



**Inver Grove Heights Economic Development Authority**  
**Monday, June 8, 2026 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, June 8, 2026, will be provided to the EDA at or before the June 8, 2026 meeting. To watch remotely, individuals may go to [www.townsquare.tv/webstreaming](http://www.townsquare.tv/webstreaming) or watch from Cable TV Live on the Second Monday of every other month at 6 p.m. on Channel 14/799 HD.

**NOTICE OF REMOTE ATTENDANCE:** At least one board member is expected to attend this meeting remotely, via interactive technology. The public may monitor the meeting electronically from a remote location via [www.townsquare.tv/webstreaming](http://www.townsquare.tv/webstreaming).

1. **Call to Order**
2. **Roll Call**
3. **Approval of Agenda**
4. **Consent Agenda**
  - A. Minutes of the April 13, 2026, Economic Development Authority Meeting.
  - B. Approval of Claims.
5. **Regular Business**
  - A. Approve the Sanitary Sewer Available Charge (SAC) Credit Policy
  - B. Consider Proposals for Appraisals for City and EDA Owned Properties.
6. **Public Comment**

Public comment provides an opportunity for the public to address the Council on items that are not on the agenda. Comments will be limited to three (3) minutes per person.
7. **Commission and Staff Comments**
8. **Adjourn**

**June 8, 2026 - Economic Development Authority Agenda**

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING  
MONDAY, APRIL 13, 2026 - 8150 BARBARA AVENUE**

**1. CALL TO ORDER**

The Economic Development Authority (EDA) of Inver Grove Heights met in Regular Session on Monday, April 13, 2026, 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: Commissioners: Dietrich, T’Kach, Scales

Remote: President Gliva

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

**3. APPROVAL OF AGENDA**

Motion by T’Kach; Second by Gliva to Approve the Agenda as published.

Ayes: 5

Nays: 0      Motion carried.

**4. CONSENT AGENDA**

**A.** Minutes of the February 23, 2026, Economic Development Authority Meeting.

**B.** Approval of Claims.

Motion by Dietrich; Second by Gliva to Approve the Consent Agenda.

Ayes: 5

Nays: 0      Motion carried.

**5. REGULAR AGENDA**

**A.** Continue SAC Credit Policy Discussion.

Executive Director Ziemer presented an update on the SAC Credit Policy and reviewed proposed policy revisions, a sample SAC analysis, and the next steps for EDA and City Council adoption. SAC determinations are made at the time of building permit issuance. New construction and changes in use trigger SAC determination. If a change in use triggers SAC determination, the applicant pays the difference, such as when an office is converted to a restaurant. If the new use requires less SAC, no additional SAC is due, such as when a restaurant becomes an office. MCES SAC units are also applied to City SAC and WAC fees. SAC credits are created when a new use requires less SAC than the previous use, and the City must determine whether those credits remain with the property or are captured for community-wide use. Current MCES SAC credits total 66 units at a value of \$2,485 per unit, for a total value of \$164,010.

Proposed policy revisions include adding review criteria for businesses not specifically listed as eligible, removing the requirement to demonstrate financial hardship, and requiring EDA review and City Council approval rather than using an administrative process. The policy would continue to allow optional payment arrangements, grants, and forgivable loan programs. Credits would be made available on a first-come, first-served basis. Applicants would be limited to one application per year and no more than two applications within a three-year period. The policy would also allow the

City to charge an application processing fee if desired, although staff is not recommending charging one at this time. Agreements would also be required for approved applications.

Eligible businesses under the policy would include food and beverage, entertainment, retail, and small manufacturing businesses. Ineligible businesses would include those without a physical location in the City, non-profit organizations, national chain businesses, adult-oriented, gambling, cannabis-oriented, and businesses that do not meet the stated purpose and objectives of the policy. Additional eligibility criteria would apply to businesses that are not specifically listed as eligible but are also not listed as ineligible. These businesses would need to have 40 or fewer employees and either hire at least two full-time employees or retain existing full-time employees. Economic impact would also be considered, including whether the business supports property revitalization through infill, rehabilitation, repurposing, or blight removal. Desired outcomes include increasing tax value, improving district aesthetics, supporting environmental cleanup, or other outcomes identified by the EDA or City Council. Preference would also be given to projects located in development and redevelopment focus areas identified in the comprehensive plan or in neighborhood, small area, or master plans.

The policy includes several alternative program options. The first option is a payment arrangement structured as a no interest or low interest loan that would only apply to City SAC and WAC connection fees, not the MCES SAC fee. These arrangements could include terms for a down payment, a maximum repayment period of 12 months, an interest rate, and provisions for failure to pay. The second option is a grant, where the amount could either be paid in full or through a payment arrangement and then reimbursed according to established terms and conditions. The third option is a forgivable loan, which would follow the payment arrangement model but allow payments to be waived if conditions are met. The policy would also include the ability to claw back any balance due or terminate a grant if requirements are not met. Businesses receiving assistance with more than \$25,000 would be required to complete a business subsidy application.

For example, a new restaurant project with a gross SAC determination of 7.0 units and no existing SAC. This resulted in 7.0 units of new SAC due, totaling \$17,395. Because the business would be eligible for the program, 80 percent of the SAC due was calculated at 5.6 units, which was then rounded to 6.0 units. However, the policy maximum limits the credit to 5.0 units. After applying the maximum credit, the business would still owe 2.0 SAC units, totaling \$4,970. This would provide savings of \$12,425.

A new restaurant project would be considered an eligible business under the policy. The SAC determination for the project would be 7.0 units with no existing SAC because it is new construction. This would result in 7.0 units of new SAC due, totaling \$17,395. 80% of the SAC due would equal 5.6 units, which would then be rounded up to 6.0 units. However, because the policy limits credits to a maximum of 5.0 units, the business would receive 5.0-unit credit and still owe 2.0 SAC units, totaling \$4,970. This would provide total savings of \$12,425 for the business.

Another example involving a restaurant with a change in use that would still qualify as an eligible business under the policy. The SAC determination for the new use would be 6.0 units. Because there is already 1.0 SAC unit associated with the property, the new SAC due would be reduced to 5.0

units. Applying the policy, 80% of the new SAC due would equal 4.0 units. Since 4.0 is already a whole number, no additional rounding would be needed, and the maximum available credit under the policy would be 4.0 units. The policy allows flexibility, meaning the City could award anywhere from no credit up to the full 4.0 units. If the business received the full 4.0-unit credit, it would still owe 1.0 SAC unit, which equals the baseline MCES SAC fee of \$2,485. This would provide total savings of \$12,425 if the business applied for and received SAC credit.

The last example involved a conversion of existing office space into retail, which would be considered a change in use. This was a sample scenario created by staff rather than an actual project. In this case, the gross SAC determination would be 2.0 units. Because there is already 1.0 SAC unit associated with the property, the new SAC due would be reduced to 1.0 unit, totaling \$2,485. Applying the policy, 80 percent of the SAC due would equal 0.8 units, which would round up to 1.0 unit. However, the policy does not allow the SAC owed to be reduced to zero, meaning the business would still need to pay at least 1.0 SAC unit. As a result, the business would still owe \$2,485. The savings in this case would come from the existing SAC already attached to the property rather than from the SAC credit itself, resulting in a savings of \$2,485.

