City currently maintains partnerships with youth associations and other agencies that help support capital needs at the VMCC. If the MNHHOF development were to add additional sheets of ice, potentially creating about 1,200 additional hours of billable ice time nearby, those partners could shift their use to that facility, which could impact existing partnerships and operations.

The arena is currently operating near cost neutral. However, the facility is operating without certain key arena positions, and adding those positions would likely move operations beyond the break-even point.

Council Member Murphy asked for clarification on what positions were being referenced, specifically asking whether they related to marketing roles.

Director Lares clarified that the positions referenced were full time operational roles, not marketing positions. Facilities of this size typically include a dedicated arena manager responsible for overseeing day to day operations.

Currently, those responsibilities are handled through a hybrid approach across the entire 200,000 square foot facility, which places limits on staff capacity and can affect user experience and customer service. The facility is operating with limited staffing resources and is managing operations as effectively as possible.

Adding a dedicated arena manager position would increase operating costs and move the facility beyond its current break-even status. While rates have been adjusted in recent years to better align with the market, the facility must balance revenue generation with maintaining affordable access for local associations and residents.

Council Member Murphy stated that while supply and demand are well understood, there appears to be a shortage of indoor ice in the region, which may limit the development of some programs. He noted that the City also experiences cooling challenges with its second sheet of ice and must continue to navigate those issues. He suggested that during future discussions, information from other cities could be reviewed to better understand comparable facilities and conditions that may serve as a study reference.

Director Lares stated that local hockey associations within a 5-to-10-mile radius are seeking additional ice time. Historically, capital improvements at the VMCC arena have been supported through partnerships with surrounding agencies that commit to guaranteed ice hours in exchange for contributing to capital projects.

The anticipated 2029 compressor conversion project is estimated at approximately $4.5 million. The addition of 1 or more sheets of ice associated with the MNHHOF development could create an additional 1,200 to 2,400 hours of billable ice time nearby. If surrounding agencies shift their use to that facility, it could reduce the City’s leverage in securing future partnership contributions toward capital improvements.

Council Member T'Kach asked whether the refrigeration was an issue and inquired about the timing of existing contracts with partner organizations that may contribute toward the anticipated $4.5 million project.

Director Lares stated that the City recently entered into a 10-year agreement with the local youth hockey association, which is expected to run through approximately 2035. A previous partnership with the City of Rosemount that supported capital investments is scheduled to expire at the end of 2028.

The City's Capital Improvement Plan identifies 2029 for the arena compressor conversion project, currently estimated at $4.5 million. With projected increases of 2% to 4% annually, the cost could approach $4,870,945 to $5,264,364. The addition of new ice sheets associated with the MNHHOF development could affect future partnerships and revenue if surrounding associations shift their ice usage.

Council Member T'Kach asked how the proposed event space might compete with the event space currently available at the City facility and noted that some events such as worship services, weddings, and receptions could potentially be held there.

Director Lares responded that the potential impact would likely be small. The proposed event space would likely be designed for larger or more formal events, while the City facility primarily supports youth programs and community activities that would continue to be hosted locally. There may also be opportunities to work within an agreement that allows the Parks and Recreation Department access to the space for certain programming. While he could not speak to the fees that the MNHHOF may charge, he noted there appears to be sufficient market demand and the facilities would not be directly competing. He added that if City residents are investing in the project, it would be beneficial to explore opportunities for public access to the space at a free or reduced rate.

Council Member T'Kach stated that the discussion was focused on the development agreement and identifying the key issues the Council wants to ensure are addressed moving forward.

Director Lares agreed and stated that these are items that should be considered to ensure all potential impacts are reviewed. He noted that the impacts are not necessarily negative but rather issues that should be thoughtfully worked through as the project moves forward.

Site and public improvements include civil plan work and construction necessary to provide a development ready site. Estimated civil work includes construction, soft costs, and contingency based on a high-level concept analysis rather than detailed design. Construction is estimated at $6,966,242, contingency at 15% totals $1,044,938, and soft costs at 25% total $2,002,795, resulting in total estimated civil work costs of $10,013,975. Additional development ready work includes relocation of overhead power lines coordinated with Xcel Energy.

