

Inver Grove Heights City Council

Monday, June 14, 2021 at 6:00 p.m.

A G E N D A

NOTICE TO RESIDENTS: If you are interested in participating on **Item 7. Public Comment**, please contact Rebecca Kiernan prior to this meeting via telephone (651) 450-2513 or email (rkiernan@ighmn.gov) to inform her - your name, address and to what you wish to speak on. Individuals may submit written public comments in advance of the meeting by emailing comments to Rebecca Kiernan (rkiernan@ighmn.gov). Comments received prior to 4:00 p.m. on Monday, June 14, 2021, will be provided to the Council at or before the June 14, 2021, meeting.

1. Call to Order

2. Roll Call

3. Presentations

2020 Comprehensive Annual Financial Report

4. Consent Agenda

All items on the consent agenda are considered routine and have been made available to the City Council at least two days prior to the meeting; the items will be enacted in one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which event the item will be removed from this agenda and considered in normal sequence.

- A. i. Minutes from the May 3, 2021 City Council Work Session.
- ii. Minutes from the May 10, 2021 City Council Meeting.
- B. Disbursements for Period Ending June 8, 2021.
- C. Consider Approval of Personnel Actions.
- D. Consider Final Pay Voucher No. 2, Engineer's Final Report, and Resolution Accepting Work for City Project No. 2019-05 - Sleepy Hollow Park Storm Sewer Repair.
- E. Consider Resolution Establishing a Pavement Management Program Citizen's Advisory Task Force.
- F. Consider Resolution Supporting Parking Restrictions on 80th Street From Blaine Avenue to Cahill Avenue.
- G. Consider Approval of Encroachment Agreement for Landowner Improvements within City Drainage and Utility Easement for 8360-8389 Bravo Way (Lot 1, Block 1, East Campus Addition).
- H. Consider Resolution Approving an Easement Encroachment Agreement with Magellan Pipeline for Public Improvements Related to Canvas at Inver Grove Heights Development.
- I. Consider Approval of a Letter of Support for Dakota County CIP and its Transportation Sales and Use Tax Capital Improvement Program (TSUT-CIP) for 2021-2026.
- J. Consider Resolution Accepting the MS4 Annual Report for 2020.
- K. Consider Resolution Awarding Contract for City Project No. 2021-08 - Southern Trunk Watermain Improvements.

- L.** Consider Resolution Authorizing Engineering Services Proposal from Kimley-Horn for Assistance in Preparing Program Updates Required by the 2021 MS4 Permit.
- M.** Receive 2020 Comprehensive Annual Financial Report.
- N.** Consider Approval of a Resolution relating to the Improvement Agreement, Storm Water Facilities Maintenance Agreement and Permanent Drainage and Utility Easement for the landscape contractor's business located at 2660 - 50th Street.
- O.** Consider Approval of a Resolution relating to a Variance for Kellie Kronberg to allow a front yard setback Variance for property located at 3180 70th Street.
- P.** Consider Approval of a Resolution Making an Election Not to Waive Statutory Tort Limits for Liability Insurance Purposes.
- Q.** Consider Approval of the Purchase of Police Radios.
- R.** Consider Approval of a Resolution Approving Purchase Agreement with Kurt Rechtzigel.

5. Public Hearing

6. Regular

Community Development.

- A. JOSHUA & ELIZABETH SCHMIDT** - Consider an Ordinance Rezoning the property from R-1C, Single Family Residential District to R-3C, Multiple Family Residential District for property located at 4046 - 66th Street.
- B. KAYAK PROPERTIES** - Consider an Ordinance Rezoning the property from R-1A, Single Family Residential District to R-1C, Single Family Residential District for property located at 2644 - 70th Street.
- C. RACHEL DEVELOPMENT** - Consider the following for property located at 7855 Cahill Avenue;
 - 1. A Resolution relating to a Comprehensive Plan Amendment to change the land use designation from CC, Community Commercial to MDR, Medium Density Residential.
 - 2. An Ordinance to change the zoning from B-3, General Business District to R-3C, Multiple Family Residential District.
- D. M/I HOMES OF MINNEAPOLIS/ST. PAUL** - Consider the following for the plat of South Grove Townhomes:
 - 1. A Resolution relating to a Final Plat and Final PUD Development Plan, Development Contract and eight related agreements for Phase 1 of the plat to be known as South Grove Townhomes.
 - 2. A Resolution Establishing Parking Restrictions within the South Grove Townhomes Subdivision.
- E.** Consider the Third Reading of an Ordinance Amendment to allow larger detached accessory structures on residential lots 2.5-5.0 acres in size.
- F.** Consider the Second Reading of an Ordinance Amending Inver Grove Heights City Code Title 5, Chapter 4 adding section related to Temporary Harboring and Keeping of Goats for Prescribed Grazing by Permit.

7. Public Comment

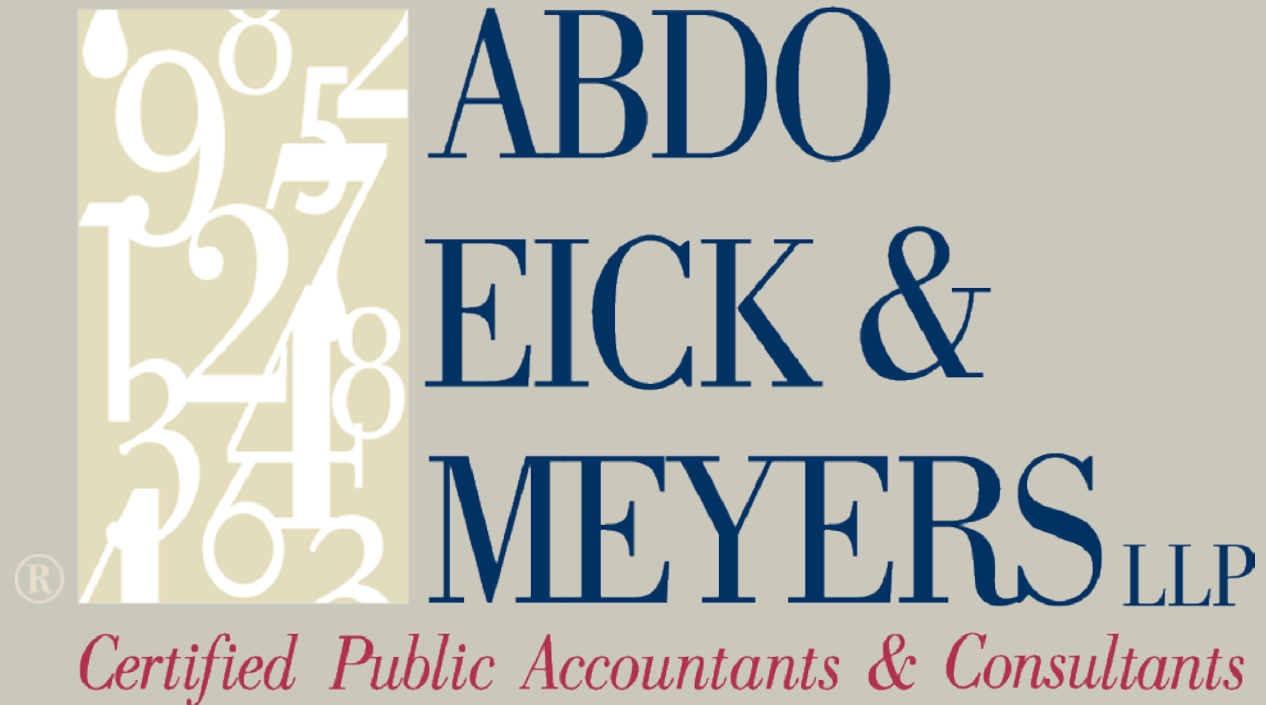
Public comment provides an opportunity for the public to address the Council on items that are not on the agenda. Comments will be limited to three (3) minutes per person.

8. Mayor and Council Comments

9. Executive Session

10. Adjourn

This document is available upon a three (3) business day request in alternate formats such as braille, large print, audio recording, etc. Please contact Rebecca Kiernan, City Clerk, at 651.450.2513 or rkiernan@ighmn.gov.



**City of
Inver Grove
Heights**

**2020 Financial
Statement Audit**

Introduction

Audit Opinion and Responsibility

General Fund Results

Other Governmental Funds

Proprietary Funds

Audit Results

Auditor's Opinion



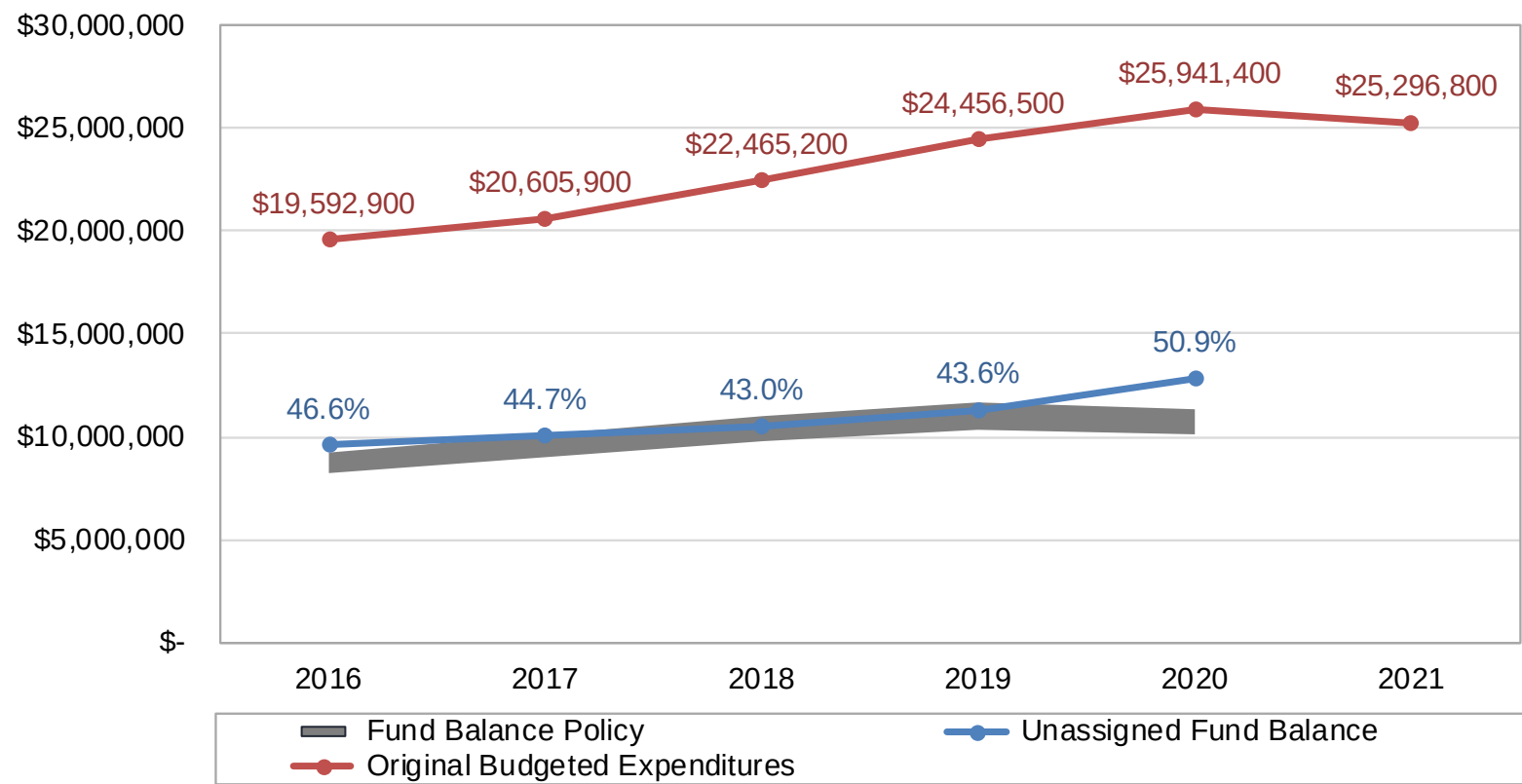
Minnesota Legal
Compliance



Single Audit



General Fund - Fund Balances

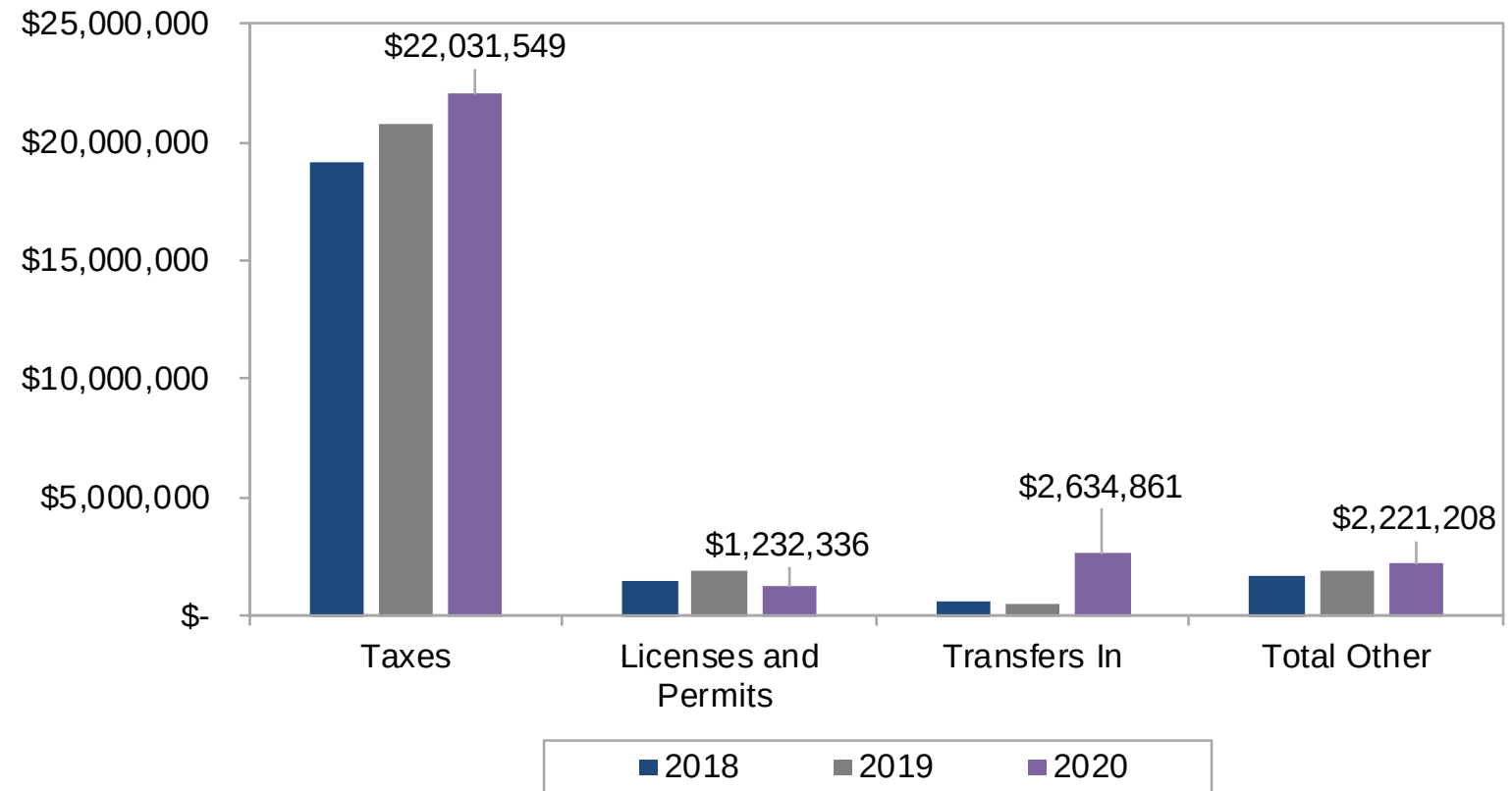


Note: The 2021 budget no longer includes amounts budgeted for the Pavement Management transfer to the PMP Fund. These amounts will now be apart of the tax allocations directly to the PMP Fund.

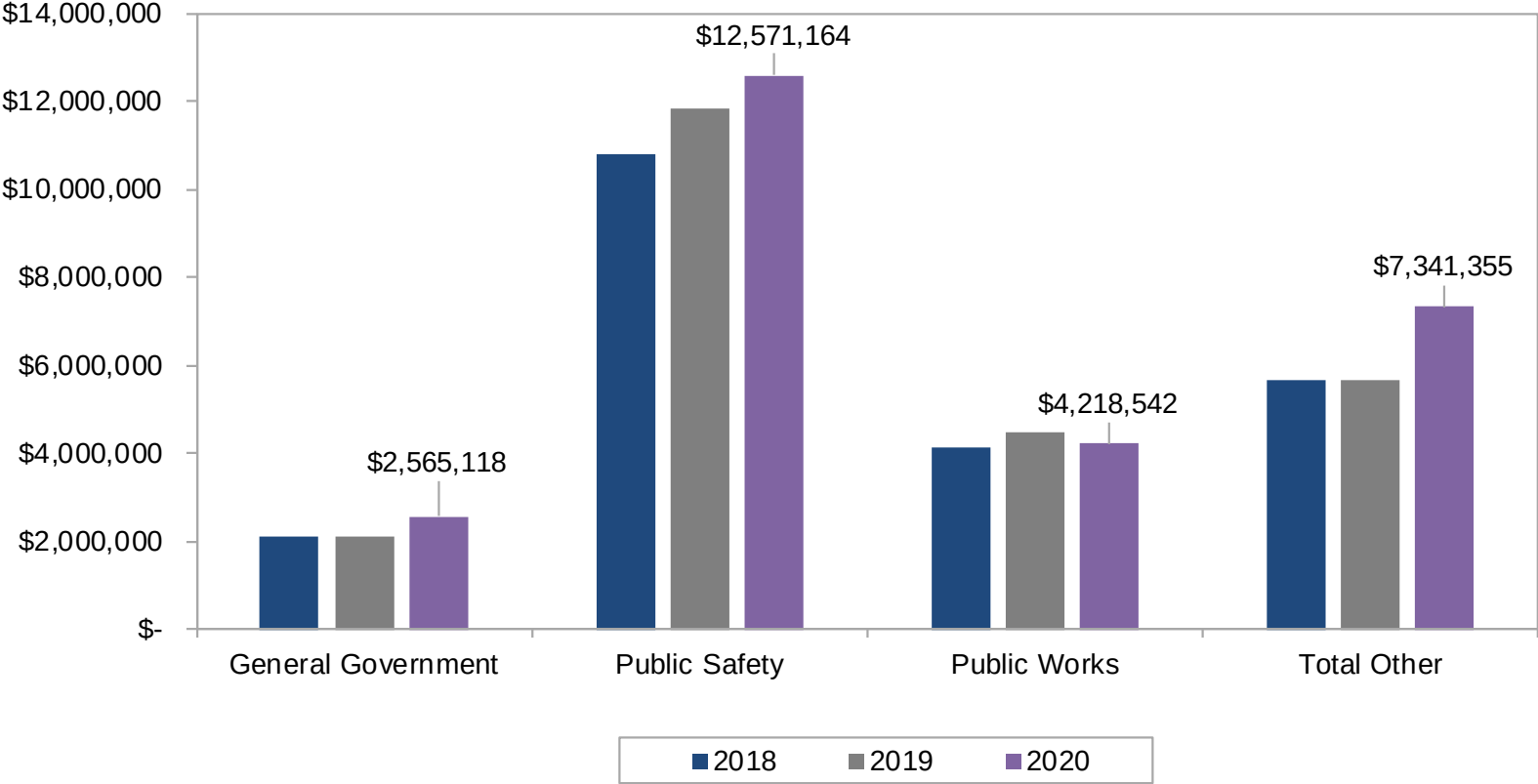
General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 25,363,400	\$ 25,485,093	\$ 121,693
Expenditures	24,033,730	24,286,083	(252,353)
Excess of Revenues Over Expenditures	<u>1,329,670</u>	<u>1,199,010</u>	<u>(130,660)</u>
Other Financing Sources (Uses)			
Transfers in	578,000	2,634,861	2,056,861
Transfers out	(2,408,100)	(2,410,096)	(1,996)
Total Other Financing Sources (Uses)	<u>(1,830,100)</u>	<u>224,765</u>	<u>2,054,865</u>
Net Change in Fund Balances	(500,430)	1,423,775	1,924,205
Fund Balances, January 1	<u>11,490,873</u>	<u>11,490,873</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 10,990,443</u>	<u>\$ 12,914,648</u>	<u>\$ 1,924,205</u>

General Fund Revenues by Type

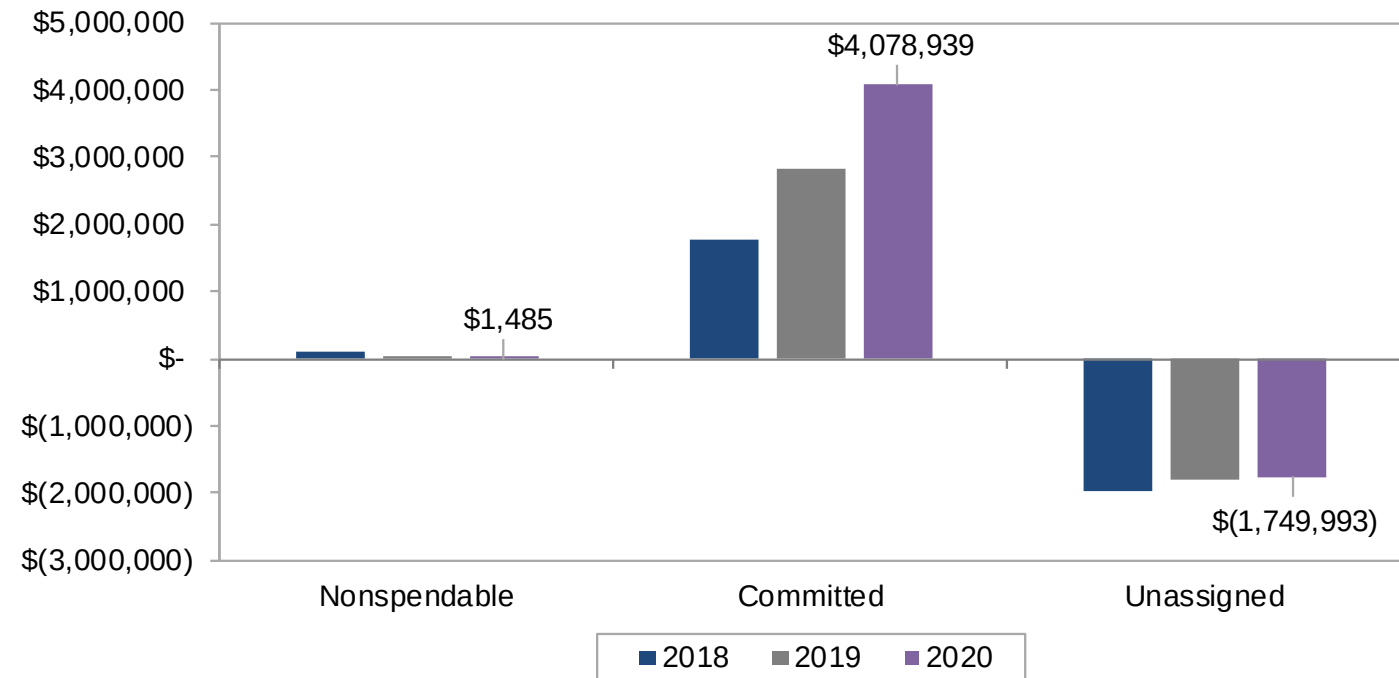


General Fund Expenditures by Type



Special Revenue Fund Balances

Fund	Fund Balances December 31,		Increase (Decrease)
	2020	2019	
Major			
Community Center	\$ (1,749,598)	\$ (1,786,238)	\$ 36,640
Nonmajor			
Convention and Visitors Bureau	101,547	116,343	(14,796)
Recreation	368,867	302,335	66,532
Franchise Fee	3,252,553	2,111,936	1,140,617
Economic Development Authority (EDA)	357,062	317,715	39,347
Total	<u>\$ 2,330,431</u>	<u>\$ 1,062,091</u>	<u>\$ 1,268,340</u>

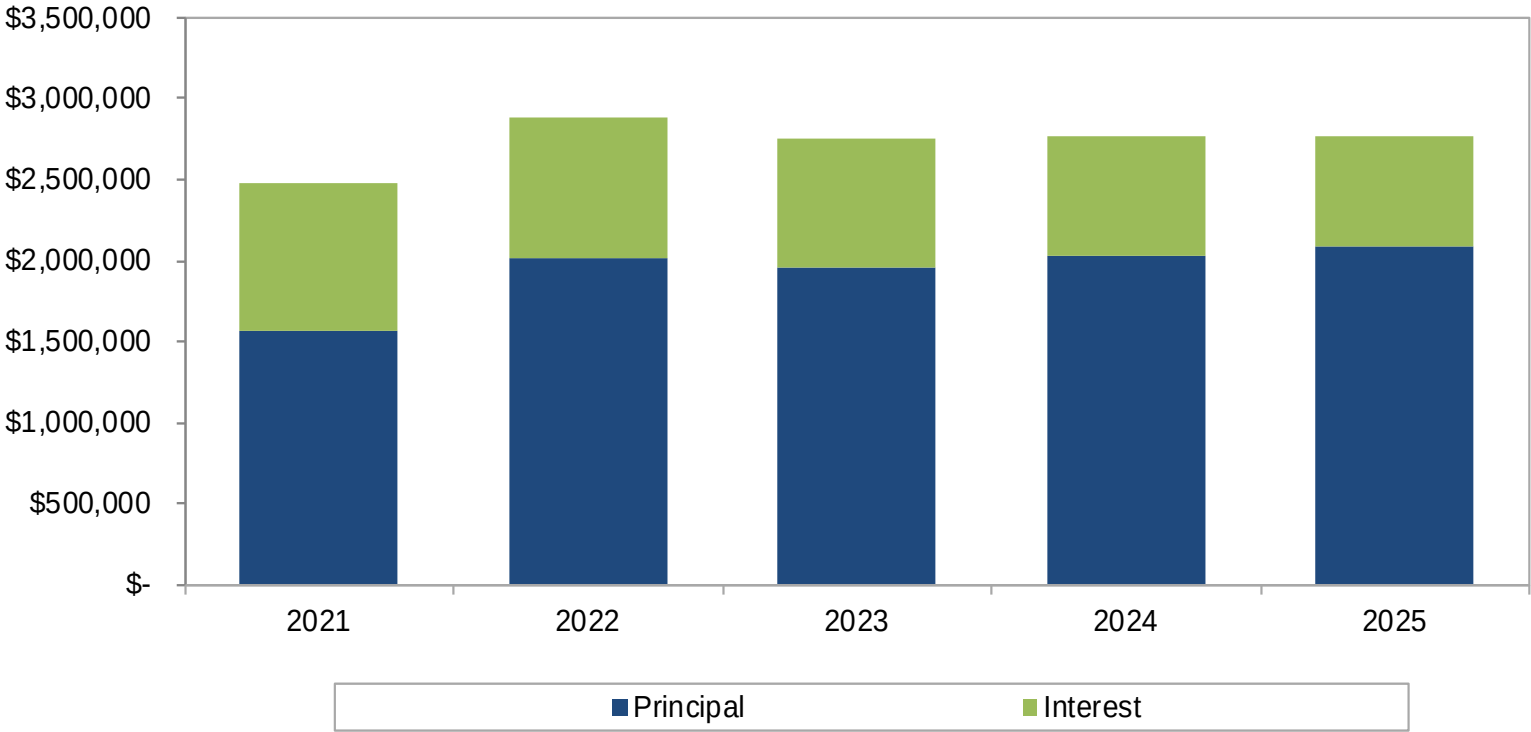


Note: Beginning in 2021, the Franchise Fee Fund will be closed, and these amounts will be accounted for in the Pavement Management Fund.

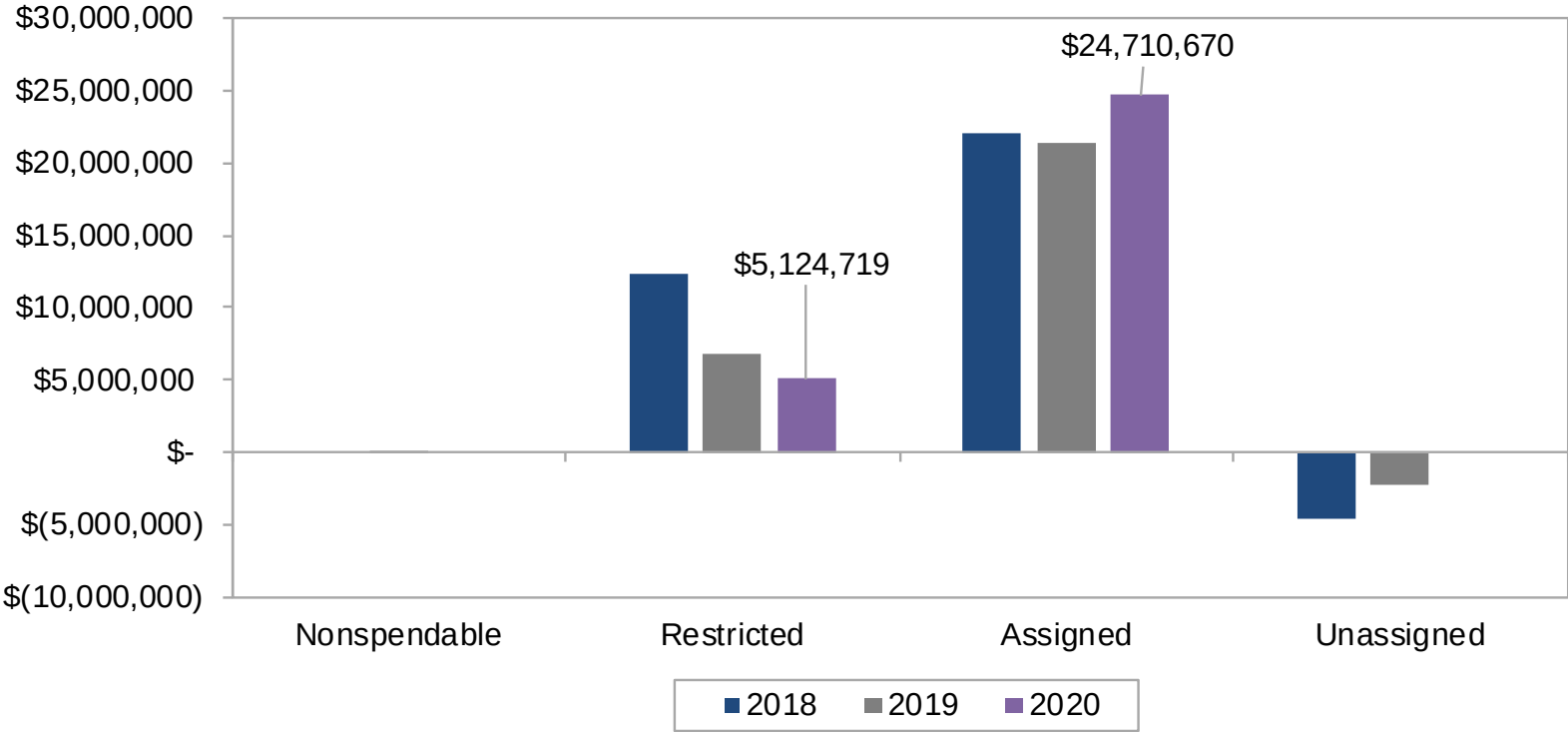
Debt Service Funds



Debt Service Fund	Cash Balance	Total Assets	Bonds Outstanding
Major Improvement Bonds	\$ 3,483,217	\$ 4,324,361	\$ 30,805,000
Total Interest Payments			\$ 7,728,019



Capital Projects Fund Balances



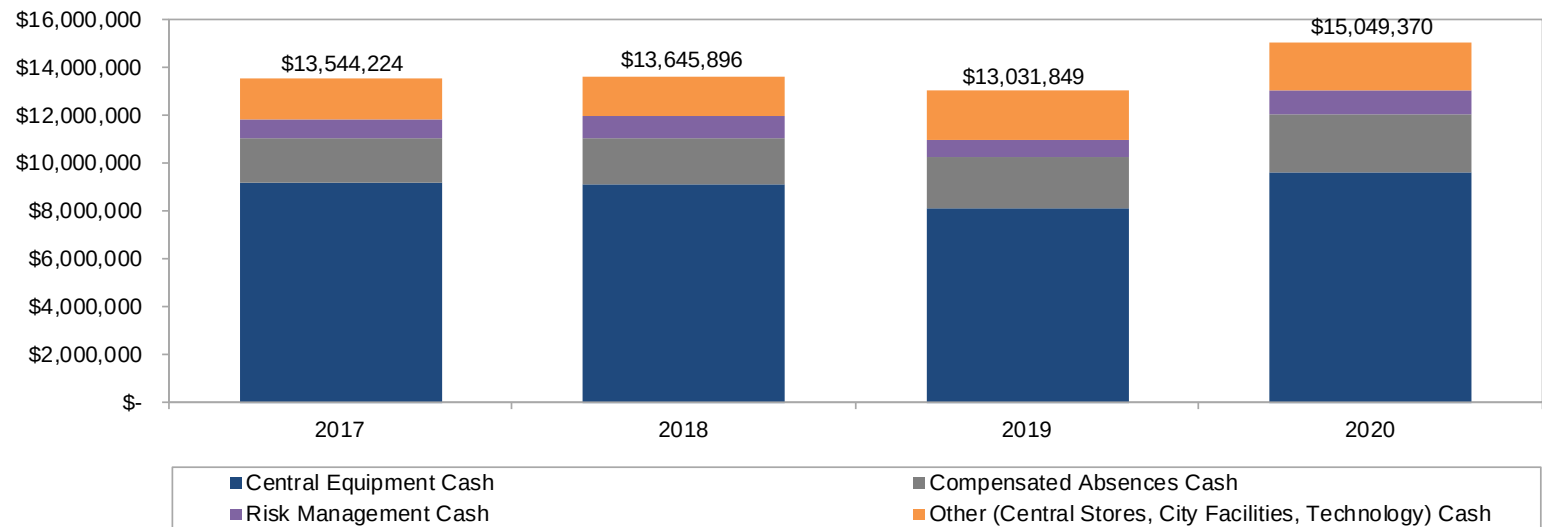
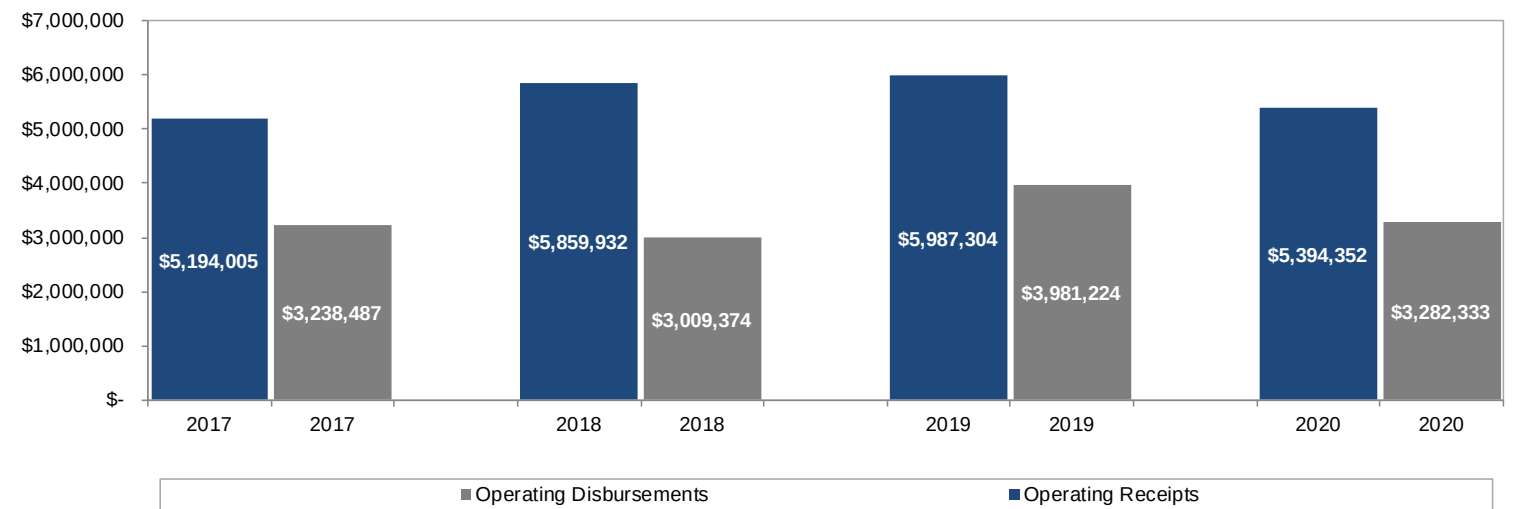
Capital Projects Fund Balances

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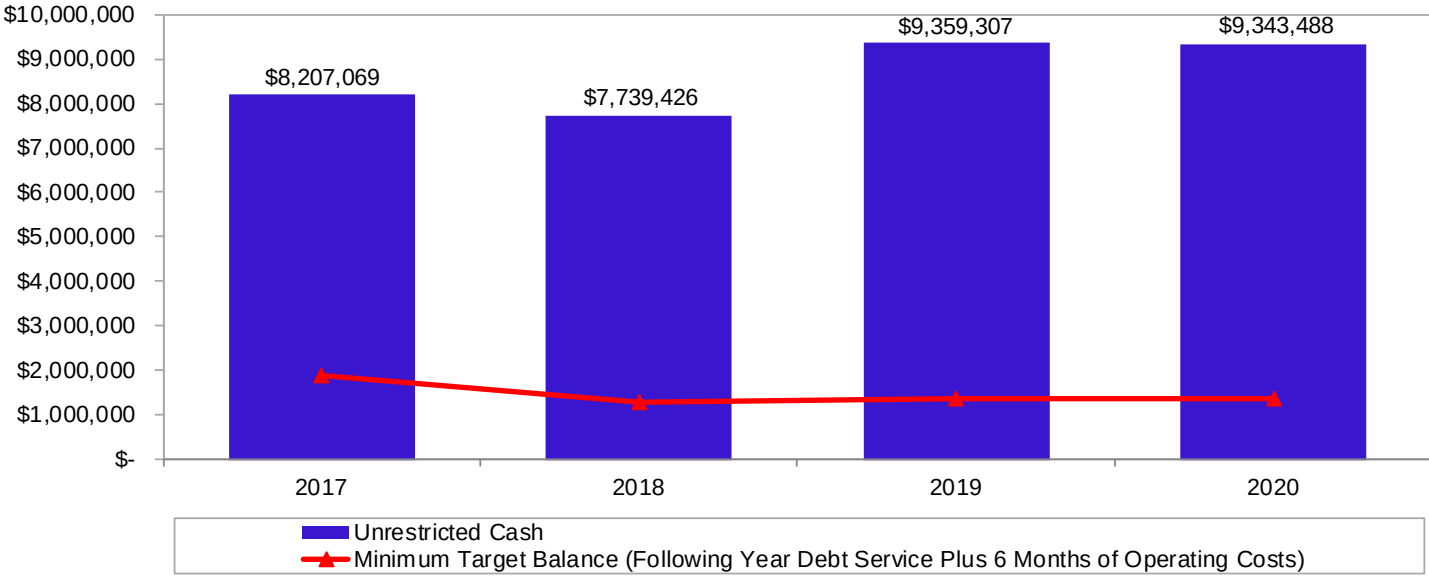
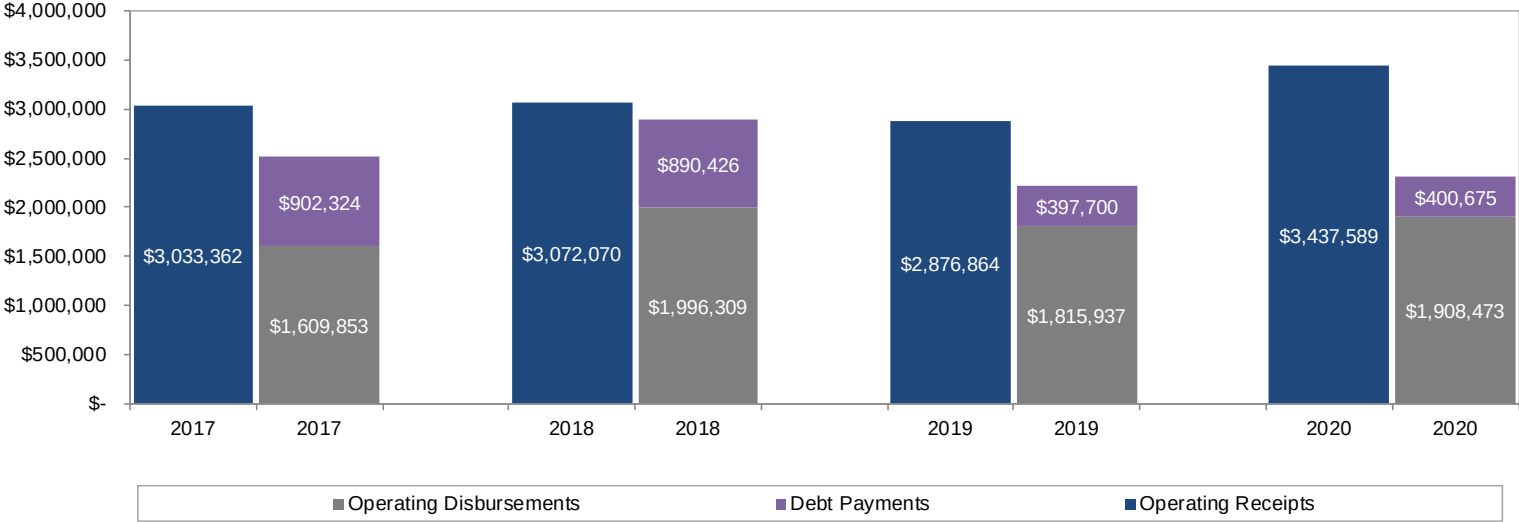