If each business received the maximum SAC credit for which it was eligible, a total of 20 SAC credit units would be used. With 66 SAC credit units currently available, that would reduce the remaining balance to 46 units. The policy also provides flexibility in determining how many SAC credits are to be awarded. Even if a business qualifies for the maximum amount, such as a restaurant eligible for 5.0 SAC credits, the City could choose to award a smaller amount, such as 3.0 credits instead. The policy also includes a provision that would allow the City to award up to 10.0 SAC credits for a business that is considered especially desirable or one the City has been actively trying to recruit. In those cases, the reasons for awarding additional SAC credits would need to be identified and supported through the policy.

Staff requests any additional edits, comments, or information that may be needed before moving forward with adoption of the SAC Credit Policy. The goal would be to adopt the policy at the June 8 EDA meeting and then move it to the City Council later that same day. Additional information was also provided from follow-up discussions with the Metropolitan Council regarding SAC questions, including whether SAC credits expire.

Commissioner T'Kach inquired as to if the City can gain additional SAC credits when businesses leave a property. Ziemer stated that if a business leaves and the new use requires fewer SAC units, the difference becomes available as SAC credits. For example, if a previous business used 10 SAC units and the new business only needs 5 SAC units, 5 SAC credits would become available. The City can either keep those credits with the property or capture them for community wide use. If the credits remain with the property, they must stay there for five years before the City can use them elsewhere.

Commissioner T'Kach questioned whether there is a limit on the number of SAC credits a business can receive and noted that the draft policy limits businesses to two applications within three years. Could a business return in the fifth year and apply for additional SAC credits. Ziemer stated that the policy only limits businesses to two applications within a three-year period. After five years, a

business could apply again if it remains eligible. The business would still need to apply, and the City would evaluate the request based on factors such as whether the business is expanding and the specifics of the proposal at that time.

Commissioner Murphy asked for clarification on whether the application limit applies at the applicant level rather than the City level and noted that additional clarification in the policy language may be helpful. Was curious as to whether the employee threshold of 40 employees should distinguish between full time and part time positions. Ziemer stated that the draft policy does not currently include that level of detail. Maintaining some flexibility in the policy may be beneficial, since setting specific requirements for the number of full time versus part time employees could make it more difficult for some businesses to qualify. From his perspective, whether employees are full-time or part-time may not be especially important.

Commissioner T'Kach inquired as to whether the policy could use a standard based on full-time equivalents rather than a simple employee count, noting that a business could have a larger number of part-time employees that equal fewer full-time equivalent positions. Ziemer stated that it is difficult to know what types of businesses may apply under the additional eligibility criteria. This criterion is intended for businesses that are not specifically listed as eligible or ineligible but may still be a good fit for the program. The 40-employee threshold may already be somewhat high and that the intent is generally to support smaller businesses. He said he would be hesitant to make the requirements too specific because a business with fewer full-time employees and more part-time or seasonal workers could still be an excellent fit for the program.

Commissioner Gliva stated that using full-time equivalent calculations may be too detailed for the purpose of the policy and inquired as to whether any businesses have already expressed interest in receiving SAC credits. Ziemer stated that no businesses have asked about SAC credits yet, in part because the City does not currently have the program in place to promote as a business attraction tool. Some Cities use SAC credits to attract businesses such as restaurants by reducing startup costs. The program could be especially valuable for existing businesses that are looking to expand, add employees, introduce new service lines, or grow their operations.

Commissioner T'Kach noted that, under the proposed policy, the City Council could waive some of the parameters or requirements. She asked whether a restaurant expansion with only 20 employees that planned to add a few more employees could still be considered even if it did not meet the 40-employee threshold. Ziemer explained that restaurants are already specifically identified on the eligible business list, so they would not need to meet the additional criteria. The additional criteria is intended for businesses that are not specifically listed as eligible or ineligible but may still be a good fit for the program. The City would have flexibility to consider those businesses on a case-by-case basis and determine whether they would be a good investment for the community.

Ziemer then inquired as to whether there was support to bring the policy back for adoption at the June 8 meeting. It was agreed that the policy would follow the same process used for the Business Subsidy Policy, with adoption by the EDA and City Council on the same night.

**A. EDA Executive Director Update**

Executive Director Ziemer provided an update on residential development activity currently underway in the community. Builders Lot Group is advancing Peltier Reserve 4<sup>th</sup> Addition near 70th Street and Argenta Boulevard, which includes 33 single-family homes and a 196-unit apartment building. Builders Lot Group is also discussing Blackstone Vista near Highway 55 and Argenta Court adjacent to Vista Pines Park, with plans for 55 single-family homes in the first phase and 71 single-family homes overall.

Pulte Homes is moving forward with Dawson Woods near Yankee Doodle Road and Argenta Trail south of Highway 55, which would include 46 townhome units. Lennar is also working on Kingston Cove at 70th Street and Angus Avenue, which is planned for 164 single-family homes. MV Ventures and Nord 61 are continuing work on a preliminary plat for 119 townhome units and are currently addressing stormwater requirements. Dakota County CDA is also proceeding with Hillcrest Pointe Phase II, which would add 66 senior apartment units. Hillcrest Pointe Phase II is expected to move closer to construction later this year. The project will include 66 units and represents the final phase of the senior apartment development.

A senior apartment development is also being considered in the Argenta Hills neighborhood. The developer is working with staff to address drainage issues on the site before moving forward. Additional interest has also emerged for nearby parcels, including a possible revival of a previous apartment and townhome concept by a different developer.

Another development proposal near Dickman Lake would consist entirely of single-family homes, including a mix of higher-end homes and smaller lot residential lots. A nearby property owner may also pursue development in coordination with that project. Access would initially come from Robert Trail to the south, with a future connection to Angus Avenue planned once additional roadway improvements occur. Sewer utilities for the project would cross through Harmon Park Reserve. At the corner of 65th Street and Buckley Way, developers have expressed interest in a senior workforce housing project. The site is guided and zoned for apartment development. Because CDA tax credits are already committed for the next two years, the project is likely on a longer timeline while the developer works through setback and property-related issues.

Commercial and industrial projects include a new Culver's restaurant, which could begin construction soon pending building permit approval.

MC's Pub is also moving closer to opening, with a May opening date planned for the beer pub location.

So Good So You has purchased an existing building and is in the process of building out the space. It is still unclear whether the facility will be used for production or only for packaging and bottling. The location will not operate as a retail storefront and is known for its juice shots.

Inver Grove Toyota is planning major site changes, including a structured parking addition that would also benefit Inver Grove Honda. The proposal has been reviewed by the Planning Commission but has been delayed while site design issues are addressed.