Overhead transmission line work includes several identified steps and estimated timelines. These include exploring alternative location options over approximately two to three months through May 2026, selecting a location and providing a scoping estimate in June 2026, commencing detailed design in June 2026, and starting construction in Summer 2027. Temporary relocation of overhead utilities may be required to allow development to proceed.

Council Member T'Kach asked whether relocating the lines would require public utility approvals from Xcel Energy, whether any public comment or similar considerations would be required, and whether cost estimates have been identified.

Director Ziemer responded that based on experience working with Xcel Energy on similar projects, relocating power lines typically does not require review by the Public Utilities Commission. Instead, Xcel determines how and where to locate its facilities, and the City or developer works directly with the utility to coordinate the relocation. He noted that Public Utilities Commission involvement generally occurs only when issues related to rates or changes in service territory are being considered.

Director Ziemer stated that during the initial discussion with Xcel Energy, relocating the transmission lines from overhead to overhead was estimated to cost approximately $1.5M. He noted that placing transmission lines underground would be significantly more expensive and is likely not a feasible option. As part of the next step, potential alternative locations would be identified along with options for overhead or underground placement and the associated costs.

Funding strategy for the Minnesota Hockey Hall of Fame includes development costs and financing assumptions. The County estimated assessed value for the development is $34,600,000 with a potential taxable value of $23,850,000, assuming the ice arena is not taxable. Estimated annual property taxes are projected at $775,000 for the taxable area, compared with current property taxes of $2,884.

Interim City Administrator Hiniker asked to confirm whether the $775,000 estimated are the total annual property taxes generated would be divided among multiple jurisdictions.

Director Ziemer confirmed that the total annual property tax amount referenced would be distributed among the State, County, City, and School District.

Council Member T'Kach asked what portion of the total property taxes would be received by the City.

Director Ziemer responded that the distribution is often roughly a third, a third, and a third among jurisdictions. He noted that the estimate had not been broken down to that level of detail.

The total development estimate for the project is $147,754,175, which was revised down from the original estimate of $151,000,000. Funding sources include $43,000,000 from the developer, $66,000,000 from MNHHOF fundraising, $20,000,000 from State funding, and $18,754,175 from the City of Inver Grove Heights which includes land acquisition of $8,740,200. Site and civil work totaling $10,013,975 that includes mass site grading to create a development ready site, internal roads and parking areas, public roadway extensions, public utilities and stormwater facilities.

Land acquisition totaling $8,740,200 has a plan to close on or before October 31, 2026, and could be reimbursed through City bonding. Funding sources include $4,000,000 from the Host Community Fund, $2,400,000 from the Closed TIF Fund, $340,200 from the City Properties Fund, and a $2,000,000 Central Equipment Interfund Loan.

The funding structure includes site and public improvements totaling $10,013,975 and repayment of the $2,000,000 interfund loan. Estimated City bonding through a debt levy totals $12,950,000, with $5,000,000 anticipated from State GO Bonds, resulting in a potential net bonding debt levy of $7,013,975.

Property tax impacts associated with the project include total project debt of $12,950,000 with an average annual debt levy of $1,122,844. For residential property with a median estimated market value of $362,200, the estimated property tax impact is $64.63. For commercial property with an estimated market value of $400,000, the estimated property tax impact is $85.73.

Grant funding opportunities include the Minnesota DEED Host Community Grant. Fiscal Year 2025 funding of $415,625 would support schematic civil plan design at 30%. Fiscal Year 2026 funding of $337,250 would support development design up to 70%. Fiscal Year 2027 funding of $337,250 would support final civil plans at 100%. Additional grant opportunities may also be explored.

Council Member Scales asked whether those funds could only be used for economic development purposes.

Director Ziemer stated that the City would be responsible for spending those funds and could not provide them directly to the developer.

Council Member T'Kach asked whether the development agreement or financial discussions would include any reductions in utility fees, TIF, or other incentives during the early years of the project, noting that similar incentives have been used with developers in the northwest area.

