



Dakota County

Physical Development Committee of the Whole

Minutes

Tuesday, April 14, 2026

9:30 AM

Conference Room 3A, Administration
Center, Hastings

(or following General Government and Policy)

1. Call to Order and Roll Call

The meeting was called to order at 9:35 a.m. by Commissioner Holberg.

Present

- Commissioner Mike Slavik
- Commissioner Joe Atkins
- Commissioner Laurie Halverson
- Commissioner William Droste
- Commissioner Liz Workman
- Chairperson Mary Liz Holberg
- Commissioner Mary Hamann-Roland

Also in attendance were Heidi Welsch, County Manager; Tom Donely, First Assistant County Attorney; Georg Fischer, Physical Development Division Director; Liz Hansen, Administrative Coordinator.

The audio recording of this meeting is available upon request.

2. Audience

Commissioner Holberg asked if there was anyone in the audience that wished to address the Physical Development Committee of the Whole on an item not on the agenda or an item on the consent agenda. No one came forward and no comments were submitted to CountyAdmin@co.dakota.mn.us.

3. Approval of Agenda (Additions/Corrections/Deletions)

3.1 Approval of Agenda (Additions/Corrections/Deletions)

Motion: Mary Hamann-Roland

Second: Mike Slavik

Ayes: 7

4. Consent Agenda

4.1 Approval Of Minutes Of Meeting Held On March 10, 2026

Motion: Joe Atkins

Second: Liz Workman

Ayes: 7

5. Regular Agenda

5.1 Authorization To Add Six Full Time Equivalents For Operations At New Recycling Zone Plus And Amend Environmental Resources Operating Budget

Motion: Laurie Halverson

Second: Liz Workman

Waste Regulation Supervisor Dave Magnuson presented an update on the new Recycling Zone Plus project. The project began planning in 2019, and construction started in April 2026. The facility is anticipated to increase participation in the County's Household Hazardous Waste program by about 44,000 residents and process an additional 1.7 million pounds of waste annually.

The proposed staffing plan is a hybrid model, with some county staff as well as contractors for the more technical tasks. Staff requested approval of six full time county staff that would be on boarded prior to the grand opening for the public. Commissioners raised concerns about the timing of the request. Staff responded that the new staff would be responsible for finalizing contracts, creating standard operating procedures, training and operational planning leading up to the opening of the facility in Spring 2027.

WHEREAS, by Resolution No. 25-456 (September 23, 2025), the Dakota County Solid Waste Master Plan (Plan) was adopted; and

WHEREAS, the Plan supports the Dakota County Board of Commissioners' desire to remove household hazardous waste (HHW) from the solid waste stream because of health, safety, and environmental concerns; and

WHEREAS, Dakota and Scott Counties have partnered to build the Dakota-Scott Regional HHW and Recycling Facility, known as the Recycling Zone Plus, that will accept HHW and traditional and non-traditional recyclables and therefore increase proper management of solid waste and increase recycling in both counties and prolong the life of the two current facilities by stabilizing growth at those sites with the addition of a second facility; and

WHEREAS, by Resolution No. 26-070 (February 17, 2026), the Dakota County Board approved the first amendment to the joint powers agreement (JPA) with Scott County for design and construction of the Dakota-Scott Regional HHW and Recycling Facility, which Dakota County and Scott County executed on February 18, 2026; and

WHEREAS, in preparation for the Recycling Zone Plus operations to begin in 2027, it is estimated that the following 6.0 additional full-time equivalents are needed to set up operations and programming:

- One FTE Environmental Resources Supervisor

- Two FTE Environmental Specialists
- Three FTE Environmental Technicians

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the creation of the requested 6.0 full time equivalents in the Environmental Resources Department; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby amends the 2026 Environmental Resources Department budget as follows:

Full Time Equivalents (FTE): 6.0

Expenses

1.0 FTE - Environmental Resources Supervisor (assumes 8 months)
\$125,517
2.0 FTE - Environmental Specialist (assumes 8 months) \$214,362
3.0 FTE - Environmental Technician (assumes 1 month) \$ 78,802
Total Expenses \$418,681

Revenue

Use of Environmental Legacy Fund \$418,681
Total Revenue \$418,681

This item was approved and recommended for action by the Board of Commissioners on 4/21/2026.

Ayes: 5

Commissioner Atkins, Commissioner Halverson, Commissioner Droste, Commissioner Workman, and Commissioner Hamann-Roland

Nay: 2

Commissioner Slavik, and Chairperson Holberg

5.2 Discussion And Direction On Accepting Mattresses Or Appliances At Recycling Zone Plus

Waste Regulation Supervisor Dave Magnuson and the committee discussed logistics and costs related to the proposed recycling of appliances and mattresses at the Recycling Zone Plus facility, scheduled to open Spring 2027. Initial estimates include the recycling of 5,200 appliances and 2,700 mattresses annually. Staff issued a Request for Proposals and discussed the proposal with all county licensed haulers and facilities. None of the facilities expressed any concerns with the proposal.

