

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING
FEBRUARY 23, 2026 - 8150 BARBARA AVENUE**

1. CALL TO ORDER

The Economic Development Authority (EDA) of Inver Grove Heights met in Regular Session on Monday, February 23, 2026, 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: Murphy, Scales, and T’Kach

Remote: Commissioner Dietrich

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

3. APPROVAL OF AGENDA

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

Ayes: 5

Nays: 0 Motion carried.

4. ELECTION OF OFFICERS

A. Appoint 2026 Officers for the Economic Development Authority.

EDA Executive Director Ziemer stated that it was time to reelect the Commissions officers for the upcoming year. The current officer’s roles were reviewed and Ziemer recommended appointing Clerk Kiernan as Secretary due to recent scheduling changes, stating this adjustment would improve efficiency.

Ziemer stated that although the agenda listed the officer appointments as individual motions, the Commission could approve them all in a single motion, consistent with past practice, unless separate consideration is preferred.

Motion by T’Kach; Second by Scales to Appoint President Gliva, Vice President Scales, Treasurer Dietrich, Assistant Treasurer Hove, and Secretary Kiernan for the year 2026.

Ayes: 5

Nays: 0 Motion carried.

5. CONSENT AGENDA

A. Minutes of the August 11, 2025, Economic Development Authority Meeting.

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

C. Approve a Resolution Amending the Economic Development Authority Bylaws Regarding Regular Meetings. **EDA Resolution 2026-001**

D. Approve the Economic Development Authority 2026 Meeting Schedule.

E. Approval of Claims.

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

Ayes: 5

Nays: 0 Motion carried.

6. REGULAR BUSINESS

A. Discussion Proposed Excess SAC Credit Policy.

EDA Executive Director Ziemer provided an overview of the SAC Credit Policy and outlined the purpose of the discussion and the anticipated next steps. The intent is to obtain review, questions, and feedback, followed by a final staff review and policy update, with adoption by the EDA and City Council anticipated in April.

Ziemer explained that Sewer Availability Charge (SAC) is determined when a building receives its initial building permit, and each new use of the building triggers a re-evaluation. If the new use requires more SAC units than before, the applicant pays the difference (e.g., office → clinic). If the new use requires fewer SAC units (e.g., clinic → office), no payment is required. When a new use requires fewer units, the difference becomes a SAC Credit.

MCES has advised that SAC Credits may be used anywhere in the community. Credits may also remain tied to the specific property, but if so, they must stay with that property for 5 years unless designated as community wide. The City currently has 66 MCES SAC Credits, valued at \$2,485 per unit, for a total value of \$164,010.

Ziemer presented several policy questions for discussion. The first focused on whether eligibility should depend on demonstrated financial hardship. The recommendation is not to require hardship, but instead to base eligibility on the type of business and related criteria. The second question asked whether administrative review and approval should be allowed when all policy criteria are met. The feedback supports enabling administrative approval to increase flexibility and responsiveness, as long as clear criteria are defined for when this authority applies.

The third policy question explored whether additional eligibility requirements—such as job creation, business expansion, or focusing on redevelopment areas—should be included, noting that “expansion” would need a clear definition. Feedback indicated that these added considerations help clarify the purpose of the assistance and support tracking and enforcement, and they would supplement, not replace, existing eligibility criteria.

The fourth question asked whether the EDA and City Council should be able to consider other program tools—such as payment plans, grants or forgivable loans, and deferments—which MCES already permits. These options are commonly used with City SAC and WAC programs and would provide businesses with more flexible support.

Additional policy questions considered whether applications should be processed on a first-come, first-served basis and only when SAC Credits are available. The feedback supports this method. There was also discussion about placing limits on how often an applicant can receive credits—such as one application per year or no more than two within three years—with a general preference for having limits while remaining open to EDA and City Council guidance.

Further questions addressed whether to charge an application fee and whether to require formal agreements. The feedback does not support charging a fee solely for SAC Credit applications, though a fee could be justified if combined with other programs. It is recommended that the City require agreements for SAC Credits as well as for any related assistance programs.

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Commissioner Scales stated that proving financial hardship is difficult and does not support including hardship as an eligibility requirement. He prefers focusing on the types of businesses the City wants to attract. He also expressed concern about relying solely on administrative review due to the number of requirements involved. Scales supports prioritizing job creation and finds the proposed program options reasonable, including a first-come, first-served structure and clear limits on applications. Does not support charging an application fee, as it conflicts with the purpose of offering assistance but supports requiring a formal agreement and emphasized keeping the overall approach simple.

Commissioner Murphy stated that administrative review should come before the Council rather than being handled solely at the staff level and expressed concern that determining financial hardship would be difficult to apply fairly. He also had concerns about the application fee and asked whether the application would be completed by staff or by the applicant. Ziemer clarified that the applicant would complete the application with staff providing the form and reviewing it to ensure all eligibility requirements are met before concurring. Murphy stated that he does not believe an application fee is necessary.