Director Ziemer stated that at this point there have been no specific discussions with the development team regarding reductions or assistance with development fees, and that the expectation is that the developer would pay the fees associated with the project. He noted there have been some early conversations about whether tax abatement could be considered, including whether it might help stabilize the project in its early years or support public improvements related to the site. However, he stated that this concept has only been discussed at a preliminary level and has not been explored further or evaluated in detail.

Council Member T'Kach asked what would occur if the City does not receive the $5M requested from the legislature and how that would affect the project costs and potential impacts to commercial or residential property owners.

Director Ziemer stated that if the City does not receive the GO bonds from the State, the estimated levy would be approximately $12.9M. He noted that the levy amount would decrease if State funding were received.

Council Member T'Kach stated that the same question would apply to the $20M figure and expressed concern about the overall project cost, noting that she had previously understood the project to be approximately $70M and asked whether the current total was now closer to $147M.

Mike Breese, Consumer Science North (CSN), developer, explained that the previously referenced $70M estimate reflected only the cost of the museum and event space and did not include the rink. The rink was originally planned as a second phase but based on a market study conducted by Gallagher and feedback from the hockey community, it was determined that the rink should be constructed at the same time to support the project's sustainability. The $70M estimate covered approximately 93,000 sq ft for the museum and venue. The rink component adds approximately

$51M, and an additional $20M is associated with land and infrastructure that would be provided by the City, resulting in the current overall project estimate.

Council Member T'Kach referenced a prior work session discussion regarding the use of the Host Community Fund and the interloan fund. She asked whether there would be a mechanism for the City to repay the $4M from the Host Community Fund if those funds were used, or if using those funds would simply reduce the balance. She also asked whether the Council could consider using cash on an interim basis to close on the land.

Director Ziemer explained that if the City used cash to purchase the land and later wanted to replenish the Host Community Fund or other funds, the repayment mechanism would be through bonding. He noted that the amount used in cash could be added to the debt levy and repaid over time through the City's annual levy. As an example, adding approximately $6.7M to the previously discussed $12.9M levy would result in a total bond amount of about $18M.

Council Member Gliva stated that during prior discussions the Council had agreed that using the $4M from the Host Community Fund was sustainable and would not need to be repaid. She added that this approach was intended to keep the bond levy at a more reasonable level and noted that the Council had already discussed this previously.

Council Member T'Kach stated that the idea of repaying the funds had been discussed as a possibility during a prior work session and noted that it had not yet been formally addressed. She added that either approach would still involve the use of City funds.

Council Member Gliva stated that repaying the funds through bonding would increase the bond amount which would result in higher taxes for residents.

Council Member T'Kach asked whether there was another method, other than bonding, to replenish the Host Community Fund

Council Member Scales stated that the funds could be used to support economic development in a way that best serves residents and noted that this would include repaying the interfund loan.

Director Ziemer noted that the $12M estimate includes repayment of the interfund loan.

Andrew Heydt, President of the Minnesota Hockey Hall of Fame noted that he is leading the project along with CEO Natalie Darwitz and Amy Hamilton on the hockey side. Michael Breese also introduced himself as Chief Real Estate Officer for Consumer Science North, and Chris Winkler introduced himself as CEO of Consumer Science North.

The development structure includes participation by both a developer and a non-profit entity. CSN IGH 1, LLC will serve as the developer and provide financing and equity totaling $43,000,000. The MNHHOF organization will serve as the non-profit entity responsible for private fundraising, corporate sponsors, and naming rights totaling $66,000,000, along with pursuing State Legacy and Heritage grants. Corporate sponsorship opportunities include multiple tier levels such as Title, Platinum, Gold, Corporate, Restaurant, and Activation elements with branded opportunities including the facility, ice arena, performance venue, museum, exhibit wing, banquet suites, museum theater, taproom, bar and grille, jersey wall, and multimedia elements. The corporate sponsorship goal is $60,000,000.

Council Member Scales asked whether the project team feels confident about their fundraising progress.

Heydt responded that the team feels positive about fundraising efforts. He noted that while the project centers on the Minnesota Hockey Hall of Fame, it is also intended to highlight communities across the State. He added that many corporate companies and brands throughout Minnesota have shown interest in being associated with the project, viewing the rink, multipurpose spaces, banquet areas, restaurants, and entertainment components as opportunities for marketing visibility and brand exposure.