There is also interest from two developers in the 80th Street industrial property west of City Hall. Both are exploring industrial development like the existing United Properties development south of Highway 55.

Mayor Dietrich asked to see the Hillcrest Pointe CDA property on a map, noting that some seniors had recently asked how the development could fit on the site. She commented that she had similar questions about how Chipotle would fit on the site. Ziemer stated that the project has received all necessary approvals from the City Council and that the Site Improvement Agreement has been signed. The building will have a similar layout to the existing structure, with the longer portion of the building running along the street and the L-shaped section extending along the north side of the property. The development will include 66 units, slightly fewer than the existing building, and will use the same entrance configuration.

Mayor Dietrich stated that she had recently heard from Dakota County that a groundbreaking event for the project may take place during the week of April 27 through May 1 and noted that the project appears to be moving forward soon.

Executive Director Ziemer stated that staff are finalizing the plat for the Highway 52 and Blaine Avenue properties so it can move through the approval process. The plat will separate the developable land from McGroarty Park to the west. Staff have been working through title and property issues, and once those are resolved, the matter will return to the EDA for further discussion. All due diligence work, including soil borings, has already been completed.

The Golf Course property closing was delayed after staff discovered that the EDA did not have its own EIN tax number. Although the EDA already owns other land in the County, the missing EIN created an issue during closing. Staff have since been working through that process so the property acquisition can be completed.

Commissioner Scales asked how that had been handled in the past. Ziemer stated that because the EDA already had its name on other properties, staff initially assumed an EIN already existed. After working with the IRS and checking multiple possible names, no existing EIN could be located, so staff were advised to apply for a new one. Once that final step is completed, the property can be formally recorded and finalized. Scales stated that the property became a significant topic of discussion at the 70th Street County meeting, with some residents focused on 70th Street and others focused on the property itself. Ziemer stated that staff continues to receive inquiries about the property and has spoken with several developers. One concept included a senior housing project with dining space or a restaurant component. While some developers are only exploring what assistance may be available, others have expressed more serious interest. Staff expect to have additional discussions with the EDA about next steps for the parcel.

Regarding the Dickman Trail property, the Interstate project is no longer moving forward. Staff have continued discussions with several interested parties, although some proposals have not aligned with the type of use the EDA would prefer. One group that had previously expressed interest after the Interstate project has since returned with a potential user and is seeking a meeting with staff.

**6. PUBLIC COMMENT** None.

**7. COMMISSION AND STAFF COMMENTS** None.

**8. ADJOURN**

Motion by T'Kach; Second by Dietrich to Adjourn at 5:37 p.m.

Ayes: 5

Nays: 0      Motion carried.

Minutes prepared by Tammy Greenlee, Recording Secretary.



		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	10,500.00	10,500.00	0.00	3,852.84	-6,647.16	63.31 %
<a href="#">290.5800.000.4990</a>	Transfers In from Other Funds	182,390.00	182,390.00	15,199.17	91,195.02	-91,194.98	50.00 %
<b>Budget Detail</b>							
<b>Description</b>		<b>Units</b>	<b>Price</b>	<b>Amount</b>			
5% Increase for 2026		1.00	-8,900.00	-8,900.00			
Add'l Reduction 9.9.2025		1.00	800.00	800.00			
Reduced 9.9.2025		1.00	3,700.00	3,700.00			
Trsfr from General Fund Tax Levy (2025 Levy)		1.00	-177,990.00	-177,990.00			
	<b>Revenue Total:</b>	<b>192,890.00</b>	<b>192,890.00</b>	<b>15,199.17</b>	<b>95,047.86</b>	<b>-97,842.14</b>	<b>50.72 %</b>
<b>Expense</b>							
<a href="#">290.5800.000.5000</a>	Wages-Full Time Employees	118,400.00	118,400.00	0.00	7,237.74	111,162.26	93.89 %
<a href="#">290.5800.000.5010</a>	Wages-Non-Benefited Employees	1,300.00	1,300.00	0.00	261.69	1,038.31	79.87 %
<a href="#">290.5800.000.5030</a>	Employer Social Security	7,400.00	7,400.00	0.00	464.15	6,935.85	93.73 %
<a href="#">290.5800.000.5032</a>	Employer Medicare	1,700.00	1,700.00	0.00	108.54	1,591.46	93.62 %
<a href="#">290.5800.000.5040</a>	Medical Insurance	20,800.00	20,800.00	0.00	0.00	20,800.00	100.00 %
<a href="#">290.5800.000.5046</a>	Insurance-Cash Option	5,100.00	5,100.00	0.00	196.02	4,903.98	96.16 %
<a href="#">290.5800.000.5050</a>	Life Insurance	200.00	200.00	0.00	9.95	190.05	95.03 %
<a href="#">290.5800.000.5052</a>	LTD Insurance	400.00	400.00	0.00	20.90	379.10	94.78 %
<a href="#">290.5800.000.5053</a>	MN Paid Family & Medical Leave	900.00	900.00	0.00	29.30	870.70	96.74 %
<a href="#">290.5800.000.5058</a>	Account Fees-HSA/HRA/FSA	100.00	100.00	0.00	2.08	97.92	97.92 %
<a href="#">290.5800.000.5060</a>	Employer PERA	9,000.00	9,000.00	0.00	562.47	8,437.53	93.75 %
<a href="#">290.5800.000.5084</a>	Workers Compensation	500.00	500.00	41.67	250.02	249.98	50.00 %
<a href="#">290.5800.000.5105</a>	Office Supplies	500.00	500.00	0.00	0.00	500.00	100.00 %
<a href="#">290.5800.000.5190</a>	Other Supplies	5,500.00	5,500.00	0.00	0.00	5,500.00	100.00 %
<b>Budget Detail</b>							
<b>Description</b>		<b>Units</b>	<b>Price</b>	<b>Amount</b>			
General Other Supplies		1.00	500.00	500.00			
Marketing Campaign Materials-Signs,Flyers, Etc.		1.00	1,500.00	1,500.00			
MNCAR Fall Expo-Booth Display		1.00	1,000.00	1,000.00			
MNCAR Fall Expo-SWAG		1.00	2,500.00	2,500.00			
<a href="#">290.5800.000.5305</a>	Legal Services	10,000.00	10,000.00	0.00	9,531.06	468.94	4.69 %
<b>Budget Detail</b>							
<b>Description</b>		<b>Units</b>	<b>Price</b>	<b>Amount</b>			
Legal Services		0.00	0.00	10,000.00			
<a href="#">290.5800.000.5310</a>	Professional Services & Contracts	50,000.00	50,000.00	0.00	76,690.90	-26,690.90	-53.38 %
<b>Budget Detail</b>							
<b>Description</b>		<b>Units</b>	<b>Price</b>	<b>Amount</b>			
Financial Assistance (Ehlers)		0.00	0.00	10,000.00			
KREA Consulting Services		12.00	2,500.00	30,000.00			
Remove KREA Consulting for 2026		1.00	-30,000.00	-30,000.00			
Small Area Plan - Republic & Concord		0.00	0.00	35,000.00			
StrPlan: Marketing Campaign (Graphic Designer)		0.00	0.00	5,000.00			
<a href="#">290.5800.000.5335</a>	Dues, Licenses & Subscriptions	2,635.00	2,635.00	0.00	335.00	2,300.00	87.29 %
<b>Budget Detail</b>							
<b>Description</b>		<b>Units</b>	<b>Price</b>	<b>Amount</b>			
Membership: EDAM (ORG)		0.00	0.00	330.00			
Membership: MNCAR		0.00	0.00	325.00			