The costs associated with the proposal would be covered by a new fee established for appliances and mattresses during the 2027 budget process. The fee would cover all recycling and staffing costs associated with providing the services.

The board unanimously directed staff to move forward with the planning efforts to collect these materials and to propose new fees for these items during the 2027 budget process.

Information only; no action requested.

5.3 Authorization To Execute Contract With McKinstry Essention, LLC, For Energy Improvements Project Phase Two

Motion: Mary Hamann-Roland

Second: Laurie Halverson

Facilities Director Mike Lexvold updated the committee on a four-year energy-saving partnership that began in 2022. Phase one (completed in 2023) added solar panels, HVAC commissioning, and LED lighting, cutting costs by 35%. Phase Two will add solar at five sites, water conservation measures in 16 buildings, building sealing and mechanical upgrades. The proposed Phase Two improvements will result in an anticipated 10-12% reduction in utility costs annually. They will reduce the county's electrical use by 893,940 KWH per year as well as reduce annual gas use by 24,478 therms and water use by 1,726,000 gallons. The plan includes an initial \$250,000 levy investment, nearly \$1M in federal incentives, and a tax-exempt loan where the debt service is fully financed with annual energy savings. The return on the initial \$250K county investment is expected to be \$1.46M over twenty-five years.

WHEREAS, Dakota County operates over 1.6 million square feet of buildings consuming \$2,250,000 in annual energy expenses in 2023; and

WHEREAS, the Phase One Energy Improvements project converted over 14,000 lights to LED, added approximately one megawatt of solar across four sites, and completed HVAC retrocommissioning work at the Northern and Western Service Centers; and

WHEREAS, the lighting and HVAC work was completed over the course of 2024 with the solar coming online in February and March 2025; and

WHEREAS, countywide facilities energy costs decreased due to the Phase One project, and to a smaller extent, lower energy market prices; and

WHEREAS, countywide costs were \$2.25 million in 2023, \$1.99 million in 2024, and \$1.76 million in 2025; and

WHEREAS, countywide cost reductions were 11.6 percent from 2023 to 2024; and

WHEREAS, countywide costs were reduced another 11.4 percent from 2024 to 2025; and

WHEREAS, building on the success of Phase One, staff has continued the partnership with McKinstry to explore options to maximize the County's return on

investment in additional energy projects; and

WHEREAS, McKinstry reassessed all County facilities and the Phase Two project will save an additional 10 to 12 percent on top of Phase One savings; and

WHEREAS, this project includes rooftop solar at five sites, mechanical upgrades at three buildings, water conservation measures at 16 buildings, and building envelope sealing at 19 buildings; and

WHEREAS, this scope represents the best value to the County for the work to be performed; and

WHEREAS, the County will pay \$250,000 for this project up-front and is guaranteed savings of \$104,000 per year in energy and water costs; and

WHEREAS, those savings will be used to pay the Tax-Exempt Lease Purchase (TELP) loan used to finance the remainder of the project costs; and

WHEREAS, after factoring in the cost of filing for a federal tax credit available through the Inflation Reduction Act, the net present value of the savings that the County will realize are estimated to come to \$280,000 - more than the initial investment in the project; and

WHEREAS, the total project cost and contract with McKinstry is \$3,081,374 which is funded by \$250,000 of levy in the 2026 Adopted Facilities Capital Improvement Program and \$2,831,374 from a Tax-Exempt Lease Purchase loan coordinated by Finance and a third-party financial institution; and

WHEREAS, staff is recommending approval of the Energy Improvements Project Phase Two; and

WHEREAS, this project represents the best value to the County for the work to be performed and meets the expectations of staff and the County Board for capital expenditures on energy improvements; and

WHEREAS, the completion of the Energy Improvements Project Phase Two will position the County to seek utility rebates and state and federal funding sources, which will shorten the project return on investment and increase the net present value.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Facilities Management Director to execute a contract with McKinstry Essention, LLC, in an amount of \$3,081,374, to perform the Energy Improvement Project Phase Two subject to approval by the County Attorney's Office as to form.

This item was approved and recommended for action by the Board of

Commissioners on 4/21/2026.