Council Member Scales asked when the project team would provide an update to the Council on the overall progress of the project.

Heydt responded that the project team plans to continue providing updates as key milestones occur. He noted that Greiner Mortenson has been announced as the general contractor and that two additional announcements are expected within the next 30 days, with the Council being informed prior to those announcements. He explained that the approach is part of a broader public relations and marketing strategy intended to maintain momentum and build community awareness as the project moves closer to construction. He added that efforts include engaging corporate partners, high net worth private donors, and broader community initiatives such as the Founders Puck Wall campaign, which allows individuals to participate in supporting the project. He concluded that the team feels positive about the project's progress at this time.

Council Member T'Kach asked whether some of the commitments being discussed are structured as 10-year commitments.

Heydt responded that each partnership agreement is structured differently. He noted that the $66M fundraising goal assumes a 10-year term, although some partners may contribute funds upfront or commit to shorter terms with larger initial contributions.

Council Member T'Kach asked what level of funding commitments would need to be secured in writing before construction begins.

Heydt stated that the project team is focused on securing commitments ahead of the July 1 timeline related to earnest money. He noted that meetings with potential partners are ongoing and that recent discussions have resulted in verbal commitments, with additional meetings scheduled. Heydt stated that each partnership will vary but emphasized that the July timeline is a key milestone for the project.

Council Member T'Kach referenced the goal of securing $60M by July.

Legislative initiative efforts include initial State funding requests totaling $25,000,000. This request includes $20,000,000 in cash appropriations for MNHHOF and $5,000,000 in GO Bonds requested for the City.

Council Member T'Kach asked whether the City would have long term ownership or maintenance responsibilities for the parking lot.

Director Ziemer stated that the parking lot would be addressed through future user agreements and would be included as part of the land conveyance that the City would ultimately have as part of the project.

Lobbyist Katy Sen introduced herself and explained that her firm has represented the City of Inver Grove Heights at the Capitol for approximately 10 years and works on a variety of legislative issues, noting that the Minnesota Hockey Hall of Fame request is a top priority this session. She explained that the current legislative session is a non-budget year in Minnesota, meaning the two-year State budget was adopted last year and the focus this year is typically on bonding. The House is evenly split between Democrats and Republicans, and the Senate has a one seat DFL majority, making bipartisan support necessary to pass legislation. Bonding bills require a two thirds majority vote, so bipartisan support is always required. General obligation bonds from the State function as an appropriation to the City and do not require repayment by the City.

She also reviewed the February budget forecast, which showed a surplus in the current two-year budget cycle, and an improved outlook compared to the November forecast. However, spending is still projected to outpace revenues over time, which is making legislators cautious about approving new spending. One time spending such as bonding or limited cash appropriations may still be considered. The session is short and fast paced, ending May 18, and lawmakers must determine within a few months whether to pursue bonding, supplemental spending, tax changes, or other legislation.

She noted that the legislative environment has also been shaped by several significant events and policy debates that are drawing attention and could make bipartisan negotiations more challenging. Despite these factors, there has been strong legislative interest in the MNHHOF proposal because of its potential statewide and regional impact and Minnesota's strong connection to hockey. State funding requests are often evaluated based on whether a project provides benefits beyond the local community. She added that the City's legislative delegation has expressed interest in the project and is asking detailed questions as part of the process of potentially authoring the bill. Projects involving City infrastructure are often well suited for bonding bills, while cash requests for nonprofit related components can be more challenging but are still possible for significant projects.

Director Ziemer stated that discussions with legislators indicate bipartisan interest in the project. He noted that both DFL and GOP members have expressed interest in the request and are willing to serve as sponsors and co-sponsors of the bill, which he described as a positive development.

Lobbyist Katy Sen explained that the next step is for the bill request to receive hearings in both the House and Senate. She noted that the legislature typically combines individual project requests into one large omnibus bonding bill. The key decisions on which projects are included are made by the Republican and Democratic chairs and leads in both chambers. She added that discussions have been ongoing with those leaders to gauge interest and that many were waiting for the recent budget forecast to better understand how it might influence the size of the bonding bill and the availability of cash funding.