**Budget Report**

**For Fiscal: 2026 Period Ending: 06/30/2026**

		<b>Original Total Budget</b>	<b>Current Total Budget</b>	<b>Period Activity</b>	<b>Fiscal Activity</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Percent Remaining</b>
MNCAR Fall Expo Exhibit Hall Booth		0.00	0.00	1,150.00			
Subscription: MNCR Exchange (Fee+Setup)		0.00	0.00	830.00			
<a href="#">290.5800.000.5340</a>	Training & Travel	2,600.00	2,600.00	0.00	920.00	1,680.00	64.62 %
<b>Budget Detail</b>							
<b>Description</b>		<b>Units</b>	<b>Price</b>	<b>Amount</b>			
Chamber of Commerce Annual meeting		7.00	50.00	350.00			
Chamber of Commerce Awards & Trade Show		7.00	50.00	350.00			
EDA Winter Conference (Reg+Lodge+Travel)		0.00	0.00	600.00			
EDAM Summer Conference (Reg+Lodge+Travel)		0.00	0.00	1,120.00			
MNCAR Fall Expo Registration		3.00	60.00	180.00			
<a href="#">290.5800.000.5380</a>	Utility Charges-Storm Water	3,000.00	3,000.00	0.00	70.50	2,929.50	97.65 %
<a href="#">290.5800.000.5450</a>	Insurance Allocation	300.00	300.00	25.00	150.00	150.00	50.00 %
<a href="#">290.5800.000.5455</a>	City Facilities Allocation	350.00	350.00	29.17	175.02	174.98	49.99 %
	<b>Expense Total:</b>	<b>240,685.00</b>	<b>240,685.00</b>	<b>95.84</b>	<b>97,015.34</b>	<b>143,669.66</b>	<b>59.69 %</b>
<b>Fund: 290 - EDA-OPERATING FUND</b>	<b>Surplus (Deficit):</b>	<b>-47,795.00</b>	<b>-47,795.00</b>	<b>15,103.33</b>	<b>-1,967.48</b>	<b>45,827.52</b>	<b>95.88 %</b>
	<b>Report Surplus (Deficit):</b>	<b>-47,795.00</b>	<b>-47,795.00</b>	<b>15,103.33</b>	<b>-1,967.48</b>	<b>45,827.52</b>	<b>95.88 %</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	192,890.00	192,890.00	15,199.17	95,047.86	-97,842.14	50.72 %
Expense	240,685.00	240,685.00	95.84	97,015.34	143,669.66	59.69 %
<b>Fund: 290 - EDA-OPERATING FUND Surplus (Deficit):</b>	<b>-47,795.00</b>	<b>-47,795.00</b>	<b>15,103.33</b>	<b>-1,967.48</b>	<b>45,827.52</b>	<b>95.88 %</b>
<b>Report Surplus (Deficit):</b>	<b>-47,795.00</b>	<b>-47,795.00</b>	<b>15,103.33</b>	<b>-1,967.48</b>	<b>45,827.52</b>	<b>95.88 %</b>

### Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
290 - EDA-OPERATING FUND	-47,795.00	-47,795.00	15,103.33	-1,967.48	45,827.52
<b>Report Surplus (Deficit):</b>	<b>-47,795.00</b>	<b>-47,795.00</b>	<b>15,103.33</b>	<b>-1,967.48</b>	<b>45,827.52</b>

**Economic Development Authority  
Staff Report****SUBJECT: Approve the Sanitary Sewer Available Charge (SAC) Credit Policy****MEETING DATE:** June 8, 2026**ITEM TYPE:** Regular Business**CONTACT:** Jason Ziemer, Community Development Director, 651-450-2546**PURPOSE/ACTION REQUESTED**

The Economic Development Authority is asked to move approval of the SAC Credit Policy.

**BACKGROUND**

At the February 23, 2026, and April 13, 2026, Economic Development Authority (“EDA”) meetings, EDA members reviewed and provided direction to City staff regarding the proposed Sanitary Availability Charge (“SAC”) Credit Policy (“Policy”). At the conclusion of the April meeting, EDA members directed City staff to finalize and prepare the Policy for adoption. Per the Policy, the EDA will review SAC Credit applications and submit its recommendation to the City Council for action. Thus, both the EDA and City Council are asked to approve the Policy. The request to the City Council will appear on the June 8, 2026, meeting agenda as a Consent Agenda action item.

SAC & SAC Credit Recap

As previously reviewed, SAC is a one-time fee paid at the time of a building permit. The amount of the fee is set by the Metropolitan Council Environmental Services (“MCES”), which owns, operates and maintains the regional wastewater treatment system. The fee is paid by all use types – residential, commercial, industrial and institutional, including public facilities – and is based on the SAC units, or specific number assigned to each property based on the type of use. The SAC unit is also used by the City to calculate City SAC and WAC fees paid. As businesses move in and out of a community, that change sometimes creates excess SAC, or SAC credits, on properties. Cities may then use those SAC Credits city-wide as a form of financial assistance to reduce SAC fees to be paid by new and expanding businesses.

Policy Overview

The draft Policy establishes the list of businesses that are eligible and those not eligible for SAC Credits. The Policy also includes a list of Additional Criteria that may be used to consider SAC Credits for businesses not explicitly eligible. Under the Policy, EDA and City Council may consider payment arrangements and/or grants or forgivable loans in lieu of providing SAC Credits or if there are not SAC Credits available. All applications are submitted to City staff, considered by the EDA and forward to the City Council for action. All approved applications will require agreements between the City and Applicant. The final version of the Policy is attached along with the application.

The EDA and City Council adopted the Development and Business Assistance Policy, also known as Business Subsidy Policy, on October 13, 2025.

**FISCAL IMPACT**

N/A

**RECOMMENDATION**

City staff recommend approval of the SAC Credit Policy as presented.

**ATTACHMENTS**

1. FINAL\_IGH SEWER AVAILABILITY CHARGE (SAC) POLICY\_06-08-2026
2. Inver Grove Heights Sanitary Sewer Availability Charge (SAC) Credit Application



CITY OF  
**INVER GROVE  
HEIGHTS**

## **SEWER AVAILABILITY CHARGE (SAC) CREDIT POLICY**

**EDA ADOPTED**

June 8, 2026

**CITY COUNCIL ADOPTED**

June 8, 2026

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## **INTRODUCTION**

The Sewer Availability Charge (SAC) is a one-time fee required when a residence or business connects to the Twin Cities metropolitan regional wastewater treatment system. The amount of the fee is set by the Metropolitan Council Environment Services (MCES), which owns, operates and maintains the regional wastewater treatment system. The MCES SAC fee is paid by all use types - residential, commercial, industrial and institutional, including public facilities.