Capital Projects Fund	Fund Balances December 31,		Increase (Decrease)
	2020	2019	
Major			
Closed Bond	\$ 2,023,174	\$ 1,968,905	\$ 54,269
Local Improvement Construction	1,386,850	(955,083)	2,341,933
Pavement Management	5,452,451	5,670,367	(217,916)
Host Community	8,325,575	6,927,640	1,397,935
Nonmajor			
Capital Facilities	73,923	71,820	2,103
Equipment Acquisition	659,630	626,016	33,614
Parks Acquisition and Development	1,912,857	2,135,625	(222,768)
State Aid Construction	473,260	440,611	32,649
Capital Improvement Revolving	669,251	601,962	67,289
Community Property	21,596	22,261	(665)
Storm Water Management	2,566,652	2,377,631	189,021
Tree Preservation	307,415	129,537	177,878
Parks Capital Replacement	1,410,741	1,323,340	87,401
Americans with Disabilities Act	254,645	255,082	(437)
Community Projects	142,353	160,305	(17,952)
Permanent Improvement Revolving	95,505	79,600	15,905
Tax Increment Financing	4,059,511	3,979,303	80,208
Total	<u>\$ 29,835,389</u>	<u>\$ 25,814,922</u>	<u>\$ 4,020,467</u>

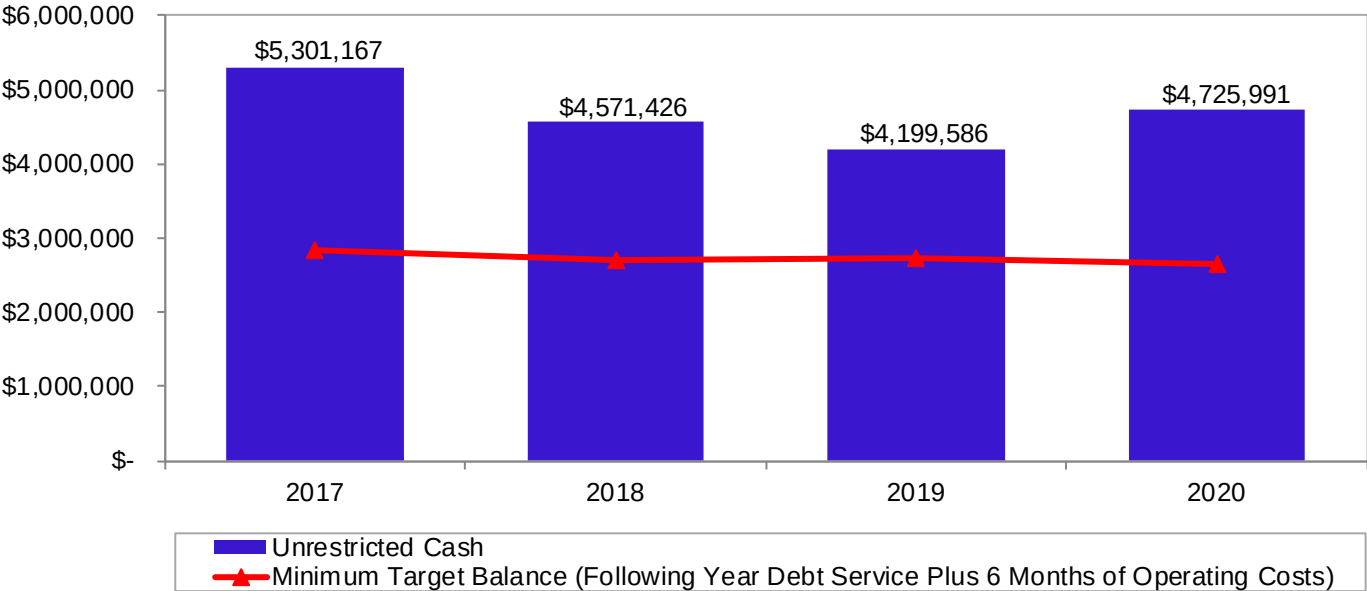
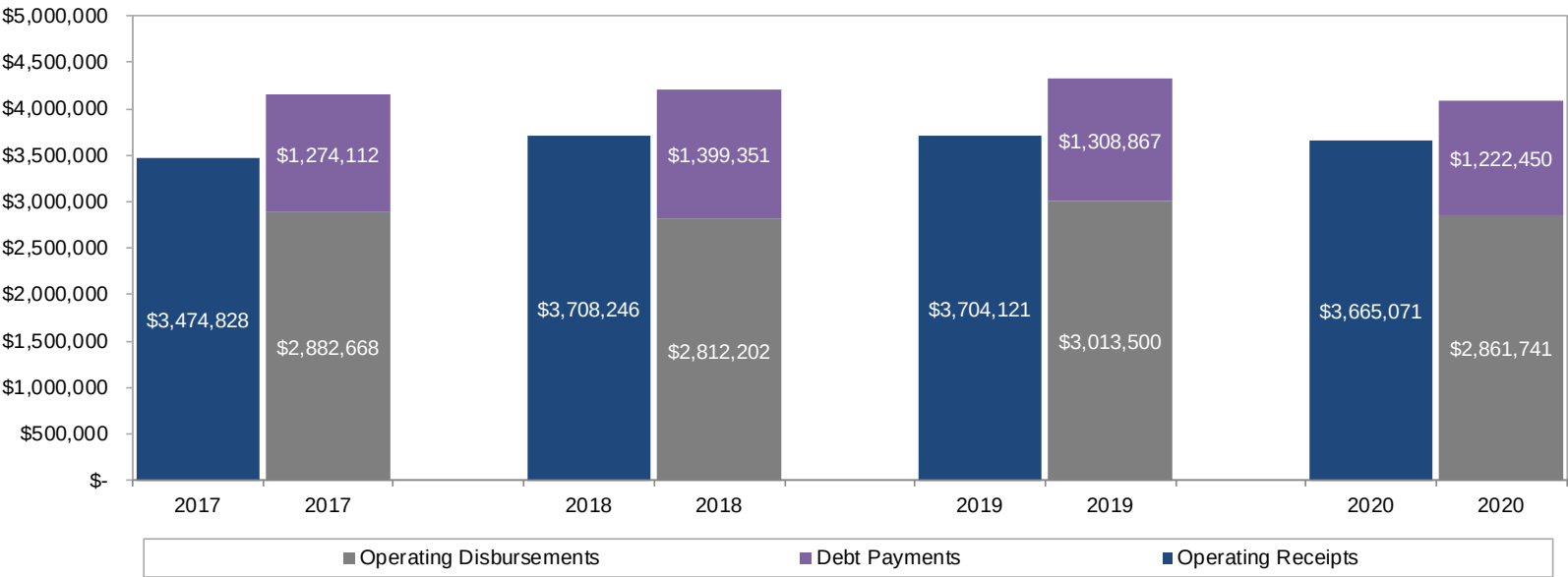
Internal Service Funds



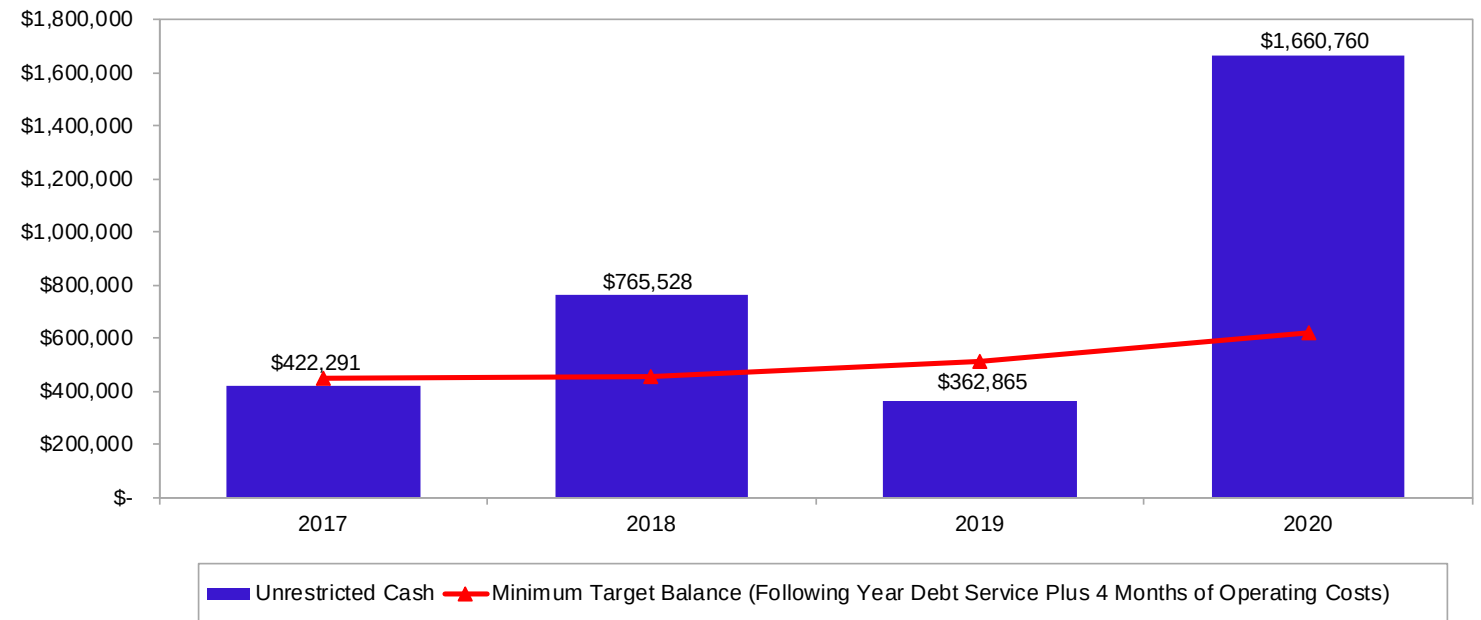
Water Fund



Sewer Fund

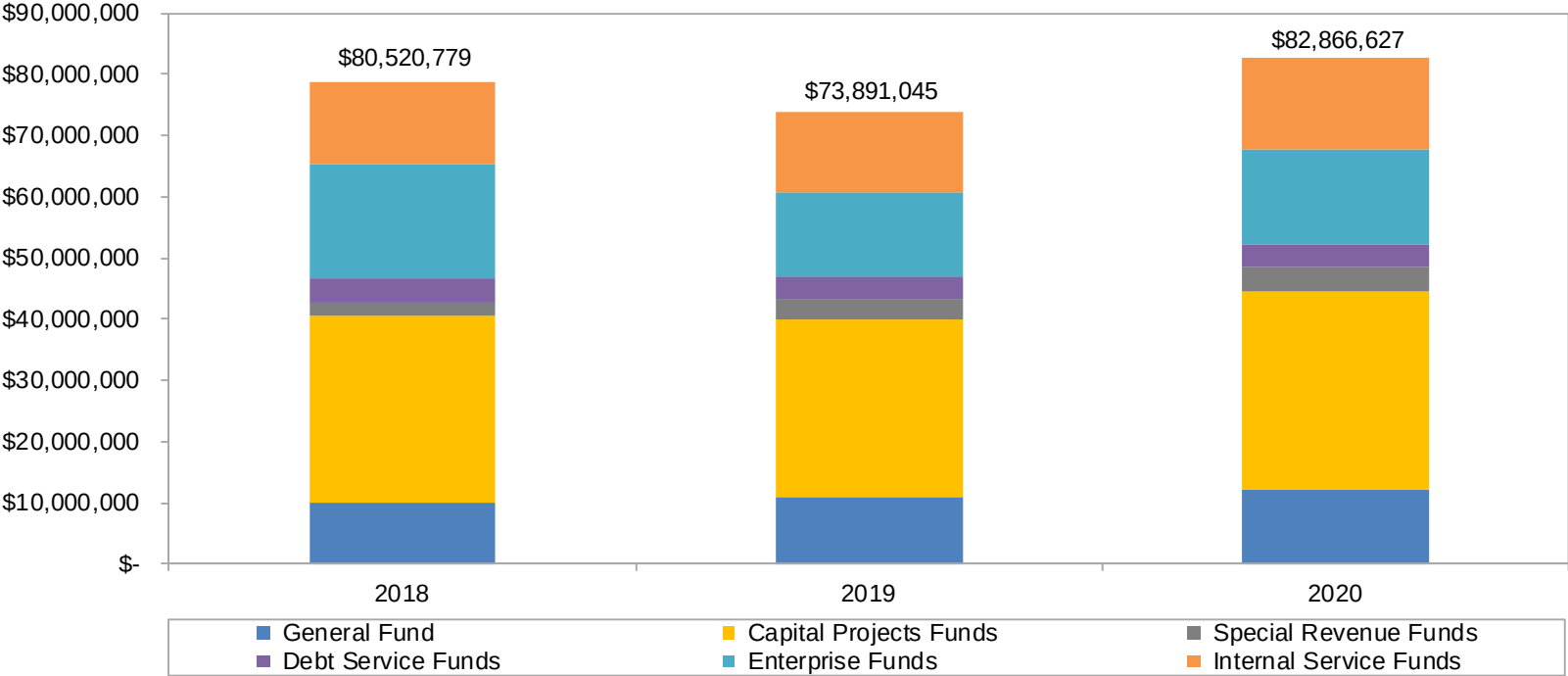


**ABDO
EICK &
MEYERS_{LLP}**
Certified Public Accountants & Consultants



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Cash and Investments Balances by Fund Type





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**INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION
MONDAY, MAY 3, 2021. 6:00 PM - 8150 BARBARA AVENUE
Meeting Via In-Person or Virtual Zoom**

A. CALL TO ORDER: The City Council of Inver Grove Heights met for a Work Session on Monday, May 3, 2021. Mayor Bartholomew called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

Roll Call: Present In-Person: Mayor Bartholomew; Council Members; Piekarski Krech, Dietrich, Murphy, and Gliva; City Clerk Rebecca Kiernan, Community Development Director/Interim City Administrator Heather Rand, City Attorney Bridget McCauley Nason, Chief Building Official Steve Johnson, and Interim Parks and Recreation Director Jon Oyanagi.

Also Present In-Person: Mary T'Kach, Inver Grove Heights Housing Committee; Paul Mandell, Inver Grove Heights Housing Committee; Chris Becker, Chair, Inver Grove Heights Housing Committee.

Staff Present via Zoom Video Conferencing/Phone: Finance Director Amy Hove, City Planner Allan Hunting, Fire Chief Judy Thill, Interim Public Works Director Klay Eckles, and Technology Manager Marc Gade.

Presenting/Speaking via Zoom Video Conferencing/Phone: Jeanne Zimmer, Inver Grove Heights Housing Committee.

1. Presentation on Housing Needs by City of IGH Housing Committee

Mary T'Kach, Inver Grove Heights Housing Committee, gave the following update:

Housing Committee (HC) Charter:

- Established in 2009 by the City Council to address City housing issues as presented in a Council-sanctioned Housing Task Force Report.
- The role of the HC is to inform and support the Council's work developing and redeveloping housing in the City.
- Guided by Chapter Four of the Comprehensive Plan (2040) adopted by the Council and actively supports its goals.

Housing Committee Accomplishments. Provided City Staff and City Council with research and resources leading to:

- Passage of an Accessory Dwelling Unit Ordinance.
- Adoption of a Rental Housing Inspection Program.
- Adoption of robust housing goals, policies, strategies, and tools. Embedded in the Comprehensive Plan, Chapter Four.
- Advocated for and were able to participate in joint sessions with City Council and Planning Commission Members to discuss housing issues in the City and how land use decisions affect housing opportunities and financial outcomes for the City.

Housing Committee's Role:

- Identify emerging housing needs in IGH and industry best practices to address those needs.
- Advocate for diversity in housing options to serve the many lifestyles of IGH residents throughout their lives and financial situations.
- Bring new and innovative housing ideas forward for discussion with Staff and Developers.
- Highlight the connections between housing land use and Community health and safety.
- Work with the Community Development Director and Planning Staff.
- Provide official comments to the Planning Commission and City Council on various projects that come up in the City.
- Goal is to strengthen the economic and social health of the Community through increasing the diversity. Diversity of affordability, size, type, housing that can make a difference in a Community like this.
 - Single family
 - Rentals

Paul Mandell, Inver Grove Heights Housing Committee, discussed Inver Grove Heights Housing Costs:

- Median home value in 2000 was \$144,000. In 2019 it was \$245,000
- Rental was \$767.00 to \$1,100.00

There is cost burden, which means paying more than 30% of your income in housing alone. Sacrificing things such as food or medical supplies and luxuries such as going out to restaurants and retail.

- On average 27% of Inver Grove Heights is cost burdened.
- 21% of home owned and 42% of rental occupants are cost burdened.
- Income needed to own a median priced home is \$73,000. Example: Incomes for Police Officers, Teacher's, and Nurses.
- For rentals \$48,000 is where it becomes difficult to rent at an average price.

Mayor Bartholomew asked what the source was for this information. Mr. Mandell responded it is from the Inver Grove Heights Community Profile from the Census. Mr. Mandell continued:

- As of 2019 the City population was 35,321 with 14,237 households.
- Many who work in Inver Grove Heights cannot afford to live here and are less likely to spend their time and money here, thereby contributing to the vibrancy of the Community.
- By ensuring a wide range of housing options, the City would provide more alternatives to Senior occupants of what is referred to as NOAH (naturally occurring affordable housing). May have their home paid for and love the Community, do not want to leave their friends, Churches, but have too much house. Due to this, the Council approved Accessory Dwelling Units. They occupy the most affordable housing that exist today.

Housing Production:

- There have been growth spurts. Balance has been lost.
 - In 2003-2005:
 - 950 new units were built for ownership, half were affordable.
 - 400 new rental units were built, almost half were affordable.
 - In 2010-2012:
 - 70 home owned units, none were affordable.
 - No rental units.
 - In 2016-2018:
 - 300 home ownerships, single family, none affordable.
 - No rental units.
 - Most recent data: Permits or construction:
 - 220 home owned single family.
 - 50 rentals. 40 units were affordable.

Balance has not been maintained for affordable rentals or home ownership. This contributes to imbalance and cost burdening. We need your help:

- Recognize and support the Housing Committee's role as a resource to the Planning Commission, Council, and the City as a whole.
 - Hold a meeting of these three bodies annually to review and align respective goals.
- Ensure housing related development/re-development discussions include the HC early in the process to allow for project review based on the City's goals and related policies per Chapter 4 of the Comprehensive Plan.
- IGH is one of the few, if not only City in the metro area with the foresight to create a Citizen Advisory Housing Committee. The Council has the opportunity to leverage this Committee to help support innovative, economically, and environmentally responsible housing for current and future residents.

Our ask of the Inver Grove Heights City Council:

1. Read Chapter 4 of the 2040 Comprehensive Plan thoroughly.

2. Especially Tools and Policies listed on pages 4.85 and 4.89.
3. Become familiar with the housing issues in the broader south metro area in Dakota County.
4. Encourage inviting the Housing Committee back.
5. Encourage the Planning Commission to hold joint sessions to discuss housing issues.

Mayor Bartholomew stated City Planner Allan Hunting is the Staff Member on this Committee. He asked if information is shared about planning. Mr. Mandell responded both City Planner Hunting and Heather give regular updates. The Committee needs to be let into the loop when a project comes forward. Information is shared by Heather on a quarterly basis but would like to get more into the cycle, such as a serious Application going before the Planning Commission so there is a chance to testify or comment to the Planning Commission or Council. He stated every other month they hold a work session. Allan, Heather, or both, are in attendance.

Mayor Bartholomew asked if they have a chance to comment when an application is in front of them. Ms. T'Kach responded projects get pretty far along by the time they actually see them. Being engaged earlier makes a difference. She stated they are all volunteers, there is a lot of work to look at with a development, projects, and trend lines. It is the Housing Committee's responsibility to the Community to advocate for adversity. She stated some years they have met with Developers, brought them in, and encouraged them. As a group they can do a lot of the legwork if in the process early. By the time it gets to the Planning Commission or Council, it is too late.

Chris Becker, Chair, Housing Committee, stated the City has created this tool, they are not replacing the Planning Commission or Council. This is a tool to be able to strengthen the housing needs within the City. The Commission is comprised of people from diverse backgrounds with different interests coming with the ability to look at Chapter 4 of the Comprehensive Plan in detail over and over again. He stated they want to be attentive to diverse needs because there are people with different salary ranges and family needs.

Mayor Bartholomew asked if it could be considered inviting a Housing Committee Member at the beginning of planning with applications for early participation and input. He requested taking the suggestion to Staff for their input. He asked for a timeline to meeting with goals and strategies going forward. For example: What is on the horizon, current partners, and other agencies they partner with. He requested having the Planning Commission in a meeting along with the Council and Housing Committee.

Councilmember Murphy stated this was a tool they could use better and would help Council. When something is before the Council that includes housing, he would not mind seeing an opinion from the Housing Committee, such as what they think and how to address trends in the City. He suggested seeing if the Housing Committee's recommendations can be fit into the deadlines.

Councilmember Gliva asked if they work with the CDA to get their data and how they receive their knowledge. Mr. Mandell responded he is on the MICAH (Metropolitan Interfaith Coalition for Affordable Housing) South Metro Board, and also regularly communicates with the CDA because he is a planner and investigates. He is a Preacher at River Heights Vineyard. He used to be on the School Board and is following what could be happening with the South Grove development. The group also has Developers and those in Real Estate who speak to them. Mr. Mandell stated that Mary T'Kach has connections with environmental and transportation. Chris Becker used to be Pastor at Peace Lutheran. Another member is a Firefighter. Each Committee Member brings their own networks.

Mayor Bartholomew agreed with bringing the Committee in at the very beginning when looking at an application. Notify them or have a member join so the Committee can start formulating a response. Interim City Administrator Heather Rand responded Staff tries to keep the Committee informed. Soliciting the Committee's advice is not something Staff tends to do. Staff prefers they make comments at the Planning Commission level and then to the

Council. She stated there are times when Staff's suggestions and the Committees recommendations could be different, it is preferred that happen in a public forum rather than adding another layer and bringing every housing project to the Housing Committee first. Mayor Bartholomew responded a memo could be done to add them to the loop on projects.

2. Building Inspection Division Overview

Steve Johnson, Chief Building Official, gave an overview of Building Inspection activities:

The Building Inspection Department administers and enforces the 2020 Minnesota State Building Code. Any construction regulated by Code requires Applicants to obtain a Permit prior to working on a project. Building Inspections are responsible for the inspection of buildings and structures during construction to ensure Code compliance with the approved plans and all governing:

- Building
- Mechanical
- Fuel Gas
- Plumbing
- Energy
- Accessibility
- Conservation Code for existing buildings
- Septic
- Manufactured structures, Codes, and applicable Minnesota rules

There are two types of Permits:

1. Those requiring plan review
2. Flat Fee Permits. Do not require plan reviews. Example: Roofs and siding.

Permits are taken in through the online permitting portal implemented last spring. They are submitted to the Inspections Department or at the front counter with Inspections Staff. The Inspections Department facilitates the Building Permit Plan Review Process with all City Departments such as Planning, Engineering, Fire, and Building. This goes from the original Application to final approvals.

The goal for single family residential is to have a 10-day turnaround time for the approval process and 20 days for Commercial. All City Departments involved in the plan review process must approve submitted plans and corresponding documentation before the Permit is released for payment. Upon completion of the review process, Inspections Staff schedules and inspects all permitted work within the building, mechanical, and septic. They do not do electrical, that is handled by the State Contractor. Currently, Inspections Staff visit commercial projects two to three times a week. This allows to proactively address any issues that might come up during construction and assist Contractors with maintaining their schedules. On a single-family residential project, as soon as mechanical rough ins are done, that house closes within 60 days. Since he has been with the City, now through 2023 is the busiest they have ever been.

He stated a typical single-family home requires 18 Building Inspections. In first quarter 2021, Inspections Staff performed 1,165 inspections on 777 submitted Permits. In addition to issuing Permits and inspecting structures for Code Compliance, Staff also responds to complaints against properties when a building or construction activity may pose a threat to the health and human safety of the occupants. For example: work being done without a Permit or cases of hoarding. Property complaints take up a lot of Staff time and require interdepartmental collaboration in order to get resolution.

The Building Inspections Department provides:

- Recording functions to Federal, State, and County Agencies.

- Responds to the Freedom of Information Act Data Request regarding Building Permits. These are increasing in size and scope. Some have requested the entire Building Permit history of the City. The Department has been receiving two or more requests on a monthly basis.
- Staff provides monthly and annual reports to:
 - Minnesota Department of Labor
 - Met Council
 - U.S. Census Bureau
 - Minnesota Pollution Control Agency
 - Minnesota Department of Revenue
 - Various Dakota County Agencies
- Takes part in interdepartmental projects in relation to Plan Review Committee meetings for developments and process improvement initiatives. Due to time, Staff limitations, and the Pandemic, some internal processes had to be refined and streamlined to meet the demands of customers with the goal of improving customer service levels.
- In the process of testing implementation of an online permitting portal while continuing to work with the software vendor on other purchased modules.
- With the COVID-19 Pandemic, had to adapt to the changing business environment.
 - Virtual inspections were done.
 - Online Permitting portal was helpful.

Challenges currently facing:

- Trying to stay caught up with day-to-day operations. For example: incoming calls, voicemails, emails, and inspections due to increasing development and construction activity taking place.
- In the first quarter, had roughly 1,000 incoming and outgoing phone calls per month. This was during what they call their "slow time". With summer coming the volume will increase.
- Continuing data collection testing and implementation of property and permitting software modules. Staff needs to be trained before going live.

Councilmember Murphy asked what year the 1,065 inspections were from. Chief Building Official Johnson responded 2021. Councilmember Murphy asked how many Inspectors there are and how long a typical inspection takes. Official Johnson responded there are two full time, one temporary full time, and himself. Inspections for single family-framing takes one hour, everything else is slated in half hour increments. For commercial such as The Crossings, Cahill Place, or the Palace Inn, it took two Inspectors two hours for plumbing rough ins. The more they are out, they are able to keep pace with what is going on.

Councilmember Murphy asked if they have the power to stop something that is not going the right way. Chief Building Official Johnson responded yes; they post a Stop Work Order. They try not to use a Stop Work Order, but sometimes have to. He prefers finding the solution to the problem proactively.

Councilmember Murphy asked how many Inspectors would typically be in a City with this type of development. Chief Building Official Johnson responded from research done by the previous Building Official, one per 10,000. Surrounding Cities average 8,000 per full-time Inspector. He stated the phone rings constantly. A storm event can derail any Building Inspections Department. There is a lot of catch up to do. They are still catching up from last year. Councilmember Murphy asked what the line was between being built properly/legally versus quality. Official Johnson responded his background was Project Management and job supervision for multi-million-dollar homes. The previous Building Official told him the quality is not going to be what it is, there are things he is just going to have to look away from. They do not inspect for quality, but Code compliant installation. At times he would like to say something, but it is not his place.

Mayor Bartholomew commented for instance, if inspecting a water heater that is plumbed in correctly, gas and electrical are done right, but in his opinion, does not care for the brand or quality of the water heater, that is not in their purview to inspect. Chief Building Official Johnson responded that was correct. His job is to inspect and meet the minimum requirement of the Code.

Mayor Bartholomew asked what was driving the data requests and where the value was to get the issued Building Permits. He asked if there was a way to say "no, that's not a valid request". Chief Building Official Johnson responded acreage has been a hot market over the last two years. He believes it is marketing dollars, everyone has lists and wants to sell them to get them out there. With as robust as the construction activity is in the City, he does not see it stopping anytime soon and would likely increase.

Mayor Bartholomew asked the City Attorney about the data requests saying they were not meant to be a marketing tool. He asked if there was anything in Statute that points to the validity of a data request. If someone is asking for every Building Permit since the City was incorporated, he was trying to see the reason and if the Statute permits it. City Attorney McCauley Nason responded that request was received by a number of Cities throughout the Metro. City Attorney's worked with the League to come up with a uniform response based on each City's unique circumstances. She stated the City maintains electronically accessible data through a remote portal, those requesting are advised how to access the portal and format. Appointments can also be made online to come in and review the paper files.

She stated when the City receives what is viewed as an abusive data practices request because it is so large or appears it is being driven by a commercial desire. Can the City be utilized as proprietary data bases and say no to the request, the answer is no. The data is public data the City has to make available for inspection for free, or for copying or electronic transmission. If it is a very large request and the reason is unclear, the City has a right to ask what they are asking for. The City can give a timeline for response. She stated in some events, License Applications will have a Tennyson warning on them that advises people of what the data could be used for. Much of the data supplied is public data.

Councilmember Murphy asked if the City has to devote Staff time if it is a commercial request. He asked if the requestor could be told to do the work. City Attorney McCauley Nason responded the data needs to be made accessible in the format the City maintains it. For example, if the request is for a spreadsheet in CSV (comma separated value), but the City does not maintain it in that format, Staff can say it is not a maintained format and cannot respond. If asking for the data and it is not in the format requested, but in paper format, it is the City's job to go through and redact any not public data. They cannot bill the requesting party. She stated if the requestor wants data the City can say paper format, they can come in to review it and specify what documents they want copies of. If it is all 10,000 pages, a cost is given up front and payment is requested before beginning. If electronically available the Statute provides cost recovery for the cost of Staff compilation and transmission.

City Clerk Rebecca Kiernan stated everything the City Attorney has spoken of has been happening in the last few months. It is listed as Agenda Item #5 to be addressed this evening.

Interim City Administrator Heather Rand stated when it is says marketing purposes, it means they are asking for data such as homes that were built 20 years ago because they will be good candidates to market selling a roof to. If your home is 20 years old you may begin to receive mailings trying to sell a new roof or windows. She stated they could reach out to the Code Compliance Officer and make requests for a list of homes that have the most nuisance visits, then there are companies that want to buy ugly homes. She stated the City cannot say no to the request, so more time is being spent gathering the data.

Mayor Bartholomew asked about data modules coming online and a timeline. Chief Building Officer Johnson responded they are currently doing all data collection for electronic plan reviews that work with the online portal. They would go to 100% electronic plan review. They are also changing the CityView Desktop to CityView Workspace which is more user friendly and streamlined. Testing will begin on this in June with hopes to go live in August. He stated there are staffing challenges with getting everyone trained, there is electronic plan review, GIS integration, online inspections scheduling, Laserfiche Data Storage, and records retention. The electronic plan review would be the biggest. All Inspectors, Office Support Staff, Fire, Planning, and Engineering, would be using this method.

Councilmember Dietrich asked about items that were switched over rapidly during the COVID Pandemic, what was successful, and what they anticipate continuing that may help or save Staff time. Chief Building Officer Johnson responded the online permitting portal is one, there was less paper. The electronic plan review is less work for them, but more work for Permit Staff. He stresses that everything be uploaded because when it comes time to do the plan review, there is not someone constantly calling for information. He is for anything he can do to streamline processes. The online process will save them time in the long run, getting there is a big undertaking.

Councilmember Dietrich stated from a Contractor's perspective the team has done a really good job on the projects she has had. She commented virtual Inspections was a smooth process and applauds Staff.

Interim City Administrator Rand stated the standard in Building Inspections is to try to turn around a Residential Permit within 10 working days or less. For Commercial its within 20 days unless it is a really big project.

Interim City Administrator Rand referenced Chief Building Official Johnson's statement about challenges with Staff. That meant there are vacancies they are trying to fill, and new Staff would have to be trained.

3. Potential Updates to the Pavement Management Program

Interim Public Works Director Klay Eckles gave the following presentation on Infrastructure Condition and Pavement Management Program Alternative Strategies:

Pavement Management (PMP) is managing roads in the City:

- Have close to \$1 Billion dollars in replacement value of infrastructure (sewer, water, streets, storm). Citizens own the infrastructure; the City is the stewards.
- Streets fail first. Management programs revolve around pavement management.
- The goal is to get maximum life and quality for the minimum investment.
- Waiting too long does not serve this goal.

Types of PMP Treatments:

- From cracksealing down to full reconstruction.
- Pavement Management Life Cycle:
 - The City uses a company that goes out and rates our streets.
 - This information is put into a program that predicts the rate of deterioration of roads.
 - Each road is rated from 0-100. 0=gravel road with potholes. 100=brand new street.
 - The goal the City Council adopted is to have an average of 70.
 - Sticking with the program results in a pretty good average for that street.

Pavement Management Program Update:

- Adopted in July 2001.
- Established use of ICON software for tracking pavement condition.
- Established a Pavement Condition Index (PCI) of 70.
- Established initial funding policy.

- Have another \$46 million dollars of projects planned for the next ten years.
- A lot is slated to be full reconstruction. Amounts to another 16 miles of reconstructed roads.

The Challenge of Time:

- Long term delay or underfunding yields an almost insurmountable problem:
 - Projects are more complicated and expensive
 - Funding sources are limited
 - Other resources are limited

Proposed Conditions and Year of Latest Construction.

- Before 1960 to present.
- Pavement Condition Index.
 - Shows where the City has been since 2000.
 - When the program began, they were right at 70, which was the goal.
 - Since that time, it has been a bit under goal and starting to fall.
 - Different funding scenarios were looked into. Scenarios were based on following the recommendations of the Geotechnical Engineer. They look at what is underneath the road, the foundation, and make recommendations on how to get the maximum life out of the roadway.

Four scenarios were discussed:

1. The lowest by the year 2050, if continuing on with the five-year funding average.
2. Having all roads at about a 35 PCI spends about \$7.6 million dollars a year and follows recommendations.
3. \$10.3 million dollars a year.
4. This meets the goal. Spend \$16 million dollars a year for ten years. Then fall back down to \$10.3 million dollars a year which is what is needed to keep it at 70 PCI.

Currently spending \$5 million dollars.

10 Year Change at Current Rate

- Based on the amount of work they are doing and the amount of decay they are seeing, in the next ten years this is what he projects they be at in 2030.
 - Will only reconstruct 16 miles of roads.

Will be discussing two primary strategies: Mill and Overlay and Full Reconstruction. Would also discuss Broad Area Patching.

Mill and Overlay:

- Grinding up some of the blacktop, or none of the blacktop, and then putting another layer of blacktop on what is already there.

Full Reconstruction:

- Rebuilding the entire road and putting in new base material. (Sand underneath the road).

Results of Geotechnical Analysis:

- Three separate studies were done covering about 90% of the system.
- Identify PMP treatment needed per the City's current standard.
- Estimated cost to address identified needs = \$151 million dollars in 2020 dollars.

"Recommended" Strategies:

- Looking at inventory, based on Geotechnical Analysis, a lot of the roads are best suited for a Full Reconstruction.
 - \$15.00 per square foot.
- Very few are recommended for Mill and Overlay.
 - \$3.00 per square foot.

Interim Public Works Director Eckles stated when looking at the Geotechnical Analysis for roads, they look at each road individually and ask what the best solution for that particular road is. The City should start looking at roads, not individually, but for what the best use of their dollars would be to maximize the condition of those roads.

Broad Area Patching:

- Public Works Crews have faced the challenge of maintaining roads that are starting to fall apart. In rural areas, some roads are so far gone, pothole patching was no longer a possibility. They began using the City Paver every spring and do a couple miles of road. It is a minimal approach with new pavement going right over the old road. In some instances, cracks can come through and not last 25 years, but could get 10 or 15 years out of it.

Comparison of Impact:

- Total Reconstruction: \$15 per square foot with the City putting \$1 million dollars of General Fund money toward the project and assessing according to Policy, 0.6 miles would be rehabilitated.
 - 25-to-30-year life.
- Mill/Overlay: \$3.00 per square foot. City puts in \$1million dollars. Would get 8.6 miles. Not only because it is 5x cheaper, but with the way the Assessment Policy works, the City receives a higher proportion of collected assessments on a project.
 - Mill/Overlay will not last as long as Reconstruction.
 - Life of 15 years.
 - Cost per foot/per year.
 - Range of different approaches:
 - Mill out little blacktop
 - Take off all blacktop in some areas
 - May leave it all in place

Minimalist Strategy - a possibility:

- Needs further analysis.
- Mill and Overlay as much as possible:
 - Less expensive
 - Lower life (average of 15 years)
 - Would "stretch out" the bulge in the curve

Best Case:

If adding a significant amount of Mill/Overlay to the strategy/toolbox, instead of 2030 being predominately reconstruction, having Mill and Overlay in 2030 would lower some of the poor condition roads and would begin to see a real benefit. With a shorter life, roads needing work would be noticed quicker.

Minimal Strategies:

- Not appropriate for every case.
- Funding discussion needed.
- Education. The life of a project like this is not as long as typically seen in a Total Reconstruction.
- Significant assessment revenues extend impact.

Recommended Steps:

- City and Staff have done well tackling issues.
- Confirm current trends are not acceptable. Discussion is needed.
- Explore more robust PMP funding strategies.
- Consider a minimal approach using Overlays.
- Complete the Sewer and Water Renewal Study.
- Consider a Citizen's Task Force with a Council Liaison.
- Make recommendations.

Options for accelerating projects:

- Increase PMP Levy.
- Bonding. Great tool for one-time use. May not be the best option.
- Other funding sources.
- Reduce Design Standard - Overlay. Recommended option following the Geotechnical Engineering recommendation.

- Tweak Assessment Policy.

PMP Citizen Task Force:

- Temporary study group made up of Citizens, City Staff, Council Representative, Engineers. Have expert advice from an outside Consultant, Pavement Management expert, or ICON Software Representative.
- Gather information from experts, delve deeper into issue.
- Explore funding options.
- Explore alternative approaches and implications.
- Make recommendations to Council.
- Adds credence, builds consensus, creates public dialog, and strengthens foundation of program.

A Strong Program:

- The road is difficult. This is a tough issue. If there is doubt, or Council is not all in the same place, can be a challenge continuing forward.
- Approval requires 4/5 vote. Council support would be important for success
- Residents will be involved. Think about public involvement and the public engagement process and make sure residents are engaged early and often prior to Assessment Hearings.
- Large projects will generate large Assessment Hearings.
- Funding decisions and challenges will continue.

Councilmember Gliva asked if the project costs less for Mill and Overlay with assessments assigned to the residents, if it be about the same for both types of projects. Interim Public Works Director Eckles responded when doing an assessment, the value of the assessment has to be equal or greater than the increased value of the property as a result. When an Appraiser looks at a project, they see the curb appeal. The market value of the property is impacted by a higher percentage from a simpler project than from a large-scale project. When a Full Reconstruction is done, the City has to subsidize more of the projects with general funds.

Councilmember Gliva asked if there was a cost difference to the average homeowner. Interim Public Works Director Eckles responded it would vary, a Full Reconstruction project could see a \$10,000 assessment. A simple Mill and Overlay project could be approximately \$3,000 but are not getting a new 30-year street or new curb. Full Reconstruction can get very expensive and need a lot more subsidy.

Councilmember Piekarski Krech stated the difference is if they could do two Mill and Overlays, 2 in 30 years versus one project that lasts 25 years. With people not staying in their homes as long it does not get to be an issue. She stated it comes down to Community engagement, an explanation, what the rationale is for what people want, and where they can get the most for the money. Interim Public Works Director Eckles responded this would not be the best solution everywhere. Some areas would be more complicated than others and may not be appropriate in every case. He believes there is an opportunity to use this in many of the miles around town.

Councilmember Murphy asked if Broad Area Patching were a strategy and if Mill and Overlay is how they would execute the strategy. He asked if changing direction helps reset pavement management in the City. Interim Public Works Director Eckles responded Broad Area Patching is a thin overlay. With Mill and Overlay, it could be removing zero inches of existing blacktop, to the entire section blacktop depending on the case. Broad Area Patching would be enhanced linear pothole patching. It is an emergency maintenance activity versus rehabilitation activity. He stated they are getting good life out of it with a possible 10-year average. He responded about solving the issue stating it is a tool they have to resort to when looking at the problem from the Geotechnical Engineers perspective. Financially, it is not the right answer. He suggests looking at what raises the overall level of pavement condition and do many more miles with a shorter life strategy. That would decrease the number of aging streets going forward.

Interim Public Works Director Eckles stated there may be times they could do a Mill and Overlay now with another in 15 years. Some could be done to get them to a Full Reconstruction. There are times when looking at sewer and water and may get 15 more years out of the line, not 50 more years. When looking at the life cycle of a Full Reconstruction with a couple Mill and Overlays along the way, they would get 50 years out of it. Its good to look at the water/sewer infrastructure and lifecycle, so all can be in alignment.

Councilmember Dietrich thanked Interim Public Works Director Eckles for proactively putting together this Plan. She liked the idea of the Citizen Task Force. She appreciated not having it Bonded because it needs to be sustainable. Interim Public Works Director Eckles believes over the next year, if engaging a Task Force, they may have a revised plan that uses a difference lens to look at some of the projects.

Mayor Bartholomew discussed financing stating the need to challenge Staff and Financial Advisors. He commented he would not write off Bonding. They could think of a Hybrid approach, Bond a seed fund, pay for it over time, and replenish it each year through general operations, tax levy, and assessments. He requested further discussion on hybrid. He commented that one strategy he has spoken of before is Local Government Aid. A lot are opposed but do not want to use one time money for infrastructure. If done correctly, Local Government Aid could be set up to go into an accrual fund and used only after receiving it in the next year. Each year those funds are used as they receive them. Not become dependent on them. He suggested a further look at these alternative financial sources and challenge Ehlers to look at them.

Mayor Bartholomew referenced the \$3.00 versus \$15.00 discussed, stating it makes perfect sense. It is an opportunity to get three cycles and two cycles into the extended period. He Broad Area Patching has been done for some time and asked if it has had increased use over the years. Interim Public Works Director Eckles responded it is still being done. There are plans for more this year and over the next five years. The City is not set up to be an ongoing paving operation with the equipment they have. If expanding that they would probably want to look at different equipment. Mayor Bartholomew asked if they need to rely on Staff to do Broad Area Patching, or if it were something that could be bid out for Contractors. Interim Public Works Director Eckles responded moving forward they would move to a longer life section and include it in the rehabilitation program versus the maintenance program and involve assessments.

Mayor Bartholomew stated they should not rely on purchasing equipment to do this. There could be a market out there that could bid and do the patching as effectively and get them out of purchasing equipment. He would rather see bidding out a job and getting a good life out of it. He asked if they were at full capacity with equipment and Staff for Broad Area Patching. Interim Public Works Director Eckles responded with Staff, equipment, and budget limitations; he does not believe they want to get into more than what they are currently doing.