Council Member Murphy asked if there is a timeline for when the bill could receive a hearing.

Lobbyist Katy Sen responded that a timeline for the hearing has not yet been established. She explained that the bonding committees are currently reviewing the Governor's bonding recommendations and have not yet begun hearings on specific bills. She added that there is a commitment that the bill will receive a hearing, noting that tax and bonding committees typically move more slowly and often take up their bills later in the legislative process.

Council Member Gliva asked whether there is a possibility that the legislature could decide to provide partial funding.

Lobbyist Katy Sen responded that partial funding is a possibility. She noted that the project team has been preparing for the possibility that the legislature may not provide the full requested amount and may instead ask what level of funding would still allow the project to move forward. She explained that legislators typically prefer to fund projects that can proceed rather than allocating funds that may remain unused. She added that the GO bond portion related to City improvements and site preparation could potentially move forward if partial funding were provided, while discussions would continue regarding how to advance the broader project.

Council Member T'Kach asked whether discussions have occurred regarding how the City and project partners would respond if the legislature were to ask what level of partial funding could still allow the project to proceed.

Heydt stated that the team has reviewed several potential scenarios and remains hopeful that the full funding request will be received. He noted the $20M State request represents less than 13% of the overall project cost and that most funding will come from private and local sources. If the State provides less funding, alternatives could include phasing the request over multiple years or identifying additional funding sources.

Council Member T'Kach asked whether it would be possible for the City to prioritize the $5M GO bond request while continuing to support the overall project.

Lobbyist Katy Sen responded that this approach has been discussed with the Minnesota Hockey Hall of Fame team and there is agreement that the $5M GO bond request for City site preparation would likely be the priority since that work must occur before other elements of the project can proceed.

Council Member T'Kach asked whether the City could receive partial GO bond funding this year and return in a future session to request the remaining amount, noting it could delay site preparation.

Lobbyist Katy Sen responded that phasing funding for large projects is not unusual and that receiving some funding in the current session could position the City to request additional funding in a future session. She noted that requesting the full amount helps set expectations with legislators, even if the final allocation is smaller. She added that it may be difficult to secure smaller amounts unless the City can demonstrate that the funds would be used in the near term, such as for site preparation. She also cautioned that the current legislative environment and limited funding could make the bonding process more challenging this year.

Council Member T'Kach asked whether funding contingencies would be addressed in the development agreement if the $5M GO bond funding is not received, noting that securing resources is an important part of moving the development forward.

Director Ziemer stated that the pre-development agreement could include triggering mechanisms that outline when certain actions would occur, such as if the City receives State bond funding. He explained that these triggers would help define the obligations of each party and determine when specific steps in the project would move forward.

Council Member T'Kach asked whether the agreement could include flexibility in timing if either party does not receive expected funding.

Director Ziemer stated that if funding is not received, all parties would need to reassess the project and determine how that would affect the project scope and timeline moving forward.

Council Member Scales asked whether the City would know about the GO bond funding before July 1.

Lobbyist Katy Sen responded that the legislative session is scheduled to end on May 18, so the City would likely know the outcome before July 1. She noted that while the legislature can enter a special session, it is unlikely.

Council Member Scales stated that the City should know the outcome before the deadline to decide.

Director Ziemer stated that the July 1 deadline in the purchase agreement was established in part to align with the expected timing of the legislative decision.

Mayor Dietrich thanked Lobbyist Katy Sen and noted that legislators she has met with have been supportive of the project.

The predevelopment agreement will establish the framework for the project. The agreement will be with CSN IGH 1, LLC as the developer and will identify general terms and obligations for both the City and the developer related to the MNHHOF development. The agreement will allow both entities to continue forward on certain aspects of work and will establish requirements for future agreements and other contractual items.

Anticipated City obligations include purchasing the land and conveying development property, while retaining certain parcel areas for future development. The developer has expressed interest in negotiating the purchase of retained land in the future. The City will complete platting requirements for development, consider public financial assistance for development, and construct site and public improvements including mass site grading, internal roads and parking areas, public roadway extensions, and public utilities and stormwater facilities.