MCES assigns a certain number of SAC units to each property based on the type of use and/or development, and the anticipated amount of wastewater contributed to, or demand placed on, the regional system by that use. For example, a single-family home typically equals 1 SAC unit. Conversely, commercial and industrial uses vary depending on different factors and the space occupied by those businesses and the size of each use within that space (i.e. office, warehouse, dining areas, kitchens, etc.). The fee is collected by the City of Inver Grove Heights (City) and transmitted to MCES. The MCES SAC unit is also used by the City to calculate City SAC and WAC to be paid by the property owner.

SAC fees are paid with the building permit for either a new building or building remodel, or when a connection permit is issued for an existing building connecting to the sanitary sewer system for the first time. Even though a property may have an existing sewer connection, a change in occupancy or use of a building may cause an increase in the demand on the public system, requiring additional SAC charges to be paid by the property owner. Conversely, a change in occupancy or use of a building may result in a SAC Credit.

SAC Credits are excess, or unused, SAC units created when a SAC determination for a new use equals less SAC units than what were previously paid by the prior user. These SAC Credits become available to the City and may be claimed and designated for use community wide.

## **PURPOSE & OBJECTIVES**

- A. Purpose: This Sewer Availability Charge (SAC) Policy (SAC Policy) establishes the policies and procedures related to the collection and use of community-wide SAC unit credits to aid in economic development and redevelopment within the City. The Economic Development Authority (EDA) shall receive and review applications for SAC Credits and provide a recommendation to the City Council for the allocation of any available credits.
- B. Objective: The program, as outlined by this SAC Policy, allows the consideration of aid to small businesses or certain types of businesses, as identified by the EDA and City Council as priority businesses, that choose to locate within Inver Grove Heights; or the expansion of an existing business within the City through the reduction of SAC fees.

## **COLLECTION OF COMMUNITY-WIDE CREDITS**

The Sewer Availability Charge (SAC) Procedure Manual issued by the Metropolitan Council Environmental Services (MCES) allows local governments the ability to retain SAC Credits upon redevelopment of a property or when a change in use occurs on a property. SAC Credits eligible to become community-wide credits include only those previously paid for.

- A. SAC Credits shall be designated and retained as community wide only after a new end-user has been identified for a property. If a site or building sits vacant, the SAC Credits previously paid for on that site or building remain tied to that site until such time as a new use is put in place and a new SAC determination is made by MCES. The City shall claim those SAC Credits on the MCES SAC-A form when a building permit is issued for the new use. If not claimed, the SAC Credits shall become site-specific and will remain with the site for a period of five (5) years.
- B. The collection of SAC Credits shall only occur following the determination of SAC Units required for the new use, and only if the new SAC Units are fewer than those SAC Units associated with the property.
- C. The City shall maintain records of SAC Credits. This includes maintaining record of community-wide credits available and record of businesses which have benefitted from this program. Records shall be kept within the Community Development Department.

## **USAGE OF COMMUNITY-WIDE CREDITS**

SAC Credits collected by the City shall be used to attract, retain and support the expansion of new businesses within the community, at the discretion of the City Council and in accordance with established City goals and priorities for development and redevelopment.

### A. Eligible Business Types

Business eligible to apply for SAC Credits include the following:

- food and beverage-based businesses
- entertainment businesses
- retail businesses
- small manufacturing.

The EDA may consider and recommend to the City Council the use of SAC Credits for other business types not explicitly listed as eligible provided those business-types meet the intended objectives, qualifications and Additional Criteria of this Policy. Eligible businesses must either open a new business within the City or expand an existing operation that requires additional SAC units to be paid by the business.

### B. Ineligible Business Types

The following businesses are ineligible to apply for SAC Credits through this program

- businesses with no physical location in the City
- non-profit organizations
- national chain businesses
- adult-, gambling- and cannabis-oriented businesses; and/or
- businesses that do not meet the Purpose and Objectives of this SAC Policy.

### C. Additional Criteria

For other business types not explicitly listed as Eligible, the EDA and/or City Council may use any or all of these Additional Criteria when evaluating requests for SAC Credits. The EDA and/or City Council reserves the right to determine other qualifying criteria.

Size: Businesses with fewer than 40 employees.

Jobs: Businesses creating at least two (2) new full-time equivalent (FTE) jobs or retaining existing FTEs within a period of time as determined by the EDA and/or City Council. Jobs creation must occur within two (2) years from the SAC Credit award date.

Economic Impact: Business investment that revitalizes an existing property through infill development, rehabilitation and repurpose of an existing building or property, and/or clean up blighted, neglected and deteriorated properties. The resulting economic impact may include but is not limited to: increased taxable value of the existing property, environmental remediation, improved business district aesthetics, and/or other economic impacts as determined by the EDA and/or City Council.

Location: Businesses occurring in development and redevelopment focus areas as established by the EDA and/or City Council through the City's Comprehensive Plan, neighborhood plans, small area plans or master development or redevelopment plans.

### D. Timing of Applicants

Applications for this program shall only be accepted prior to the issuance of a building permit. Applications may not seek reimbursement of previously paid-for credits.

### E. Maximum Credits Allowed Per Application

The maximum number of SAC Credits that may be requested by an applicant shall be limited to a maximum of five (5) credits or not more than 80% of the total number of SAC Credits needed, whichever is smaller. At no time shall SAC Credits be used to zero out SAC owed for a project. Additional credits greater than the maximum stated above, may only be granted upon recommendation by the EDA and approved by the City Council for eligible businesses with significant SAC costs. Under no circumstance shall the number of credits awarded to one applicant exceed ten (10) credits. The City cannot guarantee the availability of SAC credits.

SAC Credits issued are limited to the number of SAC Credits available up to the maximum allowed. The EDA may consider and recommend to the Council the issuance of SAC Credits greater than the maximums, as defined above, if the resulting development satisfies a significant community goal.

## **ALTERNATIVE PROGRAM OPTIONS**

In lieu of awarding SAC Credits, or if no SAC Credits are available, the EDA and City Council may consider these other program options for the purpose of supporting new business and business growth in the community.

Payment Arrangement. The EDA may recommend and the City Council may approve a no- to low-interest Payment Arrangement with an eligible business. Payment arrangements shall only apply to City SAC connection fees due; the City shall not enter payment arrangements for MCES SAC amounts due. No Payment Arrangement shall be offered by the City to any business applying for or receiving a SAC deferral or deferred payment or other assistance through MCES. Payment Arrangements may also be used for WAC connection fees.

Terms of a Payment Arrangement shall include the following terms. The City Council reserves the right to add additional terms and conditions to any Payment Arrangement.