Mayor Bartholomew discussed the request for reducing the design standard and asked for the process and timeline. Interim Public Works Director Eckles responded there is a design standard. Engineering Staff would only bring projects that meet the design standard. They are at a stage where they cannot meet pavement management goals and the design standard goal. He stated this would be where a Task Force could look for more detail and discussion. The Task Force could meet monthly, or 1-2 times a month. A year from now they would have recommendations and sample standards with the ability to check in with Council. Mayor Bartholomew requested input from Staff. He stated he would like further discussions on financing and exploring if LGA is a possibility or not. He stated this would take time and discussion and looks to Staff to get them on the path for this discussion.

Interim City Administrator Rand stated she and the Interim Public Works Director could reach out to Ehlers and begin to frame the discussion and next steps. A time would be scheduled with Council to bring this back.

4. Update on Interim Public Works Director and Parks & Recreation Director Staffing

Interim City Administrator Heather Rand stated two weeks ago Sharon Klumpp, Recruitment Agent from Baker Tilly, was hired for professional searches for the City Administrator, and eventually the Public Works and Parks and Recreation Directors positions. The timeline for the hiring of the City Administrator puts them at late July, early August. They would layer in the Directors for Public Works and Parks and Recreation so shortly after the City Administrator is on board, could have input on those hiring decisions. Those positions would be advertised in the summer with hiring in the fall, maybe September.

She stated there are two very capable Interim's. Staff has been very pleased with the services from Interim Public Works Director Klay Eckles and Interim Parks and Recreation Director Jon Oyanagi. They would not be able to continue as they are currently, throughout the summer. For the Public Works position, Klay Eckles is an employee with WSB and is serving the City wisely. His Contract has him limited to working 15-20 hours a week. She stated Interim Eckles and WSB are receptive to continuing into the fall. She suggested Council consider increasing his hours from the very limited 15-20 hours. She commented it was not fair to City residents or Staff, both deserve more of his time. He is receptive to working 20-25 hours and after speaking with WSB, they are willing to Amend their Contract and make that change. They would also allow access to an additional five hours of time within their organization of employees. She stated Interim Eckles would work with Interim Rand to identify special projects the employees could help with, so he is not so limited and meets the need for Public Works Staff.

She stated on May 10th, there would be something in front of the Council to consider. This will help through summer and into fall. She stated as noticed, Interim Public Works Director Eckles has expertise that is valued and would be well served. The Council would not have to pay out for salary and benefits for a Public Works Director, there are funds. This was her recommendation on how to continue.

Interim City Administrator Rand discussed the Interim Parks and Recreation Director position stating Jon Oyanagi has been invaluable. He is a temporary employee and the arrangement with him was for four months of service which ends at the end of May. He is unable to continue on through the summer and is unable to extend his commitment with the City. She stated the agreement was for 20 hours a week, he has been putting in more than that to provide adequate service. For the summer, the Managers reporting to him have been doing a wonderful job and stepping up but have identified that the continuation of the Parks and Recreation Master Plan is important. HKGi has been working on this with the Park and Recreation Commission to complete the study over the next year. She commented they would hate to put it on the shelf, but if Mr. Oyanagi leaves and there is not anyone to replace him, they would have to shelf the item. She prefers they not do that. Another important piece of work he does is the continued development, input, and drive to make progress on the parks in the northwest area and other park maintenance projects going on. She felt it was helpful to have someone like Mr. Oyanagi with experience. She stated she would like to find someone similar to help out for the next four to five months. If Council agrees, she would like to contact a Professional Association in Minnesota called the Minnesota Recreation and Park Association. She would like to contact them and see if recommendations can be made to find another individual to serve in a limited capacity. This would help in moving forward with important initiatives in the Park and Recreation Department.

Interim City Administrator Rand stated she would move forward with those initiatives and bring information to the Council as soon as possible.

Mayor Bartholomew asked if there would be information coming prior to addressing this on May 10th. Interim City Administrator Rand responded she would have the WSB Contract Amendment ready by then but would

need more time to make connections to identify someone for Parks and Recreation. Mayor Bartholomew asked if that would be before the end of May. Interim City Administrator Rand responded yes.

Mayor Bartholomew stated Staff has done a very good job with the difficulties of not only the Pandemic but also being short handed in the leadership department and relying so heavily on Interims Klay Eckles and Jon Oyanagi. He appreciated all the help, and all the work Staff has done.

5. Public Data Request Website Module

City Clerk Rebecca Kiernan stated they have identified a need for product software for Data Practice requests. She currently keeps track via spreadsheet. The Police Department uses their records retention software, but it is not very efficient. She stated she reviewed three different Vendors and is bringing forth a product she and Staff have agreed on called JustFOIA. It would save on Staff time and be more automated. Current emails she receives go into Outlook. This product would bring it into a different module and divert it to the Staff person in charge of the data. There are reminders given when things need to be returned. There is currently a ten-day window to respond either with the information or what it would take to get them the information. She stated IT Director Marc Gade has agreed this would be a good asset.

This would be a web-based module accessed through the City Website. It would be separate for City Hall versus the Police Department. She has had 43 requests since she has started, but they are becoming lengthier, such as the Building Inspections requests. She commented the same company has been asking at least once a month for all Building Inspections information.

Councilmember Piekarski Krech asked if they could determine a way to charge for requests. City Attorney McCauley Nason responded the City can charge in certain circumstances. Inspecting the data on site at City Hall has to be free. If people request copies or electronic transmission of the data, they can be charged under the Statute. This depends on pages of black and white copies or how many pages of electronically transmitted data. Councilmember Piekarski Krech asked if they would need to change the Ordinance to do that. City Attorney McCauley Nason responded no; everything is covered.

Councilmember Piekarski Krech commented the City should be able to get something back. Instead of getting the information themselves, which is public information, people are having the City put it together for them, so they do not have to do the work. If a cost is associated with it, maybe they would start doing it on their own. City Clerk Kiernan responded part of the module includes a cost feature and would be able to tell them of costs. Councilmember Piekarski Krech stated this is different from an accident report versus how many Building Permits are done for soliciting purposes. She commented the City is not in that business. The City needs to serve the public, to her, those requests are not a public purpose.

Councilmember Murphy asked if they could set a price. City Attorney McCauley Nason responded no; the Statute has costs. For employee time, it has to be the lowest paid employee. The highest paid employee can do the work, if a lower paid employee could have done it, there are constraints as to what they can charge.

Mayor Bartholomew asked what other Agencies close by are using JustFOIA. He asked if Dakota County or other Cities in the area were. City Clerk Kiernan responded the only one currently using it is the City of Bloomington. It is a new product. She proposes using it because it integrates with the records retention system. They are able to look through records and bring it into the module to forward out to people. None of the other two they looked at had the integration they were looking for. She stated she would bring this before the Council at the next City Council meeting.

Councilmember Gliva asked if this was a onetime software purchase or subscription based. City Clerk Kiernan responded it is subscription based on population. The City was quoted \$12,000 for implementation the first year,

she was able to bring them down to \$7,800. The yearly cost is \$9,450. She commented in Staff time alone they would cost save that every year between Building Inspections Staff, Police Records, and City Clerk time.

Councilmember Dietrich asked when the next iteration was for a population jump. City Clerk Kiernan responded they stand at 30,000 to 60,000.

6. NW Parks - Peltier Discussion

Interim Parks and Recreation Director Jon Oyanagi gave an update on the northwest area park development. Last week they had one meeting with a Developer for the Riley property and two meetings with the Developer for the Peltier Reserve Development. He stated the northwest area has been a difficult place to plan for parks due to topography. An updated map of identified parcels was shown that indicated potential or current parks in development as listed:

- #1 and #2: Cole Property:
 - Almost 35 acres. A lot is wetland and undevelopable.
 - Joint effort with Dakota County and Eagan.
 - On hold until Mrs. Cole leaves the property.
 - The County wants to put a Regional Trail through the area.
 - The Eagan side would become a park
 - The Inver Grove Heights side would become a park.
- #3: Peltier Property. Purchased.
 - Located near Argenta Trail and Argenta Court.
 - With the Dakota County property, it is roughly eight acres.
 - Plans are in the works and include a playground, basketball court, and nature-based play area.
 - Up the hill there is a lawn area that would be a wintertime pleasure rink and open play.
 - Small bike skills course for little kids
 - Larger bike skills course for others.
 - Paved loop trail, another trail, and a potential crossing on Argenta Trail that would connect to the Peltier Reserve Development.
 - Another potential crossing at Amana Trail.
 - There is a meeting with Dakota County to coordinate park development and connections.
 - Argenta Trail would have sidewalk and trail on both sides.
 - This is in final phase concept development. HKGi is doing the development with the City.
 - Stormwater treatment infrastructure needs to be verified.
 - The concept plan would be given to Magellan that has a gas pipeline through the park to make sure they are ok with having trails over their easement. This is a 4-5-week process.
 - After that, plans and specifications development would take place, then go out for bid.
- Fleming Property: Potential Park site.
 - Conversations have been had with the Developer doing the Fleming Development.
 - Will be submitting their proposal soon.
 - Located several acres down in the southwest corner. There is some sloping in the area.
- Peltier Reserve:
 - They initiated the idea to carve out parkland.
 - Proposing to take two lots and turn them over for a part of their Park Dedication.
 - It is connected to an outlot that is already green space.
 - The Magellan Pipeline goes through the area and would not be developable except for a possible trail.
 - The area is a little over one acre.
 - The two lots would give size to create a play structure.

- This proposal would come before the Council next week.
- Riley Property:
 - Developer has 4.03 acres.
 - Located near 70th, Argenta Trail, and Agate Trail.
 - Future trails would go through a conservation area and wetland.

Mayor Bartholomew asked if there was a proposed crossing across 70th Street. Interim Parks and Recreation Director Oyanagi responded there would be a sidewalk/trail along 70th, he was unsure of a crossing. Councilmember Piekarski Krech asked if Agate Trail would go into the Peltier project. Councilmember Murphy stated the road going through is called Alverno. He asked if #6 was an estimation. Councilmember Gliva asked about a square block to the left of #5. Interim Director Oyanagi and Interim City Administrator Rand were unsure what that block was. Interim City Administrator Rand stated she was unaware of any conversations taking place about that location.

Councilmember Piekarski Krech referenced the Fleming Property stating the area was looked at a few years ago. Mr. Carlson, at that time, stated the only real portion of any use to the City was more toward the north. She asked why they would look at this, she did not know financially and use-wise if anything is gained out of taking that for Park Dedication instead of money. She stated the stormwater area should not count as Park Dedication. Interim Parks and Recreation Director Oyanagi responded that was part of the Park Dedication formula, they do not get credit for undevelopable slopes and wetlands. They would have to calculate what the developable area would be with the remainder coming as Cash Dedication.

Interim Parks and Recreation Director Oyanagi stated he walked the area and felt it is a sizeable area to develop a playground/play area. It will not be as big as the one being developed across Argenta Trail but has a nice wooded sloped setting. Councilmember Piekarski Krech asked if the slope could be a sledding hill. Interim Director Oyanagi responded it could, but trees would have to be taken out. He stated there is a trail that dead ends from the south through the Argenta Hills neighborhood and ends. It is 20 feet higher than where the park will be developed. They need to determine how to get safe access on a trail down to the park area. HKGi is helping figure that out. Councilmember Piekarski Krech stated she would be concerned about how deep the stormwater area would be. People would have issue with a deep pond by a playground. Interim Director Oyanagi believed it to be a catch area sending water across to a larger ponding area.

Interim Parks and Recreation Director Oyanagi stated in the future they are looking at a potential residential development over by Target. There is a parcel of land in the area, but is a big hill, there is a small flat area in the corner. The previous Director sketched it out to see what would fit in the area, it shows a play area, trail, parking lot, basketball court, and a sliding hill. He stated it was pretty similar to the two lots in the Peltier Reserve.

Mayor Bartholomew asked for the parcel size of the Fleming Property. Interim Parks and Recreation Director Oyanagi responded about one acre. Councilmember Murphy referred to the Peltier Property and Land Dedication and asked if they are considering changing to a variety of different zoning. He asked what percentage the development was. Interim Director Oyanagi responded he was unsure because it was more complicated there. Planning Staff would be determining the calculations. He believed it to be Cash Dedication in addition to Land. Councilmember Piekarski Krech suggested pocket parks as people go along the trail, a climbing gym, and then a swing set, which is similar to what was mentioned.

Councilmember Gliva asked how they arrived at those two lots. Interim Parks and Recreation Director Oyanagi responded he was unsure of the details but was likely what could be afforded giving up. Interim City Administrator Rand responded there is a density formula they are trying to make. With the two lots, they liked how it had sizable trees, it was described as Mr. Peltier's front yard with beautiful trees. Having the stormwater

basin to the northeast, the entire strip connects to it with the pipeline below, they believed it to be a wise location. With Parks it is better to have land masses grouped as closely together as possible for maintenance reasons. Interim Parks and Recreation Director Oyanagi stated it is more costly to have smaller parks due to the efficiency of maintaining a larger park. There is a new park right across Argenta Trail, which is close. Councilmember Murphy agreed it was close, but not easy access. He questioned that size of development having an acre for a park, and where it falls for all those people. Interim Director Oyanagi responded it is a complicated area, he was not sure how it would be calculated; it would be known once calculations are determined. He stated there have been discussions with the Developer that they may help develop part of the park with a fence or grading. That would be part of their Dedication and is still to be determined. Mayor Bartholomew asked if the Developer would run the contiguous trails throughout the green space. Interim Director Oyanagi responded there is a potential crossing, the trails connect to a potential future trail. Councilmember Piekarski Krech asked if there were sidewalks along the bituminous streets. Interim Director Oyanagi responded yes. Councilmember Gliva believed this to be a good start but was not sure the people in the area would be satisfied.

B. Adjourn:**Motion by Gliva second by Piekarski Krech to adjourn the meeting at 8:26 p.m.****Ayes: 5****Nays: 0 Motion carried.**

Minutes prepared by Recording Clerk Sheri Yourczek.

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, MAY 10, 2021 - 6:00 P.M. - 8150 BARBARA AVENUE**

****In-Person Meeting and via Zoom Video Conferencing (Hybrid Meeting)****

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, May 10, 2021, In-person and via Zoom Video Conferencing (Hybrid Meeting). Mayor Bartholomew called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Mayor Bartholomew, Council Members: Piekarski Krech, Murphy, Gliva, and Dietrich; City Clerk Kiernan, Interim City Administrator/Community Development Director Rand, City Attorney McCauley Nason, and Fire Chief Thill.

Present via Zoom Video Conferencing/Phone: Information Technology Manager Gade, Finance Director Hove, City Planner Hunting, Associate Planner Botten, Interim Parks and Recreation Director Oyanagi, Interim Public Works Director Eckles, Assistant City Engineer Dodge, City Engineer Kaldunski, and Civil Engineer Moser.

Also Present In-Person or via Zoom/Phone: Luke Moran (via phone) Kimley Horn and Associates; Steve Soltau (In Person) Builders Lot Group; Melvin Moore (via Zoom) Builders Lot Group; Dwayne Sitich, Builders Lot Group; Eric Luth, Sambatek; Peter Coyle (In person) Larkin Hoffman; Greg Anderson.

3. PRESENTATIONS:

Mayor Bartholomew acknowledged the passing of former Council Member and Mayor, Bill Saed. William Jennings Saed passed away on April 13th, 2021 in Lubbock, Texas at the age of 91. Bill was always interested in the Community Service and was Mayor of Inver Grove Heights from 1982 to 1990. He was a City Council Member from 1972 to 1982. He helped in guiding our City through growth and success in that period and was a good servant and elected Official. Bill and his wife Joan moved to Lubbock, Texas in 1995 where he continued to be very active in the Community. Please join in acknowledging Mayor Bill Saed's contribution and service to our Community and join in offering condolences to the family. He thanked Mayor Saed for his service.

4. CONSENT AGENDA:

- A.**
 - i.** Minutes from the April 5, 2021 City Council Work Session.
 - ii.** Minutes from the April 12, 2021 City Council Meeting.
- B.** Disbursements for Period Ending May 4, 2021. **Resolution 2021-135**
- C.** Consider Approval of Personnel Actions.
- D.** Consider Accepting of Anonymous Donation to the Police K-9 Unit. **Resolution 2021-136**
- E.** Consider Approval of a **Resolution 2021-137** Supporting, Participating In, and Adopting the Dakota County All-Hazard Mitigation Plan.
- F.** Consider Release of Goodyear Property Located at 5641 Blackburn Lane from Recorded Development Contract and Grading Agreement.
- G.** Consider Approval of a **Resolution 2021-138** Amending 2021 General Fund budget for Public Data Request Platform for Administration and Police Department (JustFOIA).
- H.** Consider Approval of a **Resolution 2021-139** Amending Resolution No. 6465 Granting a Non-Conforming Use Certificate for Pine Bend Sanitary Landfill for a Sanitary Landfill. (Fortistar).
- I.** Approve a **Resolution 2021-152** relating to the Improvement Agreement and related agreements for the new detached Caribou Coffee Cabin at the Southridge Shopping Center (Vansouth - Caribou Coffee Cabin).
- J.** Consider **Resolution 2021-140** Ordering Project, Approving Plans and Specifications and Authorizing Developer-installed Public Improvements for City Project No. 2021-11 - Trunk Storm Sewer Extension for Landlocked Basin JP-1.
- K.** Consider a **Resolution 2021-141** Approving Final Plans and Specifications and Authorizing Advertisement for Bids for City Project No. 2020-06 Good Samaritan Pond (1301 50th St.).
- L.** Consider **Resolution 2021-142** Awarding Contract for the 2021 Pavement Management Program, City Project No. 2020-09D - Delaney Circle and Delaney Court Improvements.
- M.** Consider **Resolution 2021-144** Approving Private Cost Participation Agreement for City Project No. 2021-08 - Southern Trunk Watermain Improvements.

N. Consider **Resolution 2021-143** Awarding Contract for the 2021 Pavement Management Program, City Project No. 2021-09D – Bryant Lane Area Improvements.

~~**O.** Consider Resolution Approving Amendment to Development Contract for The Crossings at Inver Woods. Item Removed from Agenda 5-7-2021.~~

P. Consider **Resolution 2021-145** Receiving Bids and Awarding Contracts for the Exterior Wall Rehabilitation for the Public Works Maintenance Facility and Cold Storage Building Exterior Restoration.

Q. Approve execution of Stipulation of Settlement in the matter City of Inver Grove Heights v. Ace in the Hole Real Estate LP, et al., subject to minor modifications approved by the City Attorney.

R. Consider Approval to Purchase Two Outdoor Warning Sirens.

S. Consider **Resolution 2021-146** Authorizing an Amendment to a February 22, 2021 dated Agreement with WSB for Interim Public Works Director Services.

Mayor Bartholomew stated there is a request to pull Agenda Item 4N.

Motion by Dietrich second by Gliva to approve the Consent Agenda with the exception of Agenda Item 4N.

City Attorney Bridget McCauley Nason stated Agenda Item 4O was previously pulled from the Agenda, materials are still in Council packets. To clarify, the approval is for Agenda Items 4A-4S and excludes Agenda Items 4N and 4O. Councilmembers Dietrich and Gliva agreed. Correct Motion reads as follows:

Approve the Consent Agenda Items 4A-4S with the exception of Agenda Items 4N and 4O.

Ayes: 5

Nays: 0 Motion carried.

Agenda Item 4N. Consider Resolution 2021-143 Awarding Contract for the 2021 Pavement Management Program, City Project No. 2021-09D – Bryant Lane Area Improvements.

Councilmember Gliva asked for further information on why the project is changing in scope compared to the meeting had with residents. Assistant City Engineer Steve Dodge responded Staff met with a Forest Haven resident who has maintained Blackberry Trail island for a couple of decades. Information and feedback were received from that resident about the entrance, original plat of Forest Haven, road history, and drainage issues from the 2005 project. Based on feedback given, Staff believed it appropriate to table Blackberry Trail for a future project because Forest Haven would need to have their streets redone in the future, it was part of their original project with the plat. They should be duly notified with the entrance road. For those reasons, it would be hard to resolve the questions, notifications, and get resolution for a June construction date. It made more sense to concentrate on Majestic Woodlands streets (Bryant Lane area streets) and get those reconstructed. They would review Blackberry Trail at a later date.

Councilmember Gliva stated she was a part of those meetings and assumed Forest Haven was notified because it was their main entrance. She asked if the City had an obligation to notify them because they were not going to be assessed anyway. Assistant City Engineer Dodge responded it was not necessary to notify them because it is an entrance they use, he believed they should be notified and included in the conversation about Blackberry Trail. Through further review with Staff and the Consultant there was a question about whether the island on Blackberry Trail should stay or go. It was believed those conversations should be at a future date and include Forest Haven and Majestic Woodlands neighborhoods.

Councilmember Gliva stated from a notification of the Bryant Lane neighborhood, it seems they did not do their best job at communicating. They believed all that was getting done and islands would be taken care of. She asked if this would start at Bryant Lane. Assistant City Engineer Dodge responded the project would start at Bryant Lane and do the Majestic Woodlands development. The islands within Bryant Lane would still be modified, the plan would be followed as spelled out.

Kelly Kayser (In-person) 1953 59th Court East, asked if the island would be removed from the section. Assistant City Engineer Dodge responded the island was meant to be included because Blackberry Trail was urbanized

with curb and gutter in 2005. When looking at Majestic Woodlands they believed the logical thing to do would be to include Blackberry Trail. The Forest Haven development is all rural and modernized in 2005, the island has always been there. He stated Staff felt notification of both neighborhoods on the entrance road shared, would be best for Blackberry Trail.

Ms. Kayser asked if the island was supposed to be there or remain in the plan that was drawn. Interim Public Works Klay Eckles responded the island was under study as part of the project. There was opportunity to improve safety at the intersection, turning movements, and improve City maintenance by removing the island. Some residents in the neighborhood wanted to keep the island. Staff felt since the pavement still had a little life left, they did not need to resolve the issue of the island as part of this project. It would be better resolved in the future with more time to understand long term safety and aesthetic issues surrounding it. Staff believed it be better addressed as part of a future project.

Ms. Kayser asked since its being tabled, if addressing it was in the near future or further out. She asked because she was present when the project was on the Agenda to go out for bids. She raised the question as to why Forest Haven had not been visited regarding having their street done. The Majestic Woodlands entrance would be paid for entirely by the City because the Bryant neighborhood did not want to pay for it. Previously she raised the question if it should be assessed to both neighborhoods. She asked if they missed an opportunity for saving money on quantities and mobilization fees if they are going to circle back in a few years and do the other half of the neighborhood. Interim Public Works Director Eckles responded the goal is to always get the maximum life out of the street for the minimum cost. There is some additional life left on this section of road. That neighborhood will need some rehabilitation work sometime in the next 15 years. That may be the ideal time to address this as a part of a larger project with the other neighborhood.

Ms. Kayser asked if it they would revisit whether the entrance area is assessed. It was a large amount coming out of Pavement Management Funds that could otherwise be assessed. She suggested this was something the Council could look at if moving forward with some of the Pavement Management suggestions brought up during the Work Session.

Councilmember Gliva stated with costs increasing, she wanted to make sure they are not taking advantage of something they should be. She was unsure when the Forest Haven project would be done but wanted to make sure they are being thoughtful on that part. Assistant City Engineer Dodge responded the Forest Haven Development is not within the five-year Capital Improvement Plan. Current Policy states if Forest Haven Petitioned for improvement, and they are due within the next 10-15 years, at that time they would look at the entrance road. They would also address Ms. Kayser's questions about how to fund the project. Bids received for this project were competitive and positive bids.

Motion by Gliva second by Murphy to approve Agenda Item 4N. Consider Resolution 2021-143 Awarding Contract for the 2021 Pavement Management Program, City Project No. 2021-09D - Bryant Lane Area Improvements.

Ayes: 5

Nays: 0 Motion carried.

5. PUBLIC HEARING:

A. Continued Public Hearing to Consider Resolution Ordering Project, Authorizing Preparation of Plans and Specifications, Accepting Engineering Services Proposal IPO 27B from Kimley-Horn, and Authorizing Land Acquisition Services for City Project No. 2016-09F - Carleda Way Area Improvements. Resolution 2021-147

Assistant City Engineer Dodge gave a presentation for the 2022 Pavement Management Program for Carleda Way area improvements. The Public Hearing was continued from April 12th.

Project Overview: Street Segments:

- Carleda Way, 64th Court East, and 63rd Court East

Project Overview: Scope of Improvements:

- Full Street Reconstruction

- Full Sanitary Sewer Watermain and Storm Sewer Reconstruction
- Driveway Apron Replacements

Proposed Street and Storm Improvements:

- Reconstruct the Streets to its existing widths.
- Modify 63rd Court which is a dead end and a plowing challenge.
- Modifications to 64th Court.
 - Built in conjunction with the proposed pond, which is a separate sister project, the Cahill Trunk Drainage Pond.
 - Cahill Avenue has had past flooding due to the undersized trunk storm sewer running along the south property line. It backs up water into the street which goes into 64th Court.
 - The proposed future pond projected for 2022 is part of a separate project. There is a need to design the roads with this project.

Utility Improvements (Sewer and Water):

- Watermain along the area is old cast iron, brittle watermain pipe.
 - Has curb stops at all property lines. Verified needing repair by the Utility Department.
 - Located inside and outside of the Right of Way line.
 - Would work with residents to get everything replaced to be in conformance with current standards with water shut offs right at the property line.
 - Replace sanitary sewer which is shallow in many cases and close to the watermain for construction.
 - Better to replace everything all at once.
 - 50+ year old neighborhood. Systems are designed to last no more than 80 years. Now is the time to give the whole neighborhood an upgrade.

Preliminary Project Cost, Funding, and Assessment Policy:

- Total project cost: Approximately \$2.2 million dollars.
- \$1 million dollars of that is PMP.
- \$340,000 is Assessments.
- Water Fund would fund approximately \$500,000.
- Sewer Fund would fund approximately \$380,000.
- Doing the standard 35% per policy Assessment.
- There are City owned parcels that are part of the Assessments. Those are Parcels 5, 6, and 7.
- The two larger Commercial and Townhome areas have property that abuts to this. They do not benefit from the improvement. They do not access the road.
- The proposed Assessment Cap provided by the Special Benefit Analysis by an Independent Appraiser, proposed to cap Assessments at \$9,600.
 - Assessments could go as high as \$16,000 if not for the Cap.
 - 10-year term with interest determined at the time of the project.

Project Schedule:

Final Design:	This year
Bid:	March/April 2022 (in conjunction with the sister project, the pond)
Build both projects:	2022
Hearings:	End of 2022 (discussion can be had to have the Hearing ahead of time)

Recommendations:

- Hold Public Hearing
- Adopt Resolution
 - Order Project 2016-09F
 - Authorize preparations of plans and specifications
 - Approve Engineering Services Proposed IPO 27B from Kimley Horn
 - Authorize Land Acquisition Services

Mayor Bartholomew wanted to make sure all questions were answered. He asked if there were any additional questions not located within the packets. Assistant City Engineer Dodge responded Staff, or the Consultant have spoken on the phone and answered all questions that came in on the project.

Richard and Kathy Schoumaker, 6360 East 64th Court. Mr. Schoumaker stated they have lived in the residence since 1986. Being in the area when flooded, there are things being said he disagreed with. The flooding on 64th Court is due to leaves plugging the gutters. He commented the project on Cahill was not done correctly. Two ponds on Cahill overflow, run into Cahill, down Carleda Way, and then into the Court. The street on Cahill slopes into Carleda Way. Back yards flood. Curbs in the area are bad, some due to City Plows hitting them. He was unsure how curbs and gutters would fix flooding in the area.

He stated another concern was the turnaround on 63rd Court. He asked what the curb to curb, bumper to bumper is for radius. If not big enough for a Fire Truck or garbage truck to get through, it was a waste of money. He asked if lining the sewer pipes was a consideration. He stated he has not seen the numbers pertaining to assessments and would like to hear more. The biggest concern is assessments. He asked if they were pro-rated over ten years, what the interest would be, and the cost to residents. He stated \$10,000 was a lot of money. They are paying \$3,000 a year, by adding another \$1,000, he was not sure the neighborhood was worth \$4,000 a year in taxes. He thought City Planners would have determined the money, other than \$10,000 per property owner, to be budgeted every year. He was unsure if that was done and questioned if they run into this type of added expenses all of the time. There are a lot of older people in the neighborhood, and he was unsure they had the money. He asked where he could learn more.

Mayor Bartholomew suggested Mr. Schoumaker get in touch with Assistant City Engineer Steve Dodge who would be willing to go through the assessment process with him. He requested Assistant City Engineer Dodge get Mr. Schoumaker's information and contact him directly regarding his questions. He requested answers to questions pertaining to: Sewer pipe lining, drainage issues and if they have all been addressed, timing of the assessments, length, and interest rates.

Mr. Schoumaker stated a lot of drainage issues are because of the pipe going to Bohrer Pond. He has been there during the time it has flooded, there are leaves in the gutters where it cannot drain, and the center drain in the middle of the street was pulled out.

Assistant City Engineer Dodge responded the sewer lining was considered. If the project were not going to replace watermain, that was exactly what Staff would look at doing. Because the watermain is being replaced and sanitary sewer is shallow, replacing the sewer was recommended.

He responded about assessments stating it is a 10-year assessment, it would go on annual taxes. It consists of two payments a year on the going interest rate the City can Bond for at the time. The City adds 2% to the interest rate. The assessable interest rate averages between 2 to 4.5%.

He responded about flooding stating unrelated to 64th Court flooding, there are some localized drainage areas that can be addressed by reconstruction. This allows to realign street grades and curb lines. There is water coming off of Cahill up by Carleda which enters a driveway and enters a landlocked area. Reconstructing the street and extending storm sewer addresses the flooding problem. There is some localized flooding in backyards. The plan is to provide a storm stub to the area. The neighborhood would be responsible for connecting to the stub as a private system which then connects to the public system.

Luke Moran, Kimley Horn and Associates, responded about flooding at the Cahill intersection stating when a large storm event occurs those ponds are connected to the same storm trunk system, the entire area is inundated and because the outlet pipe is undersized, the ponds will overtop Cahill and contribute to the flooding on 64th Court.

Councilmember Murphy asked about the 63rd Court turnaround width. Mr. Moren responded it is the standard 48-foot radius. It would be designed and built consistent with City standards for cul de sacs.

Councilmember Dietrich asked if the curb style was surmountable. Assistant City Engineer Dodge responded the B Style curb is the straight up curb style, not surmountable. The current curb is bituminous, which is why it gets beat up by plows. A concrete curb is necessary. He stated the barrier style curb allows plowing to feel it and remain on the street rather than going up on yards. They have the support of the Maintenance/Plowing Staff to use barrier curb where possible.

Mr. Schoumaker, 6360 64th Court, asked if the 48-foot cul-de-sac was curb to curb, bumper to bumper. He commented a garbage truck will not fit in that turning radius. Assistant City Engineer Dodge responded the standard City cul de sac has a 96-foot diameter, curb to curb, and a 48-foot radius.

Mr. Schoumaker asked how this project resolves a lot of the flooding in the area prior to the two ponds, with the Bohrer pipe. Mr. Moren responded as a part of the sister project, 2016-13 Cahill Trunk Drainage Improvements Project at the south end of Carleda Way, they propose in the event the intersection with Cahill and Carleda floods, additional flood water be captured with high-capacity storm sewer inlets. This includes contributing flooding from the two townhome ponds. That water would be diverted in a new stormwater storage pond in a vacant parcel south of Carleda Way. It would be captured and controlled at that location instead of allowing it to run down Carleda Way into 64th Court where it has been flooding.

Mayor Bartholomew suggested Mr. Schoumaker give his contact information to the City Clerk so Assistant City Engineer Dodge could reach out with further questions. Assistant City Engineer Dodge responded he would reach out to Mr. Schoumaker.

Kelly Kayser, 1953 59th Court East, wanted to make sure since Mr. Schoumaker mentioned there are older residents in the neighborhood and taking note of the vacant parcels, when talking about assessments, that Staff share options for deferred assessments if there are residents that qualify.

Motion by Dietrich second by Piekarski Krech to close the Public Hearing at 6:50PM.

Ayes: 5

Nays: 0 Motion carried.

Mayor Bartholomew stated in his opinion the project should move ahead, they should consider the resolution, and order the project.

Motion by Piekarski Krech second by Gliva to approve Resolution 2021-147 Ordering Project, Authorizing Preparation of Plans and Specifications, Accepting Engineering Services Proposal IPO 27B from Kimley-Horn, and Authorizing Land Acquisition Services for City Project No. 2016-09F - Carleda Way Area Improvements.

Ayes: 5

Nays: 0 Motion carried.

6. REGULAR AGENDA:

Community Development:

A. Consider Renewal of Rental License Applications (15).

Interim City Administrator Heather Rand stated the City has an Ordinance requiring properties utilized as residential and rental in nature, the owners apply for a Rental License once every two years. There is a formal Application. The Police Department assists in helping with a BCA background check. She stated the purpose of the Ordinance is to create a registry of rental ownership to understand where rentals are located, have a way of contacting them, and neighborhood stability. There are 15 properties that have completed their applications. Staff recommends approval.

Motion by Dietrich second by Gliva to approve the Renewal of Rental License Applications (15).

Ayes: 5

Nays: 0 Motion carried.

B. Continued Hearing and Consideration of Rental License Renewal Application for 6930 Crosby.

Interim City Administrator Rand stated this is a continuation for rental property under consideration for License renewal. This property has received a number of phone calls the Police Department has had to follow up on.

City Attorney McCauley Nason requested the Council ask for any public input as required by the Ordinance. At the last meeting, the Council expressed concerns regarding the property and the number/type of Police calls made to the property. It was requested the item be continued to today's date so a Resolution of Denial could be prepared for Council consideration. Council packets include two Resolutions:

1. Conditional Resolution of Approval. This is the same Resolution in the last Council packet. It approves the Renewal License Application subject to certain conditions. At the last meeting Council discussed adding an additional condition stating the License be provisionally granted for a period of three or six months. If Council takes that step, they could do so by adopting the Resolution with that as an additional condition as part of the approval of the Renewal License.
2. Adopt the Resolution of Denial. Included within the Resolution of Denial are proposed Findings of Fact related to that proposed Resolution of Denial as identified by Staff. If Council has other proposed grounds for denial, the Council could move to approve the Resolution with the inclusion of those additional Findings of Fact.

One other option could be to approve the License as submitted with no conditions.

Mayor Bartholomew asked if there were times set when complying with the conditions. City Attorney McCauley Nason responded whatever is listed in the Resolution would be the provisions/conditions imposed upon the License. The conditions include within 10 days of issuance of the Renewal License, the License Holder would need to comply with: Providing current copies of information to the City and verifying in writing and upon Oath, that is requiring the Crime Free Lease Addendum as a part of all Rental Agreements with its Tenants.

Councilmember Murphy asked if the Resolution approving renewal with conditions stipulates three or six months. City Attorney McCauley Nason responded it does not. This is the same Resolution in the packet the last time the City Council reviewed it. If the Council would like to add that condition, as a condition of the Renewal License, the License itself would be for a provisional period of six months. It can be done by approving the Resolution with the addition of that condition. Councilmember Murphy asked if there was a downside. City Attorney McCauley Nason responded if the Council deems it to be a reasonable condition on the License based on facts and circumstances, it can be done.

Councilmember Dietrich referenced Item B for approval where it says, "shall not be subject of excessive Police and nuisance". She asked if it spelled out what excessive would be. City Attorney McCauley Nason responded the reference to Chapter 15 of the City Code specifically references "The subject of excessive Police and nuisance enforcement services is defined in Chapter 15 of the Code". She stated Title 4, Chapter 15 defines excessive Police and nuisance enforcement services as "Those services provided at a specific property address after four or more verified incidences of separate nuisance events have occurred within the prior 180-day time period". Or notice was provided Pursuant to Section 4.15.4 of this Chapter. It points the property owner back to that section of the Code.

Motion by Piekarski Krech second by Murphy to approve the Rental License Renewal Application for 6930 Crosby as a provisional six-month License with conditions.

Ayes: 5

Nays: 0 Motion carried.

C. Consider Approval of an Urban Chicken License Application.

Interim City Administrator Rand stated the request is for an Urban Chicken License for 3655 Upper 73rd Street East. Within an urban area, an application process includes filling out the Application, sketching where the Chicken Coop would be located, cannot have Roosters, 4-6 Hens, and neighbors are notified. The reason they are notified is if and when the License is approved, if there are problems people could contact the City Code Compliance Officer to follow up. She stated a neighbor has expressed a concern; Staff felt they cannot recommend denial based on speculation because the Coop has not been created yet. 20 Urban Chicken Licenses have been approved. Code Compliance has said there are rarely complaints, if there was, it could be noise or smell related. Once individuals are made aware of the problem and the fact the License can be pulled, they remedy the situation pretty quickly. The License is a two-year License. Staff recommends approval.

Councilmember Dietrich asked what the Legal ramifications were, what kind of complaints, how difficult it would be to revoke the License, and what the Ordinances were surrounding this. City Attorney McCauley Nason responded there are standards found in the Code that provide grounds for revocation of a License:

- Allowing the chickens to be utilized in a certain manner they are not supposed to be such as:
 - Slaughtering them on site
 - Using them for breeding purposes
 - If chicken coops are placed in an improper manner
 - If chickens are not contained in the chicken run at all times
 - If the property/chicken coop/chicken run were maintained in a way that allowed it to become unhealthy, unsanitary, noxious, or if maintained in a manner that would not prohibit the odors from escaping the site (odors have to stay on your own property)

These are all grounds for revocation of the License. If problems exist, that serves as basis for revocation.

Councilmember Dietrich stated these could be one-time events such as chickens escaping and the neighbor calling it in. City Attorney McCauley Nason responded yes, if kept outside of the chicken run it could be called in and considered grounds by the Council for revocation of the License.

Jerry Krech, 3655 Upper 73rd Street East, introduced himself and stated he wanted to hear what the Council would say about Chicken Coop Licenses. This would be the first time he would have chickens, his sister who also lives in Inver Grove Heights has them. He has done research and due diligence prior to the request and plans on having three chickens to provide for his family. He would conform to the rules and is making an investment in a chicken coop according to requirements. If it does not work out, he would take the coop down. He asked if he should notify the City if he were to get rid of the chickens. Interim City Administrator Rand responded it is not a requirement to notify, if he would like to as a courtesy, that is fine. If keeping the chickens, the License Application would need to be filled out every two years.

Councilmember Piekarski Krech stated chickens require 35 square feet per bird, this is way short of that. Mr. Krech responded he has enough yard and could make the area larger.

Chris Becker, 1210 70th Street West, stated he is in an Ag zoned area and has chickens. He asked if the Urban License applies to those in Ag areas. Interim City Administrator Rand responded it is not required to complete the License in Ag.

Motion by Dietrich second by Piekarski Krech to approve an Urban Chicken License Application.

Ayes: 5

Nays: 0 Motion carried.

D. Consider the Third Reading of an Ordinance to allow fences to be 48 inches in height within the front yard area of a lot. Ordinance 1410

Associate Planner Heather Botten stated this is the Third and Final Reading to amend City Code Title 10 Chapter 15, Section 12 Fences, relating to the maximum fence height in the front yard and corner front yard. City Code currently allows a maximum height of 42 inches with 75% clear visible opening. The proposed Ordinance change would allow a 48-inch-high fence with 75% clear visible opening within the front and corner front yards of residential districts. Planning Staff is in support of the Ordinance change as proposed. There were no significant changes between the Second and Third Reading.

Motion by Murphy second by Gliva to approve the Third Reading of Ordinance 1410 to allow fences to be 48 inches in height within the front yard area of a lot.

Ayes: 5

Nays: 0 Motion carried.

City Attorney McCauley Nason stated this would be effective five days from today, May 10th, after publication.

E. Consider the First Reading of an Ordinance Amendment to allow larger detached accessory structures on residential lots 2.5-5.0 acres in size.

Associate Planner Botten stated at the April Work Session, Council directed Staff to move forward with a possible Ordinance Amendment relating to the maximum size of accessory structures allowed on lots closer to the 5-acre mark, zoned Ag or E-1. Currently, Code allows lots less than 2.5 acres, one detached structure up to 1,000 gross square feet. On lots 2.5 acres or greater, but less than 5 acres, they are allowed one detached structure up to 1,600 gross square feet. If having a lot 5 acres or greater, can have two structures with a gross square footage of 2,400 square feet. She stated by recommendation of the Planning Commission, and Council direction, it was suggested lots closer to the 5-acre range be allowed an accessory building larger than 1,600 square feet, but less than the 2,400 square foot maximum. This would be a ratio system versus the range system currently used.

She stated the maximum detached accessory structure allowed in the City is 2,400 square feet for lots zoned Ag or E-1 and have 5 acres or more. Dividing 2,400 by 5 equals 480 square feet an acre. Using the ratio system, they would take the 480 and multiply it by the lot size, that could give the maximum size of an accessory building allowed on a lot. She stated this Ordinance change is not meant to make the existing lots more restrictive than currently allowed. The ratio system would only benefit lot owners with a lot size of 3.4 acres to 5 acres. If less than 3.4 acres in size, the owner would benefit from the existing Code of a maximum of 1,600 square feet. A lot larger than five acres would follow existing Code and have a maximum of 2,400 square feet.

Staff supports the Ordinance change as presented for lots that are zoned A or E-1. At the April 20th Public Hearing, the Planning Commission recommended approval of the Ordinance change as proposed on an 8/1 vote.

Mayor Bartholomew stated they are only considering square footage, not setbacks or height. Everything else in the Ordinance stays the same. Associate Planner Botten agreed.

Motion by Piekarski Krech second by Murphy to approve the First Reading of an Ordinance Amendment to allow larger detached accessory structures on residential lots 2.5-5.0 acres in size.

Mayor Bartholomew stated the next Reading will take place in May.

Ayes: 5

Nays: 0 Motion carried.

F. DAWN GAETKE - Consider the First Reading of an Ordinance Amendment to allow Market Gardens as a permitted use in the E-2, R-1, and R-2 Districts.