Commissioner T'Kach stated that she understands the potential complications associated with demonstrating financial hardship and asked what other cities are doing in this area. Ziemer stated that some cities include financial hardship language in their policies, though it is not clearly defined, while other cities are silent on the issue. T'Kach suggested developing clear criteria with staff over the few months to define the types of businesses the City wants to attract. She also questioned whether SAC or WAC credits should be limited, rather than awarded entirely on a first-come, first served basis, and proposed setting a cap or percentage limit per applicant. Ziemer explained that the policy limits the maximum number of SAC credits that may be requested to five or no more than 80%, and applicants cannot zero out their entire SAC obligation. The City Council retains full discretion to issue credits and that the policy allows flexibility to exceed standard limits if clearly defined community goals or other priorities justify doing so.

T'Kach suggested a tiered approach in which applicants meeting more of the City's criteria could receive a higher percentage of SAC credits, while a standard award might be lower. She expressed support for a grant or forgivable loan option, contingent on reviewing a pro forma to ensure viability. She also raised the question of how to handle expiring credits, asking whether the City should have flexibility to award a higher amount to avoid losing them or still require some level of financial participation. Ziemer stated that he does not believe SAC credits expire but will verify that with the Metropolitan Council. The only timeline applies when extra credits are not claimed at the time of filing a report, in which case they remain attached to the property for five years. After that period, if unused or increased, they may be applied community wide.

T'Kach supported developing clear eligibility requirements, such as job creation, expansion, or redevelopment in targeted areas, and suggested ideas be submitted in the coming weeks. She also expressed concern with a first come, first served approach, stating applicants should meet a defined percentage of the criteria. Ziemer stated that the eligibility requirements would remain in place.

T'Kach inquired about the timing of SAC credit decisions, asking when an applicant would be informed whether a credit will be awarded. Ziemer stated that under a first come, first served approach, applicants must apply for SAC credits before paying building permit fees, as requests cannot be made afterward. The applicants generally know their SAC obligation in advance, credits

are available only while supply remains, and applications cannot be held while awaiting additional requests.

T’Kach questioned the limitation of one application per year, confirming that it refers to one application per business. She questioned whether a business that applies upon initial entry or expansion would be ineligible to apply again for an additional expansion within the same year and referenced the limitation of no more than two applications within a three-year period. Ziemer confirmed the limitation of no more than two applications within a three-year period, explaining that the intent is to ensure multiple applicants can access credits rather than allowing a single applicant to repeatedly pursue them.

Commissioner Dietrich expressed appreciation for the advance questions regarding the policy and stated that, moving forward, she would like to see practical examples demonstrating how the policy would apply to existing businesses and those considering locating in the City, to understand its full impact.

President Gliva asked a scope related question, stating that if a restaurant comparable in size to Applebee’s were to locate in the City, how many SAC credits would typically be required for a development of that scale. Ziemer stated that he does not have a specific figure available but will provide comparable examples, noting that SAC requirements for commercial uses vary widely. Gliva questioned whether a single-family home equates to one SAC unit. Ziemer confirmed that a single-family home equals one SAC unit. Apartments are calculated by unit count and common area square footage, while commercial, industrial, and institutional uses are based on specific use and square footage. The Met Council determinations are now more streamlined and will provide recent examples, including restaurants and other commercial developments, to illustrate typical SAC requirements. Gliva expressed support for establishing defined criteria and allowing discretion to award a greater number of SAC credits as more criteria are met, particularly for projects the EDA is seeking to attract. She suggested a structured approach, such as a point-based system, rather than a strict sliding scale. Ziemer confirmed that the Council has discretion to award a higher number of SAC credits, provided the decision is supported by clearly identified criteria and factors. Gliva stated that incorporating a structured approach, such as defined criteria with discretion, would make the policy clearer and easier to administer. Ziemer cautioned against defining criteria so narrowly that flexibility is lost. While supportive of factors such as job creation or business expansion, he advised against setting rigid thresholds, such as a minimum number of jobs or a specific percentage increase in space, noting the importance of maintaining discretion while achieving the policy’s goals.

Commissioner T’Kach inquired as to how mixed-use developments would be treated, specifically projects that include first floor commercial space with residential or senior housing units above. Ziemer stated that in a mixed-use development, the commercial portion would be eligible for SAC credits, while the residential portion would not. T’Kach asked for clarification on how the physical space would be calculated within a mixed-use development. Ziemer explained that in a mixed-use development, the retail and residential portions receive separate SAC determinations, allowing the uses to be calculated independently. T’Kach expressed uncertainty about the administrative review process and supported Commissioner Dietrich’s suggestion to review several scenarios to better understand how the policy would function in practice. Ziemer referenced the draft list of eligible business types, including retail, food and beverage, entertainment, and small manufacturing, noting it was based on prior discussions. He questioned whether additional general categories should be identified, emphasizing that the intent is to maintain flexibility rather than narrowly defining specific uses. Most cities keep their eligibility criteria broad.