Ayes: 7

5.4 Authorization To Submit Applications For 2026 Regional Solicitation Grant Funding Opportunity And Approve Letters Of Support For City-Led Project Applications

Motion: Joe Atkins

Second: Mike Slavik

Transportation Director Erin Laberee outlined potential applications for the 2026 regional solicitation grant, which offers \$250 million for 2030-2031 projects and \$50 million for active transportation projects from 2027-2031. The proposed submittals include projects in numerous funding categories, including three in congestion management and roadway modernization, two in safety, and 11 in regional and active transportation. Commissioner Slavik requested that the active transportation project related to trails along CSAH 54 from Hastings to CSAH 68 be removed at this time to allow for further board discussion on the need for a trail. That issue will be brought back to the May 2026 Physical Development Meeting of the Whole for further discussion. This will allow sufficient time to submit that project individually, should the board elect to do so after discussion, by the June 18th deadline.

Commissioners discussed removing CP 54-011: Trails along CSAH 54 (Ravenna Trl.) from Hastings city limits to CSAH 68 (200th St.) (County-led application) and renumbering the list.

Based on this change the resolution was amended to remove the CSAH 54 project.

WHEREAS, the Metropolitan Council's Transportation Advisory Board (TAB) is requesting project submittals for funding through the Regional Solicitation process; and

WHEREAS, the Solicitation programs fund between 80 and 95 percent of project construction costs; and

WHEREAS, funding of projects reduces the burden on local taxpayers for regional improvements; and

WHEREAS, project submittals are due on June 18, 2026; and

WHEREAS, all projects proposed are consistent with the adopted Dakota County 2040 Comprehensive Plan; and

WHEREAS, subject to funding award for the projects identified hereto, the Dakota County Board of Commissioners would be asked to consider authorization to execute a grant agreement at a future meeting.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the submittal of the following County project applications to the Regional Solicitation application process for funding:

Congestion Management and Roadway Modernization

- 1.1 County Project (CP) 50-033: County State Aid Highway (CSAH) 50 (Kenwood Trail) and Interstate (I)-35 interchange in Lakeville (County-led application)
- 2.1 CP 38-061: CSAH 38 (McAndrews Rd.) from CSAH 5 (Kenwood Trail) to Burnhaven Drive (Potential city-led application)
- 2.2 CP 09-065: CSAH 9 (Dodd Ave.) from CSAH 50 (Kenwood Trail) to 208th Street (Potential city-led application)

Regional Solicitation Safety/Highway Safety Improvement Program -
Reactive Safety and Proactive Safety

- 3.1 CP 09-068: CSAH 9 (Dodd Ave.) and Indiana Ave/194th Street intersection and CSAH 9 (Dodd Ave.) and 190th Street intersection (County-led application)
- 4.1 CSAH 46 from US 52 to 400' west of General Sieben Drive (County-led application)

Regional and Active Transportation Local Bike Facilities

- 5.1 CP 98-020: Veteran's Memorial Greenway, grade separation at US 52 (County-led application)
- 5.2 CP 28-078: Lebanon Hills Greenway, Underpass of CSAH 28 (Yankee Doodle Dr.)(County-led application)
- 5.3 Lebanon Hills Greenway, overpass of TH 55 (County-led application)
- 5.4 Vermillion Highlands Greenway, Whitetails Woods to Vermillion River (near CSAH 66) (County-led application)
- 6.1 CP 31-111: Trails along CSAH 31 (Pilot Knob Rd.) from CSAH 64 (195th St) to CSAH 50 (220th Street) (Potential city-led application)
- 6.2 CP 42-180: Trails along CSAH 42 (150th St.) from TH 3 (Roberts Trail) to CR 73 (Akron Ave) (Potential city-led application)
- 6.3 North Creek Greenway from CSAH 42 (150th St.) to 140th St (Potential city-led application)
- 6.4 North Creek Greenway through Rambling River Park (Potential city-led application)
- 6.5 CP 31-115: Trails along CSAH 31 (Denmark Ave.) from CSAH 50 (220th Street) to CSAH 74 (County-led application)
- 6.6 Lake Marion Greenway through industrial park in Lakeville from Holyoke Ave to CSAH 23 (Cedar Ave.) (Potential city-led application)

; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby approves letters of support for the aforementioned city-led project applications to be signed by the Board Chair.

This item was approved as amended and recommended for action by the Board of Commissioners on 4/21/2026.

Ayes: 7

6. Assistant County Managers' Report

Georg Fischer, Assistant County Manager, provided the Committee with a written Division update.

7. Future Agenda Items

Chair, Commissioner Mary Liz Holberg, asked the Committee if anyone had a topic they would like to hear more about at an upcoming Physical Development Committee of the Whole. No Commissioners requested topics for future meetings at this time.

8. Adjournment

8.1 Adjournment

Motion: Mike Slavik

Second: Mary Hamann-Roland

On a motion by Commissioner Mike Slavik, seconded by Commissioner Mary Hamann-Roland, the meeting was adjourned at 10:31 a.m.

Ayes: 7

Respectfully submitted,
Liz Hansen
Administrative Coordinator