City Planner Hunting stated the proposed Amendment would be to allow a new category, Market Gardens. The Ordinance request was received from a resident to allow growing and selling of produce on the site. The Ordinance follows a trend over the last eight years. He stated the Council has adopted two other Ordinances that follow an Urban Farming trend:

1. In 2012 the Council approved an Ordinance allowing Community Gardens
2. In 2013, the Urban Chicken Ordinance.

He stated the Applicant, Dawn Gaetke, has done a significant amount of background research and data gathering. She has looked at other City Ordinances and resources to come up with the proposed Ordinance. The Ordinance would fall within the current category covering Market Gardens and personal gardens. The criteria deal with maintenance of the property. Market Gardens allows residents to grow produce on their lot and sell the produce for profit. The Planning Commission recommended:

- Adding a condition limiting the size of the garden to 10% of the lot size.
- Recommends no gardens be allowed in the front yard.

Further recommendations:

- Retail sales would be allowed only for produce grown on the site by that residential property owner.
- The sales period would be limited to a 75-sales day calendar, per year, with sales occurring between 7:00 a.m. and 7:00 p.m.
- A License or a Permit would be required. (For tracking purposes)

- Sales could not occur on sidewalks or public boulevards. Remain on the private property.

The balance of regulations follow the same criteria as Community Gardens/personal gardens:

- Maintaining the property.
- Trash or garbage be kept up and cleaned up.

The Planning Commission reviewed this at two meetings in November. They wanted additional background and requested Staff post a survey on the City Website to determine if residents thought this was a good idea. There was a significant number of responses and felt it was a good idea for the City to allow this type of operation. Staff supports the Ordinance as proposed. The Planning Commission added the condition about limiting the size and placement of the garden.

Dawn Gaetke, 7477 Cahill Avenue, stated the survey had 224 respondents with 79% in favor. She stated she has an issue with being unable to have gardens in front yards. She requested striking that exclusion. Some backyards do not have sun and if wanting to do this, they would have to grow in a front yard. She did not believe the City would see a detriment to having gardens in front yards.

Councilmember Piekarski Krech stated the hour of 7:00 a.m. in a residential area was early. She suggested 9:00 a.m. She suggested there be a License fee, so people take it seriously. She agreed with not having them located in front yards. Depending on what is growing, it may not be the most aesthetic. She stated as a member of the St. Paul Growers Association, she carries, along with each grower, a million dollars liability on the produce sold.

Mayor Bartholomew stated they are not contemplating insurance in the Ordinance. Councilmember Piekarski Krech responded it was just a matter of information. She stated people who sell at the Farmer's Market in the City are fully insured and pay over \$500.00 a year to belong to the Association.

Mayor Bartholomew stated his concern is one of logistics in the R-1C and R-2. He struggles with having enough room for a Market Garden. He appreciated the idea of growing food and being able to sell but felt in those zones it could be somewhat intrusive. He agreed with Councilmember Piekarski Krech on time of day. He believed the gardens belong in the backyard to be a good neighbor. Councilmember Murphy stated he had the same thoughts on the timing. He did not believe this belongs in the front yard for residential. He stated he would agree with a slightly increased percentage over having it in a front yard. He agreed with having a fee.

Mayor Bartholomew stated people can have a garden in the front yard, not a market. Councilmember Piekarski Krech asked if people have vegetables on a table in their yard, if that was against the Ordinance.

Ms. Gaetke stated this began in August when she reached out to the City saying she wanted to sell mushrooms from her yard. She lives on Cahill, everything she does would be seen so she wanted to be upfront. At that time, the question was forwarded to Legal Counsel. Legal responded saying it cannot be done in the zone and that it was illegal to sell from the home in the R-1C.

Councilmember Piekarski Krech asked what would happen if it was a home business, that is not regulated. Ms. Gaetke responded it cannot be a home business because a home business should not be visible from the outside of the house.

Councilmember Dietrich thanked Ms. Gaetke for all of her research and the survey, she felt it spoke to the need for something like this in the Community.

Councilmember Murphy asked if growing tomatoes in the backyard and growing tomatoes in the front yard, how they would know what tomatoes they were and if it mattered. Councilmember Piekarski Krech responded if doing a garden for yourself, you would not have that many for retail sale.

Councilmember Dietrich suggested a timeframe start of 9:00 a.m. or at least 8:00 a.m. Mayor Bartholomew stated he prefers no front yard for market use. Councilmember Piekarski Krech chose the 9:00 a.m. start time because people like quiet time on the weekends. Councilmember Murphy stated he would add a fee to make sure they are serious about it. He asked if they could do 8:00 a.m. during the week and 9:00 a.m. on weekends.

Mayor Bartholomew clarified the First Reading stating they would add an 8:00 a.m. start time on weekdays and 9:00 a.m. start on weekends. He looked to Staff to propose a fee for the next meeting.

Motion by Gliva second by Dietrich to approve the First Reading of an Ordinance Amendment to allow Market Gardens as a permitted use in the E-2, R-1, and R-2 Districts with proposed changes as discussed.

Ayes: 5

Nays: 0 Motion carried.

G. BUILDER LOT GROUP (PELTIER RESERVE) - Consider the following requests for property located at 7250 Argenta Trail and 1266 70th Street:

1. An Ordinance to Rezone the property from A, Agricultural to PUD, Planned Unit Development. Ordinance 1407

2. A Resolution relating to a Preliminary Plat and Preliminary PUD development plan for a 126-lot single family subdivision and a 180-unit apartment building. Resolution 2021-149

City Planner Hunting stated the area is approximately 48 acres. Argenta Trail is on the west, 70th Street is north, with Amana Trail to the south. The project consists of 124 single family lots and one lot for an approximate 180-unit apartment building. Mr. Peltier's existing homestead house would be kept as is. The rezoning would be changing to Planned Unit Development. There would be three zoning categories based on densities, lot sizes, and different clusters as follows:

1. R3-C for apartment building
2. R-1C for larger lots
3. R-3B for the balance

The plan provides for the required collector streets:

- Alverno is a north/south collector.
- 72nd Street runs from Argenta Trail to South Robert eventually.
- Argenta Hills would become Arctic Trail.

Connection points are being provided for properties to other abutting properties. For 72nd Street, the proposed alignment is not all on property the Developer owns. A temporary street connection would be done to allow for two ways in and out of the site. Other connection points were for future development of abutting properties. The project is similar to a detached townhome project. Lots range from 36 to 65 feet wide with sizes from 4,500 to 10,000 square feet. The Applicant requests flexibility from setbacks for some of the separation between units because of tightness with the units to address density concerns and topography. Details:

- Lots up to 60 feet wide would have a proposed 10-foot separation between those buildings.
- Lots up to 65 feet wide lot width would have a 15-foot separation. (Standard for single family).
- Corner lots propose a 15-foot setback from all roads.
- Some increased impervious surface in the R-1C District. Would be over its allotment.
- R-3B meets the requirement.
- R-1C falls under the maximum impervious surface.
- Landscaping and reforestation trees.
 - There is a significant number of trees on site.
 - There would be a significant amount of removal.
 - The Applicant provided a site plan that shows the required street trees but is still determining lot planting used to satisfy reforestation requirements.

Discussion points:

- Street Connections:
 - There are two points of conflict raised by adjacent property owners.
 - Proposed 71st Street. East/West segment. The property owner to the east has identified this alignment would run into the existing house. They would like to see if the street could move north. They anticipate they would redevelop their property at some point but would like to remain in their home.
 - Four-legged intersection of 72nd. The resident is concerned about the proximity of the access point. The Developer is identifying the intersection points, but only constructs the roadway, not the stubs. Providing Right of Way for intersection points in the future. The City Engineer has been working with the Applicant to discuss shifting the alignment of 72nd.
 - The Applicant recognizes the Council is looking at providing park area in the development. They were looking to propose park area. The Developer would be

eliminating two lots on the south side of the pipeline easement. Lot sizes of the two lots were .42 acres. The entire area would be 1.2 acres.

Interim Parks and Recreation Director Jon Oyanagi discussed the proposed park area, location, and how it would function as a park. He stated there is a new park being developed across Argenta Trail. The gas pipeline easement goes through the new park development on the other side of Argenta Trail. Residents south of this development are concerned about the safety of crossing Argenta Trail. Resident's request there be parkland somewhere in the south/east corner of the northwest area. The amount of land provided by the Developer is adequate and would fit a decent sized playground.

He stated its recommended using the two lots, .42 acres, as the Land Dedication. There would still be Cash Dedication owed for the total development. The "L" shaped parcel with the pipeline easement along with a small triangular parcel would be treated as one contiguous park at 1.2 acres. Limited development could occur like a trail or as open space over the pipeline. The triangular portion could have a smaller amenity. He stated this would be a different type of park built in the City, but a good solution for providing playgrounds and active spaces in the area where topography is difficult.

Opportunities are coming up in the future to the east and south of the area for a similar sized park fitting a nice size play area. With the smaller parks, the new eight-acre park across from Argenta Trail, and a potential four-acre park north of 70th, the northwest area would see good parks servicing them in the future.

Interim Parks and Recreation Director Oyanagi stated two issues have come up with the Park Dedication Ordinance.

1. A minimum of 300 feet of street frontage is required. For just the park area, the total stretch is 231 feet including the easement, bringing it under 300 feet for street frontage. If treating the 1.2 acres as the park, then there would be 600 feet of street frontage combined for the total area.
2. The parkland that is dedicated needs to be unencumbered. The gas pipeline is an encumbrance, that is why it is recommended having just the two lots satisfy the Developers Park Land Dedication owed. The rest would be Cash Dedication.

Councilmember Murphy stated they may be able to flatten out the area over the pipeline easement as an area for kids to play. Interim Parks and Recreation Director Oyanagi responded the grades by the wetland make it difficult but may be able to do it by the two lots in the corner area. Councilmember Murphy asked if could be made flat enough to play frisbee or catch. Interim Parks and Recreation Director Oyanagi responded it may be possible in the corner area adjacent to the two lots where the play area would be.

City Engineer Tom Kaldunski stated the area around the wetland may still work for some activity, but sloping makes it difficult to do more. With the pipeline, the company does not want too much grading. He stated one item mentioned by Engineering, was looking down into the southeast corner, there is a proposed trail coming into the corner of the project. It is suggested to put that trail on the first lot as a way to make a connection without affecting the next parcel. That would connect to an existing trail in the Argenta Hills project. If there is a trail that can go through there, that would be a valuable consideration for the Council.

Councilmember Murphy stated this would just be a grass lot, other than a trail, there is nothing kids could do on the lot. City Engineer Kaldunski responded there are opportunities with a grassy area. The grades are steeper. He stated Disc Golf is done in South Valley Park on hilly topography.

Mayor Bartholomew wanted to clarify that the .42 acres of land where the two housing pads are is a flat area that can be used for a park. Interim Parks and Recreation Director Oyanagi responded there is slope but can work with the Developer to grade it for park purposes. Mayor Bartholomew questioned the easement trail and asked if Interim Director Oyanagi was in agreement or included in the discussion. Interim Director Oyanagi responded he has not been involved in those discussions but felt it made sense.

Councilmember Dietrich asked for an explanation about the area where the pipeline is and if it would be kept more natural with gravel or class five to the triangle parcel. Interim Parks and Recreation Director Oyanagi responded it would be what they wanted to design it for. The Engineer says it is very steep along the wetland through the pipeline. Councilmember Piekarski Krech asked if it would be flat along the road. Interim Director

Oyanagi responded that was correct, in the upper left corner there is a trail that connects to a sidewalk across the road, perhaps that trail would continue through the pipeline easement and connect to the trail to the southwest.

Councilmember Piekarski Krech stated the topography of the northwest area is very erratic. It is hard to get a typical park in an area like this due to topography unless changing the area. She believed this to be a great compromise until other larger areas are developed. Mayor Bartholomew agreed and stated there is Land and Cash Dedication. He suggested further discussion.

City Planner Hunting stated that Staff supports the project. The Planning Commission recommends approval.

Steve Soltau, Builders Lot Group, stated the following people are also available for this discussion: Melvin Moore (via Zoom) Builders Lot Group; Dwayne Sitich, Builders Lot Group; Eric Luth, Sambatek; Peter Coyle (In person) Larkin Hoffman. Mr. Soltau stated this is a complicated project. There are challenging discussions because of the character of the property. He stated he has a presentation what would help explain the northwest area and the overlay zone. It is a long-term planning process that goes back at least 15 years. It has gone through multiple Comprehensive Plans and is a balancing of interests due to the contour and existing vegetation. He went through the following points:

Concept Plan:

- Looked at the success of Argenta Hills.
 - Large lots
 - Great looking housing
 - Wonderful neighborhood
 - Working with the contour of the land
- Early review:
 - Looked at zoning and adjacent
 - Staff's response was to work with the northwest area overlay
 - More understanding of the challenges
- Worked with a number of different guiding tools:
 - Comprehensive Plan
 - Northwest area zoning
 - AUAR (preceded the area)
 - Comprehensive Collector Street Plan
 - Engineering Specification and Construction specific to the northwest area
 - Has its own Comprehensive Collector Street Plan
 - Specifications that go along with the Collector Street Plan
 - Planned improvements for the County. For both Argenta and 70th Street

He stated this list could be doubled and include: Issues with the County, wetlands, different Agencies, and the traditional underlying zoning.

Site Constraints:

- High tension power lines
- Pipeline
- Irregular shape of the property
- Fixed grades. Existing today and planned existing for 70th and Argenta
- Vegetation they are trying to retain as much as possible
- Rolling contours
- Pockets of contained wetlands
- Infiltration obligations and expectations
- Irrigation plans for the areas to be maintained

With the northwest area they are challenged to look at what the capacity of the land is. When infrastructure was brought to the area, the City looked at the capacity and development potential of the land and what can be expected to help pay for infrastructure requirements to develop the area. He stated they are challenged to meet the expectations as they get into the overlay district. He stated it was requested to provide a Capacity Plan. There are three different land uses:

1. Mixed Use with:
 - a. Higher Density

- b. Low Density
- c. Medium Density

This is due to the adjacency to Argenta, 70th Street and the potential for areas that are commercial-like in use. There is a mix in uses expected in the planning documents. One of the evolutions of the plan, before the park discussion, shows the mix of product and evolution of streets along with underlying guiding. That guiding brings back capacity demonstrating to the City they are within expectations. The City has those expectations to meet funding objectives for infrastructure invested. He stated the earlier plan with lower density does not balance with meeting the financials objectives of the City. There are many departments they work with throughout the process.

Proposed Layouts:

- Try to come back to the density objectives
- A mix that meets with the guiding documents by the City

Photos of the various homes and price points were shown. With townhomes, he stated they follow a couple of national Developers that try to make things work on the property such as:

- Trying to meet the density objectives with townhomes.
- Due to grades, they could not lay in connected products.
- Are working with a detached product for areas that have a higher density objective.
 - For those, they bring living space over the garage.
 - Bring the front door forward and have a porch element.
 - This creates a more attractive street scape.

He stated they are working with a couple of different builders who could be involved.

Streets:

- 71st is problematic because it ties in with infrastructure elements the City had as a part of another plan. The Comprehensive Plan extended elements of infrastructure other than street.

He pointed out an area in a diagram that was placed where instructed stating last minute, they were asked to make a change. This impacts them, reduces the width of premium lots on site, and potentially impacts a lot.

Mayor Bartholomew asked who instructed them to put it at that location and if it was Staff. Mr. Soltau responded it was Staff and the materials in the Comprehensive Collector Street Plan. Roads were put in those exact spots and now they are on version 20+, A, B, C, and D, concept plans trying to conform. What is being presented this evening they feel, conforms to all of the guidelines and expectations in the Comprehensive Plan and northwest area zoning. He stated they feel they have made a significant effort to work with Staff and to conform. The last-minute curveballs are a bit disturbing.

He stated they have been working with Parks and Recreation. The Landowner sold the property west of Argenta for the park plan. They were always told the expectation would be for money in the area. He stated a comment was received that preceded the schedule they had over a week ago about a need and expectation for a park component. They tabled it, took it seriously, and came up with a reasonable compromise with the two lots. He requested if doing this park on those two lots, they would prefer to improve it concurrently with their development. He stated it was mentioned they would grade the area, but they would also like to propose improving it and want credit. They would like the Builders and Residents to have the benefit of the improvement and not have to wait a number of years. He stated they are trying to give a compliant product as much as possible, a mix of product, and are confident the market is anxious for this and will accept. They are trying to wrap up last minute curveballs with roads and the park component.

Mayor Bartholomew wanted to clarify what was said stating that Mr. Soltau is saying they would consider developing the park itself, with structure and infrastructure, and use it as credit toward their Land Dedication. Mr. Soltau responded correct; it would be in lieu of Cash Dedication. Mayor Bartholomew asked where things stood on that discussion with Parks and Recreation Staff. Mr. Soltau responded there have been general discussion, it has not been taken further. He stated they spoke to Heather Rand and Jon Oyanagi late last week about what they could expect. At that point they were still evolving into the concept of conceding the two lots and trying to work with something that would be a compromise.

Interim City Administrator Heather Rand stated that is a detail Staff would like more time to work with the Developer on. Between the preliminary plat and the final, it can be determined, along with the Parks and Recreation Commission, what the nature of the park and improvements would be. Discussion is needed about

who would do what. A timeline on the park is also needed. She stated they appreciate the Developer offering to grade the site. Approval tonight gets the process moving forward.

Mayor Bartholomew clarified they are looking at the two lots, .42 acre, in Land Dedication and Cash Dedication in lieu of the balance of around 4.85 acre. Mr. Soltau agreed, stating Land Dedication is around 10% of the total. They would work from that with the area they are dedicating, it does not include the pipeline area. He was encouraged that they can use the pipeline area. There are limitations, and parameters to work with and grades. He stated if owning that area, using it, and treating it as park, they should get credit for the area. They were told if it was encumbered, it is not accepted. It is typically encumbered by a driveway easement or easement that prevents use, if over a pipeline and using it, they should get credit. Mayor Bartholomew responded those are things that can be negotiated. As long as they identify the problem and understand the fundamentals, they can negotiate. The area is roughly .4 acres with cash in lieu up to the agreed amount. Mr. Soltau agreed stating they are receptive to that combination. They have requested improving it, and for that be a part of the calculation. Mayor Bartholomew responded if Staff and Council can come to an agreement, negotiations can be had in the preliminary.

Councilmember Gliva asked how they got to a place where streets are currently in the wrong place. She asked if it can be fixed. Mr. Soltau responded one of the first things they tried to fix was the contact points at the County Roadway system. He referenced 70th and Argenta stating they tried to fix the location with information from the City Comprehensive Plan and the Comprehensive Collector Street System. Alverno is characterized as a collector street but there is a hybrid recognized, it is a neighborhood collector street. When originally laid out it had a 70-foot width. They were asked to make it 80 feet in width because it was a collector street. They were told as a collector street it would have a speed limit of 45 mph. At the neighborhood meeting, nobody wanted a 45-mph street. He told the neighbors they could be their best ally in addressing this. As it evolved, WSB came back with a design that is narrower and recognized it as hybrid. Support was received from the Consultant to reduce the width, narrow it, and slow it down because it has driveways and direct access.

He stated when getting to the alignment on 70th, it came back from the County to be in a specific location to align with plans to the property north of 70th and spacing to the intersection with Argenta. The location of 72nd was fixed. He stated they would not put it on the edge of the property and not carry it through their property. They have worked with the parameters and are working with Staff. It has felt the information was not as accurate as it was needed at the time for the level of work they were doing. More detail was received as they became more involved. He stated when feedback was received from the County, they had to move it. It was different from what they had from the City. He stated this is all part of their process.

Councilmember Gliva wanted to make sure what the Council has is feasible and that the road system works for everyone. Mr. Soltau responded neighborhood comment was received about 71st, they do not anticipate it to go through. 71st was planned to carry infrastructure components under it as a part of the alignment. They themselves did not pick that location. They are trying to make the information given work with their plan. He stated 72nd is a spot they have worked on and have had comments on grades. They are working to reduce widths of some lots and bring it slightly further south to avoid tree and grade impacts that a neighbor brought to their attention.

Councilmember Dietrich apologized and stated their group got caught up in a disconnect. Taking monies in lieu of parkland is not the default but appears to have been in the past. She commented in the two years she has been on Council she has been asking to see it both ways. She apologized that portion came later for Mr. Soltau's group and seemed like a curveball. If there was not a disconnect, they probably could have avoided some revisions. She thanked Mr. Soltau for working with the City and trying to get something that is going to please everyone and still be profitable.

Mayor Bartholomew asked where they were at with flexibility with the roads. He asked if the Applicant could reach flexibility that would meet the needs of adjacent property owners. City Engineer Tom Kaldunski responded the Developer is working with the northwest plan from day 1. It is the same map that shows general locations of where roads should be. When a dot shown on the map, he questioned if it was finite dot or a general location. Maps of this nature are from 10,000 square foot and they try to be as close to them as possible. The issue they have run into is not looking off the existing property and how it may affect other property. The dots are just a general location, the angles are not set in stone and are flexible.

City Engineer Kaldunski stated the park they did look at was where the arrows were pointing. The Developers were asked to look within 300 feet of the property line. He believed they can resolve this if moving slightly, less than 50 feet, he would be in a better location. In the case of 72nd Street he is missing a road, so he did not have to buy property on the neighbor's land. The neighbor on 71st Street has stated the arrow points at the home, he asked to move it to miss the home. This is not etched in stone and can be modified slightly. The computer model shows where they expect traffic to go. As long as traffic is going to the general area, it would meet the plan WSB put together.

Mayor Bartholomew stated there is flexibility in relation to adjoining properties. City Engineer Kaldunski responded based on conversations had with some of the property owners to the east on Friday, yes.

Chris Becker (in person), 1210 70th Street, stated he lives on 71st Street where it cuts across on the east side of the property. It goes straight through his home. He owns 2.5 acres and also owns the 1216 property which is another two acres. He stated he is the Chair of the Housing Committee, if choosing to do something on his property and live and stay on it, they could not be due to the proposed feeder roads projected through the property. He stated the Developer has had a lot of variables to address. The Developer has met with them once via Zoom and he informed them about the two road issues and never heard back until they had the chance to speak with Allan Hunting and Tom Kaldunski.

He stated with 72nd Street, if dropping further south, the topography is complicated. He stated he was concerned about 71st Street. He offered an option to take the road from Alverno, move it up and cut on the property of 1216, and move a house into the spot that the road would be. He hoped the Council would work with the Developer to readjust that so those on the east side are not limited on future development.

Mr. Becker stated he wished the whole place would be a park. The northwest area has a lot of children. With the proposed park he has not heard anything about parking and asked if there would be street parking. He stated the neighbors met with the Developer and discussed Alverno being 45 mph. It is a hazard in a highly dense developed area. He was glad they considered slowing the speed down. He asked Council to consider those on the east side of the development and to not impact them in a detrimental way.

Marius Dina (in person), 1234 70th Street, stated he has lived there since 2007. One of the reasons he had moved was because he was tired of all the Ordinances on a regular City lot in Burnsville. He found this beautiful 2.8-acre property, where one can do whatever, you want with a garden or grass height. They love the view; they knew the development was coming. He agreed with the challenges mentioned by Mr. Soltau stating he is not an Engineer but understands engineering aspects. Mistakes began in 2012 when the City hired a firm who did a study. He attended every meeting. He stated the entire connector study was done from an airplane. Nobody looked at the topography. He asked if they had looked at the topography when drawing lines. The response was that was the last thing they do.

He displayed a rendering of the area and pointed out his property. If looking at a contour, the elevation is 985. Within 100 feet it goes to 960, a steep angle. Where the new road is proposed, it goes up 25 feet and comes down to get to the connection. He thanked the City Planner and City Engineer for doing a great job of explaining things. He stated it was discovered the Developer of the land next to them, Fleming, are planning to build the road serpentine shape and put houses in. It takes a hill that is 40 feet tall and obliterates it with a 20+foot retaining wall for over 500 feet with a 500-foot fence. Retaining walls come with a cost to repair. If moving the road, that could be avoided. The road should never have been there in the first place. He suggested coming around the contour of 960 or 965. He stated there are too many roads, it needs to be simplified. This could be avoided by rearchitecting. He believed the plan was a mistake from day one.

Mary T'Kach (in person), 7848 Babcock Trail, stated she agreed with everything heard from the residents and the Developer. She suggested taking a step back further to the northwest area. The whole point of the area was to protect the natural features of that part of the City. She stated it is the Developer's responsibility to determine how to develop in the northwest area. Nothing in the area has been developed in a way that would protect trees, the old majestic oaks across the street from Target. She stated the retaining wall on Robert Street and 65th is very large. She suggested letting the Developer develop the property, maybe increase the density of some of the lots to get the profit they need but protect the natural features. The people coming to buy \$400,000 - \$900,000

homes are getting the amenities that would compete with other Cities that have protected their natural areas. The places with \$900,000 homes have natural areas around them. Trees, open space, and parks add value.

She stated this is an opportunity for the new City Council to ask what the point of the northwest area was and what to do there. She stated she is also on the Housing Committee and would love to see affordable housing. In this case with a product that is high value, questions need to be asked about how to get that high value, how to get the property tax value out of those homes so they appreciate over the years, and how to reduce infrastructure costs. She stated the City is millions of dollars in the hole with road maintenance, she suggests narrowing roads or having fewer of them. She requested the Council rethink this.

Brad Kirschenheiter, via phone, 1230 70th Street, stated he echoes all comments made by others that have spoken. He objects to the current location of the future development stub of 71st and 72nd Streets.

Mayor Bartholomew asked if there was flexibility to get the alignment suggested. He asked if this was something that needed to be taken back for further conversation. Interim City Administrator Rand responded she, and the City Engineer, feel the road alignment needs work but is something that can be discussed between now and the final plat approval if Council approves the preliminary plat. City Engineer Kaldunski agreed and stated it is driven on making the changes to the final plan, with the proposed modifications.

Councilmember Piekarski Krech stated she was extremely concerned about 72nd Street. She cannot support that type of retaining wall for a development. It was a surprise to her that they would consider something like that. If it is an issue, she would like to do something with that right away. She stated she thought the part at the top was flat and level. When Mr. Carlson was here there was discussion about having a park in the corner because it was the flattest part. Making deep cuts takes away what was intended. She commented to keep the rainwater and natural areas, not put a lot of pipes in the ground. A retaining wall of that size does not fit.

Mayor Bartholomew agreed and stated there are a lot of challenges. There has been a lot of studying, the AUAR was done. There are issues of egress. He was concerned about topography, the amount of ground they would have to move, perhaps a better configuration is needed. Councilmember Piekarski Krech stated the retaining walls are on the other property. She asked if they lock in by making 72nd go there, if it has to be a street. When doing the street plan, she thought it was being done logically, she did not realize they did not take into account the topography and natural areas.

Mr. Soltau stated they could work with the issues raised. They are trying to modify 72nd Street and reduce the width of some of the homes and shift the road down south a bit. Councilmember Piekarski Krech asked if that goes with the topography. Mr. Soltau responded there is no retaining wall in the area on their property. She stated his development has raised the issues when continuing to other properties, there are concerns with topography. Mr. Soltau responded they recognize is a characteristic everyone is trying to avoid. He is confident they could work with 72nd in an alignment that works with the grade. He stated with 71st, they may be able to eliminate.

He stated the roadway system defined in the area is surrounded by County roads. The County looks at the roads like arterials and not local collector system. The Developer is asked to provide a collector system and ends up with a labyrinth of collector streets between 70th, Argenta, and Robert. Alverno was wound as much as they could. Some streets should be interrupted; 71st for example, 72nd connects through, 71st may not have to, and could be disconnected. He stated the challenge has been recognizing the different objectives and getting to something that meets financial considerations. They work with guiding documents, through a process there are bumps along the way. He believed they can tweak the roads enough with what is laid out as a concept to move forward with approval. Everyone has to sign off on the final plans. He stated they are hopeful they can move forward this evening.

Mr. Marius Dina, 1234 70th Street, stated if not moving 72nd low enough, below grade, the builder developing the Fleming property will be stuck. He has spoken to the Fleming's, they wanted to build a house on that lot years ago. When splitting the property into one acre, by law they were able to take the current house and have another lot, they could have built a single-family home. Four years ago, when this came before the City Council, 4 voted yes, 1 voted no, something happened after the meeting and they were not allowed. He stated the idea was to cut

that piece as a separate lot and realign 72nd. That did not happen. He suggested putting it further south be something to consider.

Councilmember Murphy stated it was interesting to learn more about the street situation. He does not know that a very large retaining wall in a neighborhood is the right way to go. Steps to avoid that is the right thing to do. The Developers may have ideas on how to avoid that. He stated hearing from residents about the Developer's density needs, he was not as comfortable with, those costs are always passed on to who ever ends up in the neighborhood. He likes the northwest parks area plan and does not know that as a City they have kept the promise very well. He does not feel they can go backwards at this point. He appreciated the Developers working with the City and putting a park in the neighborhood.

Mayor Bartholomew stated his biggest concern is connectivity to other property. He wanted to make sure they have the flexibility to do it the right way and avoid a large retaining wall in the middle of development. He agreed with Ms. T'Kach about eliminating streets if possible. He questioned if they could move along with the preliminary with an understanding, they get the changes they want, and if they do not, they are at final plat discussing them again. He believed the park made sense, he is not a fan of tot lots, but understands the need. The Land Dedication and consideration of Cash is the right strategy.

Councilmember Piekarski Krech proposed for the preliminary, that it is not on the Developer but on Engineering Staff. Wherever streets end up, issues discussed have been solved. Wherever 72nd Street goes, it be positioned so there are not retaining walls and fits in with the topography without huge amounts of grading. She stated Argenta Hills built into the hillside to fit into the topography rather than tearing down the entire hill. She stated the Developer sounds like they are willing to work with people. She has no problem with the preliminary plat that way. Her concern was when the street leaves the Peltier property and goes to others, they do not create havoc.

Interim City Administrator Rand stated she hears what Council is saying and believes this is a plat the Council can approve as a preliminary tonight.

City Attorney McCauley Nason recapped a few points raised. To the Mayor's question of ironing out the details now or waiting for final plat approval, having a park in the plat needs to be addressed tonight so Staff and the Developer have direction. For the road, it could be an addition to the condition such as to work to revise the road alignment of 72nd Street to work better with the natural grade. Mayor Bartholomew suggested adding the existing property owners. City Attorney McCauley Nason responded there are challenges, there is the plat before Council, standards Engineering has identified, and proposed plans for a different property. There is a limit if there are guiding documents that state you have to put a street in a location or move it up or down, that is what the condition is intended to be.

City Attorney McCauley Nason directed Council on the park question:

- Council could approve the plat as presented with the conditions as outlined in Resolution 2021-149. Condition 21 references there shall be both Land Dedication and Cash contribution to meet park requirements.
- If Council finds the park as proposed with the two lots is acceptable, that can be placed as a condition.
- For the larger 1.22-acre park shown on the presentation. This includes part of the green space encumbered by the easement. If wanting that for park, criteria in the Code states land encumbered would not be accepted as park.

She stated it cannot be taken for a park and not count it as a park. If taking for park purposes and using it for park purposes, it would need to be approved as a park. It would either be 1.22 acres or .43 acres.

Mayor Bartholomew commented they deal with the limitations on that property even though they call it park. If there are limitations because of the pipe and grade, they have to deal with it. City Attorney McCauley Nason responded if it is not part of the park, shown on the preliminary plat as open space, that is what it would be.

Councilmember Piekarski Krech asked if they have to be specific or if they can say they want a park in the area. Then refine the details as to how much they are taking for park, how much they would take in Cash Dedication, and how much the Developer would develop the portion of property for their Park Dedication part. She asked if Council could leave it broad. She asked if they could say they want a park in the area and Staff would work with the Developer to determine exactly how much land accepting for park. City Attorney McCauley Nason

responded that provides some ambiguity to the Developer. If knowing the two lots are wanted, a park not less of .4 acres would give flexibility coming back.

City Attorney McCauley Nason clarified the options as follows:

1. Approve the Resolution identifying dedication is wanted and met through a combination of Land and Cash.
2. Approve the Resolution. Modify Condition 21 that says cash is wanted, no land.
3. Exploring other park options.

The option she hears most is Option 1 and add a condition to revise the road alignment for 72nd Street and further consultation with Engineering Staff.

Councilmember Piekarski Krech suggested revising 72nd Street and the minimum of the .42 two lots, for the park with other determinations between Staff and what the Developer wants to develop in the location. Mayor Bartholomew clarified and stated land in lieu of cash, including the Developer offered to develop parkland. Councilmember Piekarski Krech believed all that needed to be said was to approve the .42 and will negotiate on the rest. City Attorney McCauley Nason responded the remainder would be finalized as part of the Development Contract. Mayor Bartholomew stated as long as they do not exclude the offer from the Builder that they will develop it if they would like to develop.

Motion by Piekarski Krech second by Murphy to approve, BUILDER LOT GROUP (PELTIER RESERVE) - for property located at 7250 Argenta Trail and 1266 70th Street: Ordinance 1407 to Rezone the property from A, Agricultural to PUD, Planned Unit Development.

Ayes: 5

Nays: 0 Motion carried.

Motion by Murphy second by Piekarski Krech to approve, BUILDER LOT GROUP (PELTIER RESERVE) - for property located at 7250 Argenta Trail and 1266 70th Street: Resolution 2021-149 relating to a Preliminary Plat and Preliminary PUD development plan for a 126-lot single family subdivision and a 180-unit apartment building. Including discussion relative to Land Dedication, Cash in lieu, and flexibility and understanding about the road.

City Attorney McCauley Nason wanted to clarify the size of the park asking if it was .43 or 1.22, or if it was a minimum of 1.22. Councilmember Piekarski Krech responded it was a minimum of .43, the size of the two lots. Councilmember Murphy asked if the .43 included the triangle area. Councilmember Piekarski Krech responded that was part of the green space.

Ayes: 5

Nays: 0 Motion carried.

Council took a break at 9:20 p.m. Council was back in session at 9:29 p.m.

H. Resolution Authorizing Submittal of a Host Community Economic Development Grant Program Application to state of MN Department of Employment & Economic Development (DEED). Resolution 2021-150

Interim City Administrator Heather Rand stated the City hosts Pine Bend Landfill. As a result, State Statute provides the City to submit to the State of Minnesota's DEED (Department of Employment and Economic Development), an Application for a Grant supporting economic development. The Grant amount is determined by DEED, this year it is \$415,625.00. One of the requirements is the Grant must go toward public infrastructure that supports the growth of our Community. Such as tax base, employment, population. She suggested Council support an application that would fund improvements to northwest area Park #1 in which land has already been acquired from the Peltier's. It is an approximate 8-acre park west of Argenta Trail and west of Highway 55. Improvements suggested by the public and the Parks and Recreation Commission include: Site prep, tree removal, stormwater utilities installation, earth work, pavement, seed restoration, electric service, landscaping, and playground equipment.

There are other improvements that are being suggested for the park. Listed improvements exceed the Grant maximum amount. This allows the park to get moving and puts less of a burden on the existing Parks Recreation Fund, creating funds for other parks in the northwest area. She recommends Council approve the Grant Application authorizing her to submit to DEED tomorrow. It is hoped to be funded by the end of their fiscal year, June 30th. The City would be able to use the funds right away and use them before the end of the State's fiscal year in 2022. There would be 13 months to use those funds. She stated herself and the Interim Parks and Recreation Director Jon Oyanagi selected this project because the improvements on the Grant Application are something that could be accomplished within that timeframe.

Councilmember Piekarski Krech stated this is the second year they have used the Grant for parks. She would like to see them doing more for actual economic development, jobs creation. She asked if it would not be better served to try and develop the 100 acres or work with Republic. She commented parks are great, add amenities to the Community. She does not see them growing the jobs base and thought that was what the DEED Grant was supposed to do. Interim City Administrator Rand responded she had a handful of projects she was hoping to utilize the funds for. She responded about the reference of Republic moving to the west 100 acres. Republic is interested in moving, but not to that site. They are not willing to move forward in partnership with the City to develop the west 100 acres as a business park. She hopes they change their minds in the next year. She stated there were opportunities for land acquisitions near Concord Boulevard. She determined this opportunity to invest in northwest area parks as more relevant due to concerns about other park opportunities in the northwest area coming up and having enough funds. She stated the development of the parks could lend itself to main street in Argenta Hills with a couple of commercial pads that could be fully developed and have more robust leasing of space on the main street. She stated they believe to have commercial space on the northwest corner of South Robert Street and 70th Street within the next couple of years. In the future she would like to utilize these funds to support water and sewer for a business park. To date, those opportunities have not presented themselves.

Mayor Bartholomew stated with the input by Interim City Administrator Rand, he agreed with the lack of other projects to put this money toward and believed this to be a good cause. He could support this with the understanding in the coming years they would use DEED money for job creation and business opportunities. Councilmember Murphy commented this makes sense.

Motion by Dietrich second by Gliva to approve Resolution 2021-150 Authorizing Submittal of a Host Community Economic Development Grant Program Application to the State of MN Department of Employment & Economic Development (DEED).

Ayes: 5

Nays: 0 Motion carried.

Fire:

I. Consider Acknowledging Receipt of State of Qualifications from Six Consulting Firms, acceptance of Request of Proposal (RFP) for a Fire Department Services Evaluation and authorize sending RFP to those firms. Resolution 2021-151

Fire Chief Judy Thill requested Council consideration for:

- Acknowledgement of six statements of qualifications received in response to the Request for Qualifications
- Acceptance of Request for Proposal (RFP) for the Fire Department services evaluation
- Approval to send the RFP to three firms for their consideration

At the April 12th City Council meeting, Council approved the Request for Qualifications for a Fire Department Service Evaluation. The RFQ was sent to eight different Consulting Firms and five additional Firms requested copies. Six replies were received. She stated the Interim City Administrator and Fire Staff scored each of the submittals and narrowed the field down to three. Those three would receive a copy of the RFP. Those Firms are:

1. Fitch and Associates of Platte City, Missouri
2. Citygate associates of Folsom, California
3. Matrix Consulting Group of San Mateo, California

The reason for the RFP for Fire Department Service Evaluation is due to continued concerns with recruitment and retention of volunteer and on call Fire Fighters in Inver Grove Heights. This is a National problem. The evaluation would look at:

- Present emergency services, delivery, and Staffing model
- Make recommendations for future needs

The RFP has a return deadline of June 1st. Once returned there would be a selection committee comprised of two Council Members, City, and Fire Staff to score the return proposals. If needed, the option is included in the RFP for one or more Firms to come and give presentations before making a final decision. Estimated cost is expected to be approximately \$50,000 with funding sources budgeted adjustment in the General Fund. Staff recommends of the six submittals, approval of the RFP, and sending the RFP to the three Firms listed.

Fire Chief Thill requested knowing who the two Council Members willing to serve on the Committee by the end of the week. Mayor Bartholomew asked if members could be selected by the next Council meeting. Interim City Administrator Rand suggested before June 1st. A formal Motion is not needed for selecting. Council would let the Interim City Administrator know within the next two weeks. If more than two Councilmembers volunteer, they could come back for further discussion at the Council meeting taking place on May 24th.

Motion by Gliva second by Piekarski Krech to approve Acknowledging Receipt of State of Qualifications from Six Consulting Firms, acceptance of Request of Proposal (RFP) for a Fire Department Services Evaluation and authorize sending RFP to those firms. Resolution 2021-151

Ayes: 5

Nays: 0 Motion carried.

7. PUBLIC COMMENT:

There were no public comments.

8. MAYOR AND COUNCIL COMMENTS:

Councilmember Dietrich wanted to thank the Boy Scout Troop that cleaned up South Valley Park and then played kickball there.

Mayor Bartholomew stated the Inver Grove Heights Police Department is having an Open House on Wednesday, May 12th between 3:00 to 7:00 p.m. Please attend and meet and greet the Police Department, Officers, and the K9. Parking is on the west side. There will be a dunk tank. This would be a great time to get to know the Officer's and appreciate what they have done the last 12-18 months for Community involvement and congeniality.

9. EXECUTIVE SESSION:

A. Closed session pursuant to Minnesota Statutes § 13D.05, Subd. 3(c)(2) and (3) for the purpose of reviewing confidential or protected nonpublic appraisal data and to develop or consider offers or counteroffers for the purchase of real property located at 8296 Babcock Trail, Inver Grove Heights.

B. Closed session pursuant to Minnesota Statutes § 13D.05, Subd. 3(b), attorney-client privilege, for the purpose of threatened litigation related to compliance matters with Separation Agreement between the City of Inver Grove Heights and a former employee.

City Attorney McCauley Nason stated there are two Executive Sessions on the Agenda. The process requests Council make a Motion and vote to go into closed session for Executive Session A. Once that session is done the Council will vote to reconvene into open session, then the Council would go through the same exercise in open session and vote to go into closed session for Executive Session B. If that Motion is approved Council would move into closed session and then vote to come out of closed session and eventually adjourn from open session.

She stated Council is asked to make a Motion to go into closed session pursuant to Minnesota Statutes § 13D.05, Subd. 3(c)(2) and (3) for the purpose of reviewing confidential or protected nonpublic appraisal data and to develop or consider offers or counteroffers for the purchase of real property located at 8296 Babcock Trail, Inver

Grove Heights. She stated the closed session must be recorded. Once in closed session all persons in the closed meeting must be identified on the recording.

Motion by Gliva second by Piekarski Krech to move into closed Executive Session for Agenda Item 9A at 9:47 p.m.

Ayes: 5

Nays: 0 Motion carried.

Motion by Piekarski Krech second by Murphy to return to regular session.

Ayes: 5

Nays: 0 Motion carried.

Motion by Piekarski Krech second by Dietrich to move into closed Executive Session for Agenda Item 9B.

Ayes: 5

Nays: 0 Motion carried.

Motion by Gliva second by Murphy to adjourn the City Council meeting at 10:56 p.m.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek

**Request for Council Action****TITLE: Disbursements**

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	
Item Type:	Consent	Amount included in current budget	X
Contact:	Amy Hove	Budget amendment requested	
Prepared by:	Bill Schroepfer	FTE included in current complement	
Reviewed by:	N/A	New FTE requested - N/A	
		Other	

PURPOSE/ACTION REQUESTED:

Approve the attached resolution approving disbursements for the period of May 19, 2021 to June 8, 2021.

