

**INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION
MONDAY, FEBRUARY 5, 2024 - 6:00 P.M. - 8150 BARBARA AVENUE**

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, February 5, 2024, in person. Mayor Dietrich called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Mayor Dietrich; Council Members: Murphy, Gliva, T’Kach, Scales; City Administrator Wilson, City Attorney McCauley Nason, Deputy Clerk Malott, Public Works Director Connolly, and Environmental Specialist Sutherland

Mayor Dietrich has changed the order of the discussion items. The 2024 Environmental Advisory Commission Work Plan will proceed first.

3. DISCUSSION ITEMS

A. 2024 Environmental Advisory Commission Work Plan

Environmental Specialist Ally Sutherland presented the work plan for 2024 for the Environmental Advisory Commission. City Council is asked to provide comments on the draft 2024 Environmental Advisory Commission (EAC) Work Plan.

2023 EAC Work Plan Progress

#1) Extend Xcel Energy Partners In Energy MOU through 2023 to achieve Energy Action Plan goals: COMPLETED

- ✓ 01/2023: EAC recommended City Council approval
- ✓ 02/2023: City Council approved MOU
- ✓ 01/2023-12/2023: Energy Action Plan implementation

2023 EAC Work Plan Progress Energy Action Plan was to reduce community energy costs and emissions related to buildings and transportation. residential outreach included 50 Free Home Energy Squad visits, Green Living Series presentation and event table, Earth Day Renewable Energy Challenge, IGH Days event table, free LED light bulb kits and education, shared payment assistance, tax credits, rebates, utility programs, and developed a sustainable IGH Community Recognition Program for residents and businesses.

Environmental Specialist Ally Sutherland explained Energy Action Plan vs. Climate Action Plan IGH Energy Action plan goal was to reduce community energy costs and emissions (buildings and transportation), increase building energy efficiency, support efficient transportation options, and support renewable energy adoption. Climate Action plan goal was to reduce community greenhouse gas emissions to address climate change and local impacts on transportation and land use, buildings and energy, waste management, water and wastewater, local food and agriculture, greenspace and trees. health and safety and climate economy.

#2) Support development of a Dakota County Organics Drop-Off located in IGH: COMPLETE

- ✓ 05/2023: City Council approved JPA for Inver Glen Library Organics Drop-Off
- ✓ 07/2023-09/2023: County and city promotions
- ✓ 08/2023: Inver Glen Library Organics Drop-Off opened

Participation rates: 10,481 registered households in Dakota County (6%) at 11 sites

- Eagan, 1,798, 6%
- Burnsville, 944, 4%
- IGH, 934, 6%
- Mendota Heights, 817, 17%
- Apple Valley 6%, Farmington 7%, Hastings 8%, Lakeville 5%, Rosemount 10%. WSP 8%

#3) Support solar development in IGH by joining SolSmart: IN-PROGRESS

- ✓ 04/2023: EAC recommended City Council approval
- ✓ 05/2023: City Council approved joining SolSmart
- ✓ 07/2023: Program liaison assigned to the city
- Present: Working to achieve bronze certification. Update zoning code and permit processes to support solar development.

#4) Recognize IGH residents and businesses taking environmentally friendly actions by developing a recognition program: IN-PROGRESS

- ✓ 06/2023: EAC recommended City Council approval
- ✓ 07/2023: City Council approved development of Sustainable IGH
- Present: 2024 EAC Work Plan includes launching program in mid-March 2024
 - Energy, Landscaping, Water, Waste, and Social Wellbeing

#5) Explore how the city can support electric vehicle readiness: IN-PROGRESS

- ✓ 02/2023: City Council approved joining EV Smart
- ✓ 07/2023: EAC recommended EECBG be used towards a fleet electric vehicle
- ✓ 08/2023: City Council selected different use for EECBG funds
- Present: Staff continuing to work towards EV Smart program goals
 - Education materials for EV charger permitting
 - Outreach at events
 - EV communications