- Initial downpayment, followed by an equivalent number of payments.
- Payment installment plan not exceeding 12 months, unless otherwise authorized.
- Interest rate; optional interest waiver.
- Failure to pay provisions with option for special assessment(s) due to lack of payment.

All arrangements shall include an interstate rate; the rate shall be similar to the rate established for capital projects. Waiver of interest, if approved, shall only occur with each payment made to the City. Failure to pay may result in the loss of an interest waiver and cancellation of Payment Arrangement.

Grant or Forgivable Loan. The City Council shall have the option to establish a Payment Arrangement as a Grant or Forgivable Loan. Terms of a Grant or Forgivable Loan shall follow the Payment Arrangement. The City Council may agree to a Grant or Forgivable Loan for all or a percentage of the total SAC and/or WAC due to the City. Grants or Forgivable Loans are equal to a fee waiver or reduction to the normal WAC and SAC connection fees due to the City.

Under a Grant, the business shall pay SAC or WAC fees in full at the time of building permit or successfully complete the payment arrangement. The City Council shall agree to reimburse the business for only those fees paid according to terms and conditions of the agreement.

Under a Forgivable Loan, payments according to the approved installment plan shall only be waived when the payment is due and based on the terms and conditions of the agreement.

If the business ceases operation (closes or relocates) at any time during the term of the Payment Arrangement, the business and/or property owner shall be required to remit payment for the balance due including interest. Businesses that cease operation may no longer be eligible for reimbursement under the Grant option. Payment Arrangements shall not be transferable to the next business or business owner or new business location upon relocation. The City shall reserve the right to assess the property for any balance due. The business must be eligible through this Policy and, if applicable, must apply for the Grant or Forgivable Loan according to the City's Public Subsidy and Business Assistance Policy.

SAC Deferral or Deferred Payment Agreement. Businesses not eligible for SAC credits or other program options through this Policy, or eligible businesses seeking assistance when no SAC credits are available, may make application to the MCES for assistance or deferral of SAC owed.

## **GENERAL TERMS & CONDITIONS**

- A. The City Council reserves the right to determine and limit the number of SAC Credits issued to applicants. Such limitations shall be implemented to ensure maximum utilization and benefit of SAC Credits available. Nothing herein shall imply or suggest that the City is under any obligation to issue SAC Credits to any applicant.
- B. SAC Credits are first-come, first-served and awarded to applicants that satisfy the Purpose and Objectives of this SAC Policy, as recommended by the EDA and approved by the City Council. If credits are not available, applications shall not be accepted.
- C. Businesses and/or property owners are limited to one (1) SAC Credit application per calendar year, and not more than two (2) applications in a three (3) year period. No subsequent SAC Credit applications will be considered for the same project or expansion of project for a business or property owner.
- D. Residential-related projects or requests are not eligible for SAC Credits. Neither the EDA nor City Council will consider such applications.
- E. A fee for requests under this Policy may be charged by the City, according to the adopted City Fee Schedule.
- F. Applicants shall not have their application considered if their business and/or property is not in compliance with any state and local licensing, building code and zoning and/or not in good financial standing with EDA or City, including but not limited to: any outstanding balances due, property taxes or utility bills in arrears, or other charges.
- G. Information contained in the application for assistance will become a matter of public record except for those items protected under Minnesota Statute §13.591.
- H. No officer of the EDA and/or City will have any personal financial interest or shall personally benefit financially or otherwise from the business receiving assistance.
- I. The City and EDA retain the right to deny issuance of SAC Credits to any application and for any reason. All SAC Credit recipients shall be required to indemnify the City of Inver Grove Heights, the Inver Grove Heights Economic Development Authority, and any officers acting on their behalf.
- J. Neither the EDA nor City shall be responsible or liable for any expenses incurred by applicants in the preparation of their applications and related documentation for consideration under this program.

## **APPLICATION PROCESS**

All applications for SAC Credits through this program shall be accepted on a first-come, first-served basis. Applicants shall use the application form provided by the City and must include additional information as may be required by the application form. City staff shall follow the process generally outlined below. City staff shall have the authority to request additional information from the applicant as may be necessary to review and process an application. All requests for SAC Credits shall be reviewed by the EDA, which shall make a recommendation for approval or denial to the City Council.

- A. Deadline: Applications must be submitted not less than 15 business days prior to the next regularly scheduled EDA meeting. No special meetings shall be called to consider applications.
- B. Submission: The Application shall be submitted electronically (PDF) and must include all supporting and necessary documentation as required or requested. Applications shall be emailed to the Community Development Director.
- C. Staff Meetings: City staff may request a meeting with the Applicant to review the application, discuss status and additional information needed, and review staff recommendations.
- D. EDA Meeting: A complete application, along with the staff recommendation, shall be presented to the EDA for consideration. The EDA retains the right to attach conditions of approval onto an application and shall submit the Application and its recommendation to the City Council for action.
- E. City Council: Upon receiving the EDA recommendation, the City Council shall consider and act upon the request. The City Council reserves the right to request additional information; approve or deny any Application; offer other available Alternative Program Options in lieu of SAC Credits; and/or consider other actions.
- F. Agreement: Upon approval of an application, an agreement shall be required between the City and the Applicant (i.e. Business). If the Applicant is not the owner of the property, the Property Owner shall be required to consent to and be a party to the agreement.



**SEWER AVAILABILITY CHARGE (SAC) CREDIT APPLICATION**  
 CITY OF INVER GROVE HEIGHTS | 8150 BARBARA AVENUE | INVER GROVE HEIGHTS, MN 55077

BUSINESS CONTACT			
Name		Title	
Business Name			
Address			
Email		Phone	

PROPERTY OWNER CONTACT			
Name		Title	
Entity Name			
Address			
Email		Phone	

BUSINESS INFORMATION			
Site			
Other Locations	Yes	No	Number of Other Existing Locations.
Investment			
Eligibility Options			
Ownership	Owner Occupied		Square Feet (SqFt)
	Leased Space		Square Feet (SqFt)
Employment	Existing Employees		New Employees

**SAC CREDIT CALCULATION**

MCES SAC UNITS			SAC CREDIT UNITS		
A		MCES SAC Determination	D		MCES SAC Due
B		Existing On-Site SAC	E		SAC Credits (80% Row D)
C		MCES SAC Due (Row A - Row B)	F		Net SAC Less Credit (Row E - Row F)
			G		SAC Credit Request* *If > 5.0 = Max 5.0. If < 1.0 = Min 1.0
			H		Total SAC Due (Paid by Business/Owner)

MCES SAC VALUE			SAC CREDIT VALUE		
\$		MCES SAC Due (Row C) x \$2,485/Unit	\$		SAC Credits (Row G) x \$2,485/Unit
			\$		Total SAC Due (Row H) x \$2,485/Unit

**ELIGIBILITY CERTIFICATION**

Please certify the following.				
	Yes	No		The business is physically located in the City of Inver Grove Heights.
	Yes	No		The business is a Chain or Franchise.
	Yes	No		The business is a non-profit organization.
	Yes	No		The business is an adult-, gambling- or cannabis-oriented business.
	Yes	No		I understand SAC Credits are available on a first-come, first-served basis.
	Yes	No		I understand SAC Credits are non-transferrable.
	Yes	No		I have not submitted more than 1 application this year.
	Yes	No		I have not submitted more than 2 applications in the past 3 years.