SUMMARY:

Shown below is a listing of the disbursements for the various funds for the period ending June 8, 2021. The detail of these disbursements is attached to this memo.

General & Special Revenue	\$858,015.77
Debt Service & Capital Projects	428,514.38
Enterprise & Internal Service	271,624.88
Escrows	24,611.68
Grand Total for All Funds	<u><u>\$1,582,766.71</u></u>

If you have any questions about any of the disbursements on the list, please call Amy Hove, Finance Director: 651-450-2521.

Attached to this summary for your action is a resolution approving the disbursements for the period May 19, 2021 to June 8, 2021 and the listing of disbursements requested for approval.

DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. 2021-159

**RESOLUTION APPROVING DISBURSEMENTS FOR THE
PERIOD ENDING June 8, 2021**

WHEREAS, a list of disbursements for the period ending June 8, 2021 was presented to the City Council for approval.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS: that payment of the list of disbursements of the following funds is approved:

General & Special Revenue	\$858,015.77
Debt Service & Capital Projects	428,514.38
Enterprise & Internal Service	271,624.88
Escrows	24,611.66
Grand Total for All Funds	<u><u>\$1,582,766.69</u></u>

Adopted by the City Council of Inver Grove Heights this 14th day of May, 2021.

Thomas Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk



City of Inver Grove Heights

Expense Approval Report

By Fund

Payment Dates 5/19/2021 - 6/8/2021

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
ACME TOOLS	8753245	06/08/2021	Sawzall	101.42.4200.423.60040	737.44
AFSCME COUNCIL 5	INV0114362	05/21/2021	UNION DUES (AFSCME FULL SHARE)	101.203.2031000	814.06
AFSCME COUNCIL 5	INV0114363	05/21/2021	UNION DUES (AFSCME FULL SHARE-P	101.203.2031000	78.80
AFSCME COUNCIL 5	INV0114861	06/04/2021	UNION DUES (AFSCME FULL SHARE)	101.203.2031000	814.06
AFSCME COUNCIL 5	INV0114862	06/04/2021	UNION DUES (AFSCME FULL SHARE-P	101.203.2031000	78.80
ASPEN MILLS	274448	05/25/2021	Baton & holder	101.42.4000.421.60045	97.33
ASPEN MILLS	275430	06/08/2021	Clothing/Uniforms	101.42.4000.421.60045	553.20
AXON ENTERPRISES, INC.	SI-1737414	05/25/2021	Fleet 2 unlimited w/ tap payment	101.42.4000.421.70501	3,009.00
BAYCOM INC	EQUIPINV_032887	06/08/2021	Toughbook, Dock, Locking Slide Arm	101.42.4000.421.80700	3,181.00
BAYCOM INC	EQUIPINV_032887	06/08/2021	Toughbook, Dock, Locking slide arm	101.42.4000.421.80700	3,181.00
BILL RASCHER MECHANICAL INC.	8134	05/25/2021	Install 3 new sinks & faucets	101.44.6000.451.40040	9,423.00
BILL RASCHER MECHANICAL INC.	8135	05/25/2021	Drinking fountain with bottle filler	101.44.6000.451.40040	2,350.00
BILL RASCHER MECHANICAL INC.	8149	05/25/2021	RPZ tests - Materials & Labor	101.44.6000.451.40040	1,844.08
BJORKLUND COMPENSATION CONSULTING, LL	00004220	06/01/2021	Classification review meetings	101.41.1100.413.30700	425.00
CENTURY LINK	05/19/2021	06/08/2021	May - Jun monthly charges for 651-455-90	101.42.4200.423.50020	45.40
CIVICPLUS	213440	06/01/2021	Quarterly fees	101.47.1400.413.40035	3,378.32
CULLIGAN	98459100 05-31-21	06/08/2021	Bottled water equipment service	101.42.4200.423.30700	5.30
CULLIGAN	98459118 05-31-21	06/08/2021	Water services	101.42.4200.423.60065	56.00
CULLIGAN	98603467 05-31-21	06/08/2021	Water services	101.42.4200.423.60065	104.56
DAKOTA COMMUNICATIONS CENTER	IG2021-06	06/08/2021	June 2021	101.42.4000.421.70502	60,289.20
DAKOTA COMMUNICATIONS CENTER	IG2021-06	06/08/2021	June 2021	101.42.4200.423.70502	4,340.80
DAKOTA COUNTY TECHNICAL COLLEGE	825214	05/25/2021	Pursuit refresher	101.42.4000.421.50080	250.00
DAKOTA CTY FINANCIAL SVCS	00040764	05/25/2021	1st QTR 2021 Utility Share	101.43.5400.445.40020	1,040.68
DAKOTA CTY FINANCIAL SVCS	00041009	05/25/2021	April 2021 MHZ subscriber fee	101.42.4000.421.70501	1,726.42
DAKOTA CTY FINANCIAL SVCS	00041009	05/25/2021	April 2021 MHZ subscriber fee	101.42.4200.423.30700	1,726.42
DAKOTA CTY FINANCIAL SVCS	00041009	05/25/2021	April 2021 MHZ subscriber fee	101.43.5200.443.30700	46.66
DAKOTA CTY PROP TAXATION & RECORDS	05/3/2021	06/08/2021	1390	101.45.0000.3413000	1,390.00
DAKOTA ELECTRIC ASSN	200001093947 5/21	05/21/2021	Electric	101.43.5400.445.40020	1,282.02
DAKOTA ELECTRIC ASSN	200002468379 5/21	05/21/2021	Electric	101.44.6000.451.40020	856.35
DAKOTA ELECTRIC ASSN	200002501658 5/21	05/21/2021	Electric	101.44.6000.451.40020	306.01
DAKOTA ELECTRIC ASSN	200003935632 5/21	05/21/2021	Electric	101.44.6000.451.40020	447.39
DAKOTA ELECTRIC ASSN	200004267134 5/21	05/21/2021	Electric	101.43.5400.445.40020	54.61
DAKOTA ELECTRIC ASSN	200004430542 5/21	05/21/2021	Electric	101.44.6000.451.40020	19.16
DAKOTA ELECTRIC ASSN	200010036635 5/21	05/21/2021	Electric	101.42.4200.423.40020	2,317.97
DOUGHERTY, MOLEND, SOLFEST, HILLS & BA	198647	06/08/2021	May 2021	101.41.1100.413.30700	36.00
DRESSER TRAP ROCK, INC.	121717	06/08/2021	#40 MFG. SAND	101.43.5200.443.60016	49.71
EARL F ANDERSEN INC	0126299-INB	05/25/2021	Missed Shipping Cost on Ck#235303	101.43.5200.443.60016	22.95
EARL F ANDERSEN INC	0126386-IN	06/01/2021	Full Solar Amber	101.43.5200.443.60016	547.75
EARL F ANDERSEN INC	0126412-IN	06/01/2021	Brite Side Post - Red	101.43.5200.443.60016	226.20
EARL F ANDERSEN INC	0126538-IN	06/08/2021	Chevron Bracket	101.43.5200.443.60016	778.95
EFTPS	INV0114387	05/21/2021	FEDERAL WITHHOLDING	101.203.2030200	60,559.47
EFTPS	INV0114389	05/21/2021	MEDICARE WITHHOLDING	101.203.2030500	17,711.96
EFTPS	INV0114390	05/21/2021	SOCIAL SECURITY WITHHOLDING	101.203.2030400	51,852.42
EFTPS	INV0114505	05/21/2021	MEDICARE WITHHOLDING	101.203.2030500	16.50
EFTPS	INV0114506	05/21/2021	SOCIAL SECURITY WITHHOLDING	101.203.2030400	70.52
EFTPS	INV0114887	06/04/2021	FEDERAL WITHHOLDING	101.203.2030200	61,968.23
EFTPS	INV0114889	06/04/2021	MEDICARE WITHHOLDING	101.203.2030500	17,420.80
EFTPS	INV0114890	06/04/2021	SOCIAL SECURITY WITHHOLDING	101.203.2030400	49,056.35
EFTPS	INV0114910	06/07/2021	FEDERAL WITHHOLDING	101.203.2030200	2,929.93
EFTPS	INV0114912	06/07/2021	MEDICARE WITHHOLDING	101.203.2030500	862.86
EFTPS	INV0114913	06/07/2021	SOCIAL SECURITY WITHHOLDING	101.203.2030400	2,753.02
EFTPS	INV0115001	06/09/2021	FEDERAL WITHHOLDING	101.203.2030200	44.07
EFTPS	INV0115003	06/09/2021	MEDICARE WITHHOLDING	101.203.2030500	22.66
EFTPS	INV0115004	06/09/2021	SOCIAL SECURITY WITHHOLDING	101.203.2030400	96.88
ESCH CONSTRUCTION SUPPLY, INC.	INV4865	06/08/2021	Pro diamond balde for concrete & asphalt	101.43.5200.443.60040	378.90
FIRST IMPRESSION GROUP, THE	117105	06/01/2021	Thankyou card and envelope	101.41.1000.413.50030	620.00
FIRSTSCRIBE	254551	06/08/2021	ROWay Web Application	101.43.5100.442.40044	250.00
FORTIN CONSULTING, INC.	3465	06/08/2021	Winter Maintenance Presentation	101.43.5100.442.30300	100.00
GAGLIANO, ANNE	05/24/2021	06/08/2021	Fire/marriage seminar	101.42.4200.423.50080	9,500.00
GENESIS EMPLOYEE BENEFITS ACH ONLY	INV0114372	05/21/2021	HSA ELECTION-FAMILY	101.203.2032500	3,160.36
GENESIS EMPLOYEE BENEFITS ACH ONLY	INV0114373	05/21/2021	HSA ELECTION-SINGLE	101.203.2032500	4,677.32
GENESIS EMPLOYEE BENEFITS ACH ONLY	INV0114869	06/04/2021	HSA ELECTION-FAMILY	101.203.2032500	3,073.13
GENESIS EMPLOYEE BENEFITS ACH ONLY	INV0114870	06/04/2021	HSA ELECTION-SINGLE	101.203.2032500	4,820.55
GERTENS	86790/6	05/25/2021	Plants/Flowers	101.44.6000.451.60065	345.00
GERTENS	86342/6	05/25/2021	Two-Sided Straw Blanket	101.44.6000.451.60016	274.50
GERTENS	86791/6	05/25/2021	Plants	101.44.6000.451.60065	2,255.00
GIP III ZEPHYR ACQUISITION PARTNERS, L.P.	INVRGRV-12105	05/25/2021	Solar Gardens March 2021	101.42.4200.423.40020	1,906.98
GIP III ZEPHYR ACQUISITION PARTNERS, L.P.	INVRGRV-12105	05/25/2021	Solar Gardens March 2021	101.43.5200.443.40020	159.44
GIP III ZEPHYR ACQUISITION PARTNERS, L.P.	INVRGRV-12105	05/25/2021	Solar Gardens March 2021	101.43.5400.445.40020	1,456.78

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
GIP III ZEPHYR ACQUISITION PARTNERS, L.P.	INVRGRV-12105	05/25/2021	Solar Gardens March 2021	101.44.6000.451.40020	1,639.02
HILLYARD INC	604328434	05/25/2021	Mildrew Remover	101.42.4200.423.60011	49.66
ICMA RETIREMENT TRUST - 457	INV0114360	05/21/2021	457 - ROTH AGE 50+	101.203.2031400	225.00
ICMA RETIREMENT TRUST - 457	INV0114361	05/21/2021	457 - ROTH AGE 50+	101.203.2031400	225.00
ICMA RETIREMENT TRUST - 457	INV0114374	05/21/2021	ICMA-AGE <49	101.203.2031400	5,485.00
ICMA RETIREMENT TRUST - 457	INV0114375	05/21/2021	ICMA-AGE <49 %	101.203.2031400	7,514.74
ICMA RETIREMENT TRUST - 457	INV0114376	05/21/2021	ICMA-AGE 50+	101.203.2031400	6,005.29
ICMA RETIREMENT TRUST - 457	INV0114377	05/21/2021	ICMA-AGE 50+ %	101.203.2031400	1,532.59
ICMA RETIREMENT TRUST - 457	INV0114384	05/21/2021	ROTH IRA (AGE 49 & UNDER)	101.203.2032400	3,042.28
ICMA RETIREMENT TRUST - 457	INV0114385	05/21/2021	ROTH IRA (AGE 50 & OVER)	101.203.2032400	450.00
ICMA RETIREMENT TRUST - 457	INV0114386	05/21/2021	ROTH-AGE <49 %	101.203.2032400	219.46
ICMA RETIREMENT TRUST - 457	INV0114859	06/04/2021	457 - ROTH AGE 50+	101.203.2031400	225.00
ICMA RETIREMENT TRUST - 457	INV0114860	06/04/2021	457 - ROTH AGE 50+	101.203.2031400	225.00
ICMA RETIREMENT TRUST - 457	INV0114871	06/04/2021	ICMA-AGE <49	101.203.2031400	5,485.00
ICMA RETIREMENT TRUST - 457	INV0114872	06/04/2021	ICMA-AGE <49 %	101.203.2031400	7,957.66
ICMA RETIREMENT TRUST - 457	INV0114873	06/04/2021	ICMA-AGE 50+	101.203.2031400	6,005.29
ICMA RETIREMENT TRUST - 457	INV0114874	06/04/2021	ICMA-AGE 50+ %	101.203.2031400	1,511.67
ICMA RETIREMENT TRUST - 457	INV0114883	06/04/2021	ROTH IRA (AGE 49 & UNDER)	101.203.2032400	3,042.28
ICMA RETIREMENT TRUST - 457	INV0114884	06/04/2021	ROTH IRA (AGE 50 & OVER)	101.203.2032400	450.00
ICMA RETIREMENT TRUST - 457	INV0114885	06/04/2021	ROTH-AGE <49 %	101.203.2032400	223.15
ICMA RETIREMENT TRUST - 457	INV0114904	06/07/2021	ICMA-AGE <49 %	101.203.2031400	444.01
ICMA RETIREMENT TRUST - 457	INV0114905	06/07/2021	ICMA-AGE 50+ %	101.203.2031400	82.94
IGH FIRE RELIEF ASSN	INV0114370	05/21/2021	MEMBERSHIP DUES - FIRE RELIEF AS	101.203.2031000	513.00
IGH FIRE RELIEF ASSN	INV0114371	05/21/2021	MEMBERSHIP DUES - FIRE RELIEF AS	101.203.2031000	273.00
IGH FIRE RELIEF ASSN	INV0114504	05/21/2021	MEMBERSHIP DUES - FIRE RELIEF AS	101.203.2031000	6.25
INTOXIMETERS	681389	05/25/2021	ASIV, mouthpiece, kit, manual	101.42.4000.421.80700	1,150.00
IUOE	INV0114875	06/04/2021	UNION DUES IUOE	101.203.2031000	1,263.44
JASON THOMAS CARDINAL	IGHPD2021-2	05/25/2021	Employment backgrounds	101.42.4000.421.30701	1,175.00
KENISON, TERRI	05/31/2021	06/08/2021	May 2021 cleaning services	101.42.4200.423.30700	1,600.00
KENNEDY & GRAVEN	NV125-00004 03/11/	06/01/2021	Telephone conference	101.45.3000.419.30700	25.00
LELS	INV0114876	06/04/2021	UNION DUES (LELS)	101.203.2031000	2,102.50
LELS SERGEANTS	INV0114886	06/04/2021	UNION DUES (LELS SGT)	101.203.2031000	381.00
LOCAL GOVERNMENT INFORMATION SYSTEM (	50470	06/08/2021	APPL SUP - FIRE	101.42.4200.423.30700	568.00
MACQUEEN EMERGENCY GROUP	P05245	06/08/2021	12" Chrome Bell	101.42.4200.423.60065	1,595.00
MADDEN GALANTER HANSEN, LLP.	05/21/2021	06/01/2021	April 2021 Services	101.41.1000.413.30700	360.00
MADISON NATIONAL LIFE INSURANCE COMPAN	1444338	06/01/2021	June 2021	101.203.2031700	2,957.21
MADISON NATIONAL LIFE INSURANCE COMPAN	1444338	06/01/2021	June 2021	101.45.3300.419.20630	19.00
MARTIN-MCALLISTER	13922	06/08/2021	Public safety assessment	101.41.1100.413.30500	1,650.00
MESSERLI & KRAMER, P.A.	391788	06/08/2021	2021 Legislative Representation	101.41.1100.413.30700	7,900.00
METROPOLITAN COUNCIL	06/04/2021	06/08/2021	May 2021	101.41.0000.3414000	(149.10)
MFSCB	8832	05/25/2021	Haz Mat Tech Exam	101.42.4200.423.50080	255.00
MFSCB	8852	05/25/2021	Hamat retest fee - Carter Steele	101.42.4200.423.50080	25.00
Michael A. Madigan	1980	06/08/2021	Lawn care services	101.45.3000.419.30700	91.06
Michael A. Madigan	1981	06/08/2021	Lawn care services	101.45.3000.419.30700	91.06
MINNESOTA DEPARTMENT OF HUMAN SERVICE	INV0114365	05/21/2021	CASE #001490481201	101.203.2032100	316.30
MINNESOTA DEPARTMENT OF HUMAN SERVICE	INV0114366	05/21/2021	CASE #001563363401	101.203.2032100	435.16
MINNESOTA DEPARTMENT OF HUMAN SERVICE	INV0114367	05/21/2021	CASE #001567848502	101.203.2032100	60.45
MINNESOTA DEPARTMENT OF HUMAN SERVICE	INV0114368	05/21/2021	CASE #001521862201	101.203.2032100	186.89
MINNESOTA DEPARTMENT OF HUMAN SERVICE	INV0114864	06/04/2021	CASE #001490481201	101.203.2032100	316.30
MINNESOTA DEPARTMENT OF HUMAN SERVICE	INV0114865	06/04/2021	CASE #001563363401	101.203.2032100	435.16
MINNESOTA DEPARTMENT OF HUMAN SERVICE	INV0114866	06/04/2021	CASE #001567848502	101.203.2032100	60.45
MINNESOTA DEPARTMENT OF HUMAN SERVICE	INV0114867	06/04/2021	CASE #001521862201	101.203.2032100	186.89
MN DEPT OF REVENUE	Apr 2021	05/20/2021	Taxes	101.207.2070300	1,583.73
MN DEPT OF REVENUE	Apr 2021CR	05/20/2021	Taxes	101.207.2070300	(0.24)
MN DEPT OF REVENUE (PAYROLL)	INV0114388	05/21/2021	STATE WITHHOLDING	101.203.2030300	25,864.80
MN DEPT OF REVENUE (PAYROLL)	INV0114888	06/04/2021	STATE WITHHOLDING	101.203.2030300	26,353.98
MN DEPT OF REVENUE (PAYROLL)	INV0114911	06/07/2021	STATE WITHHOLDING	101.203.2030300	607.65
MN DEPT OF REVENUE (PAYROLL)	INV0115002	06/09/2021	STATE WITHHOLDING	101.203.2030300	23.22
MN LIFE INSURANCE CO	June 2021	06/01/2021	Policy #0027324	101.203.2030900	3,399.52
MN LIFE INSURANCE CO	June 2021	06/01/2021	Policy #0027324	101.42.4000.421.20620	103.93
MN LIFE INSURANCE CO	June 2021	06/01/2021	Policy #0027324	101.45.3300.419.20620	17.43
MN NCPERS LIFE INSURANCE	542000062021	05/25/2021	June 2021 premium	101.203.2031600	272.00
MTI DISTRIBUTING CO	1300856-00	05/25/2021	Parts	101.44.6000.451.40047	125.76
NATURE CALLS, INC.	27123	05/25/2021	April 2021	101.44.6000.451.40065	2,038.45
OCCUPATIONAL HEALTH CENTERS OF MINNES	103369929	05/25/2021	Physicals, Drug Tests, Vaccine	101.41.1100.413.30700	685.50
OCCUPATIONAL HEALTH CENTERS OF MINNES	103374139	06/08/2021	Pre-employment physicals & drug tests	101.41.1100.413.30700	564.00
OCCUPATIONAL HEALTH CENTERS OF MINNES	103378563	06/08/2021	Pre-Employment physicals and drug tests	101.41.1100.413.30700	141.00
PERA	INV0114378	05/21/2021	PERA COORDINATED PLAN	101.203.2030600	43,278.18
PERA	INV0114379	05/21/2021	EMPLOYER SHARE (EXTRA PERA)	101.203.2030600	3,326.37
PERA	INV0114380	05/21/2021	PERA DEFINED PLAN	101.203.2030600	21.92
PERA	INV0114381	05/21/2021	EMPLOYER SHARE (PERA DEFINED PI	101.203.2030600	35.78
PERA	INV0114382	05/21/2021	PERA POLICE & FIRE PLAN	101.203.2030600	22,889.42
PERA	INV0114383	05/21/2021	EMPLOYER SHARE (POLICE & FIRE PL	101.203.2030600	34,334.23
PERA	CM0003307	05/27/2021	EMPLOYER SHARE (PERA DEFINED PI	101.203.2030600	(13.86)
PERA	INV0114736	05/27/2021	EMPLOYER SHARE (EXTRA PERA)	101.203.2030600	2.77
PERA	INV0114877	06/04/2021	PERA COORDINATED PLAN	101.203.2030600	43,666.52
PERA	INV0114878	06/04/2021	EMPLOYER SHARE (EXTRA PERA)	101.203.2030600	3,358.94
PERA	INV0114879	06/04/2021	PERA DEFINED PLAN	101.203.2030600	21.92

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
PERA	INV0114880	06/04/2021	EMPLOYER SHARE (PERA DEFINED PI	101.203.2030600	21.92
PERA	INV0114881	06/04/2021	PERA POLICE & FIRE PLAN	101.203.2030600	24,330.16
PERA	INV0114882	06/04/2021	EMPLOYER SHARE (POLICE & FIRE PL	101.203.2030600	36,495.20
PERA	INV0114906	06/07/2021	PERA COORDINATED PLAN	101.203.2030600	2,424.78
PERA	INV0114907	06/07/2021	EMPLOYER SHARE (EXTRA PERA)	101.203.2030600	186.55
PERA	INV0114908	06/07/2021	PERA POLICE & FIRE PLAN	101.203.2030600	891.08
PERA	INV0114909	06/07/2021	EMPLOYER SHARE (POLICE & FIRE PL	101.203.2030600	1,336.59
PERA	INV0114999	06/09/2021	PERA COORDINATED PLAN	101.203.2030600	65.82
PERA	INV0115000	06/09/2021	EMPLOYER SHARE (EXTRA PERA)	101.203.2030600	5.06
PINE BEND PAVING, INC.	21-1442	06/01/2021	Limestone	101.43.5200.443.60016	3,250.89
PIONEER PRESS	421572521	04/30/2021	Advertising/Publishing	101.41.1100.413.50025	17.55
PIONEER PRESS	421572521	04/30/2021	Advertising/Publishing	101.41.1100.413.50025	45.00
PIONEER PRESS	421572521	04/30/2021	Advertising/Publishing	101.45.3200.419.50025	31.50
PIONEER PRESS	421572521	04/30/2021	Advertising/Publishing	101.45.3200.419.50025	32.40
PRECISE MRM	200-1031039	06/01/2021	Pooled Data	101.43.5200.443.30700	32.53
PROFESSIONAL SERVICE INDUSTRIES INC	00757578	06/08/2021	PHASE I ESA SERVICES	101.45.3000.419.30700	2,000.00
PROFESSIONAL SERVICE INDUSTRIES INC	00757579	06/08/2021	PHASE I ESA SERVICES	101.45.3000.419.30700	2,000.00
RCM SPECIALTIES, INC.	7967	06/01/2021	Service	101.43.5200.443.40046	4,293.75
SAND CREEK GROUP LTD	SDC2161-IN	06/08/2021	VIRTUAL TRAINING	101.41.1100.413.30700	275.00
SENSIBLE LAND USE COALITION	00952	05/25/2021	Affordable Housing Toolbox - Even registr	101.45.3000.419.50080	15.00
SENSIBLE LAND USE COALITION	00952	05/25/2021	Affordable Housing Toolbox - Even registr	101.45.3200.419.50080	15.00
SENSIBLE LAND USE COALITION	00996	06/08/2021	Modular housing & innovation registration	101.45.3200.419.50080	30.00
SHRED-IT	8182034222	06/08/2021	Shredding services	101.42.4000.421.30700	146.87
SOUTH ST PAUL, CITY OF	05/10/2021	06/01/2021	Storm, Sewer, Water - Cycle 02	101.207.2070900	49.50
ST PAUL STAMP WORKS INC	IV00511551	06/08/2021	Rhodium collar pin	101.42.4200.423.50035	11.80
STATE OF MINNESOTA DEPARTMENT OF ADMII	00000657176	06/08/2021	Intro to data practices	101.41.1100.413.50080	125.00
STREICHER'S	I1504742	06/01/2021	Primer, Shipping/Handling	101.42.4000.421.60018	410.00
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2031343	05/25/2021	Retiree Fees	101.42.4000.421.30550	128.08
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2031343	05/25/2021	Retiree Fees	101.43.5000.441.30550	25.62
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	101.41.1100.413.30550	18.90
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	101.41.1300.413.30550	15.40
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	101.41.2000.415.30550	84.11
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	101.42.4000.421.30550	285.93
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	101.42.4200.423.30550	39.90
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	101.43.5000.441.30550	12.07
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	101.43.5100.442.30550	57.29
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	101.43.5200.443.30550	46.90
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	101.44.6000.451.30550	54.96
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	101.45.3000.419.30550	17.43
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	101.45.3200.419.30550	19.91
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	101.45.3300.419.30550	32.90
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	101.47.1400.413.30550	37.10
TEXAS STATE DISBURSEMENT UNIT	INV0114364	05/21/2021	CASE #0012022247	101.203.2032100	401.13
TEXAS STATE DISBURSEMENT UNIT	INV0114863	06/04/2021	CASE #0012022247	101.203.2032100	401.13
TWIN CITY GARAGE DOOR	Z179380	06/08/2021	IGH Fire 2 motion detector	101.42.4200.423.40040	1,091.75
UNIFIRST CORPORATION	0900625930	06/01/2021	Clothing/Uniforms	101.43.5200.443.60045	30.71
UNIFIRST CORPORATION	0900625930	06/01/2021	Clothing/Uniforms	101.44.6000.451.60045	14.24
VERIFIED CREDENTIALS, INC.	318775	06/08/2021	Background screening for May	101.41.1100.413.30700	962.40
VERIFIED CREDENTIALS, INC.	318784	06/08/2021	May background screenings	101.41.1100.413.30700	708.50
VIKING ELECTRIC SUPPLY	S004720850.001	06/08/2021	Red coding tape	101.42.4200.423.40042	121.75
WALKER ROOFING COMPANY, INC.	05/26/2021	06/08/2021	Refund for cancelled job	101.45.0000.3221000	84.00
WI SCTF (WI SUPPORT COLLECTIONS TRUST F	INV0114369	05/21/2021	PARTICIPANT ID#0004986316	101.203.2032100	433.06
WI SCTF (WI SUPPORT COLLECTIONS TRUST F	INV0114868	06/04/2021	PARTICIPANT ID#0004986316	101.203.2032100	433.06
XCEL ENERGY	687217132 CR	05/22/2021	Gas & Electric	101.43.5400.445.40020	(326.97)
XCEL ENERGY	687217132 CR	05/22/2021	Gas & Electric	101.43.5400.445.40020	(30.02)
XCEL ENERGY	6913606500 CR	05/22/2021	Gas & Electric	101.43.5400.445.40020	(390.09)
XCEL ENERGY	695237837 CR	05/22/2021	Gas & Electric	101.43.5400.445.40020	(454.90)
XCEL ENERGY	699370645 CR	05/22/2021	Gas & Electric	101.43.5400.445.40020	(459.34)
XCEL ENERGY	703326781 CR	05/22/2021	Gas & Electric	101.43.5400.445.40020	(277.91)
XCEL ENERGY	707246758	05/22/2021	Gas & Electric	101.43.5400.445.40020	2.46
XCEL ENERGY	710994962	05/22/2021	Gas & Electric	101.43.5400.445.40020	75.24
XCEL ENERGY	710994962	05/22/2021	Gas & Electric	101.43.5400.445.40020	103.47
XCEL ENERGY	718662561	05/22/2021	Gas & Electric	101.43.5400.445.40020	1,021.44
XCEL ENERGY	722241207	05/22/2021	Gas & Electric	101.43.5400.445.40020	478.11
XCEL ENERGY	726557764	05/22/2021	Gas & Electric	101.43.5400.445.40020	195.87
XCEL ENERGY	729005395	05/22/2021	Gas & Electric	101.44.6000.451.40010	472.79
XCEL ENERGY	729005395 CR	05/22/2021	Gas & Electric	101.44.6000.451.40020	(1,144.94)
XCEL ENERGY	729307967	05/22/2021	Gas & Electric	101.43.5400.445.40020	28.04
XCEL ENERGY	730494860	05/22/2021	Gas & Electric	101.42.4200.423.40010	773.43
XCEL ENERGY	730494860 CR	05/22/2021	Gas & Electric	101.42.4200.423.40020	(218.19)
XCEL ENERGY	730876371	05/22/2021	Gas & Electric	101.43.5400.445.40020	9,689.22
XCEL ENERGY	730876371 CR	05/22/2021	Gas & Electric	101.44.6000.451.40020	(52.86)
XCEL ENERGY	731252053	05/22/2021	Gas & Electric	101.42.4000.421.40042	41.63
XCEL ENERGY	731660289	05/22/2021	Gas & Electric	101.44.6000.451.40010	113.54
XCEL ENERGY	731660289 CR	05/22/2021	Gas & Electric	101.44.6000.451.40020	(751.23)
Fund: 101 - GENERAL FUND					789,853.18

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
RIVER HEIGHTS CHAMBER OF COMMERCE	10934	06/01/2021	May 2021	201.44.1600.465.30700	6,127.16
STACY ANN BROOKS	346	06/01/2021	June blog posts	201.44.1600.465.50025	215.00
Fund: 201 - C.V.B. FUND					6,342.16
CUSTARD, MELISSA	01/20/2021R	06/08/2021	Reissue of check#234353 that was never	204.207.2070300	4.77
CUSTARD, MELISSA	01/20/2021R	06/08/2021	Reissue of check#234353 that was never	204.44.0000.3470000	66.89
JASON ROSEWOOD	05/25/2021	06/08/2021	Terrific Tuesdays performance 06/15	204.44.6100.452.30700	200.00
MN DEPT OF REVENUE	Apr 2021	05/20/2021	Taxes	204.207.2070300	580.39
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	204.44.6100.452.30550	24.70
WORMER, JOAN	05/18/2021	06/01/2021	Customer cancelled park shelter	204.207.2070300	4.66
WORMER, JOAN	05/18/2021	06/01/2021	Customer cancelled park shelter	204.44.0000.3471000	65.34
Fund: 204 - RECREATION FUND					946.75
COMMERCIAL INFRASTRUCTURE CABLING, Inc.	I10085	05/25/2021	Install 28 data drops. mount camer and w	205.44.6200.453.80200	7,332.24
GARTNER REFRIGERATION & MFG, INC	C000098	05/25/2021	Preventative Maintenance Agreement	205.44.6200.453.40040	2,125.00
GARTNER REFRIGERATION & MFG, INC	W12728	05/25/2021	Pump down compressor to upgrade oil lev	205.44.6200.453.40040	1,996.26
HUEBSCH SERVICES	20074220	05/25/2021	Mats	205.44.6200.453.40040	268.94
HUEBSCH SERVICES	20074220	05/25/2021	Mats	205.44.6200.453.40040	67.24
INNOVATIVE OFFICE SOLUTIONS	SUM-061494	06/08/2021	May 2021	205.44.6200.453.60065	41.63
MN DEPT OF HEALTH	14926	06/08/2021	2021 Pool License	205.44.6200.453.50070	1,240.00
MN DEPT OF REVENUE	Apr 2021	05/20/2021	Taxes	205.207.2070300	4,747.47
PERFECTION PLUS, INC	113503	05/25/2021	January 2021	205.44.6200.453.40040	8,456.62
PERFECTION PLUS, INC	113573	06/08/2021	February 2021	205.44.6200.453.40040	8,456.36
PERFECTION PLUS, INC	113621	05/25/2021	March 2021	205.44.6200.453.40040	3,382.56
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	205.44.6200.453.30550	13.79
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	205.44.6200.453.30550	13.79
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	205.44.6200.453.30550	3.50
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	205.44.6200.453.30550	43.59
TWIN CITY HARDWARE	PSI2040851	05/25/2021	TBSRT-ALU CLOSER	205.44.6200.453.60016	334.50
TWIN CITY HARDWARE	PSI2041099	05/25/2021	Door Stop	205.44.6200.453.60016	199.50
VANDERBEEK, BILL	05/06/2021	06/08/2021	Annual membership prorated 2 months - C	205.207.2070300	6.56
VANDERBEEK, BILL	05/06/2021	06/08/2021	Annual membership prorated 2 months - C	205.44.0000.3490100	92.10
VOIGHT, MORGAN	05/26/2021	06/08/2021	Swim lessons refund/ Medical reasons	205.44.0000.3493501	56.00
XCEL ENERGY	729005395	05/22/2021	Gas & Electric	205.44.6200.453.40010	8,048.37
XCEL ENERGY	729005395	05/22/2021	Gas & Electric	205.44.6200.453.40010	7,427.29
XCEL ENERGY	731660289	05/22/2021	Gas & Electric	205.44.6200.453.40010	5,562.30
Fund: 205 - COMMUNITY CENTER					59,915.61
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	290.45.3000.419.30550	0.77
Fund: 290 - EDA OPERATING					0.77
DAKOTA CTY PROP TAXATION & RECORDS	05/20/2021	06/08/2021	20-43250-00-080 Property taxes	291.45.3000.419.30700	957.30
Fund: 291 - EDA ACQUISITIONS					957.30
JL THEIS, INC.	2647	06/01/2021	Pay voucher #2, Project 2020-14	402.44.6000.451.80300	178,960.83
JL THEIS, INC.	2654	06/08/2021	Pay voucher #3, project 2020-14	402.44.6000.451.80300	61,554.40
Fund: 402 - PARK ACQ. & DEV. FUND					240,515.23
METROPOLITAN COUNCIL	06/03/2021	06/08/2021	April 2021	404.217.2170000	44,730.00
METROPOLITAN COUNCIL	06/04/2021	06/08/2021	May 2021	404.217.2170000	14,910.00
Fund: 404 - SEWER CONNECTION FUND					59,640.00
PARAMETERS LTD	56969	06/08/2021	May Storage Fees	434.42.4200.423.30700	66.67
PARAMETERS LTD	56975	06/08/2021	March Storage Fees	434.42.4200.423.30700	66.67
Fund: 434 - 2014 IMPROVEMENT FUND					133.34
KIMLEY-HORN & ASSOCIATES, INC.	18882287	06/08/2021	CAHILL TRUNK DRAINAGE IMP	436.73.5900.736.30300	1,618.71
MN POLLUTION CONTROL AGENCY	10000128214	06/08/2021	Petroleum brownfields reimbursement	436.73.5900.736.30700	93.75
Fund: 436 - 2016 IMPROVEMENT FUND					1,712.46
DCA TITLE	06/01/2021	06/08/2021	Earnest money - kundla property purchas	437.73.5900.737.80100	5,000.00
Fund: 437 - 2017 IMPROVEMENT FUND					5,000.00
EMMONS & OLIVIER RESOURCES	00095-0068-10	06/08/2021	Schaaf Settlement Design - Land Acq	439.73.5900.739.30700	798.00
UNION PACIFIC RAILROAD	90107647	06/08/2021	Preliminary engineering	439.73.5900.739.30700	2,581.00
Fund: 439 - 2019 IMPROVEMENT FUND					3,379.00
BARR ENGINEERING COMPANY	23190328.21-3	05/25/2021	Project Reviews and Studies	440.74.5900.740.30300	28.00
BARR ENGINEERING COMPANY	23191446.00-9	05/25/2021	Old Village Drainage Study	440.74.5900.740.30300	548.50
BARR ENGINEERING COMPANY	23191446.00-9	05/25/2021	Old Village Drainage Study	440.74.5900.740.30300	548.50
BOLTON & MENK, INC.	0268250	05/25/2021	Dawn Way Improvements	440.74.5900.740.30300	6,423.75
BOLTON & MENK, INC.	0268250	05/25/2021	Dawn Way Improvements	440.74.5900.740.30300	6,423.75
KIMLEY-HORN & ASSOCIATES, INC.	18882290	06/08/2021	Delaney circle/court	440.74.5900.740.30300	4,976.35
MN POLLUTION CONTROL AGENCY	10000128214	06/08/2021	Petroleum brownfields reimbursement	440.74.5900.740.30700	93.75
PIONEER PRESS	421572521	04/30/2021	Advertising/Publishing	440.74.5900.740.50025	117.00
Fund: 440 - PAVEMENT MANAGEMENT PROJ					19,159.60

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
BARR ENGINEERING COMPANY	23190328.20-15	05/25/2021	Project Reviews and Studies	441.74.5900.741.30300	4,941.50
CITY OF EAGAN	Jan-Mar 2021	06/08/2021	1st QTR 2021 utility	441.74.5900.741.40030	5,064.20
EMMONS & OLIVIER RESOURCES	00095-0066-8	06/08/2021	Online Regional Basin Map Development	441.43.0000.3434500	2,571.75
EMMONS & OLIVIER RESOURCES	00095-0071-3	06/08/2021	NWA Regional Model Updates	441.43.0000.3434500	2,463.00
GIP III ZEPHYR ACQUISITION PARTNERS, L.P.	INVRGRV-12105	05/25/2021	Solar Gardens March 2021	441.74.5900.741.40020	903.28
PRAIRIE MOON NURSEY INC.	2114102700	06/01/2021	Plants/Flowers	441.74.5900.741.40066	394.00
SCHLOMKA'S VAC TRUCK SERVICE, INC.	10465	06/08/2021	Unit 531-ST, Labor, 6" dust hose & waste	441.74.5900.741.40066	1,287.50
SCHLOMKA'S VAC TRUCK SERVICE, INC.	10466	06/08/2021	Unit 528, Unit 519, Truck, Waste disposal	441.74.5900.741.40066	1,240.00
SOUTH ST PAUL, CITY OF	05/10/2021	06/01/2021	Storm, Sewer, Water - Cycle 02	441.74.5900.741.40030	84.06
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	441.74.5900.741.30550	11.55
XCEL ENERGY	730876371	05/22/2021	Gas & Electric	441.74.5900.741.40020	1.82
Fund: 441 - STORM WATER MANAGEMENT					18,962.66
BOLTON & MENK, INC.	0266335	05/25/2021	B-Line/Robert Dist	446.74.5900.746.30300	12,497.50
BOLTON & MENK, INC.	0268239	05/25/2021	2021 Trunk Utility	446.74.5900.746.30300	22,327.25
BOLTON & MENK, INC.	0268240	05/25/2021	B-Line/Robert Dist	446.74.5900.746.30300	2,623.00
EMMONS & OLIVIER RESOURCES	00095-0070-4	06/08/2021	Development Reviews	446.74.5900.746.30300	2,225.25
WSB & ASSOCIATES, INC.	0-001702-270-22	05/25/2021	65th Street Improvements Feasibility	446.74.5900.746.30300	1,138.00
WSB & ASSOCIATES, INC.	0-001702-270-23	06/08/2021	65th street improvements feasibility	446.74.5900.746.30700	466.00
Fund: 446 - NW AREA					41,277.00
EMMONS & OLIVIER RESOURCES	00095-0073-4	06/08/2021	IGH 2021 Development Reviews	448.74.5900.748.30300	273.50
KIMLEY-HORN & ASSOCIATES, INC.	18882277	06/08/2021	ARGENTA TRAIL DRAINAGE	448.74.5900.748.30300	4,907.79
Fund: 448 - NWA - STORM WATER					5,181.29
BARR ENGINEERING COMPANY	05/20/2021	05/25/2021	Pine Bend Landfill permitting assistance	451.75.5900.751.30700	12,992.00
Fund: 451 - HOST COMMUNITY FUND					12,992.00
BARR ENGINEERING COMPANY	23191452.00-6	06/01/2021	T-8 pond outlet replacement	470.77.5900.770.30300	546.00
KIMLEY-HORN & ASSOCIATES, INC.	18606478	06/08/2021	VMCC EAST PARKING LOT	470.44.5900.770.30300	2,331.22
KIMLEY-HORN & ASSOCIATES, INC.	18860955	06/08/2021	VMCC EAST PARKING LOT	470.44.5900.770.30300	7,241.25
PIONEER PRESS	421572521	04/30/2021	Advertising/Publishing	470.77.5900.770.50025	83.70
TOTAL CONSTRUCTION & EQUIP.	30429	05/25/2021	VMCC Sign & Conduit Repair	470.44.5900.770.30700	2,692.48
Fund: 470 - 2020 IMPROVEMENT FUND					12,894.65
BOLTON & MENK, INC.	0268238	05/25/2021	117th Watermain Ext	471.71.5900.771.30300	7,027.50
RANDY'S SANITATION INC.	05/19/2021	05/25/2021	Call-in loose doc destr	471.43.5500.446.40025	639.65
Fund: 471 - 2021 IMPROVEMENT FUND					7,667.15
BRIKK MECHANICAL, LLC.	1583	06/01/2021	Test 15 RPZ's in numerous locations	501.50.7100.512.60016	1,875.00
CITY OF BLOOMINGTON	19066	05/25/2021	Lab testing services	501.50.7100.512.30700	430.50
CITY OF EAGAN	Jan-Mar 2021	06/08/2021	1st QTR 2021 utility	501.50.7100.512.40005	19,804.28
CORE & MAIN LP	O183759	05/25/2021	TRM Screw SM	501.50.7100.512.75500	2,276.43
FERGUSON WATERWORKS	SC22428	05/25/2021	April 2021 service charge	501.50.7100.512.60016	10.06
GIP III ZEPHYR ACQUISITION PARTNERS, L.P.	INVRGRV-12105	05/25/2021	Solar Gardens March 2021	501.50.7100.512.40020	23,551.35
GIP III ZEPHYR ACQUISITION PARTNERS, L.P.	INVRGRV-22105	05/25/2021	Solar Gardens March 2021	501.50.7100.512.40020	6,071.38
GOPHER STATE ONE-CALL	1050483	06/08/2021	Tickets	501.50.7100.512.30700	769.50
GRAINGER	9919561705	06/08/2021	Backflow preventer repair kit	501.50.7100.512.40040	33.11
HAWKINS, INC.	4945863	06/08/2021	Aqua hawk & freight	501.50.7100.512.60019	4,630.84
INNOVATIVE OFFICE SOLUTIONS	SUM-061494	06/08/2021	May 2021	501.50.7100.512.60010	166.30
LONE OAK COMPANIES	87414	06/08/2021	Process statements & extra postage	501.50.7100.512.30700	606.22
LONE OAK COMPANIES	87414	06/08/2021	Process statements & extra postage	501.50.7100.512.50035	6.55
MID CITY SERVICES, INC.	154458	06/01/2021	Dust Mats	501.50.7100.512.40040	55.20
MINNESOTA DEPARTMENT OF HEALTH	05/27/2021	06/01/2021	1st QTR 2021 WATER TEST FEE	501.207.2070100	19,238.00
MN DEPT OF REVENUE	Apr 2021	05/20/2021	Taxes	501.207.2070200	1,765.45
MN GLOVE & SAFETY, INC.	329292	06/01/2021	Insulated Rouhg Full	501.50.7100.512.60045	69.75
MN GLOVE & SAFETY, INC.	329375	06/08/2021	Reclus, Original mechanix	501.50.7100.512.60045	64.94
MTI DISTRIBUTING CO	1300840-00	05/25/2021	Plugs, Nozzles	501.50.7100.512.60016	227.45
MTI DISTRIBUTING CO	1301458-00	05/25/2021	Nozzle, Rotor	501.50.7100.512.60016	227.90
SAFE-FAST, INC.	INV246069	06/01/2021	Marking flags	501.50.7100.512.40043	1,492.50
SHAPCO PRINTING	258979	06/01/2021	2020 Water Quality Report	501.50.7100.512.50032	7,594.79
SOUTH ST PAUL, CITY OF	05/10/2021	06/01/2021	Storm, Sewer, Water - Cycle 02	501.50.7100.512.40005	299.99
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	501.50.7100.512.30550	40.85
TODD DOUGLAS EDINGER - RMR SERVICES LLC	2021120	06/08/2021	May 2021 monthly manual meter reader	501.50.7100.512.30700	1,530.00
WATER CONSERVATION SERVICES INC	11331	06/01/2021	April 29, 2021 @ 7598 Bennet	501.50.7100.512.40043	317.84
Fund: 501 - WATER UTILITY FUND					93,156.18
CITY OF EAGAN	Jan-Mar 2021	06/08/2021	1st QTR 2021 utility	502.51.7200.514.40015	46,368.77
DAKOTA ELECTRIC ASSN	200010048618 5/21	05/21/2021	Electric	502.51.7200.514.40020	137.72
FERGUSON WATERWORKS	0469270	05/25/2021	Fuel	502.51.7200.514.60016	670.73
GIP III ZEPHYR ACQUISITION PARTNERS, L.P.	INVRGRV-12105	05/25/2021	Solar Gardens March 2021	502.51.7200.514.40020	588.37
INNOVATIVE OFFICE SOLUTIONS	SUM-061494	06/08/2021	May 2021	502.51.7200.514.60010	166.30
LONE OAK COMPANIES	87414	06/08/2021	Process statements & extra postage	502.51.7200.514.30700	606.23
LONE OAK COMPANIES	87414	06/08/2021	Process statements & extra postage	502.51.7200.514.50035	6.55
QUALITY FLOW SYSTEMS, INC.	40875	06/01/2021	Service check of lift stations	502.51.7200.514.40042	2,925.00
SOUTH ST PAUL, CITY OF	05/10/2021	06/01/2021	Storm, Sewer, Water - Cycle 02	502.51.7200.514.40015	751.48
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	502.51.7200.514.30550	24.61
Fund: 502 - SEWER UTILITY FUND					52,245.76