Council Member T'Kach inquired about the nature of the public financial assistance.

Director Ziemer stated that if public financial assistance is requested, the applicant would apply for evaluation, and the request would ultimately come before the City for consideration.

Anticipated developer and MNHHOF obligations include constructing all components of Phase 1, including the facility, outdoor plazas, development features, and landscaping. The developer will confer on relocation and associated costs related to overhead power utilities and reimburse the City approximately $560,000 for grading costs of the building pad area. The developer and MNHHOF will apply for public financial assistance if requested and will pay all development application and development related fees. The agreement will also include provisions that land may not be conveyed to a non-taxable entity except for land under the ice arena to be owned by the MNHHOF non-profit.

Council Member T'Kach asked whether the provisions could differ depending on whether the property is conveyed to a nonprofit or sold to a for profit entity.

Director Ziemer explained that the provisions would require the property to remain owned by a for profit entity, excluding the area beneath the ice arena. He noted that developers sometimes transfer ownership between related entities or to another developer, and provisions can be included to address those situations while ensuring the land remains privately owned.

Additional agreement provisions include a right of reverter if the project is not delivered according to established milestones and timelines. The agreement will also include execution of facility use and related agreements addressing Parks and Recreation considerations, including public access and use of the facility and associated fees. A non-compete clause for ice time with current entities leasing VMCC arenas will require written City permission.

Milestone targets for the agreement will identify milestones that trigger next steps for the City. These may include State funding for site and public improvements through $5,000,000 in GO bonding and State funding for development construction potentially totaling $20,000,000 or a percentage of the funding request. Milestones may also include private fundraising thresholds such as achieving a certain percentage of the fundraising goal, along with identifying corresponding steps once each milestone is achieved.

Discussion topics moving forward include initiating civil plan design for site and public improvements. The proposal includes completing schematic design at the 30% plan design level. Survey and geotechnical work are currently underway. The schematic plan design will shift from 2D concepts to 3D plans, complete a fit analysis layout using site assumptions, constraints, needs, and alternatives, and develop a general site plan inclusive of all project elements based on zoning requirements, engineering standards, and agency input. Cost estimates will also be updated. This work is expected to leverage the DEED Host Community Grant with a target completion in mid-May.

Additional discussion topics include discussing the general terms of the predevelopment agreement and providing feedback on milestones for commencing work. The predevelopment agreement will require feedback and direction on the proposed terms and obligation.

Council Member Gliva asked whether the 30% design plan would reflect the full $415,000 or if that has not yet been determined.

Director Ziemer stated that based on discussions with staff and the firm assisting with the initial layout, the estimated cost for the 30% design is expected to be between $350,000 and $375,000, which is less than the $415,000 budget. He noted that if the cost is lower, the City could evaluate incorporating additional related work to maximize the use of the allocated funds.

Council Member Gliva asked whether the 30% design work would still provide value to the City if bonding funding were not received or the project is delayed, noting a concern about investing $415,000 in a study without long term benefit.

Director Ziemer stated that the design work could still provide value to the City even if the project is delayed or bonding is not received. He noted that elements such as traffic analysis, building on prior interchange footprint studies, and identifying potential infrastructure locations would provide information useful for future development planning.

Council Member Scales asked whether the Public Works Department has been involved in the project and if they have the capacity to meet the proposed timeline.

Director Ziemer stated that he has discussed staff capacity with Public Works Director Connolly. He noted that the work will be led by a consultant, Kimley-Horn, with planning managed by his department and engineering input from Public Works staff to limit the impact on staff workload.

Council Member T'Kach asked whether the facility is intended to be oriented toward Interstate 494, the surrounding community, or both.

Heydt responded that the project is intended to serve both orientations. The Grand Parkway or Grand Walkway portion would be community facing, while signage and Minnesota Hockey Hall of Fame visibility would face Interstate 494. He added that the main entrance to the facility would be located on the south side and accessed from Argenta Boulevard.