2024 EAC Proposed Work Plan

1. Support the City's Energy Action Plan by extending the Energy Action Plan Memorandum of Understanding (MOU).
2. Support the City's Solid Waste Abatement Program as related items arise.
3. Support the new Sustainable IGH recognition program to launch in Spring 2024. The EAC will help promote the program, review applications, and select awardees.
4. Support SolSmart implementation as related items arise.
5. Review landfill expansion applications related to the anticipated Pine Bend Landfill proposed expansion.
6. Incorporate stormwater and groundwater educational items into the EAC agendas and invite speakers to educate the EAC on priority topics.
7. Incorporate natural resources related educational items into the EAC agendas and invite speakers to educate the EAC on priority topics.
8. Process other EAC business-as-usual items per City Code 2-4-2.

2024 Energy Action Plan Implementation

- Residential outreach
 - Energy burdened households
 - Multifamily property owners and renters
 - Renewable energy
- Business outreach

- Collaborate with Chamber of Commerce
- Energy efficiency
- Renewable energy
- Electric vehicle charger installation and incentives
- Federal and State incentives
- Implement Sustainable IGH, SolSmart, and EV Smart
- 2024 Xcel Energy Partners In Energy MOU (Feb. 12)
 - \$2,000 of funding available for outreach
 - No-cost to the city

City Council is asked to provide comments on the draft 2024 EAC Work Plan on the February 12, 2024 consent agenda.

Mayor Dietrich complemented the EAC in completing two of the items on their goals.

Councilmember Gliva liked the idea of incorporating storm water and groundwater. Water has been a hot topic in the city and whatever we can do for safe drinking water.

Councilmember Murphy complemented the actions of the EAC being out in the community and promoting environmental issues.

Councilmember T'Kach asked if the EAC has prioritized their laundry list of items to work on and if the group could narrow down to four or five topics. Environmental Specialist mentioned that the landfill will take priority whenever it comes in. The city will have to wait on what Dakota County creates when they update their solid waste plan and then it would guide the city's organic collections.

Councilmember Scales complemented that the goals that the EAC are setting are attainable goals and he looks forward to what they bring forward.

B. Inver Grove Heights History Book Proposal

City Administrator Wilson introduced Cory Haala, PhD. Cory Haala, PhD, proposed to research, write and create programming related to a new IGH History book. He is an Assistant Professor of History and Museum Studies Coordinator, a graduate of UW-Stevens Point, a graduate of Simley High School (2009), a graduate of Northwestern University (2012), a graduate of Marquette University (2015, 2020) and a Coordinator, *Inver Grove History* website and project (with Tom Goetz, Simley High School)

Why now? The existing *The History of Inver Grove Heights* (Glewwe, 1990) is 33 years old, it had limitations of approach, changing more diverse population, and new businesses and schools. There are limited copies in circulation. It is not user-friendly, and it is the 60th anniversary of Villages convergence.

Book Project would have research (Summer 2024-2025) with assistance from the Dakota County Historical Society, and interviews with IGHCC members, mayors, community leaders, and would be archived long-term. The writing would be during the winter 2024-2025 creating a more accessible end product with E-reader, glossy photos in color, and shorter vignettes of founding families of IGH.

Funding and Labor would be low cost or no cost that would consist of collaborative work between Mr. Haala and assigned IGH staff (pro bono through July). It could be funded through the Minnesota Historical and Cultural Heritage grants of a small grant (up to \$10K) - due 4/12/24 and a large grant (up

to \$100K) - pre-app due 5/31/24. Little staff/administrative input - oversight as necessary, with low-cost programming to be funded with community stakeholders.

Mayor Dietrich thanked Mr. Haala for coming to speak to city council.

Councilmember Scales thinks this is a good idea as history needs to be recorded.

Councilmember Murphy think this is a fantastic opportunity and fully supports this.

Councilmember T'Kach thinks is time for IGH reaches out to the diverse community that we now have and is looking forward to what Mr. Haala comes up with.