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
ARTISAN BEER COMPANY	3474062	05/25/2021	Beer	503.52.8300.524.76150	554.40
ARTISAN BEER COMPANY	3475312	06/08/2021	Beer	503.52.8300.524.76150	404.20
BREAKTHRU BEVERAGE MINNESOTA	339582392	05/25/2021	Beer	503.52.8300.524.76150	385.10
COCA COLA BOTTLING COMPANY	3607210850	05/25/2021	Beverages	503.52.8300.524.76100	529.65
COCA COLA BOTTLING COMPANY	3607210920	06/08/2021	Beverages	503.52.8300.524.76100	496.45
COLLEGE CITY BEVERAGE	695445	05/25/2021	Beer	503.52.8300.524.76150	407.10
COLLEGE CITY BEVERAGE	697450	06/08/2021	Beer	503.52.8300.524.76150	345.90
COVERALL OF THE TWIN CITIES INC	1590008363	06/08/2021	Commercial cleaning services	503.52.8500.526.40040	1,124.81
DAKOTA ELECTRIC ASSN	200002013605 5/21	05/21/2021	Electric	503.52.8600.527.40020	268.81
GIP III ZEPHYR ACQUISITION PARTNERS, L.P.	INVRGRV-12105	05/25/2021	Solar Gardens March 2021	503.52.8600.527.40020	102.45
HEGGIES PIZZA	1000875016	06/08/2021	Pizzas	503.52.8300.524.76050	113.10
JJ TAYLOR DIST. COMPANY OF MN	3191583	06/08/2021	Alcohol	503.52.8300.524.76150	499.40
M. AMUNDSON LLP	321690	06/08/2021	Candy	503.52.8300.524.76050	327.71
MANSFIELD OIL COMPANY	22386238	06/08/2021	Fuel	503.52.8600.527.60021	986.77
MN DEPT OF REVENUE	Apr 2021	05/20/2021	Taxes	503.207.2070300	1,556.10
MTI DISTRIBUTING CO	1292100-00	05/25/2021	Nozzles, Strainer	503.52.8600.527.40042	110.44
MTI DISTRIBUTING CO	1301068-00	05/25/2021	Hose, O-Ring	503.52.8600.527.40042	189.63
MTI DISTRIBUTING CO	1301559-00	05/25/2021	PV.ADJ.SEALED.FLEX,W/O SO L	503.52.8600.527.60008	887.06
PHILLIPS WINE & SPIRITS	6207312	05/25/2021	Alcohol	503.52.8300.524.76150	506.98
PHILLIPS WINE & SPIRITS	6211553	06/08/2021	Alcohol	503.52.8300.524.76100	222.55
PHILLIPS WINE & SPIRITS	6215565	06/08/2021	Alcohol	503.52.8300.524.76150	538.44
PHILLIPS WINE & SPIRITS	6215566	06/08/2021	Alcohol	503.52.8300.524.76150	435.10
PING	15668368	05/25/2021	Putters and Covers	503.52.8200.523.76250	318.36
PING	15694827	05/25/2021	Golf bags hooverlite	503.52.8200.523.76350	129.70
PING	15721119	05/25/2021	Golf bags	503.52.8200.523.76350	129.70
PLAISTED COMPANIES, INC.	42856	05/25/2021	Sand	503.52.8600.527.60020	2,069.38
REDMAN, BRADLEY	05/25/2021	05/25/2021	Anniversary membership refund - job char	503.207.2070300	20.68
REDMAN, BRADLEY	05/25/2021	05/25/2021	Anniversary membership refund - job char	503.52.0000.3483900	290.32
REDMAN, BRADLEY	05/25/2021	05/25/2021	Anniversary membership refund - job char	503.52.0000.3483950	37.00
RIVARD STONE, INC.	103205	06/08/2021	Custom sign	503.52.8600.527.60065	6,963.13
SANDSTORM, RICHARD	05/24/2021	05/25/2021	Anniversary membership refund - Injured	503.207.2070300	20.68
SANDSTORM, RICHARD	05/24/2021	05/25/2021	Anniversary membership refund - Injured	503.52.0000.3483900	290.32
SANDSTORM, RICHARD	05/24/2021	05/25/2021	Anniversary membership refund - Injured	503.52.0000.3483950	37.00
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	503.52.8000.521.30550	3.50
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	503.52.8500.526.30550	3.50
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	503.52.8600.527.30550	21.70
US FOODSERVICE	5070765	05/25/2021	Food	503.52.8300.524.76050	1,034.43
US FOODSERVICE	5251027	06/08/2021	Food	503.52.8300.524.60065	170.88
US FOODSERVICE	5251027	06/08/2021	Food	503.52.8300.524.76050	1,011.49
US FOODSERVICE	5251027	06/08/2021	Food	503.52.8300.524.76100	60.72
US FOODSERVICE	5382376	06/08/2021	Food	503.52.8300.524.60065	169.67
US FOODSERVICE	5382376	06/08/2021	Food	503.52.8300.524.76050	559.37
VODOVOZ, MIKE	05/25/2021	05/25/2021	Anniversary membership refund - job char	503.207.2070300	20.68
VODOVOZ, MIKE	05/25/2021	05/25/2021	Anniversary membership refund - job char	503.52.0000.3483900	290.32
VODOVOZ, MIKE	05/25/2021	05/25/2021	Anniversary membership refund - job char	503.52.0000.3483950	37.00
WIESNER, JOHN OR JUDITH	06/02/2021	06/08/2021	Anniversary membership refund - health is	503.207.2070300	41.36
WIESNER, JOHN OR JUDITH	06/02/2021	06/08/2021	Anniversary membership refund - health is	503.52.0000.3483900	580.64
WIESNER, JOHN OR JUDITH	06/02/2021	06/08/2021	Anniversary membership refund - health is	503.52.0000.3483950	74.00
XCEL ENERGY	729962419	05/22/2021	Gas & Electric	503.52.8500.526.40010	72.79
XCEL ENERGY	729962419	05/22/2021	Gas & Electric	503.52.8500.526.40020	407.25
XCEL ENERGY	729962419	05/22/2021	Gas & Electric	503.52.8600.527.40010	180.80
XCEL ENERGY	729962419	05/22/2021	Gas & Electric	503.52.8600.527.40020	344.30
Fund: 503 - INVER WOOD GOLF COURSE					26,382.82
MN DEPT OF REVENUE	Apr 2021	05/20/2021	Taxes	602.00.2100.415.40048	10.10
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	602.00.2100.415.30550	1.67
TOTAL CONSTRUCTION & EQUIP.	20498	05/25/2021	PD locker room flood electrical	602.00.2100.415.40048	6,055.87
Fund: 602 - RISK MANAGEMENT					6,067.64
BOYER TRUCKS - MINNEAPOLIS	02S1472	06/01/2021	Vechile repairs	603.00.5300.444.40041	9,642.46
FACTORY MOTOR PARTS COMPANY	1-Z25936	06/08/2021	CCA850 RC150	603.140.1450050	135.57
FEDERAL SIGNAL CORPORATION	7760089	06/08/2021	Antenna	603.00.5300.444.80800	600.00
FORKLIFTS OF MINNESOTA, INC.	01P8447510	06/08/2021	Sensor	603.00.5300.444.40041	194.15
FORKLIFTS OF MINNESOTA, INC.	01S8449320	06/08/2021	Valve; fuel trim, Switch oil press. Labor, E	603.00.5300.444.40042	873.54
FROST INC.	8265	06/01/2021	Diaphragm Pump	603.00.5300.444.40041	778.10
GIP III ZEPHYR ACQUISITION PARTNERS, L.P.	INVRGRV-12105	05/25/2021	Solar Gardens March 2021	603.00.5300.444.40020	2,377.36
GOODIN COMPANY	02451268-00	06/01/2021	SMLS BLK PIPE PE NEED MTR'S	603.00.5300.444.60012	111.99
GOPHER BEARING - BDI	9501864219	06/01/2021	SGT Flange BRG Unit	603.00.5300.444.40041	166.18
HANCO CORPORATION	572497	06/01/2021	4ply Turfsmart	603.00.5300.444.60014	745.80
INVER GROVE FORD	5300027	06/01/2021	Hose - Radiator	603.00.5300.444.40041	54.77
INVER GROVE FORD	5300044	06/01/2021	Battery	603.00.5300.444.40041	124.15
INVER GROVE FORD	5300066	06/01/2021	Hose - Radiator	603.00.5300.444.40041	(54.77)
INVER GROVE FORD	5300086	06/01/2021	Rotors, Brake pad	603.00.5300.444.40041	742.22
KIMBALL MIDWEST	8880493	06/01/2021	Nuts	603.00.5300.444.60012	21.40
KIMBALL MIDWEST	8885559	06/01/2021	Nuts	603.00.5300.444.60012	29.25
KREMER SERVICES LLC	74096	06/01/2021	Ball Joints	603.00.5300.444.40041	1,089.67
L.T.G. POWER EQUIPMENT	258854	06/01/2021	Car parts/supplies	603.00.5300.444.40041	249.02
MACQUEEN EMERGENCY GROUP	W03495	06/01/2021	Vechile repairs	603.00.5300.444.40041	368.55
MACQUEEN EMERGENCY GROUP	W03529	06/08/2021	Open door alarm issue	603.00.5300.444.40041	430.65

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
MACQUEEN EMERGENCY GROUP	W03530	06/08/2021	Replace steering gear, Pump compart. lea	603.00.5300.444.40041	6,222.19
MACQUEEN EQUIPMENT INC	P34899	06/01/2021	Clevis Pin, Actuator - Linear, freight	603.00.5300.444.40041	576.65
MID CITY SERVICES, INC.	154459	06/01/2021	Dust mats	603.00.5300.444.40065	71.00
MN DEPT OF REVENUE	05/21/2021	05/21/2021	April 2021 petroleum tax	603.00.5300.444.60021	250.52
NATURE CALLS, INC.	27124	06/01/2021	Portable rest rooms	603.00.5300.444.40040	120.00
O' REILLY AUTO PARTS	1767-142368	05/25/2021	HYD Filter	603.00.5300.444.40041	69.26
O' REILLY AUTO PARTS	1767-142415 Reused	05/18/2021	V-Belt	603.00.5300.444.40041	5.72
O' REILLY AUTO PARTS	1767-142444	05/25/2021	V-Belt	603.00.5300.444.40041	14.50
O' REILLY AUTO PARTS	1767-142469	05/25/2021	V-Belt	603.00.5300.444.40041	(5.72)
O' REILLY AUTO PARTS	1767-142591	05/25/2021	Rotors & Disc Pads	603.00.5300.444.40041	473.94
O' REILLY AUTO PARTS	1767-151407	06/08/2021	Filters, Pads, Rotors	603.00.5300.444.40041	271.81
O' REILLY AUTO PARTS	1767-144968	05/25/2021	Battery	603.00.5300.444.40041	431.00
O' REILLY AUTO PARTS	1767-145193	05/25/2021	Fuel Filter	603.00.5300.444.40041	3.65
O' REILLY AUTO PARTS	1767-145444	05/25/2021	Fuel/Wtr Sep, Filters	603.140.1450050	191.68
O' REILLY AUTO PARTS	1767-145470	05/25/2021	Air Filter	603.140.1450050	50.56
O' REILLY AUTO PARTS	1767-145891	05/25/2021	Rotors and Pads	603.00.5300.444.40041	540.85
O' REILLY AUTO PARTS	1767-145897	05/25/2021	Disc Brake C	603.00.5300.444.40041	27.32
O' REILLY AUTO PARTS	1767-146447	05/25/2021	Disc Brakes	603.00.5300.444.40041	13.66
O' REILLY AUTO PARTS	1767-146464	05/10/2021	Disc Brake	603.00.5300.444.40041	(13.66)
O' REILLY AUTO PARTS	1767-146468	05/25/2021	Wiper Blade	603.00.5300.444.40041	5.97
O' REILLY AUTO PARTS	1767-148191	06/08/2021	Balancer	603.00.5300.444.60040	6,555.50
O' REILLY AUTO PARTS	1767-148427	06/01/2021	Air & Oil filters	603.140.1450050	101.43
O' REILLY AUTO PARTS	1767-148678	06/01/2021	Motor oil	603.00.5300.444.40041	7.49
O' REILLY AUTO PARTS	1767-148679	05/20/2021	Motor oil	603.00.5300.444.40041	(7.49)
O' REILLY AUTO PARTS	1767-148683	06/01/2021	HYD Hose	603.00.5300.444.40040	259.50
O' REILLY AUTO PARTS	1767-148740	06/01/2021	Fuel/Wtr Sep	603.140.1450050	19.36
O' REILLY AUTO PARTS	1767-148905	06/01/2021	MegaCrimp	603.140.1450050	27.24
O' REILLY AUTO PARTS	1767-149954	06/01/2021	Spark Plug	603.00.5300.444.40041	2.19
O' REILLY AUTO PARTS	1767-150023	06/01/2021	Synth oil	603.00.5300.444.40041	107.88
O' REILLY AUTO PARTS	1767-151484	06/08/2021	Filters	603.00.5300.444.40041	(26.96)
O' REILLY AUTO PARTS	1767-151508	06/08/2021	Pin boot kit	603.00.5300.444.40041	10.49
OXYGEN SERVICE COMPANY, INC	0008441790	06/01/2021	Oxygen, Acetylene	603.00.5300.444.60012	72.13
PERFECTION PLUS, INC	113503	05/25/2021	January 2021	603.00.5300.444.40040	751.43
PERFECTION PLUS, INC	113573	06/08/2021	February 2021	603.00.5300.444.40040	751.43
PERFECTION PLUS, INC	113621	05/25/2021	March 2021	603.00.5300.444.40040	751.43
POMP'S TIRE SERVICE, INC.	980080475	06/01/2021	Michs, Dsmnt/Mnt Loose, Brass Valve	603.00.5300.444.60014	2,153.28
SOUTH EAST TOWING, Inc.	227343	05/25/2021	Tow, Other	603.00.5300.444.40041	313.00
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	603.00.5300.444.30550	9.44
TITAN MACHINERY	15575316GP	06/08/2021	Snap ring, washer & freight	603.00.5300.444.40041	21.75
TOWMASTER TRAILERS INC	438919	06/01/2021	ASY CART WING	603.00.5300.444.40041	926.00
TOWMASTER TRAILERS INC	439263	06/01/2021	Service - Truck	603.00.5300.444.40041	2,960.00
TRI-STATE BOBCAT INC.	P55401	06/01/2021	Side mirror kit	603.00.5300.444.40041	44.92
TRI-STATE BOBCAT INC.	P56014	06/08/2021	Couplers	603.00.5300.444.40041	130.71
UNIFIRST CORPORATION	0900625930	06/01/2021	Clothing/Uniforms	603.00.5300.444.40065	125.75
UNIFIRST CORPORATION	0900625930	06/01/2021	Clothing/Uniforms	603.00.5300.444.60045	21.14
WIESE USA, INC.	75000994	05/25/2021	Remove/Replace steer cylinder	603.00.5300.444.40041	3,020.41
WIESE USA, INC.	75001147	05/25/2021	48" forks, swap tanks with truck	603.00.5300.444.40050	750.00
WORLD FUEL SERVICES	232041144119-41801	06/01/2021	Fuel	603.00.5300.444.40041	152.40
XCEL ENERGY	730876371	05/22/2021	Gas & Electric	603.00.5300.444.40010	443.64
XCEL ENERGY	730876371 CR	05/22/2021	Gas & Electric	603.00.5300.444.40020	(182.52)
ZIEGLER INC	IN000119336	06/08/2021	Adpt#p Y & freight	603.00.5300.444.40041	230.49
Fund: 603 - CENTRAL EQUIPMENT					48,504.42
INNOVATIVE OFFICE SOLUTIONS	SUM-061494	06/08/2021	May 2021	604.00.2200.416.60010	947.77
Fund: 604 - CENTRAL STORES					947.77
HUEBSCH SERVICES	20071495	05/25/2021	Mats	605.00.7500.460.40065	163.53
HUEBSCH SERVICES	20076885	05/25/2021	Mats	605.00.7500.460.40065	163.53
PERFECTION PLUS, INC	113503	05/25/2021	January 2021	605.00.7500.460.40040	6,213.43
PERFECTION PLUS, INC	113573	06/08/2021	February 2021	605.00.7500.460.40040	6,213.69
PERFECTION PLUS, INC	113621	05/25/2021	March 2021	605.00.7500.460.40040	2,982.16
TASC GENESIS EMPLOYEE BENEFITS, INC	IN2017513	05/24/2021	Payroll	605.00.7500.460.30550	15.44
TOTAL CONSTRUCTION & EQUIP.	21678	05/25/2021	Repair parking lot lights	605.00.7500.460.40040	2,235.35
TOTAL CONSTRUCTION & EQUIP.	30376	05/25/2021	City hall LED retro	605.00.7500.460.40040	850.72
TOTAL CONSTRUCTION & EQUIP.	30378	05/25/2021	Fire station 2 repair night lights	605.00.7500.460.40040	2,110.47
TOTAL CONSTRUCTION & EQUIP.	30381	05/25/2021	City hall add an outlet	605.00.7500.460.40040	735.58
TOTAL CONSTRUCTION & EQUIP.	30387	05/25/2021	Replace and add occupancy sensors in P	605.00.7500.460.40040	1,686.73
TOTAL CONSTRUCTION & EQUIP.	30388	05/25/2021	Replace ballast & sockets on light fixtures	605.00.7500.460.40040	351.08
TOTAL CONSTRUCTION & EQUIP.	30430	05/25/2021	Add outlet for culligan water system	605.00.7500.460.40040	749.99
XCEL ENERGY	729307933	05/22/2021	Gas & Electric	605.00.7500.460.40020	7,694.78
XCEL ENERGY	729307967	05/22/2021	Gas & Electric	605.00.7500.460.40020	7,010.28
XCEL ENERGY	729308010	05/22/2021	Gas & Electric	605.00.7500.460.40020	5,143.53
Fund: 605 - CITY FACILITIES					44,320.29
BARR ENGINEERING COMPANY	23190328.19-27	05/25/2021	Project Reviews and Studies	702.229.2282803	392.00
BARR ENGINEERING COMPANY	23190328.19-27	05/25/2021	Project Reviews and Studies	702.229.2283203	112.00
BARR ENGINEERING COMPANY	23190328.20-15	05/25/2021	Project Reviews and Studies	702.229.2291502	168.00
BARR ENGINEERING COMPANY	23190328.20-15	05/25/2021	Project Reviews and Studies	702.229.2293903	168.00
BARR ENGINEERING COMPANY	23190328.20-15	05/25/2021	Project Reviews and Studies	702.229.2298703	1,050.00

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
BARR ENGINEERING COMPANY	23190328.21-3	05/25/2021	Project Reviews and Studies	702.229.2293603	714.00
BARR ENGINEERING COMPANY	23190328.21-3	05/25/2021	Project Reviews and Studies	702.229.2297603	882.00
BARR ENGINEERING COMPANY	23190328.21-3	05/25/2021	Project Reviews and Studies	702.229.2298303	420.00
BOLTON & MENK, INC.	0268251	05/25/2021	Inver Hills Sewer	702.229.2295403	330.00
BOLTON & MENK, INC.	0268252	05/25/2021	Peltier Site Trunk	702.229.2296703	2,805.00
BOLTON & MENK, INC.	0268254	05/25/2021	Trunk Sewer Review	702.229.2298003	382.50
BONFE BUILDERS	05/05/2021	06/01/2021	Escrow Release	702.229.2289103	282.25
DAKOTA CTY ATTORNEY	06/02/2021	06/08/2021	Forfeiture Funds - Case#21000167	702.229.2291000	738.64
EMMONS & OLIVIER RESOURCES	00095-0070-4	06/08/2021	Development Reviews	702.229.2285603	1,063.00
EMMONS & OLIVIER RESOURCES	00095-0070-4	06/08/2021	Development Reviews	702.229.2297103	457.75
EMMONS & OLIVIER RESOURCES	00095-0072-4	06/08/2021	Construction Observation	702.229.2282100	193.19
EMMONS & OLIVIER RESOURCES	00095-0072-4	06/08/2021	Construction Observation	702.229.2284803	1,183.71
EMMONS & OLIVIER RESOURCES	00095-0073-4	06/08/2021	IGH 2021 Development Reviews	702.229.2296703	4,716.50
ISD #199	04/12/2021	05/25/2021	Escrow Release	702.229.2301102	4,830.00
JOHNSON, JEFF L.	05/25/2021	06/01/2021	Escrow Release	702.229.2288903	1,452.32
PIONEER PRESS	421572521	04/30/2021	Advertising/Publishing	702.229.2293103	31.50
STATE OF MINNESOTA - GENERAL FUND, MN M	06/02/2021	06/08/2021	Forfeiture funds - Case#21000167	702.229.2291000	369.32
WASHINGTON COUNTY COURT ADMIN	121901319	06/08/2021	Brian Thomas McArthur Bail	702.229.2291000	1,000.00
WSB & ASSOCIATES, INC.	R-017593-000-3	06/08/2021	Peltier site review	702.229.2296703	870.00
Fund: 702 - ESCROW FUND					24,611.68
Grand Total					1,582,766.71



Request for Council Action

Personnel Actions

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	X
Item Type:	Consent Agenda	Amount included in current budget	
Contact:		Budget amendment requested	
Prepared by:	Cora Bauer, HR Coord.	FTE included in current complement	
Reviewed by:	Janet Shefchik, HR Manager	New FTE requested - N/A	
		Other	

PURPOSE/ACTION REQUESTED:

Staff requests that Council confirm and approve the personnel actions listed below.

Seasonal/Temporary Employment:

Alexander Swain, Personal Trainer
Alice Islam, Pool Attendant
Amy Cervantes, Child Care Worker
Bo Strecker, Street Maintenance Helper
Dina Kaufman, Pool Attendant
Easton Strecker, Street Maintenance Helper
Faith Kowitz, Police Cadet
Jacob Moody, Kids Rock Assistant
Johanna Flaherty, Pool Attendant
Kathryn Kueppers, Kids Rock Lead
Laura O'Donnell, Kids Rock Assistant
Makena Berg, Golf Course F&B Concessionaire
Mario Brown, Pool Attendant
Matt Zander, Park Maintenance Helper
Matthew Goldade, Golf Course Laborer
Natalie Alecu, Golf Course Outside Services
Rebecca Dahl, Child Care Worker
Savannah Youngstrom, Kids Rock Assistant
Traig Felton, Parks Maintenance Helper

Full-time Employment:

Charles Possert, Patrol Officer

Cole Holmes, Golf Course Technician
Emily Heidelberg, Office Support PD
Jeremiah Bruder, Combination Inspector (Promotion)
Mary Lein, Assistant to the CBO
Nancy Stanton, Office Support Inspections
Steve Kuzel, Patrol Officer

Voluntary Resignations, Retirements and/or Terminations:

Arianna Nicknam, On-Call Firefighter
Melia Curielli, Fitness Instructor



Request for Council Action

Consider Final Pay Voucher No. 2, Engineer's Final Report, and Resolution Accepting Work for City Project No. 2019-05 - Sleepy Hollow Park Storm Sewer Repair

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	
Item Type:	Consent	Amount included in current budget	
Contact:	Thomas J. Kaldunski, 651-450-2572	Budget amendment requested	
Prepared by:	Jacob Moser, Civil Engineer	FTE included in current complement	
Reviewed by:	Klay Eckles, Interim Public Works Director	New FTE requested - N/A	
		Other	Stormwater CIP Fund (441)

PURPOSE/ACTION REQUESTED:

Consider Final Pay Voucher No. 2, Engineer's Final Report, and Resolution Accepting Work for City Project No. 2019-05 - Sleepy Hollow Park Storm Sewer Repair

SUMMARY:

The improvements were ordered to replace a corroded metal storm sewer pipe that caused a sinkhole adjacent to the trail in Sleepy Hollow Park. The contract was awarded in the amount of \$42,790.00 to Valley Rich Co., Inc. on June 8, 2020 for City Project No. 2019-05 - Sleepy Hollow Park Storm Sewer Repair.

The work is complete, and the retainage is being released in full.

I recommend approval of Final Pay Voucher No. 2 in the amount of \$2,271.00, for City Project No. 2019-05 - Sleepy Hollow Park Storm Sewer Repair.

JDM/nh

Attachments: Final Pay Voucher No. 2
Engineer's Final Report
Resolution Accepting Work

CONSTRUCTION PAYMENT VOUCHER

ESTIMATE NO: Two (2) - FINAL
DATE: June 14, 2021
PERIOD ENDING: May 31, 2021
CONTRACT: 2019 Stormwater Utility Fund
PROJECT NO: 2019-05 - Sleepy Hollow Park Storm Sewer Repair

TO: Valley Rich Co., Inc.
147 Johnathan Blvd. N. - Suite 4
Chaska, MN 55138

Original Contract Amount.....	\$42,790.00
Total Addition.....	\$2,630.00
Total Deduction.....	\$0.00
Total Contract Amount.....	\$45,420.00
Total Value of Work to Date.....	\$45,420.00
Less Retained (0%).....	\$0.00
Less Previous Payment	\$43,149.00
Total Approved for Payment this Voucher.....	\$2,271.00
Total Payments including this Voucher	\$45,420.00

Approvals:

Pursuant to our field observation, I hereby recommend for payment the above-stated amount for work performed through May 31, 2021.

Signed by: Thomas J. Kaldunski June 14, 2021
Thomas J. Kaldunski, City Engineer

Signed by: Matt Miley 5/28/21
Valley Rich Co., Inc. Date

Signed by: _____ June 14, 2021
Tom Bartholomew, Mayor

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

ENGINEER'S REPORT OF FINAL ACCEPTANCE

CITY PROJECT NO. 2019-05 - SLEEPY HOLLOW PARK STORM SEWER REPAIR

June 14, 2021

TO THE CITY COUNCIL
INVER GROVE HEIGHTS, MINNESOTA

HONORABLE MAYOR AND CITY COUNCIL MEMBERS:

This is to advise you that I have received the work under contract to Valley Rich Co., Inc.
The work consisted of a storm sewer repair project within Sleepy Hollow Park.

The contractor has completed the project in accordance with the contract.

It is recommended, herewith, that final payment be made for said improvements to the contractor in the amount as follows:

ORIGINAL CONTRACT PRICE	\$42,790.00
CHANGE ORDERS	\$2,630.00
FINAL CONTRACT AMOUNT	\$45,420.00
FINAL VALUE OF WORK	\$45,420.00
PREVIOUS PAYMENTS	\$43,149.00
BALANCE DUE	\$2,271.00

Sincerely,



Thomas J. Kaldunski, P.E.
City Engineer

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION ACCEPTING WORK OF VALLEY RICH CO., INC. AND AUTHORIZING FINAL
PAYMENT IN THE AMOUNT OF \$2,271.00**

CITY PROJECT NO. 2019-05 - SLEEPY HOLLOW PARK STORM SEWER REPAIR

RESOLUTION NO. 2021-160

WHEREAS, pursuant to a written contract with the City of Inver Grove Heights dated June 8, 2020, Valley Rich Co., Inc. satisfactorily completed improvements and appurtenances for City Project No. 2019-05 - Sleepy Hollow Storm Sewer Repair.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS:
That the work completed under this contract is hereby accepted and approved, and

BE IT FURTHER RESOLVED: That the Mayor and the City Clerk are hereby directed to issue a proper order for final payment on such contract, taking the contractor's receipt in full.

Adopted by the City Council of Inver Grove Heights this 14th day of June 2021.

AYES:
NAYS:

Tom Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk

Request for Council Action

Consider Resolution Establishing a Pavement Management Program (PMP) Citizens' Advisory Task Force

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	
Item Type:	Consent	Amount included in current budget	
Contact:	Klay Eckles, 651-450-2571	Budget amendment requested	
Prepared by:	Klay Eckles, Interim Public Works Director	FTE included in current complement	
Reviewed by:	Heather Rand, Interim City Administrator	New FTE requested - N/A	
		Other: Pavement Management Fund	X

PURPOSE/ACTION REQUESTED

Consider Resolution Establishing a Pavement Management Program (PMP) Citizens' Advisory Task Force.

SUMMARY

At the May 3, 2021 Council workshop, City Council reviewed a concept for updating the City's Pavement Management Program (PMP) that would reduce the level of reconstruction that occurs on rehabilitation projects and allow an increase in the miles of streets to be addressed. To move forward, Council may wish to establish a PMP Citizens' Advisory Task Force to review elements of an updated PMP including the program goals, financing strategies, assessment policies, decision process of selecting streets, and the construction techniques to apply to failing streets.

Discussion

The challenge ahead for Inver Grove Heights is significant, with over 60 miles of streets in poor condition and many more expected to deteriorate to that level in coming years. To succeed, the current Council, as well as many future Councils, will need a long-term plan that has broad buy-in and financial support. The current PMP has suffered from high costs to implement, significant citizen dissatisfaction, and Council skepticism.

To address the dissatisfaction of the current PMP, it is recommended that all elements of the plan be re-examined and either reaffirmed or modified. To ensure such a re-tooling effort has a broad perspective, including views beyond an engineering one, it is recommended a new analysis include perspectives from Finance, Council, and general citizens. A task force made up of these perspectives could be created, serviced by staff, and some limited consulting services.

Setting up and enacting a Citizens' Advisory Task Force (CATF) on PMP might have a timeline and workplan as follows:

July..... Newsletter article requests citizen candidates for the PMP CATF
 August Select members of PMP CATF, including one or two Council members, and supporting staff
 September Convene PMP CATF
 February Complete PMP CATF report with recommendations and present to Council
 March..... Council formally adopt findings of PMP CATF and the new PMP

The PMP CATF would likely meet every three weeks and may involve some reading homework for members prior to a discussion. Significant education would be required throughout the process so that members can make recommendations based on a strong foundation of past practice and long-term goals. Meeting topics will likely include some or all of the following:

- Description of pavement management and overall infrastructure management.
- Pavement rating system, past pavement condition goals, pavement life cycle.
- Public improvement process—how do cities do projects?
- City taxes—where do funds come from and where do they go, how much is available?
- Other financing including Bonding, Utility funds, etc.
- Assessment policy.
- Pavement rehabilitation strategies and expected life, geotechnical recommendations.
- Approach for selecting candidates for improvements.
- Recommendations for standard street design when streets are completely reconstructed including road widths, traffic calming features, and landscaping.

The deliverables of the PMP CATF would be a report to Council with a broad set of recommendations for a revised PMP, including input on many of the topics listed above. Both the process of developing the recommendations and the final report could be very valuable as City-wide communication and education topics.

There will be some costs associated with this undertaking in the form of consultant fees, as there will be a need for support and input from both engineering and financial experts. The exact amount will depend on the type of project that goes forward, and if the current interim director would remain involved in the effort after the term of the interim director's contract. A rough estimate of \$25,000-\$35,000 would likely be sufficient to help facilitate the taskforce and deliver a final report. If Council goes forward with this approach, staff will prepare an RFP to select consultant services. Costs related to the consultant could be covered by Pavement Management Funds.

Recommendation

Staff recommends Council pass a resolution establishing a PMP Citizens' Advisory Task Force for a period of up to 18 months and direct staff to solicit proposals from consultants to assist in facilitating the taskforce and preparing a final report.

Attachment: Resolution
KE/kf

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION TO ESTABLISH A PAVEMENT MANAGEMENT PROGRAM CITIZENS' ADVISORY
TASK FORCE**

RESOLUTION 2021-161

WHEREAS, City Council desires to maintain the City transportation system and associated infrastructure to a level that meets the transportation needs of the community both safely and efficiently; and

WHEREAS, Council has determined that a long-term plan supported by the community will provide consistent and clear direction regarding infrastructure planning and financing; and

WHEREAS, a citizens' task force can explore all the technical and financial elements of a Pavement Management Program and make recommendations to Council will help in developing a long term plan.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS
THAT:**

1. The Pavement Management Program Citizens' Advisory Task Force will be established for a period of 18 months and shall be charged with delivering a final report to the Council within 18 months of its inception. Staff is directed to solicit applicants from the public for Council consideration for placement on the Pavement Management Program Citizens' Advisory Task Force.
2. Council directs staff to request proposals from consulting firms to provide support and expert engineering and financial advice, as well as complete a final report for the Pavement Management Program Citizens' Advisory Task Force.

Adopted by the City Council of Inver Grove Heights this 14th day of June 2021.

Tom Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk

**Request for Council Action****Consider Resolution Supporting Parking Restrictions on 80th Street from Blaine Avenue to Cahill Avenue**

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	X
Item Type:	Consent	Amount included in current budget	
Contact:	Thomas Kaldunski, City Engineer 651.315.6336	Budget amendment requested	
Prepared by:	Jacob Moser, Civil Engineer	FTE included in current complement	
Reviewed by:	Klay Eckles, Interim Public Works Director	New FTE requested - N/A	
		Other	

PURPOSE/ACTION REQUESTED:

Consider Resolution Supporting Parking Restrictions on 80th Street from Blaine Avenue to Cahill Avenue.

SUMMARY:

City Engineering staff recommend no parking zones be established to address safety concerns due to parked vehicles obstructing sight lines when parked on 80th Street (County Road 28) between Blaine Avenue and Cahill Avenue (see Exhibit A attached).

Vehicles parking on 80th Street in the area have the potential to obstruct motorist vision of pedestrians and vehicles crossing 80th Street. The portion of 80th Street is identified in the Independent School District 199 Safe Routes to School plan supported by the City of Inver Grove Heights

The Dakota County Traffic Engineer has indicated support to post signs. Dakota County Transportation Plan Policy, PP.10 Parking Restrictions states: The County Engineer is authorized, at the county's discretion, to place parking restrictions on county highways when supported by city council resolution.

I recommend passage of the attached resolution supporting Dakota County to post no parking signs on 80th Street from Blaine Avenue to Cahill Avenue.

TK/jm

Attachments: Resolution
Exhibit A - Parking Restrictions

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION SUPPORTING PARKING RESTRICTIONS ON 80TH STREET FROM BLAINE
AVENUE TO CAHILL AVENUE**

RESOLUTION NO. 2021-162

WHEREAS, this resolution was passed this 14th day of June 2021 by the City of Inver Grove Heights in Dakota County, Minnesota. The municipal corporation shall hereinafter be called the "City",
WITNESSETH:

WHEREAS, parking is to be restricted on 80th Street where vehicle parking obstructs vision of motorists and pedestrians; and

WHEREAS, Public Works Department staff has reviewed and concur with proposed parking restrictions; and

WHEREAS, Dakota County is the authority to post parking restrictions within 80th Street (County Road 28) right of way; and

WHEREAS, "Dakota County Transportation Plan Policy, PP.10 Parking Restrictions" states: The County Engineer is authorized, at the county's discretion, to place parking restrictions on county highways when supported by city council resolution.; and

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the City shall support the parking restrictions on 80th Street from Blaine Avenue to Cahill Avenue (see Exhibit A)

- (1) All such signs, upon placements, shall be in full force and effect under the Laws of the State of Minnesota, Chapter 169.34, and the Highway Traffic Regulation Act.

Adopted by the City Council of the City of Inver Grove Heights this 14th day of June 2021.

Tom Bartholomew, Mayor

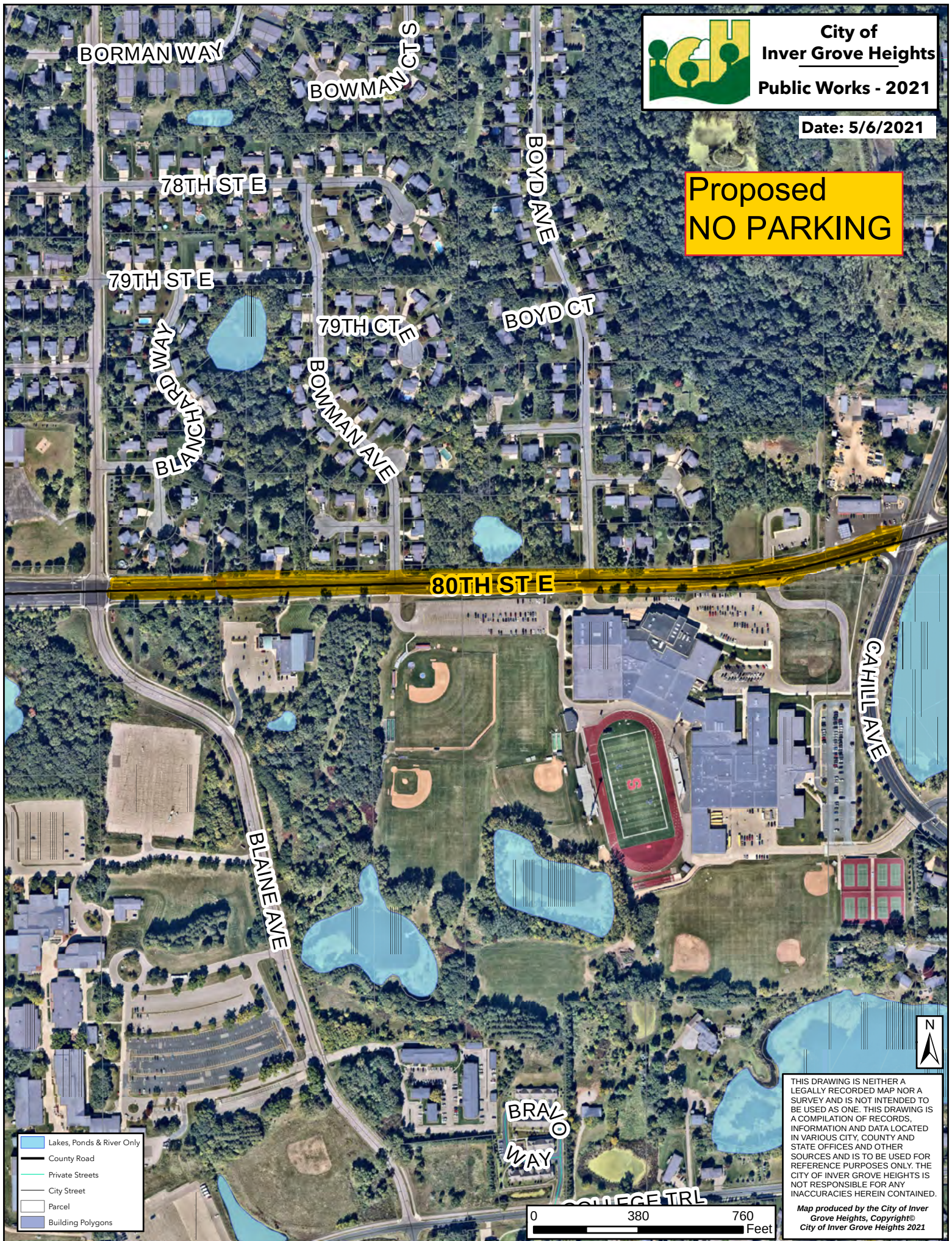
ATTEST:

Rebecca Kiernan, City Clerk



Date: 5/6/2021

Proposed
NO PARKING



THIS DRAWING IS NEITHER A
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**Request for Council Action****Approve Encroachment Agreement for Landowner Improvements within City Drainage and Utility Easement for 8360-8389 Bravo Way (Lot 1, Block 1, East Campus Addition)**

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	
Item Type:	Consent	Amount included in current budget	
Contact:	Steve W. Dodge, 651-450-2541	Budget amendment requested	
Prepared by:	Steve W. Dodge, Asst. City Engineer	FTE included in current complement	
Reviewed by:	Klay Eckles, Interim Public Works Director	New FTE requested - N/A	
		Other: Engineering Escrow	X

PURPOSE/ACTION REQUESTED

Approve Encroachment Agreement for Landowner Improvements within City Drainage and Utility Easement for 8360-8389 Bravo Way (Lot 1, Block 1, East Campus Addition).