**ATTACHMENTS CHECKLIST**

	Copy of the MCES SAC Unit Determination for the business and location.
	Brief narrative describing the business and how the assistance supports the goals of the City Policy.

**ACKNOWLEDGEMENT**

**BUSINESS ACKNOWLEDGEMENT**

I hereby certify that the information provided in this application is true and complete to the best of my knowledge. I understand that any false statements may disqualify me or the business or property owner from the program. I understand the City of Inver Grove Heights reserves the right to request additional information or approve, modify or reject this application, including SAC Credits awarded, if any, at its sole discretion.

\_\_\_\_\_  
*Business Owner Signature*

\_\_\_\_\_  
*Date*

**OWNER ACKNOWLEDGEMENT**

I am the owner of the above-described property and I agree to this application. By signing this application, I certify that all fees, charges, utility bills, taxes, special assessments and other debts or obligations due to the City by me or for this property are paid in full. I further certify that I am in compliance with all ordinance requirements and conditions regarding other City approvals that have been granted to me for any matter(s). I agree that if awarded SAC Credits I will enter into an agreement with the City of Inver Grove Heights, outlining the terms and conditions of said SAC Credit award.

\_\_\_\_\_  
*Property Owner Signature*

\_\_\_\_\_  
*Date*



## Planning Commission Report

**MEETING DATE:** June 8, 2026

**COMPREHENSIVE PLAN:** The Economic Development Authority is asked to consider authorization of appraisals for one (1) parcel owned by the EDA, located at 70<sup>th</sup> Street and Babcock Trail, and two (2) parcels owned by the City, located on Blaine Avenue and Highway 52.

**ZONING:** 70<sup>th</sup> Street & Babcock Trail Parcel

On May 27, 2025, the City Council approved a replat of the Inver Wood Golf Course, resulting in the creation of a 3.96-acre outlot located on the northwest corner of 70<sup>th</sup> Street and Babcock Trail ("Parcel"). That May 2025 action by the City Council also approved an amendment to the 2040 Land Use Plan, changing the designation of the Parcel from Public Parks and Open Spaces to Mixed Use, and rezoning of the property from P, Institutional to R-3C, Multiple Family Residential.

The Parcel is not currently serviced by municipal services (water and sanitary sewer). Utilities are planned to be brought to and through the Parcel prior to the County Road 26 / 70<sup>th</sup> Street reconstruction project led by Dakota County ("County Project"). The share of that utility cost could be a deferred assessment against the Parcel to be paid by future development. The EDA technically acquired the Parcel from the City as part of a 1992 land transaction. That transaction cost to the EDA was \$1,352,000 – \$352,000 in cash and a \$1 million loan from the City's Host Community fund. The loan remains outstanding.

The location and physical attributes of the Parcel have been appealing to developers. Although general interest remains, none have move forward beyond general discussion or concept review. Reasons cited included timing of the County Project, and EDA land acquisition cost plus cost to extend utilities to the Parcel. In 2025, the City did receive and reject a purchase offer given the price and type of development proposed.

An appraisal of the Parcel was completed in 2017. It based on an assumption that the Parcel would be re-guided and re-zoned to support residential development, with single-family residential as the highest and best use. The determined valuation was \$154,000. As noted above, the approved new guiding and zoning of the property have established a different "highest and best use."

As it has been 10 years since the Parcel was last appraised, and given land acquisition price and pending utility costs, now would be an appropriate time to obtain a new appraisal.

The cost estimate for this appraisal is \$4,000. The price quote was provided by Patchin Messner Valuation Counselors, a firm used by the City for other appraisal work.

## Blaine Avenue & Highway 52

The City of Inver Grove Heights (“City”) owns the two (2) parcels located on Blaine Avenue and Highway 52, just south of the AmericInn. Highway 52 divides both parcels, with the bulk of both parcels – approximately 23 acres combined – located on the east side of Highway 52.

On June 9, 2025, the Economic Development Authority (“EDA”) authorized City staff to proceed with due diligence work of City-owned property adjacent to Highway 52. That work included a replat of both parcels, resulting in the creation of two outlots on the east side of Highway 52 and the combination of the remnants of both parcels west of Highway 52 into McGroarty Park. That due diligence work also included Phase 1 environmental study, wetland delineation and soil borings and geotechnical report. The objectives of that work were to: 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 due diligence work is complete, and the Preliminary and Final Plats are finished and will soon go through the formal public review and approval process.

As the end goal is to consider potential development of these parcels, obtaining the appraisals is part of the information gathering process that would assist the City with that future decision. Completing the appraisals do not require the City to sell the land for development. The cost estimate, per parcel, for these appraisals are \$3,500 each, or \$7,000 total. The price quote was provided by Patchin Messner Valuation Counselors, a firm used by the City for other appraisal work.

### Total Appraisal Work

The total cost for all three appraisals is \$11,000 and could take up to 12 weeks to complete them. The appraiser did indicate the City could prioritize one appraisal report over another, if there was a need to receive that specific report sooner. City staff did request proposals from another appraisal firm; no response was received.

**STAFF CONTACT:** Jason Ziemer, 651-450-2546

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## **ACTION REQUESTED**

## **BACKGROUND**

City staff recommend approving the appraisal work.