Council Member Murphy stated that the additional information and Council discussion were helpful and expressed support for the incremental approach, noting that proceeding with the 30% design phase is a reasonable step.

Director Ziemer asked Council if there was any general feedback on the development agreement, noting that the discussion had reviewed key terms at a high level and outlined potential milestones and expectations moving forward.

Council Member T'Kach asked how the estimate of 400 new full and part time jobs was determined and whether that number would be included or guaranteed in the development agreement.

Heydt stated that the job figures are estimates based on anticipated development, construction, and operational staffing associated with the project. He noted that employment would include positions related to the development team, construction contractors, restaurant operations within the facility, and the Minnesota Hockey Hall of Fame.

Heydt added that once the Minnesota Hockey Hall of Fame is operational, the facility would include full time staff along with seasonal and part time employees. He noted that staffing levels would support multiple events occurring simultaneously and would include positions related to security, guest services, banquet operations, museum staff, and other event related functions.

Council Member T'Kach asked whether the projected employment levels would occur upon opening of the facility or develop over a one-to-two-year period.

Heydt responded that front office staffing would be established prior to the grand opening, approximately six to eight months in advance. He noted that seasonal and part time staffing would be developed through a pool of workers, like staffing models used at large event venues, to support operations and events once the facility opens.

Council Member T'Kach asked whether public financing, including potential State funding, would require standards such as prevailing wage for construction, union contractors, or family supporting wage requirements.

Lobbyist Katy Sen stated that GO bond funding, such as the $5M request, would typically include prevailing wage requirements. She noted that cash appropriations do not always include the same requirements, but the specific conditions would depend on the provisions included by the bill authors in the final bonding legislation.

Breese stated that Greiner Mortenson is a union contractor and follows prevailing wage requirements, noting that the construction approach would already align with potential State funding requirements.

Director Ziemer stated that job targets included in development agreements are typically set at reasonable levels to ensure they are achievable while still providing a benchmark to evaluate whether the development is meeting its employment goals.

Council Member T'Kach asked whether the projected jobs are limited to the proposed development or if they include potential employment from surrounding mixed use development and asked whether a traffic study is anticipated as part of the project and whether it would be funded through DEED dollars.

Director Ziemer stated that the projected jobs are linked to the proposed Hockey Hall of Fame development.

Council Member T'Kach stated that the matter may warrant further discussion between Council and staff regarding whether allocating three years of DEED funding to the project could affect other City development priorities, including potential projects along Concord or revitalization efforts on Cahill.

Director Ziemer explained that discussions with DEED indicated a preference to amend the 2026 grant to support this project because it represents a more certain development opportunity compared to other previously considered projects. The City has not yet applied for the 2027 DEED funding cycle, and Council will still have the opportunity to determine how those funds are used when that application is considered. DEED prefers funding to be directed toward projects that are likely to move forward, which was part of the reasoning behind the recommendation to shift the 2026 funds.

Council Member T'Kach emphasized the importance of clearly understanding the potential total cost to the City and asked that future agreements or discussions identify possible financial requests such as TIF or infrastructure costs. She noted the importance of identifying decision points so Council can evaluate whether additional City participation is feasible or if project elements may need to be phased over time.

Council Member Scales noted that similar questions and requests are common with most development projects and stated that such items are typically addressed as they arise during the development process.

Director Ziemer stated that those issues would likely be addressed later in the development contracting stage rather than in the pre-development agreement. He also noted that TIF is not an eligible use for this project, although tax abatement could be considered.

Mayor Dietrich stated that she supports the predevelopment agreement as presented.

Council Member Murphy stated that he believes the project could have a positive impact on Inver Grove Heights and expressed interest in reviewing additional financial and impact information as the project progresses beyond the 30% design phase.

Council Member T'Kach asked whether the traffic study would identify potential needs for additional turn lanes or other roadway improvements beyond what Public Works currently anticipates.

Director Ziemer confirmed that the traffic study would identify whether additional roadway improvements may be needed.

5. ADJOURN:

Motion to Adjourn at 7:57 p.m. by Gliva; second by Scales.
Ayes: 5
Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Tammy Greenlee