SUMMARY

The owners, Inver Hills Family Housing LP, of 8360-8389 Bravo Way, have requested to install a fence in an existing Drainage and Utility Easement on their property. There is a watermain pipe within this Drainage and Utility Easement.

The owners have agreed to accept responsibility for removing the fence if the watermain system ever needs to be repaired or replaced. The location and design of the fence will keep the property owner in compliance with the City's Obstruction Policy. An engineering escrow of \$1,500.00 has been provided to cover attorney fees and inspection of the fence. A copy of the signed Encroachment Agreement is attached.

It is recommended that the City Council approve this Encroachment Agreement for landowner improvements within City Drainage and Utility Easement for 8360-8389 Bravo Way (Lot 1, Block 1, East Campus Addition).

NP/kf

Attachment(s): Encroachment Agreement
Exhibit

**AGREEMENT RELATING TO LANDOWNER
IMPROVEMENTS WITHIN CITY EASEMENT ON
LOT 1, BLOCK 1, EAST CAMPUS SECOND ADDITION,
INVER GROVE HEIGHTS, DAKOTA COUNTY, MINNESOTA**

THIS AGREEMENT RELATING TO LANDOWNER IMPROVEMENTS WITHIN CITY EASEMENT ON LOT 1, BLOCK 1, EAST CAMPUS SECOND ADDITION, INVER GROVE HEIGHTS (Agreement) is made this 14th day of June, 2021, by and between the City of Inver Grove Heights (hereafter referred to as “City”), a Minnesota municipal corporation, and Inver Hills Family Housing Limited Partnership, a Minnesota limited partnership (hereafter referred to as “Landowner”). Based on the covenants, agreements, representations and recitals herein contained the parties agree as follows:

ARTICLE 1
TERMS

1.1 Terms. Unless specifically defined elsewhere in this Agreement, the following terms shall have the following meanings.

1.2 City. “City” means the City of Inver Grove Heights, a Minnesota municipal corporation.

1.3 Subject Land. “Subject Land” means that certain real property located in the City of Inver Grove Heights, Dakota County, Minnesota legally described as follows:

Lot 1, Block 1, East Campus Second Addition, Dakota County,
Minnesota.

1.4 City Easement. “City Easement” means the following easement located on the Subject Land:

The platted drainage and utility easements located on the Subject Land dedicated in the plat of East Campus Second Addition, Dakota County, Minnesota.

1.5 Landowner. “Landowner” means Inver Hills Family Housing Limited Partnership, a Minnesota limited partnership, and its assigns and successors in interest with respect to the Subject Land.

1.6 Formal Notice. “Formal Notice” means notice given by one party to the other if in writing and if and when delivered or tendered either in person or by depositing it in the United States mail in a sealed envelope, by certified mail, return receipt requested, with postage prepaid, addressed as follows:

IF TO CITY:

City of Inver Grove Heights
Attention: Director of Public Works
8150 Barbara Avenue
Inver Grove Heights, MN 55077

IF TO LANDOWNER:

Inver Hills Family Housing LP
c/o Dakota County CDA
1228 Town Centre Drive
Eagan, MN 55123

or to such other address as the party addressed shall have previously designated by notice given in accordance with this Section. Notices shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed as provided above, provided, that a notice not given as above shall, if it is in writing, be deemed given if and when actually received by a party.

1.7 Landowner Improvements. “Landowner Improvements” means the fence, gate, concrete footings and related fence appurtenances constructed on the Subject Land within the City Easement.

1.8 City Easement Improvements. “City Easement Improvements” means all existing and future sanitary sewer, municipal water and storm water pipes, conduits, culverts, ditches, ponds, catch basins, water collection mechanisms, drainage facilities, maintenance access routes and other utility appurtenances lying within the City Easement now or in the future.

1.9 Construction Plan. “Construction Plan” means the sketch attached as **Exhibit A** which identifies the location of the Landowner Improvements. The Construction Plan was approved by the City Engineer on May 19, 2021, and is on file with the City.

1.10 City Utility Costs. “City Utility Costs” means all costs incurred by the City, (whether performed by the City or its agents or contractors), for the inspection of and access to and repair, maintenance and replacement of the City’s Easement Improvements located in the City Easement and the placement of additional City Easement Improvements in the City Easement. City Utility Costs include, without limitation: excavation costs, labor costs, costs of removing fill, costs of re-burying the City Easement Improvements, re-compacting the soils over the City Easement Improvements, restoring the City Easement area, and all engineering and

attorneys' fees incurred in connection therewith. City Utility Costs also include the costs of temporarily removing the Landowner Improvements and subsequently replacing the Landowner Improvements in the City Easement, if such costs have not already been paid by the Landowners.

1.11 Pre-Encroachment Costs. "Pre-Encroachment Costs" means a reasonable estimate by the City of the costs the City would have incurred for City Utility Costs if the Landowner Improvements did not exist.

1.12 Cost Differential. "Cost Differential" means the difference between the Pre-Encroachment Costs and the City Utility Costs caused by the existence of the Landowner Improvements. The City's reasonable determination of the amount of the Cost Differential shall be binding on the Landowners. The City's reasonable determination shall be appropriately supported by cost estimates obtained from independent contractors or engineers.

ARTICLE 2 **RECITALS**

Recital No. 1. The undersigned Landowner is the fee title owner of the Subject Land located in Inver Grove Heights, Dakota County, Minnesota.

Recital No. 2 The City Easement is on the Subject Land. The City owns the City Easement. The City Easement Improvements will be constructed within the City Easement and future City Easement Improvements may be located within the City Easement.

Recital No. 3. Landowner has requested permission from the City to construct the Landowner Improvements within the City Easement for the benefit of the Subject Land.

Recital No. 4. Subject to the terms of this Agreement, the City is willing to allow the Landowner Improvements to be placed within the City Easement if the following conditions are met:

- a.) The Landowner maintains the Landowner Improvements;
- b.) The Landowner agrees to pay the City any Cost Differential relating to inspections, access, repair, maintenance and replacement of the City Easement Improvements and the placement of any future City Easement Improvements in the City Easement.
- c.) The Landowner agrees to temporarily remove the Landowner Improvements in the event the City has need to access the area where the Landowner Improvements exist in order for the City to inspect, repair, maintain, and replace the existing City Easement Improvements or construct future City Easement Improvements in the Easement Area.
- d.) The Landowner agrees to modify the Landowner Improvements if the Landowner Improvements interfere with the City Easement Improvements.

NOW, THEREFORE, THE CITY OF INVER GROVE HEIGHTS AND THE UNDERSIGNED LANDOWNER, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS DO HEREBY AGREE:

ARTICLE 3
AGREEMENTS

3.1 Construction And Maintenance Of Landowner Improvements. Under the terms and conditions stated herein, the Landowner, at Landowner's own cost, is hereby authorized by the City to construct the Landowner Improvements within the City Easement. The Landowner Improvements shall only be placed at the location specified in the Construction Plan. The Landowner Improvements must be constructed according to the Construction Plan.

The Landowner shall not place any other structures, retaining walls, irrigation systems or buildings within the City Easement, except for the Landowner Improvements. The Landowner, at Landowner's expense, shall maintain and repair the Landowner Improvements.

The Landowner shall comply with all required City setbacks per the attached Construction Plan.

3.2 City Not Responsible For Landowner Improvements. Nothing contained herein shall be deemed an assumption by the City of any responsibility for construction, maintenance, replacement or repair of the Landowner Improvements.

3.3 Continuing Right To City Easement. Nothing contained herein shall be deemed a waiver or abandonment or transfer of the right, title and interest that the City holds to the City Easement.

3.4 Subordinate Position of Landowner Improvements. The Landowner Improvements are subordinate to the rights of the City in the City Easement and in the City Easement Improvements.

3.5 Risk of Loss. The Landowner understands and agrees that the Landowner Improvements within the City Easement may be adversely affected by use of the City Easement. The parties agree that the City is not responsible for such events; the City shall have no liability to the Landowner for such events. The Landowner assumes the risk of installing the Landowner Improvements in the City Easement area.

3.6 Landowner To Bear Cost of Relocating Landowner Improvements. The City is responsible for the repair and maintenance of the City Easement Improvements in the City Easement.

The City may require the Landowner to temporarily remove and subsequently replace the Landowner Improvements in the City Easement in order for the City to gain access to the City

Easement Improvements for the purpose of inspecting, repairing, maintaining, or replacing the City Easement Improvements or adding future City Easement Improvements.

If the Landowner does not perform such tasks, the City may perform such tasks and in such case the Landowner shall reimburse the City for the City's costs and expenses. Prior to commencing such tasks, the City shall send Formal Notice to the Landowner and allow the Landowner twenty (20) days from the date of the Formal Notice to perform the tasks. If the Landowner has not completed the work within the twenty (20) days, then the City may proceed to perform the tasks. Once the City's costs and expenses have been determined by the City, the City shall send an invoice for such costs and expenses to the Landowner. The Landowner must pay the invoice within thirty (30) days after the date of the invoice. Such costs and expenses include, but are not limited to, costs charged the City by third parties such as contractors as well as the costs for City personnel that may have performed the work. Bills not paid shall incur the standard penalty and interest established by the City for utility billings within the City.

3.7 Emergency. Notwithstanding the requirements contained in Sections 3.6 relating to a twenty (20) day Formal Notice to the Landowner to perform its obligations under Sections 3.6, the City shall not be required to give such Formal Notice if the City's engineer determines that an emergency exists. In such instance, the City, without giving Formal Notice to the Landowner may perform the work and in such case the Landowner shall reimburse the City for the costs and expenses relating to the work. Once the City's costs and expenses have been determined by the City, the City shall send an invoice for such costs and expenses to the Landowner. The Landowner must pay the invoice within thirty (30) days after the date of the invoice. Such costs and expenses include, but are not limited to, costs charged the City by third parties such as contractors as well as the costs for City personnel that may have performed the work. Bills not paid shall incur the standard penalty and interest established by the City for utility bills within the City.

3.8 Cost Differential. If a Cost Differential occurs relating to the access to or inspection, maintenance, repair or replacement of the City Easement Improvements or relating to construction of new City Easement Improvements in the future, then the Landowner shall pay the Cost Differential to the City. The Landowner must make payment for the Cost Differential within 30 days after the City has sent a written invoice for the Cost Differential to the Landowner.

3.9 Modifications To Landowner Improvements. If in the future the City reasonably determines that the Landowner Improvements interfere with access for inspection or with repair, maintenance, reconstruction, or replacement of City Easement Improvements, then the Landowner, at Landowner's own expense, shall make such modifications to the Landowner Improvements as directed by the City. Such modifications may include, but are not limited to, reconfiguration, removal and relocation of the Landowner Improvements.

If Landowner does not make the modifications, the City may make the modifications and in such case the Landowner shall reimburse the City for the City's costs and expenses. Prior to commencing such modifications, the City shall send Formal Notice to the Landowner and allow the Landowner twenty (20) days from the date of the Formal Notice to make the modifications.

If Landowner does not completely make the modifications, the City may proceed to make the modifications. Once the City's costs and expenses have been determined by the City, the City shall send an invoice for such costs and expenses to the Landowner. The Landowner must pay the invoice within thirty (30) days after the date of the invoice. Such costs and expenses include, but are not limited to, costs charged the City by third parties such as contractors as well as the costs for City personnel that may have performed the work relating to the modifications.

3.10 Remedies. If the Landowner fails to perform its obligations under this Agreement, then the City may avail itself of any remedy afforded by law or in equity and any of the following non-exclusive remedies:

- a.) The City may specifically enforce this Agreement.
- b.) If the Landowner fails to make payments under Section 3.6, 3.7, 3.8 or 3.9, then the City may certify to Dakota County the amounts due as payable with the real estate taxes for the Subject Land in the next calendar year; such certifications may be made under Minnesota Statutes, Chapter 444 in a manner similar to certifications for unpaid utility bills. The Landowner waives any and all procedural and substantive objections to the imposition of such usual and customary charges on the Subject Land.

Further, as an alternate means of collection, if the written billing is not paid by the Landowner, the City, without notice and without hearing, may specially assess the Subject Land for the costs and expenses incurred by the City. The Landowner hereby waives any and all procedural and substantive objections to special assessments for the costs including, but not limited to, notice and hearing requirements and any claims that the charges or special assessments exceed the benefit to the Subject Land. The Landowner waives any appeal rights otherwise available pursuant to Minnesota Statute § 429.081. The Landowner acknowledges that the benefit from the performance of tasks by the City equals or exceeds the amount of the charges and assessments for the costs that are being imposed hereunder upon the Subject Land.

No remedy herein conferred upon or reserved to the City shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

3.11 Indemnification. The Landowner shall indemnify, defend and hold the City, its council, agents, consultants, attorneys, employees and representatives harmless against and in respect of any and all claims, demands, actions, suits, proceedings, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies including interest, penalties and

attorneys' fees, that the City incurs or suffers, which arise out of, result from or relate to any of the following:

- a.) The Landowner Improvements;
- b.) Installation and maintenance of the Landowners Improvements;
- c.) Failure by the Landowner to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement; and
- d.) Use of the City Easement for Landowner Improvements.

3.12 City Duties. Nothing contained in this Agreement shall be considered an affirmative duty upon the City to perform the Landowner's obligations contained in Article 3 if the Landowner does not perform such obligations.

3.13 No Third Party Recourse. Third parties shall have no recourse against the City under this Agreement.

3.14 Recording. The City may record this Agreement with the Dakota County Recorder.

3.15 Binding Agreement. The parties mutually recognize and agree that all terms and conditions of this recordable Agreement shall run with the Subject Land and shall be binding upon the heirs, successors, administrators and assigns of the parties.

This Agreement shall also be binding upon all after-acquired rights, interests and title of the parties that may be acquired from and after the date of this Agreement.

3.16 Amendment And Waiver. The parties hereto may by mutual written agreement amend this Agreement in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this Agreement or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this Agreement, waive compliance by another with any of the covenants contained in this Agreement and performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Agreement. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

3.17 Governing Law. This Agreement shall be governed by and construed in accord with the laws of the State of Minnesota.

3.18 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

3.19 Headings. The subject headings of the sections in this Agreement are included for purposes of convenience only and shall not affect the construction of interpretation of any of its provisions.

[the remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement the year and day first set forth above.

CITY OF INVER GROVE HEIGHTS

By: _____
Tom Bartholomew
Its Mayor

ATTEST:

Rebecca Kiernan, City Clerk

(CITY SEAL)

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 14th day of June, 2021, before me a Notary Public within and for said County, personally appeared Tom Bartholomew and Rebecca Kiernan, to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was sealed on behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

LANDOWNER:

INVER HILLS FAMILY HOUSING LIMITED PARTNERSHIP, a Minnesota limited partnership

By: Dakota County Community Development Agency, its General Partner

By: _____
Kari Gill
Its Deputy Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this _____ day of June, 2021, before me a Notary Public within and for said County, personally appeared Kari Gill to me personally known, who being by me duly sworn did say that he/she is the Deputy Executive Director of Dakota County Community Development Agency, a public body corporate and politic organized under the laws of Minnesota, and that Dakota County Community Development Agency is the general partner of Inver Hills Family Housing Limited Partnership, a Minnesota limited partnership, the limited partnership named in the foregoing instrument, and that said instrument was signed on behalf of Inver Hills Family Housing Limited Partnership by the authority of its partner and that the signing of the instrument by Dakota County Community Development Agency as general partner was authorized by Dakota County Community Development Agency and said Kari Gill acknowledged said instrument to be the free act and deed of Inver Hills Family Housing Limited Partnership, a Minnesota limited partnership and of Dakota County Community Development Agency, a public body corporate and politic organized under the laws of Minnesota.

Notary Public

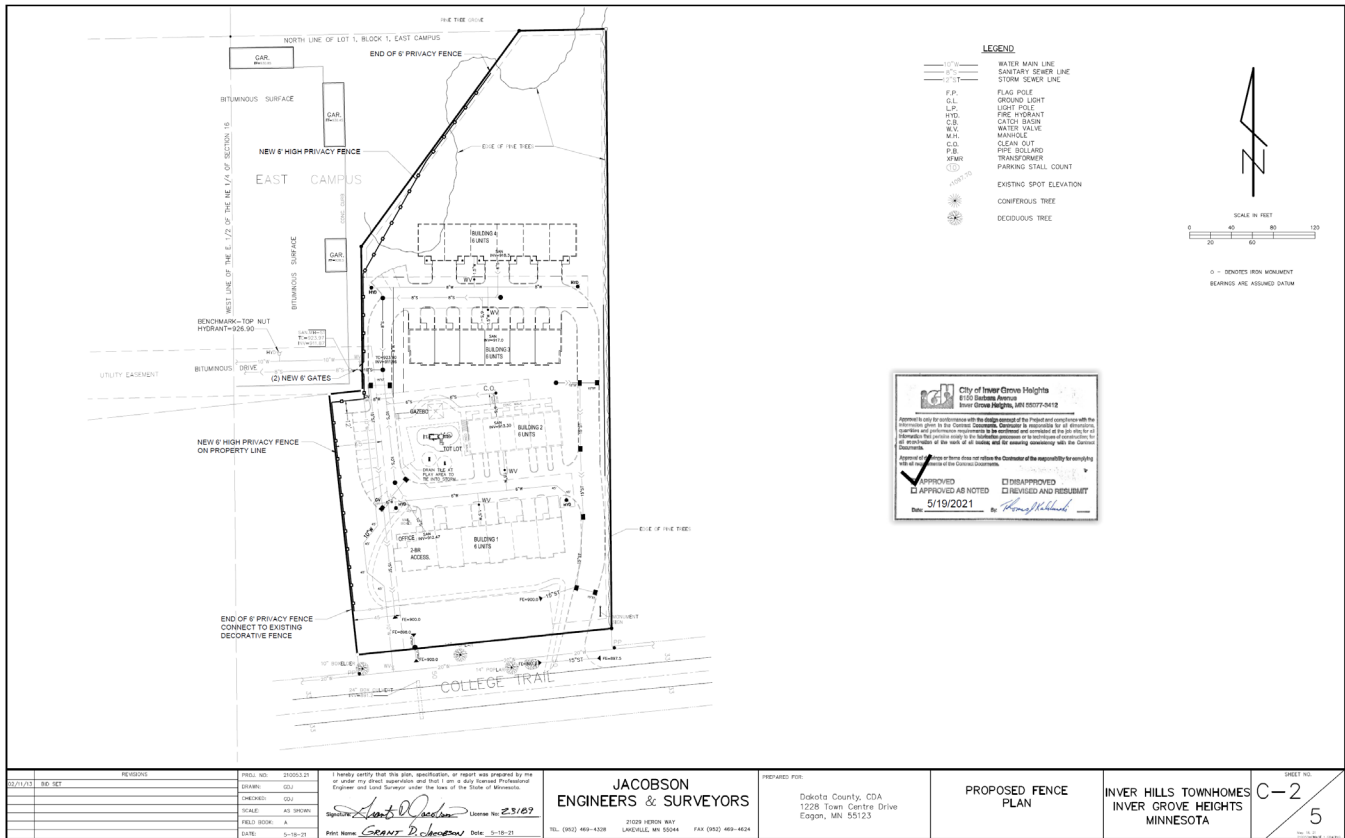
This instrument was drafted by:

Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, Minnesota 55075
(651)451-1831

After recording, please return to:

Timothy J. Kuntz
LeVander, Gillen & Miller
633 South Concord Street, Suite 400
South St. Paul, Minnesota 55075
(651)451-1831

EXHIBIT A CONSTRUCTION PLAN



**Request for Council Action****Consider Resolution Approving an Easement Encroachment Agreement with Magellan Pipeline for Public Improvements Related to Canvas at Inver Grove Heights Development**

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	
Item Type:	Consent	Amount included in current budget	
Contact:	Steve W. Dodge, 651-450-2541 <i>SWD</i>	Budget amendment requested	
Prepared by:	Steve W. Dodge, Asst. City Engineer	FTE included in current complement	
Reviewed by:	Thomas J. Kaldunski, City Engineer	New FTE requested - N/A	
	Klay Eckles, Interim Public Works Director	Other: Developer Funded	X

PURPOSE/ACTION REQUESTED

Consider Resolution Approving an Easement Encroachment Agreement with Magellan Pipeline for Public Improvements Related to Canvas at Inver Grove Heights Development

SUMMARY

On April 12, 2021, the City Council approved the final Plat, PUD Development Plan and agreements related to the Canvas at Inver Grove Heights development. A condition of the approval is for the developer, Watermark Properties, to obtain an encroachment agreement with Magellan Pipeline Company, L. P., to extend public infrastructure across the easement and pipeline.

An encroachment agreement between Magellan, Canvas at IGH, and the City of Inver Grove Heights has been drafted and reviewed by City staff and the City Attorney. The agreement covers all necessary City infrastructure to be installed and maintained in the pipeline easement. All license fees, inspections and insurance requirements of the installation are to be funded by Canvas at IGH developer or through development engineering escrow. The encroachment agreement requirements and exhibit pages are on file at the Engineering Division.

Staff recommends Council pass the resolution approving the Magellan Pipeline encroachment agreement for public infrastructure improvements related to the Canvas at IGH development.

SWD/kf

Attachment(s): Resolution
Magellan Pipeline Encroachment Agreement

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION APPROVING AN EASEMENT ENCROACHMENT AGREEMENT WITH MAGELLAN
PIPELINE COMPANY FOR PUBLIC INFRASTRUCTURE IMPROVEMENTS RELATED TO CANVAS AT
INVER GROVE HEIGHTS DEVELOPMENT**

RESOLUTION NO. 2021-163

WHEREAS, On April 12, 2021, the City Council approved the final Plat, PUD Development Plan and agreements related to the Canvas at Inver Grove Heights development. A condition of the approval is for the developer, Watermark Properties, to obtain an encroachment agreement with Magellan Pipeline Company to extend public infrastructure across the easement and pipeline; and

WHEREAS, Magellan Pipeline Company requires an Encroachment Agreement with Canvas at IGH and the City of Inver Grove Heights; and

WHEREAS, the agreement has been reviewed and approved by the City Attorney.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. Said agreement is hereby approved by the City Council of the City of Inver Grove Heights on June 14, 2021.
2. The City of Inver Grove Heights and staff are authorized to enter into an encroachment agreement for public infrastructure crossing being installed across the pipeline easement by Canvas at IGH. The proper City officers be and hereby are authorized to execute such agreement.
3. Funding for the encroachment agreement license fees, inspections and insurance requirements of the installation are to be funded by Canvas at IGH, Watermark Properties, or by the development engineering escrow.

Adopted by the City Council of Inver Grove Heights, Minnesota this June 14, 2021.

Tom Bartholomew, Mayor

ATTEST

Rebecca Kiernan, City Clerk

ENCROACHMENT AGREEMENT

This Encroachment Agreement ("**Agreement**") is made and entered into by and between Magellan Pipeline Company, L.P., a Delaware limited partnership, whose address is P.O. Box 22186, Tulsa, Oklahoma, 74121-2186, (hereinafter called "**Magellan**"), and Canvas IGH Owner, L.P., a Delaware limited partnership, whose mailing address is 206 Main Street, Wheaton, Illinois 60187, its successors, assigns and grantees and the City of Inver Grove Heights, a municipal corporation, whose mailing address is 8150 Barbara Avenue, Inver Grove Heights, MN 55077, its successors, assigns and grantees (hereinafter collectively called "**Owner**").

WITNESSETH:

WHEREAS, **Owner** represents and warrants that **Owner** owns all the certain land (hereinafter "**Owner's Land**"), described on attached **Exhibit "A"** and made a part hereof, per the Limited Warranty Deed executed on the 23rd day of December, 2020 and recorded in the records of Dakota County, Minnesota on the 4th day of January, 2021 as Document Number 3426820 and

WHEREAS, **Magellan** is the owner of certain pipelines, pipeline facilities and appurtenances (hereinafter referred to as the "**Magellan Facilities**") and easement rights therefor, (hereinafter referred to as the "**Easement**", whether or not rights were granted in one or more documents or acquired by operation of law). For purposes of this **Agreement** only, "**Magellan's Easement Tract**" shall be considered to be any area within Fifty (50) feet of any **Magellan Facilities**, unless a different right of way tract width is specifically described in the **Easement**, in which case such specified width shall define **Magellan's Easement Tract**. The land referenced in the **Easement** includes a portion of the Southwest Quarter of the Southwest Quarter (SW/4 of SW/4) of Section 5, Township 27 North, Range 22 West, Dakota County, Minnesota, pursuant to those certain instruments recorded in the records of said county and state and described as follows:

- 1) Right of Way Agreement as to a pipe line or pipe lines dated March 13, 1931, from John Flamm and Susan Flamm, husband and wife, in favor of Great Lakes Pipe Line Company (Magellan's predecessor in title), its successors and assigns, and filed for record in Book 41 at Page 323 of the Dakota County Deed Records; and

- 2) Partial Release and Grant of Right of Way dated August 20, 1965, from Albert H. Wille and Alvina Wille, husband and wife, in favor of Great Lakes Pipe Line Company (Magellan's predecessor in title), its successors and assigns, and filed for record in Book 60 at Page 230 of the Dakota County Deed Records; and

WHEREAS, for the purposes of this **Agreement** an "**Encroachment**" is defined as any use of the land within **Magellan's Easement Tract** by someone other than **Magellan**, which could interfere with **Magellan's Easement** rights or could create safety concerns related to **Magellan's Facilities** as more fully described in **Magellan's General Encroachment Requirements** as set forth in attached **Exhibit "B"** and incorporated herein by reference. **Magellan does not permit or authorize any Encroachments unless specifically approved in a written agreement identifying all "Approved Encroachments";** and

WHEREAS, **Owner** desires to obtain **Magellan's** consent for one or more **Encroachments** on **Magellan's Easement Tract**;

NOW, THEREFORE, in consideration of the covenants and agreements herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **Magellan**, subject to the following terms and provisions, hereby consents to the **Encroachments** listed below as "**Approved Encroachments**" described and limited pursuant to the following specified plan drawings, which were furnished by **Owner** to **Magellan** ("**Plan Drawings**") and attached hereto as **Exhibit "C"**:

- 1) Details Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 3 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 2) Site, Lighting and Signage Plan Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 5 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 3) Site, Lighting and Signage Plan Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 6 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 4) Grading and Drainage Plan Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 9 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 5) Grading and Drainage Plan Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 10 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 6) Grading and Drainage Plan Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 11 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 7) Grading Profiles Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 12 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 8) Gas Pipeline Plan and Profile Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 19 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 9) Gas Pipeline Plan and Profile Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 20 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 10) Trail Plan and Profile Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 21 of 52 by Alliant Engineering, Inc. dated 4/1/21.

- 11) Trail Plan and Profile Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 22 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 12) Sanitary Sewer and Watermain Plan Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 27 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 13) Sanitary Sewer and Watermain Plan Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 28 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 14) Sanitary Sewer and Watermain Plan Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 32 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 15) Storm Sewer Plan Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 33 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 16) Street and Storm Sewer Plan and Profiles Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 35 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 17) Landscape Plan Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 44 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 18) Landscape Plan Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 45 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 19) Landscape Plan Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 46 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 20) Tree Preservation Plan Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 48 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 21) Tree Preservation Plan- View A Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 49 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 22) Tree Preservation Plan- View B Drawing on project number 220-0092 Canvas at Inver Grove Heights as Sheet 50 of 52 by Alliant Engineering, Inc. dated 4/1/21.
- 23) Future Phase with Ex. Contours Sketch Sheet 1 of 2 as provided by Canvas at Inver Grove Heights
- 24) Future Phase Site Plan Sheet 2 of 2 as provided by Canvas at Inver Grove Heights
- 25) NWA Emergency Pumping Systems & Forecmain Improvements Drawing on project number 2021-03 as Sheet C-401 by Wenck Engineering dated 4/19/21.

TERMS AND PROVISIONS

1. **Approved Encroachments.** The **Approved Encroachments**, as further identified, described and limited in the **Plan Drawings** as set forth in **Exhibit “C”** are limited to the following:

Encroachments:

Gas Pipeline Plan and Profile	Sheet 19 of 52
Gas Pipeline Plan and Profile	Sheet 20 of 52

*Note: ESN is approximate.

1. General Project Grading, ESN 12486+15 to 12503+04.
2. 16" DIP Watermain, ESN 12491+95.
3. Allen Way, ESN 12492+00.
4. 10" DIP Sanitary Sewer, ESN 12492+05.
5. 30" RCP Storm Sewer, ESN 12492+17.
6. Storm Sewer Force Main, ESN 12492+27.
7. Allen Court Drive Turnaround, ESN 12496+45 to 12496+75.
8. Allen Court, Parking Area, and Lot #5 Driveway, ESN 12496+95 to 12498+05.
9. 8" DIP Watermain, ESN 12498+25.
10. Avena Path Drive and Parking Area, ESN 12498+35.
11. 10' Wide Bituminous Trail, ESN 12486+15 to 12503+04.
12. Landscaping, ESN 12486+15 to 12503+04.

Description of Encroachments:

1. General Project Grading, ESN 12486+15 to 12503+04

Grading and Drainage Plan	Sheet 9 of 52
Grading and Drainage Plan	Sheet 10 of 52
Grading and Drainage Plan	Sheet 11 of 52

Grading for the proposed project is planned in the Magellan Easement Tract from approximate ESN 12486+15 to 12503+04. Existing cover over the top of pipeline is approximately 2' to 4'. The project plans indicate that up to 6' feet of fill will be placed at various locations in the easement, but the depth of cover over the pipeline will not exceed 8'.

Magellan has no objections to the proposed grading; however, a Magellan representative is required to be onsite during construction activities to verify that the pipeline is not damaged upon completion of the work.

2. 16" DIP Watermain, ESN 12491+95

Sanitary Sewer and Watermain Plan	Sheet 27 of 52
Sanitary Sewer Plan and Profiles	Sheet 28 of 52

The project proposes to construct a 16" DIP watermain that will cross under the Magellan pipeline. The watermain will cross under the Magellan line with approximately 2' of clearance. The Magellan line is approximately 2' deep. The completed depth of cover over the 16" DIP watermain at the pipeline location will be approximately 10'. Depending on the watermain installation method and construction sequencing, engineered support of the pipeline during watermain installation may be required. Construction details shall be discussed with the Magellan Representative to determine whether an engineered system is required and if so, the design shall be reviewed by Magellan prior to construction.

Potholing should be performed prior to construction to confirm the pipeline location. Any fill placed adjacent to the Magellan pipe as part of the backfill of the potholes shall be per Magellan specifications and approved by the Magellan Representative.

Magellan has no objections to the proposed 16" DIP watermain; however, a Magellan representative is required to be onsite during potholing and construction activities to verify that the separation distance is achieved and the pipeline is not damaged upon completion of the work.

3. Allen Way, ESN 12492+00

Details	Sheet 3 of 52
Site, Lighting, and Signage Plan	Sheet 5 of 52
Site, Lighting, and Signage Plan	Sheet 6 of 52
Grading and Drainage Plan	Sheet 9 of 52
Grading and Drainage Plan	Sheet 10 of 52
Grading Profiles	Sheet 12 of 52
Storm Sewer Plan	Sheet 33 of 52
Street and Storm Sewer Plan and Profiles	Sheet 35 of 52

The project proposes to construct a 32' wide driveway with curb and gutter crossing the Magellan pipeline. The pavement section consists of three (3) layers of 2" bituminous material; over 10" aggregate; over 24" select granular material; over a geotextile fabric. There will also be a 10' wide bituminous trail and a 6' wide concrete sidewalk trail along Allen Way. The trail section will consist of 3" bituminous material; over 6" aggregate base; over compacted subgrade. The sidewalk section will consist of 6" concrete; over 6" aggregate base. The trail and sidewalk will be on opposite sides of Allen Way. The existing depth of cover over the pipeline at the proposed roadway location is approximately 2'. After completion, the centerline of the new roadway will have approximately 5' depth of cover over the pipeline. No pipeline mitigations related to the new drive are required at this location; however, a Magellan representative is required to be onsite during construction activities.

4. 10" DIP Sanitary Sewer, ESN 12492+05

Sanitary Sewer and Watermain Plan	Sheet 27 of 52
Sanitary Sewer Plan and Profiles	Sheet 28 of 52

The project proposes to construct a 10" DIP sanitary sewer that will cross under the Magellan pipeline. The sanitary sewer will cross under the Magellan line with approximately 20' of clearance. The Magellan line is approximately 2' deep. The completed depth of cover over the sanitary sewer at the pipeline location will be approximately 31'. Depending on the sanitary sewer installation method and construction sequencing, engineered support of the pipeline during sanitary sewer installation may be required. Construction details shall be

discussed with the Magellan Representative to determine whether an engineered system is required and if so, the design shall be reviewed by Magellan prior to construction.

Potholing should be performed prior to construction to confirm the pipeline location. Any fill placed adjacent to the Magellan pipe as part of the backfill of the potholes shall be per Magellan specifications and approved by the Magellan Representative.

Magellan has no objections to the proposed 10" DIP sanitary sewer; however, a Magellan representative is required to be onsite during potholing and construction activities to verify that the separation distance is achieved and the pipeline is not damaged upon completion of the work.

5. 30" RCP Storm Sewer, ESN 12492+17

Storm Sewer Plan	Sheet 33 of 52
Street and Storm Sewer Plan and Profiles	Sheet 35 of 52

The project proposes to construct a 30" RCP storm sewer that will cross under the Magellan pipeline. The storm sewer will cross under the Magellan line with approximate 3' of clearance. The Magellan line is approximately 2' deep. The completed depth of cover over the RCP storm sewer at the pipeline location will be approximately 10'. Depending on the RCP storm sewer installation method and construction sequencing, engineered support of the pipeline during storm sewer installation may be required. Construction details shall be discussed with the Magellan Representative to determine whether an engineered system is required and if so, the design shall be reviewed by Magellan prior to construction.

Potholing should be performed prior to construction to confirm the pipeline location. Any fill placed adjacent to the Magellan pipe as part of the backfill of the potholes shall be per Magellan specifications and approved by the Magellan Representative.

Magellan has no objections to the proposed 30" RCP storm sewer; however, a Magellan representative is required to be onsite during potholing and construction activities to verify that the separation distance is achieved and the pipeline is not damaged upon completion of the work.

6. Storm Sewer Force Main, ESN 12492+27

EP-027 Forcemain Plan and Profile	Sheet C-401
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The project proposes to construct a 10" C900 PVC storm sewer force main that will cross under the Magellan pipeline. The storm sewer will cross under the Magellan line with approximate 2' of clearance. We understand that the force main will be installed using open cut trench methods. The Magellan line is approximately 3' deep; however, potholing should be performed prior to construction to confirm the pipeline location. Any fill placed adjacent

to the Magellan pipe as part of the backfill of the potholes shall be per Magellan specifications and approved by the Magellan Representative.

Magellan has no objections to the proposed 10" force main; however, a Magellan representative is required to be onsite during potholing and construction activities to verify that the separation distance is achieved and the pipeline is not damaged upon completion of the work.

7. Allen Court Drive Turnaround, ESN 12496+45 to 12496+75

Future Phase with Ex. Contours Sketch	Sheet 1 of 2
Future Phase Site Plan Sketch	Sheet 2 of 2
Grading and Drainage Plan	Sheet 9 of 52
Grading and Drainage Plan	Sheet 10 of 52
Grading Profiles	Sheet 12 of 52

The project proposes to construct a new roadway turnaround, a portion of which will extend into the north side of the Magellan easement. The turnaround will not cross the pipeline. The pavement section has not been provided at this time. Based on the plans, it appears less than 2' of fill will be required in the easement in order to construct the turnaround (refer to Encroachment #1 above).

Magellan has no objections to the proposed turnaround; however, a Magellan representative is required to be onsite during construction activities to verify the pipeline is not damaged upon completion of the work. It shall be noted that in the event future pipeline maintenance is required, the turnaround access may be impacted by the maintenance activities.

8. Allen Court, Parking Area, and Lot #5 Driveway, ESN 12496+95 to 12498+05

Future Phase with Ex. Contours Sketch	Sheet 1 of 2
Future Phase Site Plan Sketch	Sheet 2 of 2
Grading and Drainage Plan	Sheet 9 of 52
Grading and Drainage Plan	Sheet 10 of 52
Grading Profiles	Sheet 12 of 52

The project proposes to construct a new roadway, parking area, and driveway, a portion of which will extend into the north side of the Magellan easement. None of these items will cross the pipeline. The pavement section has not been provided at this time. Based on the plans, it appears less than 2' of fill will be required in the easement in order to construct the roadway, parking area, and driveway (refer to Encroachment #1 above).

Magellan has no objections to the proposed roadway, parking area, and driveway; however, a Magellan representative is required to be onsite during construction activities to verify the pipeline is not damaged upon completion of the work. It shall be noted that in the event

future pipeline maintenance is required, the roadway, parking area, and driveway access may be impacted by the maintenance activities.

9. 8" DIP Watermain, ESN 12498+25

Sanitary Sewer Plan and Profiles	Sheet 32 of 52
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The project proposes to construct an 8" DIP watermain that will cross under the Magellan pipeline. The watermain will cross under the Magellan line with approximate 2' of clearance. The Magellan line is approximately 3' deep. The competed depth of cover over the 8" DIP watermain at the pipeline location will be approximately 10'. Depending on the 8" DIP watermain installation method and construction sequencing, engineered support of the pipeline during 8" DIP watermain installation may be required. Construction details shall be discussed with the Magellan Representative to determine whether an engineered system is required and if so, the design shall be reviewed by Magellan prior to construction.

Potholing should be performed prior to construction to confirm the pipeline location. Any fill placed adjacent to the Magellan pipe as part of the backfill of the potholes shall be per Magellan specifications and approved by the Magellan Representative.

Magellan has no objections to the proposed 8" DIP watermain; however, a Magellan representative is required to be onsite during potholing and construction activities to verify that the separation distance is achieved and the pipeline is not damaged upon completion of the work.

10. Avena Path Drive and Parking Area, ESN 12498+35

Street and Storm Sewer Plan and Profiles	Sheet 39 of 52
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The project proposes to construct a new roadway, Avena Path and associated parking area, which will extend slightly into the south side of the Magellan easement. The paved area will not cross the pipeline. The pavement section consists of two (2) layers of 2" bituminous material; over 6" aggregate; over 24" select granular material; over a geotextile fabric. Based on the plans, it appears approximately 2' of fill will be required in the easement in order to construct the roadway and parking area (refer to Encroachment #1 above).

Magellan has no objections to the proposed roadway and parking area; however, a Magellan representative is required to be onsite during construction activities to verify the pipeline is not damaged upon completion of the work. It shall be noted that in the event future pipeline maintenance is required, the roadway and parking area access may be impacted by the maintenance activities.

11. 10' Wide Bituminous Trail, ESN 12486+15 to 12503+04

Trail Plan and Profile	Sheet 21 of 52
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Trail Plan and Profile	Sheet 22 of 52
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The project proposes to construct a 10' wide bituminous trail along the southeast edge of the Magellan easement. The trail section will consist of 3" bituminous material; over 6" aggregate base; over compacted subgrade. The trail will not cross the pipeline but the edge of the trail will be over the pipeline for an approximate 25' distance. Additionally, up to approximately 6' of fill at various locations will be required in the easement in order to construct the trail (refer to Encroachment #1 above).

Magellan has no objections to the proposed trail; however, a Magellan representative is required to be onsite during construction activities to verify that the 6' of fill is not exceed and the pipeline is not damaged upon completion of the work. It shall be noted that in the event future pipeline maintenance is required, trail access may be impacted by the maintenance activities. This applies to the entire 10' wide trail length across the development within the Magellan Pipeline Easement.

12. Landscaping, ESN 12486+15 to 12503+04

Landscape Plan	Sheet 44 of 52
Landscape Plan	Sheet 45 of 52
Landscape Plan	Sheet 46 of 52
Tree Preservation Plan	Sheet 48 of 52
Tree Preservation Plan – View A	Sheet 49 of 52
Tree Preservation Plan – View B	Sheet 50 of 52

The project proposes to install new vegetation features in the Magellan Easement. Trees are not permitted on the Magellan Easement Tract. Shrubs exceeding 3' in height and/or obstructing the view of any Magellan pipeline marker posts are not permitted on Magellan's Easement Tract. A Magellan Representative shall confirm that any vegetation installed in the easement meets the Magellan Encroachment Guidelines. Existing vegetation in the easement that does not meet the Magellan requirements shall be removed.

Other Considerations:

Any work outside the scope of this impact study is not approved and must be evaluated by the appropriate Magellan Representative(s) before the work is performed.

Should ownership of **Owner's Land** change, **Owner** shall notify **Magellan** of said change in writing. **Owner** shall provide a copy of the Magellan Encroachment Guidelines to any subsequent owner of **Owner's Land**.

No fencing shall be allowed within the Magellan Easement Tract on Lots 4 or 5 in Block 4 as laid out in the Canvas at Inver Grove Heights Future Phase Site Plan.