Commissioner T'Kach asked whether a library or another governmental entity relocating to the City would be eligible under the nonprofit category. Ziemer clarified that the policy identifies ineligible entities, including businesses without a physical location, nonprofit organizations, national chain businesses, adult gambling and cannabis-oriented businesses, and those that do not meet the general purpose of the policy. T'Kach asked whether an expansion of the Dakota County Library, if it required one additional SAC unit, would it be eligible under the policy given the listed exclusions. Ziemer stated that if the Council wishes to consider certain public uses, such as a library expansion, as eligible, the policy should be revised to expressly include those types of uses. T'Kach stated that while a library expansion may not directly meet criteria related to attracting businesses or expanding the tax base, it could enhance community appeal. These are considerations that need further discussion and review.

President Gliva stated that she is comfortable with the current list of eligible uses and asked whether staff has sufficient direction to proceed.

Director Ziemer summarized that no substantive changes were requested to the proposed policy. Administrative review will not be included, the financial hardship language will be removed, eligibility requirements will be further refined, and discussion of other program options will continue. The first come, first served structure and existing limitations will remain, no application fee will be charged, and a formal agreement will be required for SAC credits. Practical examples of how the policy would apply will be provided and will verify whether SAC credits have an expiration timeline.

Commissioner T'Kach questioned whether a building permit would be required even for minor improvements, such as installing a sink, and questioned whether a business could occupy or expand within a building without triggering a building permit. Ziemer clarified that SAC is triggered by a change in use. When a new business occupies a commercial or industrial space, a new SAC determination is completed to confirm whether additional units are required or not. Minor improvements, such as installing a sink or toilet, would not independently trigger a SAC review unless they are associated with a change in use.

T'Kach questioned whether expanding a restroom, such as increasing from one stall to five, would trigger a SAC review. Ziemer stated that a SAC review would more likely be triggered by an expansion in overall space or a change in use, such as adding interior space or an outdoor patio, rather than by simply increasing the number of restroom stalls.

T'Kach stated that these are examples the City Council should consider further and requested that staff provide additional scenarios for review. Suggests that any strong or exemplary City policies be shared for reference. Ziemer stated that most City policies are generally similar, though some are more detailed. The intent is to adopt a clear, defined policy outlining eligibility, decision making criteria, and process, so that staff, the EDA, the City Council, and applicants understand expectations, rather than a policy lacking structure.

Mayor Dietrich expressed support for the effort to create a clear and well-defined policy.

B. Discuss EDA Strategic Plan.

EDA Executive Director Ziemer stated that shortly after beginning his role with the City, he conducted research and reviewed prior EDA materials to better understand historical efforts and

direction. The previous year was especially active, with numerous initiatives underway. Based on this review, he emphasized the importance of establishing a clearly defined Economic Development Strategy that outlines what the City seeks to achieve, why those goals are important, the desired outcomes, and the resources required, including the respective roles of staff and the EDA.

While significant progress was made and efforts were moving forward effectively, there were times when priorities may not have been fully aligned with clearly articulated goals. Developing or revisiting a formal Strategic Plan would provide clarity, structure, and accountability, ensuring that meetings consistently measure progress against defined objectives.

Alignment with a broader Citywide Strategic Plan was identified as essential to ensure a coordinated and symbiotic relationship between overall City goals and Economic Development priorities. The intent of raising the topic was to provide historical context, initiate discussion, and seek direction from the EDA regarding the preferred path forward and next steps in establishing a clear, goal driven framework.

President Gliva stated that the effort would likely require one or two dedicated meetings and suggested identifying tentative dates to focus on the discussion. She expressed support for the idea, noting that while many important initiatives are underway, a clearer framework is needed to provide direction and keep efforts aligned.

Mayor Dietrich expressed support for strategic planning, noting it would help align efforts with the Planning Commission and provide clearer timelines for evaluating new ideas. She supported scheduling dedicated dates to advance the discussion.

Commissioner T'Kach concurred with the previous comments and expressed support for moving forward with the proposed strategic planning discussions.

Executive Director Ziemer proposed holding strategic planning sessions on non-EDA meeting nights to maintain the structure of regular business meetings. He outlined a process that may include individual meetings to frame priorities, followed by one or two work sessions to define goals and strategies, with draft review occurring at a regular meeting. He will identify potential dates, considering travel schedules and the upcoming budget calendar to avoid conflicts.

Mayor Dietrich suggested distributing a scheduling survey to determine member availability for the proposed strategic planning sessions.

7. PUBLIC COMMENT

None.

8. COMMISSION AND STAFF COMMENTS

None.

9. ADJOURN

Motion to Adjourn at 5:46 p.m. by Scales, seconded by Murphy.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by City Recording Secretary Tammy Greenlee.