C. Update on NWA Development Fee Research and Review

City Administrator Wilson presented this item to council. The NWA Fee Schedule for development and the impact of developing these properties. Water, sewer and stormwater connection fees are different in the NWA compared to the rest of the city. This was an intentional policy adopted as a means of repaying the costs of advancing water and sewer service into the NWA - allowed City not to have to assess benefiting property owners that were not ready to develop. Fee revenue was originally planned to cover debt payments; research suggests that it had become apparent by 2015 that this wouldn't fully cover costs. Park dedication fees, building permit fees, and some other utility fees are the same citywide - just connection fees differ.

Total *Connection* Fees (due at plat + at building permit)

Single Family Development (48 units on 26 acres zoned R-1C) inside the NWA would be estimated at \$1,141,332 (2024 Rates) while outside the NWA would be estimated at \$595,402.

Townhouse Development (157 units on 12 acres zoned R-3C) inside the NWA would be estimate at \$2,596,349 while outside the NWA would be estimated at \$525,854.

Apartment Development (152 units on 6.3 acres zoned R-3C) inside the NWA would be estimated at \$2,156,586 while outside the NWS would be estimated at \$392,264.

Funds Used for Water & Sewer Extension to NWA are approximately \$24.75 million in bonds (debt). Along with at least \$5 million transferred from Water Fund, at least \$3.5 million transferred from Sewer Funds and approximately \$750,000 transferred from General Fund.

Outstanding Debt for NWA Sewer Extension, it totals \$10,196,300 over the next twelve years.

There are two perspective developers wanting to develop multifamily projects in the NWA and have been advised to submit application for assistance.

A question that needs to be addressed is, as week look at the fees in the northwest area should be or will be, there will be a strong breaking point between are we just trying to make sure we can pay back the \$10.2 million in debt or are we strongly interested in seeing development in the northwest repay all of the various funds? The city started down the path that development in this area will pay for the development costs. The costs of infrastructure grew even after the funding mechanism was in place. We are now left with the fee schedule that is not sufficient to pay the debt off. Ehler's have been identifying shortfalls each year asking where the funding to cover the debt service should come from since 2015. If we are looking to make our development fees in the northwest area more comparable to

other nearby cities and more feasible, then the basic principle that the developers pay the developments costs, you can't have both ways.

Councilmember Scales repeated that the city isn't getting its money back waiting for developers to pay the rates in the fee schedule, so the hole keeps getting deeper and deeper. Let's get some development going rather than sit on the debt.

Councilmember T'Kach asked of the two developments, where they are in the development phase. City Administrator Wilson stated that one is through the planning commission stage and then realized the magnitude of the costs of the connection fees. The other one is following the calendar of events to proceed with the Land Use Permit. There is a \$5,000 fee that developers pay to see if there is a financial reason for the need for assistance, so developers are fairly certain that they will proceed with the project.

The City is not actively pursuing residential development at this time. The developers are going through the land owners and then coming in to the city with their applications.

Councilmember Murphy stated that inflation has taken its toll and possibly lowering our fees could drive development.

Councilmember Gliva, looking at the debt number, what we are currently doing is not working. Financially we don't want to make a mistake in the decision to lower the rates. It's hard to say that the value is there though, so maybe look at some kind of reduction in fees.

Staff was asked about the analysis of tax abatement versus fee reduction. There will be useful information from the research that Ehlers will be doing for us.

D. Closed Session Pursuant to Minn. Stat. Sec. 13D.05 subd. (3)(c)(2 & 3)

Motion to move into closed session pursuant to Minnesota Statute 13D.05 subd 3c 2 & 3, to review confidential or non-public appraisal data and develop or consider an offer for the purchase of real property located 1275 70th Street W Parcel #20-00600-78-012 by Scales, second by T'Kach.

Ayes: 5

Nays: 0

Motion to move into open session by Scales, second by Murphy.

Ayes: 5

Nays: 0

4. ADJOURN:

Motion to adjourn at 8:08 p.m. by Murphy, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by City Clerk Rebecca Kiernan.