## **EVALUATION OF REQUEST**

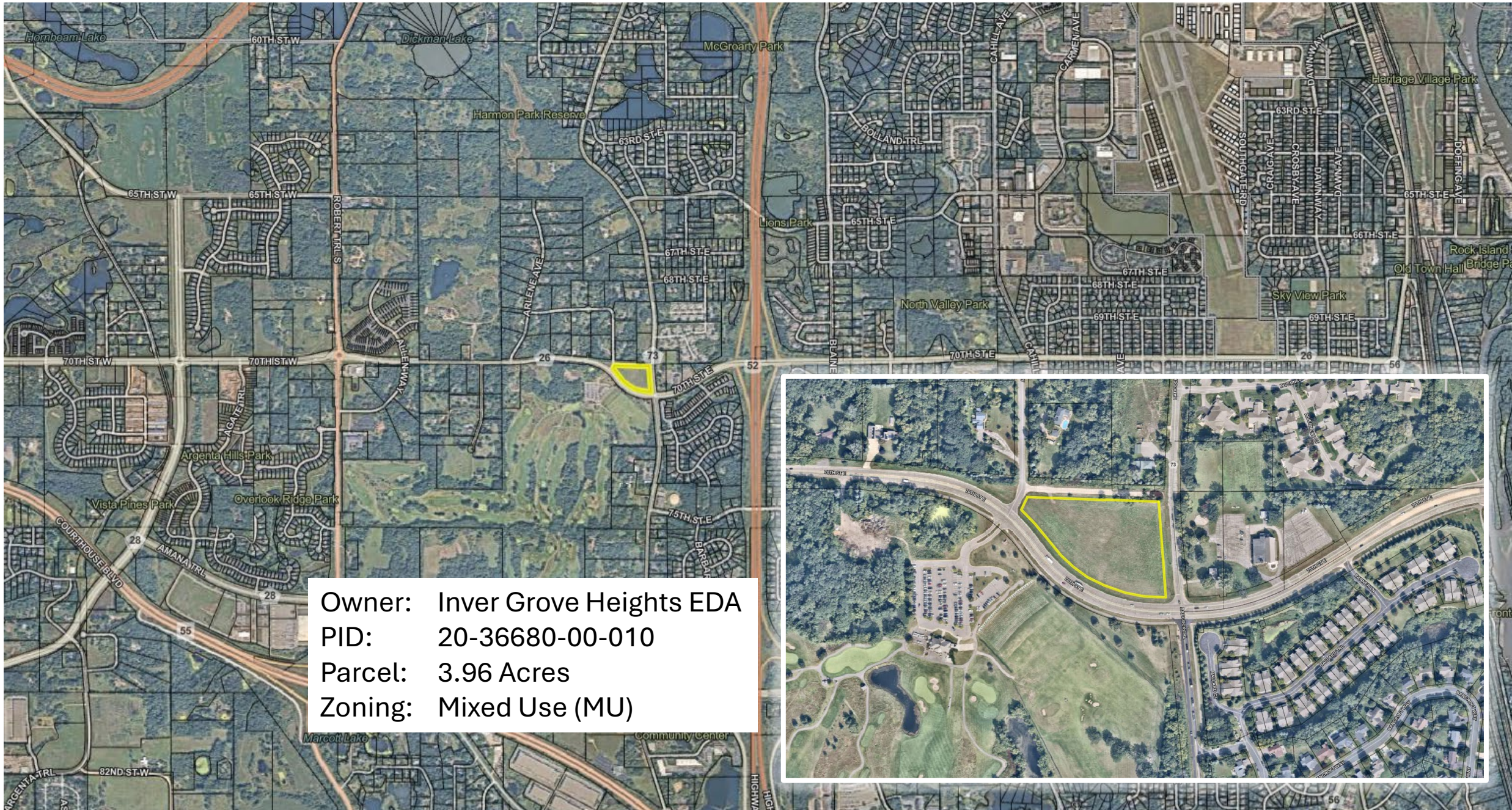
## **ALTERNATIVES**

## **RECOMMENDATION**

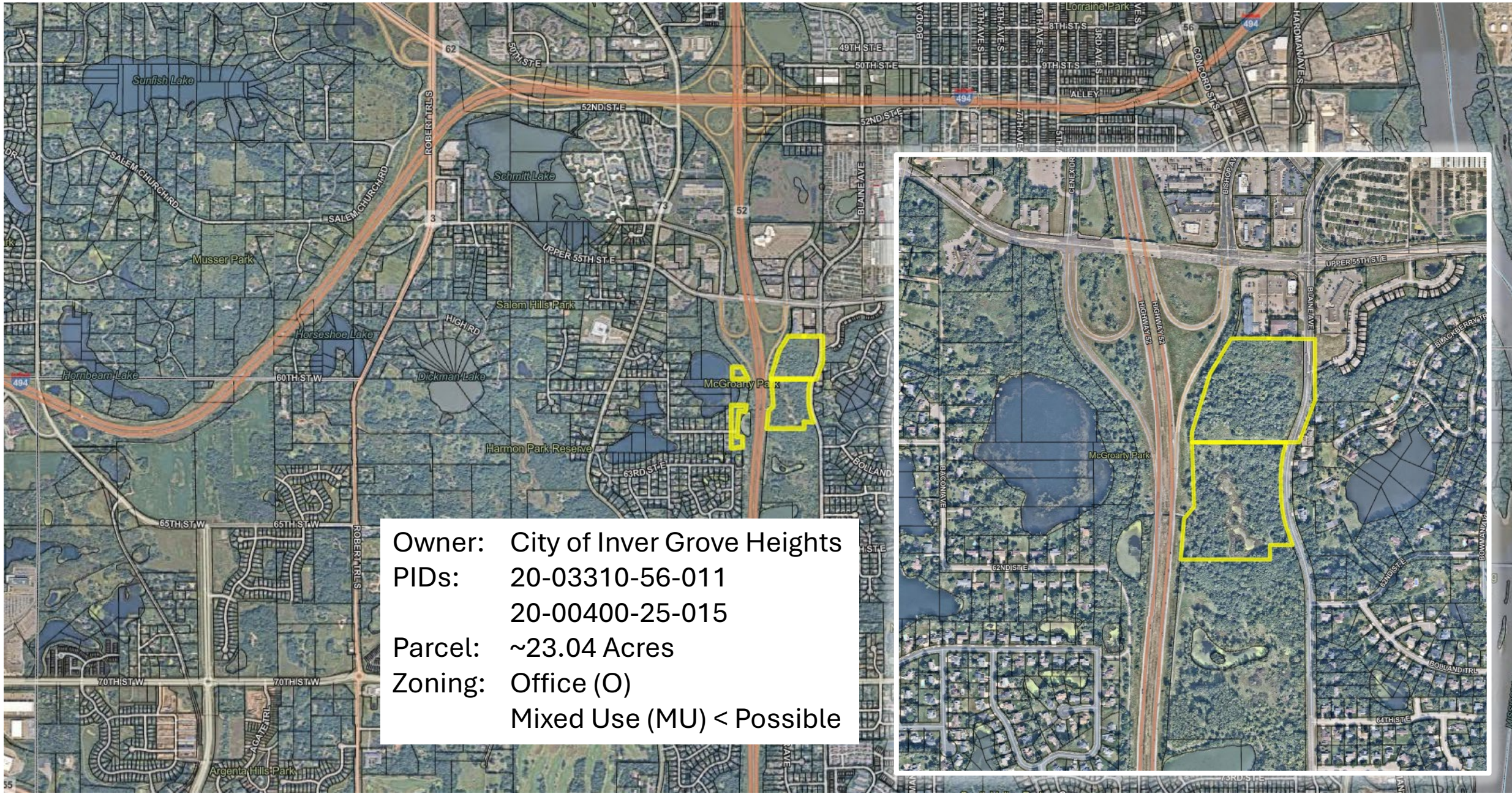
## **ATTACHMENTS**

1. Property Appraisals





Owner: Inver Grove Heights EDA  
PID: 20-36680-00-010  
Parcel: 3.96 Acres  
Zoning: Mixed Use (MU)



**Owner:** City of Inver Grove Heights  
**PIDs:** 20-03310-56-011  
20-00400-25-015  
**Parcel:** ~23.04 Acres  
**Zoning:** Office (O)  
Mixed Use (MU) < Possible