Heavy Equipment Crossings

Anticipated construction traffic information has been provided to Magellan and pipeline stress calculations have been performed. A minimum of 5' of cover over the top of pipe is required. The existing cover through the project area over the pipeline ranges from 2' to 4', so an additional 1' to 3' is needed, depending on the location.

Any fill placed adjacent to the Magellan pipe as part of the new construction shall be per Magellan specifications and approved by the Magellan Representative.

If digging within 2 feet of the Magellan pipeline, hand digging is required.

Recommended Action:

No pipeline adjustments are necessary.

A company representative will need to be present during construction of the proposed improvements to confirm minimum clearance and depth of cover requirements have been met and that the existing Magellan pipelines are not damaged. The contractor will need to contact a company representative a minimum of two (2) weeks prior to commencing any construction activities over or across Magellan's Easement Tract in order to allow appropriate field supervision to be present during construction.

2. **No Other Encroachments.** Except for the **Approved Encroachments** as allowed by this **Agreement**, **Owner** shall not create, erect, place or construct any other **Encroachment** on, above or below the surface of the ground on **Magellan's Easement Tract**, or change the grade or elevation of the ground surface within **Magellan's Easement Tract** or at any time plant or allow any trees thereon or cause or permit any of these to be done by others, without the express prior written permission of **Magellan**.
3. **Magellan On-Site Representative.** Exclusive of Saturday, Sunday, and legal holidays, **Owner** shall notify **Magellan** a minimum of 48 hours in advance of any **Encroachment** activities on **Magellan's Easement Tract** so that **Magellan** may arrange to have a representative present. At **Magellan's** option and at **Owner's** sole cost and expense, **Magellan's** representative may be on site during all **Encroachment** activities over or within ten feet (10') of the **Magellan Facilities** to confirm that no damage occurs to the **Magellan Facilities**. The presence of **Magellan's** representative or any verbal instructions given by such representative shall not relieve **Owner** of any liability under the **Easement** or this **Agreement**, and will not change the terms of the **Easement** or this **Agreement**, which may only be changed by written agreement by authorized representatives of **Owner** and **Magellan**. If pipeline, coating, cathodic protection and/or any other repair of **Magellan Facilities** is required by **Magellan** or if the safety of the **Magellan Facilities** is jeopardized,

in **Magellan's** sole judgment, **Owner** shall stop all construction activities on **Magellan's Easement Tract** until said repairs are completed or until any unsafe construction practices are resolved to the satisfaction of **Magellan's** on-site representative. Written notification of such construction activity shall be made to Bruce Krech, **MAGELLAN PIPELINE COMPANY, Coordinator of Operations & Maintenance, 2451 West County Road C, Roseville, MN 55113, bruce.krech@magellanlp.com, Cell: (612) 257-4726**, or such other representative of **Magellan**, which **Magellan** may from time to time designate.

4. **Protection of Magellan Facilities.** **Owner** shall protect the **Magellan Facilities** if excavating and backfilling become necessary within **Magellan's Easement Tract**. If excavating within 2 feet of any Magellan pipeline or when otherwise deemed necessary by **Magellan's** on-site representative, **Owner** shall perform any necessary digging or excavation operations by hand digging. **Owner** shall reimburse **Magellan** for all costs of having a representative of **Magellan** on-site during construction activities related to the **Approved Encroachments**.
5. **Breach.** If either **Owner** or **Magellan** breaches this **Agreement** and the non-breaching party commences litigation to enforce any provisions of this **Agreement**, the reasonable cost of attorneys' fees and expenses will be payable to the non-breaching party by the breaching party upon demand, for all claims upon which the non-breaching party prevails.
6. **Insurance.** **Owner** shall procure or cause its contractors and subcontractors to procure and maintain in force throughout the entire term of this **Agreement** insurance coverage described below with insurance companies acceptable to **Magellan** for work performed related to the construction of the **Approved Encroachments**. All costs and deductible amounts will be the responsibility and obligation of the **Owner** or its contractors and subcontractors. Prior to commencing any activities related to the construction of the **Approved Encroachments**, the **Owner** must deliver to **Magellan** certificate(s) of insurance, naming **Magellan Midstream Partners, L.P. and its Affiliates** as an additional insured. The limits set forth below are minimum limits and will not be construed to limit the **Owner's** liability:
 - (a) Workers' Compensation insurance complying with the laws of the State or States having jurisdiction over each employee and Employer's Liability insurance with limits of \$1,000,000 per accident for bodily injury or disease.
 - (b) Commercial General Liability insurance on an occurrence form with a combined single limit of \$5,000,000 each occurrence; and for project specific, an annual aggregate of \$5,000,000. Coverage must include premises/operations, products/completed operations, and sudden and accidental pollution. **Magellan Midstream Partners, L.P. and its Affiliates** (hereinafter defined), and its and their respective directors, officers, partners, members, shareholders, employees, agents, and contractors shall be included as additional insureds. The term "Affiliate(s)" as used herein means, with respect to Magellan Midstream Partners, L.P., any individual, corporation, partnership, limited partnership,

limited liability company, limited liability partnership, firm, association, joint stock company, trust, unincorporated organization, governmental body, or other entity (collectively, a “Person”) that directly, or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with Magellan Midstream Partners, L.P. The term “control” (including the terms “controlled by” and “under common control with”), as used in the previous sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of Magellan Midstream Partners, L.P. or such Person, as applicable, whether through ownership of voting stock, ownership interest or securities, by contract, agreement or otherwise.

- (c) The Sudden and Accidental Pollution can be a separate, stand alone policy, but must still meet the \$5,000,000 minimum limit requirement. If the coverage is written on a claims-made policy form, the coverage must be maintained for two (2) years following completion of the work activities related to the Approved Encroachments.
 - (d) In each of the above policies, the **Owner** or its contractors and subcontractors agree to waive and will require its insurers to waive any rights of subrogation or recovery either may have against **Magellan** and its affiliated companies.
 - (e) Regardless of the insurance requirements above, the insolvency, bankruptcy, or failure of any such insurance company providing insurance for the **Owner** or its contractors and subcontractors, or the failure of any such insurance company to pay claims that occur, such requirements, insolvency, bankruptcy or failure will not be held to waive any of the provisions hereof.
 - (f) In the event of a loss or claim arising out of or in connection with the construction of the **Approved Encroachments**, the **Owner** agrees, upon request of **Magellan**, to submit a certified copy of its insurance policies for inspection by **Magellan**.
 - (g) The **Owner** shall require all of its contractors and subcontractors for work related to the construction of the **Approved Encroachments** to provide adequate insurance coverage, all to be endorsed with the Waiver of Subrogation wording referenced in Section (d) above; any deficiency in the coverage, policy limits, or endorsements of said contractors and subcontractors, shall be the sole responsibility of the **Owner**.
7. **Indemnification.** **Owner** will indemnify, save, and hold harmless **Magellan**, its affiliated companies, directors, officers, partners, employees, agents and contractors from any and all environmental and non-environmental liabilities, losses, costs, damages, expenses, fees (including reasonable attorneys’ fees), fines, penalties, claims, demands, causes of action, proceedings (including administrative proceedings), judgments, decrees and orders resulting from **Owner’s** breach of this **Agreement** or caused by or as a result of the construction, use, maintenance, existence or removal of the **Approved Encroachments** or **Other**

Encroachments located on the **Magellan Easement Tract**. The presence of **Magellan's** representative or any instructions given by such representative will not relieve **Owner** of any liability under this **Agreement**, except to the extent that such liability results from **Magellan's** or its representative's gross negligence or willful misconduct.

8. **Damage or Loss.** **Owner** covenants that:

- (a) If at any time, in the sole opinion of **Magellan**, it becomes necessary for **Magellan**, to cross, occupy, utilize, move or remove all or portions of the **Approved Encroachments** placed on **Magellan's Easement Tract** or constructed pursuant to this **Agreement**, for any purpose, including but not limited to surveying, constructing new facilities, maintaining, inspecting, operating, protecting, repairing, replacing, removing or changing the size of a pipeline(s) and appurtenances on **Magellan's Easement Tract** and such activities by **Magellan** result in damage to or destruction of the **Approved Encroachments**, then repair, replacement or restoration of such **Approved Encroachments** shall be at the sole cost and responsibility of **Owner**.
- (b) If at any time, any encroachments belonging to or permitted by **Owner** which are not authorized by this or another written agreement ("**Other Encroachments**") are found to be on **Magellan's Easement Tract**, **Magellan** may at any time request **Owner** to remove such **Other Encroachments**, and if **Owner** refuses or fails to do so within a reasonable time, **Magellan's** may remove them from **Magellan's Easement Tract** to **Owner's Land** at **Owner's** expense, unless they are allowed to remain by a written agreement between **Magellan** and **Owner**. Should such removal activities by **Magellan** result in damage to or destruction of the **Other Encroachments**, then repair, replacement or restoration of such **Other Encroachments** shall be at the sole cost and responsibility of **Owner**, and such **Other Encroachments** may not be repaired, replaced or rebuilt on **Magellan's Easement Tract** without a written agreement between **Magellan** and **Owner**.
- (c) If during the exercise of the rights granted by the **Easement** or by this **Agreement**, the **Approved Encroachments** and **Other Encroachments**, if any, are damaged, destroyed or suffer loss of value, **Owner** agrees to release **Magellan**, its affiliates, and its and their respective directors, officers, members, partners, shareholders, employees, agents and contractors from and against any and all liabilities, and damages or losses which may arise as a result of the damage to or loss of use of the **Approved Encroachments** and **Other Encroachments**, if any, caused by **Magellan**, its employees, agents and contractors.

9. **Magellan Rights.** **Magellan** and **Owner** agree that the existence of the **Approved Encroachments** or this **Agreement** does not constitute a waiver of **Magellan's** rights under the **Easement**. **Magellan** hereby reserves and **Owner** hereby grants and confirms all of

Magellan's rights, title and estate as set forth in the **Easement**.

10. The terms and conditions of this **Agreement** will constitute covenants running with the land and be binding upon and inure to the benefit of the parties hereto, their successors, assigns and grantees. This **Agreement** may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. This **Agreement** shall become effective upon its complete execution by the parties hereto.

IN WITNESS WHEREOF, the parties have set their hands on the dates expressed below.

MAGELLAN PIPELINE COMPANY, L.P.

By Its General Partner, Magellan Pipeline GP, LLC
By Its Undersigned Authorized Signatory:

By: _____

Name: _____

Date: _____

CANVAS IGH OWNER, L.P.

By: _____

Name: _____

Title: _____

Date: _____

CITY OF INVER GROVE HEIGHTS

By: _____

Name: _____

Title: Mayor

Date: _____

By: _____

Name: _____

Title: City Clerk

Date: _____

STATE OF _____)
) SS
COUNTY OF _____)

Before me, the undersigned, a Notary Public in and for the County aforesaid, on this ____ day of _____, 2021, personally appeared _____ and _____ to me known personally to be the Mayor and City Clerk of the CITY OF INVER GROVE HEIGHTS, a municipal corporation, who being duly sworn did acknowledge to me that he/she executed the foregoing instrument on behalf of said CITY OF INVER GROVE HEIGHTS as the free and voluntary act and deed of said municipal corporation, for the uses, purposes and consideration therein set forth.

Witness my hand and official seal.

Notary Public

My Commission Expires:

EXHIBIT “A”

OWNER’S LAND

The Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section 5,
Township 27N, Range 22W in Dakota County, Minnesota.

EXHIBIT “B”

GENERAL ENCROACHMENT REQUIREMENTS

EXHIBIT “C”
PLAN DRAWINGS

**Request for Council Action****Approve Letter of Support for Dakota County CIP and its Transportation Sales and Use Tax Capital Improvement Program (TSUT CIP) for 2021-2026**

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	X
Item Type:	Consent	Amount included in current budget	
Contact:	Thomas J. Kaldunski, 651-315-6336	Budget amendment requested	
Prepared by:	Thomas J. Kaldunski, City Engineer	FTE included in current complement	
Reviewed by:	Klay Eckles, Interim Public Works Director	New FTE requested - N/A	
		Other: Click or tap here to enter text.	

PURPOSE/ACTION REQUESTED

Approve letter of support for Dakota County CIP and its Transportation Sales and Use Tax Capital Improvement Program (TSUT-CIP) for 2021-2026.

SUMMARY

The cities of Inver Grove Heights and Eagan are partnering with Dakota County to improve CSAH 26 (Lone Oak Road/70th Street) from Trunk Highway 55 to Trunk Highway 3. Inver Grove will also be working with Dakota County on the 117th Street Reconstruction project. Additional projects include pedestrian safety at 80th Street and Barbara Avenue, upgrading TH 3 with MnDOT and County, trails near Upper 55th and Babcock Trail, turnback and storm improvements on old Argenta Trail.

I recommend that City Council approve the letter of support.

TJK/kf

Attachment(s): Letter of Support



8150 Barbara Avenue
Inver Grove Heights
Minnesota 55077

PHONE 651-450-2500
FAX 651-450-2502

www.ighmn.gov

June 15, 2021

Ms. Holly Anderson
Dakota County Highway Department
14955 Galaxie Avenue
Apple Valley, MN 55124

Dear Ms. Anderson:

Listed below are the City of Inver Grove Heights' recommendations regarding Dakota County's Capital Improvement Program (CIP) and its Transportation Sales and Use Tax Capital Improvement Program (TSUT CIP). These projects were discussed with County staff on April 27, 2021.

No.	Project	Current Schedule	City Recommended
28-xx	CR 28 - Pedestrian Safety Improvements at Barbara Ave Intersection	2021	2021
xx-xx	TH 3 Scoping Study	2021 Study	2021 Study
63-27	Argenta Trail Turnback Project	2021 Design/ROW 2022 Construction	2021 Design/ROW 2022 Construction
73-xx	CR 73 - Babcock Trl Pedestrian Trail GAP Project	2022	2022 -Scoping Trail at Upper 55 th St
32-65	CSAH 32 (117 th St.) CSAH 71 to TH 52	2021 ROW Acquisition 2022 Construction	2022 Design 2023 ROW Acquisition 2024 Utility Relocation 2025 Construction
26-60	CSAH 26 - TH 3 to CSAH 73 (Babcock Trail)	2023 Design	2023 Design
28-48	CR 28 - TH 3 to 0.62 miles east	2025 Design	2025 Design

We recognize the financial restrictions of the County, as well as the City, and we will continue to work with you regarding a final 2022-2026 schedule.

Sincerely,

Tom Bartholomew
Mayor

TJK/kf

Request for Council Action

Consider Resolution Accepting the MS4 Annual Report for 2020

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	X
Item Type:	Consent	Amount included in current budget	
Contact:	Thomas J. Kaldunski, 651-315-6336	Budget amendment requested	
Prepared by:	Steve W. Dodge, Asst. City Engineer	FTE included in current complement	
Reviewed by:	Klay Eckles, Interim Public Works Director	New FTE requested - N/A	
		Other: Click or tap here to enter text.	

PURPOSE/ACTION REQUESTED

Consider resolution accepting the MS4 Annual Report for 2020.

SUMMARY

The implementation requirements of the City's MS4 (municipal separate storm sewer system) Permit requires the city to prepare an Annual Report to the MPCA (Minnesota Pollution Control Agency). A copy of the MS4 Annual Report for 2020 is attached.

The City completed a program that took care of the aspects of our Annual Report, including developing and providing required education materials for the public and providing an inspection and record keeping database for City use.

The Annual Report was provided to the public via the city website. The MS4 Annual Permit and PowerPoint documents were made available for a 30-day public review and comment period. Two residents provided comments regarding the MS4 program and annual report. A Facebook advertisement was created as an effective method to notify local residents and business owners of the opportunity to attend a Zoom live event and to review and comment on the annual report. The Facebook ad had 392 people reached as of May 27, 2021. The comments received did not result in any significant changes to the City's MS4 Program and a Record of Decision was prepared (see attached). The City's 2020 MS4 Program included improvement actions, maintenance programs, training, inspections, and the implementation of the 2013 MS4 General Permit requirements. The city continued a five-year annual inspection plan for identifying and correcting the storm water facility maintenance needs.

I recommend approval of the resolution accepting the 2020 MS4 Annual Report and Record of Decision. The city must provide this Annual Report to the MPCA by June 30, 2021.

SWD/np

Attachment(s): Resolution
2021 Record of Decision
MS4 Annual Report

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION ACCEPTING THE MS4 ANNUAL REPORT FOR 2020

RESOLUTION NO. 2021-164

WHEREAS, the City Public Works Department completed required implementation tasks for 2021 for the City's MS4 (municipal separate storm sewer system) Permit; and

WHEREAS, the City compiled the MS4 activities in a Record of Activities, prepared an Annual Report for 2020 and provided the MS4 Report to the public; and

WHEREAS, the City heard comments from its residents and concluded that the MS4 activities for 2020 met the permit requirements and staff prepared the 2021 Record of Decision.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA THAT:

1. The 2021 Record of Decision and the MS4 Annual Report for 2020 are hereby accepted and staff is directed to submit the Annual Report to the MPCA ((Minnesota Pollution Control Agency) prior to the June 30, 2021 deadline.

Tom Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk

2021 RECORD OF DECISION

June 14, 2021

CITY OF INVER GROVE HEIGHTS, MN NPDES PHASE II: SMALL MUNICIPAL SEPARATE STORM SEWER SYSTEMS (MS4) {Part V.G.2.b.1-3, c.}

Pursuant to MS4 requirements, the following Record of Decision was created in response to public comments received during the 30 day public open comment period of April 29 through May 27 of 2021, held on a Zoom live event and posted on our City website.

Background & Comments

They City received authorization by the MPCA to modify the public participation method, in accordance with the MPCA guidelines, due to COVID 19 and the Governor's Executive Stay-At-Home Orders and City Council's Emergency Declaration. A PowerPoint presentation along with the annual report, outlined the six minimum control measures the City implemented in 2020 and goals for 2021. The Zoom live event was advertised on Facebook and was held to encourage public comment, determine the appropriateness of the current plan and incorporate public feedback into the SWPPP (if applicable).

They City's web site and Zoom event were utilized to provide the opportunity for residents to view the report and PowerPoint. The Facebook advertising event page had reached 392 people as of May 27, 2021. Public comments received during the 30-day comment period consisted of support for the MS4 program, concern over privately owned and maintained ponds, and support for our roadside raingarden program.

City staff provided general information on these topics and sources where residents can obtain additional information, if desired. Due to the nature of the comments received, no formal response or SWPPP modifications are required by the City.

Any questions regarding the MS4 requirements for the City of Inver Grove Heights may be directed to Tom Kaldunski, City Engineer, at 651-450-2572.

<End of Record of Decision>

MS4 question worksheet
for 2020 annual report**Municipal Separate Storm Sewer Systems (MS4s)**

Reporting period January 1, 2020 to December 31, 2020

Due June 30, 2021

Copy of questions – **Not for submittal**

Instructions: This form is for your personal use only. Complete the online Annual Report to provide a summary of your activities under the 2013 MS4 Permit (Permit) between January 1, 2020, and December 31, 2020. The online Annual Report and additional information can be found on the Minnesota Pollution Control Agency's (MPCA) website at: https://stormwater.pca.state.mn.us/index.php?title=MS4_Annual_Report.

Questions: Contact Cole Landgraf (cole.landgraf@state.mn.us, 651-757-2880)

Contact information**MS4 General contact information**

Full name: Thomas Kaldunski Title: City Engineer
Mailing address: 8150 Barbara Ave
City: Inver Grove Heights State: MN Zip code: 55077
Phone: 651-450-2572 Email: tkaldunski@ighmn.gov

Preparer contact information (if different from the MS4 General contact)

Full name: Nicole Portugal Title: Engineering Technician
Mailing address: 8150 Barbara Ave
City: Inver Grove Heights State: MN Zip code: 55077
Phone: 651-450-2573 Email: nportugal@ighmn.gov

Minimum Control Measure (MCM) 1: Public education and outreach

The following questions refer to Part III.D.1. of the Permit.

2. Did you select a stormwater-related issue of high priority to be emphasized during this Permit term? ☐ Yes ☒ No
[Part III.D.1.a.(1)]
3. If 'Yes' in Q2, what is your stormwater-related issue(s)? *Check all that apply.*
- ☐ Total Maximum Daily Loads (TMDLs)
 - ☐ Local businesses
 - ☐ Residential best management practices (BMPs)
 - ☐ Pet waste
 - ☐ Yard waste
 - ☐ Deicing materials
 - ☐ Household chemicals
 - ☐ Construction activities
 - ☐ Post-construction activities
 - ☐ Other (describe): _____
4. Have you distributed educational materials or equivalent outreach to the public focused on illicit discharge recognition and reporting? [Part III.D.1.a.(2)] ☒ Yes ☐ No
5. Do you have an implementation plan as required by the Permit? [Part III.D.1.b.] ☒ Yes ☐ No
6. How did you distribute educational materials or equivalent outreach? [Part III.D.1.a.] *Check all that apply in table below.*

7. For the items checked in **Q6** below, who is the intended audience? *Check all that apply in table below.*
8. For the items checked in **Q6** below, enter the total circulation/audience in table below (if unknown, use best estimate).

Q6. How did you distribute educational materials? (Check all that apply):	Q7. Intended audience? (Check all that apply.)						Q8. Total circulation/audience:
	Residents	Local businesses	Developers	Students	Employees	Other	
☒ Brochure	☒	☒	☒	☒	☒	☐	34,344
☒ Newsletter	☒	☐	☐	☐	☐	☐	34,344
☐ Utility bill insert	☐	☐	☐	☐	☐	☐	
☐ Newspaper ad	☐	☐	☐	☐	☐	☐	
☐ Radio ad	☐	☐	☐	☐	☐	☐	
☐ Television ad	☐	☐	☐	☐	☐	☐	
☐ Cable access channel	☐	☐	☐	☐	☐	☐	
☒ Stormwater-related event	☐	☐	☐	☐	☐	☐	392
☐ School presentation or project	☐	☐	☐	☐	☐	☐	
☒ Website	☒	☒	☒	☒	☒	☐	34,344
☐ Other (1): describe	☐	☐	☐	☐	☐	☐	
☐ Other (2): describe	☐	☐	☐	☐	☐	☐	
☐ Other (3): describe	☐	☐	☐	☐	☐	☐	

For **Q9** and **Q10**, provide a brief description of each activity related to public education and outreach (e.g., rain garden workshop, school presentation, public works open house) held and the date each activity was held from January 1, 2020, to December 31, 2020. [Part III.D.1.c.(4)]

9. Date of activity *in table below*
10. Description of activity *in table below*

Q9. Date of activity	Q10. Description of activity
Various	8 Landscaping for Clean Water Design Courses

11. Between January 1, 2020, and December 31, 2020, did you modify your BMPs, measurable goals, or future plans for your public education and outreach program? [Part IV.B.] ☒ Yes ☐ No

If 'Yes,' describe these modifications:

A live Zoom event was held for the public and recorded and placed on the City website.

MCM 2: Public participation/involvement

The following questions refer to Part III.D.2.a. of the Permit.

12. You must provide a minimum of one opportunity each year for the public to provide input on the adequacy of your Stormwater Pollution Prevention Program (SWPPP). Did you provide this opportunity between January 1, 2020, and December 31, 2020? [Part III.D.2.a.(1)] ☒ Yes ☐ No
13. If 'Yes' in **Q12**, what was the opportunity that you provided? *Check all that apply.* ☒ Yes ☐ No
- ☐ Public meeting
- ☒ Public event
- ☐ Other

14. If **'Public meeting'** in **Q13**, did you hold a stand-alone meeting or combine it with another event?

- ☐ Stand-alone
☐ Combined

Enter the date of the public meeting:

Enter the number of citizens that attended and were informed about your SWPPP:

15. If **'Public event'** in **Q13**, describe:

A live Zoom event was held for the public and recorded and placed on the City website.

Enter the date (mm/dd/yyyy) of the public meeting:

5/6/2020

Enter the number of citizens that attended and were informed about your SWPPP:

392

16. If **'Other'** in **Q13**, describe:

Enter the date (mm/dd/yyyy) of the public meeting:

Enter the number of citizens that attended and were informed about your SWPPP:

17. Between January 1, 2020, and December 31, 2020, did you receive any input regarding your SWPPP?

☐ Yes ☒ No

If **'Yes,'** enter the total number of individuals or organizations that provided comments on your SWPPP.

18. If **'Yes'** in **Q17**, did you modify your SWPPP as a result of written input received? [Part III.D.2.b.(2)]

☐ Yes ☐ No

If **'Yes,'** describe those modifications.

19. Between January 1, 2020, and December 31, 2020, did you modify your BMPs, measurable goals, or future plans for your public participation/involvement program? [Part IV.B.]

☐ Yes ☒ No

If **'Yes,'** describe those modifications.

MCM 3: Illicit discharge detection and elimination

The following questions refer to Part III.D.3. of the Permit.

20. Do you have a regulatory mechanism which prohibits non-stormwater discharges to your MS4? [Part III.D.3.b.]

☒ Yes ☐ No

21. Did you identify any illicit discharges between January 1, 2020, and December 31, 2020? [Part III.D.3.h.(4)]

☒ Yes ☐ No

22. If **'Yes'** in **Q21**, enter the number of illicit discharges detected.

4

23. If **'Yes'** in **Q21**, how did you discover these illicit discharges? Check all that apply and enter the number of illicit discharges discovered by each category.

- ☒ Public complaint
☒ Staff

24. If **'Public complaint'** in **Q23**, enter the number discovered by the public:

3

25. If **'Staff'** in **Q23**, enter the number discovered by staff:

1

26. If **'Yes'** in **Q21**, did any of the discovered illicit discharges result in an enforcement action (this includes verbal warnings)?

☒ Yes ☐ No

27. If **'Yes'** in **Q26**, what type of enforcement action(s) was taken and how many of each action were

☒ Yes ☐ No

issued between January 1, 2020, and December 31, 2020? **Check all that apply.** For each of the below checked, enter the number that were issued.

- ☒ Verbal warning: 1
- ☐ Notice of violation: _____
- ☐ Fine: _____
- ☐ Criminal action: _____
- ☐ Civil penalty: _____
- ☐ Other: describe _____

28. If 'Yes' in Q26, did the enforcement action(s) taken sufficiently address the illicit discharge(s)? ☒ Yes ☐ No
29. If 'No' in Q28, why was the enforcement not sufficient to address the illicit discharge(s)? _____
30. Do you have written Enforcement Response Procedures (ERPs) to compel compliance with your illicit discharge regulatory mechanism(s)? [Part III.B.] ☒ Yes ☐ No
31. Between January 1, 2020 and December 31, 2020, did you train all field staff in illicit discharge recognition (including conditions which could cause illicit discharges) and reporting illicit discharges for further investigations? [Part III.D.3.e.] ☐ Yes ☒ No
32. If 'Yes' in Q31, how did you train your field staff? **Check all that apply.**
- ☐ Email
 - ☐ PowerPoint
 - ☐ Presentation
 - ☐ Video
 - ☐ Field training
 - ☐ Other: describe _____

The following questions refer to Part III.C.1. of the Permit.

33. Did you update your storm sewer system map between January 1, 2020, and December 31, 2020? [Part III.C.1.] ☒ Yes ☐ No
34. Does your storm sewer map include all pipes 12 inches or greater in diameter and the direction of stormwater flow in those pipes? [Part III.C.1.a.] ☐ Yes ☒ No
35. Does your storm sewer map include outfalls, including a unique identification (ID) number and an associated geographic coordinate? [Part III.C.1.b.] ☒ Yes ☐ No
36. Does your storm sewer map include all structural stormwater BMPs that are part of your MS4? [Part III.C.1.c.] ☒ Yes ☐ No
37. Does your storm sewer map include all receiving waters? [Part III.C.1.d.] ☒ Yes ☐ No
38. In what format is your storm sewer map available:
- ☐ Hardcopy only
 - ☒ GIS
 - ☐ CAD
 - ☐ Other: describe _____
39. Between January 1, 2020, and December 31, 2020, did you modify your BMPs, measurable goals, or future plans for your illicit discharge detection and elimination program? [Part IV.B.] ☐ Yes ☒ No
- If 'Yes,' describe those modifications. _____

MCM 4: Construction site stormwater runoff control

The following questions refer to Part III.D.4. of the Permit

40. Do you have a regulatory mechanism that is at least as stringent as the Agency's general permit to Discharge Stormwater Associated with Construction Activity (CSW Permit) No. Minn. R. 100001 (<http://www.pca.state.mn.us/index.php/view-document.html?gid=18984>) for erosion and sediment controls and waste controls? [Part III.D.4.a.] ☒ Yes ☐ No
(Permit can be found on the MPCA website at <https://www.pca.state.mn.us/water/construction-stormwater> (titled 'Minnesota NPDES/SDS Construction Stormwater General Permit').
41. Have you developed written procedures for site plan reviews as required by the Permit? [Part III.D.4.b.] ☒ Yes ☐ No
42. Have you documented each site plan review as required by the Permit? [Part III.D.4.f.] ☒ Yes ☐ No
43. Enter the number of site plan reviews conducted for sites an acre or greater between January 1, 2020, and December 31, 2020. 10
44. What types of enforcement actions do you have available to compel compliance with your regulatory mechanism? Check all that apply and enter the number of each used from January 1, 2020, to December 31, 2020.
☒ Verbal warning, Number that were issued: 0
☒ Notice of violation, Number that were issued: 80
☒ Administrative order, Number that were issued: 0
☒ Stop-work order, Number that were issued: 0
☐ Fine, Number that were issued: _____
☒ Forfeit of security of bond money: 0
☒ Withholding of certificate of occupancy 0
☐ Criminal action, Number that were issued: _____
☒ Civil penalty, Number that were issued: 0
☐ Other: describe. _____, Number that were issued: _____
45. Do you have written ERPs to compel compliance with your construction site stormwater runoff control regulatory mechanism(s)? [Part III.B.] ☒ Yes ☐ No
46. Enter the number of active construction sites an acre or greater that were in your jurisdiction between January 1, 2020, and December 31, 2020: 20
47. Do you have written procedures for identifying priority sites? [Part III.D.4.d.(1)] ☐ Yes ☒ No
48. If 'Yes,' in Q47, How are sites prioritized? Check all that apply.
☐ Site topography
☐ Soil characteristics
☐ Types of receiving water(s)
☐ Stage of construction
☐ Compliance history
☐ Weather conditions
☐ Citizen complaints
☐ Project size
☐ Other: describe
49. Do you have a checklist or other written means to document site inspections when determining compliance? [Part III.D.4.d.(4)] ☒ Yes ☐ No
50. Enter the number of site inspections conducted for sites an acre or greater between January 1, 2020, and December 31, 2020. 311
51. Enter the frequency at which site inspections are conducted (e.g., daily, weekly, monthly). [Part III.D.4.d.(2)] Weekly
52. Enter the number of trained inspectors that were available for construction site inspections between January 1, 2020, and December 31, 2020. 4
53. Provide the contact information for the inspector(s) and/or organization that conducts construction stormwater inspections for your MS4. List your primary construction stormwater contact first if you have multiple inspectors.

(1) Inspector name:

Organization: City of Inver Grove Heights
 Phone (office): 651-450-2573

Phone (work cell): 651-470-2225
Email: nportugal@ighmn.gov
Preferred contact method: _____

(2) Inspector name:

Organization: City of Inver Grove Heights
Phone (office): 651-554-3445
Phone (work cell): 651-470-6767
Email: nhahn@ighmn.gov
Preferred contact method: _____

(3) Inspector name:

Organization: City of Inver Grove Heights
Phone (office): 651-450-2575
Phone (work cell): 651-485-0996
Email: medwards@ighmn.gov
Preferred contact method: _____

54. What training did inspectors receive? **Check all that apply.**

- ☒ University of Minnesota Erosion and Stormwater Management Certification Program
- ☐ Qualified Compliance Inspector of Stormwater (QCIS)
- ☐ Minnesota Laborers Training Center Stormwater Pollution Prevention Plan Installer or Supervisor
- ☐ Minnesota Utility Contractors Association Erosion Control Training
- ☐ Certified Professional in Erosion and Sediment Control (CPESC)
- ☐ Certified Professional in Stormwater Quality (CPSWQ)
- ☐ Certified Erosion Sediment and Storm Water Inspector (CESSWI)
- ☐ Other: describe _____

55. Between January 1, 2020, and December 31, 2020, did you modify your BMPs, measurable goals, or future plans for your construction site stormwater runoff control program? [Part IV.B.] ☐ Yes ☒ No

If 'Yes,' describe those modifications: _____

MCM 5: Post-construction stormwater management in new development and redevelopment

The following questions refer to Part III.D.5. of the Permit.

56. Do you have a regulatory mechanism which meets all requirements as specified in Part III.D.5.a. of the Permit? ☒ Yes ☐ No
57. What approach are you using to meet the performance standard for Volume, Total Suspended Solids (TSS), and Total Phosphorus (TP) as required by the permit? [Part III.D.5.a.(2)] **Check all that apply.** Refer to the Technical Support Document at <http://www.pca.state.mn.us/index.php/view-document.html?gid=17815> for guidance on stormwater management approaches. *The TSD can be found on the MPCA website at <https://www.pca.state.mn.us/water/municipal-stormwater-ms4> (refer to the Post Construction Stormwater Management section under the 'Guidance and BMPs' tab).*
- ☒ Retain a runoff volume equal to one inch times the area of the proposed increase of impervious surfaces on-site
 - ☐ Retain the post-construction runoff volume on site for the 95th percentile storm
 - ☒ Match the pre-development runoff conditions
 - ☐ Adopt the Minimal Impact Design Standards
 - ☐ An approach has not been selected
 - ☒ Other method (Must be technically defensible - e.g., based on modeling, research and acceptable engineering practices)

If 'Other method,' describe:

The city has adopted volume control standards in its Northwest Area that require no increase in runoff volume from the site for the 5-year, 24-hour rainfall event.

58. Do you have written ERPs to compel compliance with your post-construction stormwater management regulatory mechanism(s)? [Part III.B.] ☒ Yes ☐ No
59. Between January 1, 2020, and December 31, 2020, did you modify your BMPs, measurable goals, or future plans for your post-construction stormwater management program? [Part IV.B.] ☐ Yes ☒ No

If 'Yes,' describe those modifications.

MCM 6: Pollution prevention/good housekeeping for municipal operations

The following questions refer to Part III.D.6. of the Permit.

60. Enter the total number of **structural stormwater BMPs, outfalls** (excluding underground outfalls), and **ponds** within your MS4 (exclude privately owned). Enter the number for each category below:

Structural stormwater BMPs: 195

Outfalls: 238

Ponds: 180

61. Enter the total number of **structural stormwater BMPs, outfalls** (excluding underground outfalls), and **ponds** that were inspected from January 1, 2020 to December 31, 2020 within your MS4 (exclude privately owned) [Part III.D.6.e.]. Enter the number for each category below:

Structural stormwater BMPs: 53

Outfalls: 101

Ponds: 111

62. Have you developed an alternative inspection frequency for any structural stormwater BMPs, as allowed in Part III.D.6.e.(1) of the Permit? ☐ Yes ☒ No

63. Based on inspection findings, did you conduct any maintenance on any structural stormwater BMPs? [Part III.D.6.e.(1)] ☒ Yes ☐ No

64. If 'Yes' in Q63, briefly describe the maintenance that was conducted:

Sediment and debris removal, rip rap maintenance, tree clearing, brush removal, weeding and replanting.

65. Do you own or operate any stockpiles, and/or storage and material handling areas? [Part III.D.6.e.(3)] ☒ Yes ☐ No

66. If 'Yes' in Q65, did you inspect all stockpiles and storage and material handling areas quarterly? [Part III.D.6.e.(3)] ☒ Yes ☐ No

67. If 'Yes' in Q66, based on inspection findings, did you conduct maintenance at any of the stockpiles and/or storage and material handling areas? ☒ Yes ☐ No

68. If 'Yes' in Q67, briefly describe the maintenance that was conducted:

Ensure temporary sweepings stockpiles are clean and orderly before screening the material and then hauling them to a landfill to be used as clean cover material. Asphalt, concrete, and soil from water main breaks and other repairs are also temporarily stockpiled. This material is then sorted and the asphalt and concrete are hauled to a private company for recycling. The remaining granular materials are reused.

69. Between January 1, 2020, and December 31, 2020, did you modify your BMPs, measurable goals, or future plans for your pollution prevention/good housekeeping for municipal operations program? [Part IV.B.] ☐ Yes ☒ No

If 'Yes,' describe those modifications:

Discharges to impaired waters with a EPA-approved TMDL that includes an applicable WLA

If you have been assigned a Waste Load Allocation (WLA) in a TMDL that was approved by the U.S. Environmental Protection Agency (EPA) prior to August 1, 2013, and were not meeting WLA(s) at the time of your permit application, you must complete the **TMDL Annual Report Form**, available on the MPCA website at: https://stormwater.pca.state.mn.us/index.php?title=Download_page_with_TMDL_forms.

Attach your completed TMDL Annual Report Form to the actual Annual Report as instructed within that document. [Part III.E.]

71. [question left blank for you to attach a file]

Alum or Ferric Chloride Phosphorus Treatment Systems

The following questions refer to Part III.F.3.a. of the Permit. Provide the information below as it pertains to your alum or ferric chloride phosphorus treatment system.

72. Date(s) of operation:

Month	Date(s) of operation (mm/dd/yyyy – mm/dd/yyyy)
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

Month	Q73 Chemical(s) used for treatment	Q74 Gallons of alum or ferric chloride treatment	Q75 Gallons of water treated	Q76 Calculated pounds of phosphorus removed
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

77. Any performance issues and corrective action(s), including date(s) when corrective action(s) were taken, between January 1, 2020, and December 31, 2020:

Partnerships

78. Did you rely on any other regulated MS4s to satisfy one or more permit requirements?

☒ Yes ☐ No

79. If 'Yes' in Q78, describe the agreements you have with other regulated MS4s and which permit requirements the other regulated MS4s help satisfy: [Part IV.B.6.]

Inver Grove Heights is a member of the Lower Mississippi River WMO and of the Eagan-IGH WMO per Joint Powers Agreements. They assisted with MCM1: Public Education and Outreach.

Additional information

If you would like to provide any additional files to accompany your Annual Report, use the space below to upload those files. For each space, you may attach one file.

- 80. [Optional space for you to attach a file]
- 81. [Optional space for you to attach a file]
- 82. [Optional space for you to attach a file]
- 83. Optional, describe the file(s) uploaded:

Owner or Operator Certification

The person with overall administrative responsibility for SWPPP implementation and permit compliance must certify this MS4 Annual Report. This person must be duly authorized and should be either a principal executive (i.e., Director of Public Works, City Administrator) or ranking elected official (i.e., Mayor, Township Supervisor).

- ☐ Yes - I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete (Minn. R. 7001.0070). I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment (Minn. R. 7001.0540).

By typing my name in the following space, I certify the above statements to be true and correct, to the best of my knowledge, and that information can be used for the purpose of processing my MS4 Annual Report.

Name of certifying official: The certifying official must electronically sign the online Annual Report form.

Title: _____ Date: _____
(mm/dd/yyyy)

Note: In the online form, you will be prompted to provide the email(s) of the individual(s) you would like to receive the MS4 Annual Report for 2020 submittal confirmation email from the MPCA. After you submit the form, please allow up to three business days to receive this confirmation email.

Email (1) _____
Email (2) _____
Email (3) _____

**Request for Council Action****Consider Resolution Awarding Contract for City Project No. 2021-08 - Southern Trunk Watermain Improvements**

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	
Item Type:	Consent	Amount included in current budget	
Contact:	Jake Moser, 651-450-2489	Budget amendment requested	
Prepared by:	Jake Moser, Civil Engineer	FTE included in current complement	
Reviewed by:	Thomas J. Kaldunski, City Engineer	New FTE requested - N/A	
	Klay Eckles, Interim Public Works Director	Other: Private Cost Participation Agreement - Private Escrow Fund	X

PURPOSE/ACTION REQUESTED

Consider Resolution Awarding Contract for City Project No. 2021-08 - Southern Trunk Watermain Improvements.

SUMMARY

Quotes for City Project No. 2021-08 were received on June 4, 2021. There were two (2) contractors that submitted quotes for the project. The low quoter on the project is Belair Sitework Services with a total quote of \$150,916.95. The Engineer's estimate for the project was \$122,384. Contingencies in the project budget and funding source are sufficient to award the project.

The project will be funded through a cost participation agreement with the benefiting property owner Bituminous Roadways Inc. (BRI). BRI has executed the cost participation agreement and submitted project escrow funds of \$205,605.

Engineering staff recommends awarding the contract to Belair Sitework Services in the amount of \$150,916.95 for City Project No. 2021-08 - Southern Trunk Watermain Improvements.

JM

Attachment(s): Resolution

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION AWARDING CONTRACT TO BELAIR SITEWORK SERVICES FOR CITY PROJECT
NO. 2021-08 - SOUTHERN TRUNK WATERMAIN IMPROVEMENTS**

RESOLUTION NO. 2021-165

WHEREAS, On April 26, 2021, the City Council ordered City Project No. 2021-08 - Southern Trunk Watermain Improvements, and authorized staff and Bolton & Menk Inc. to request contractor quotation; and

WHEREAS, pursuant to a request for contractor quotations, City Project No. 2021-08 - Southern Trunk Watermain Improvements quotes were received, opened on June 4, 2021 per Minn. Stat. Sec. 471.345.

WHEREAS, Belair Sitework Services is the lowest responsible bidder for the base bid plus the alternate with a total amount of \$150,916.95.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS
THAT:**

1. The plans and specifications for City Project No. 2021-08 - Southern Trunk Watermain Improvements on file with the City are hereby approved as the plans and specifications in accordance with which said improvements shall be constructed.
2. The Mayor and Clerk are hereby authorized and directed to enter into a contract with Belair Sitework Services in the amount of \$150,916.95 in the name of the City of Inver Grove Heights, for City Project 2021-08 according to plans and specifications therefore approved by the Council and on file at the Office of the City Clerk.
3. Project funding for the City Project No. 2021-08 in the amount of \$150,916.95 shall be provided by the Escrow Fund and administered as described in the Cost Participation Agreement for 2021-08.

Adopted by the City Council of Inver Grove Heights this 14th day of June 2021

Tom Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk

**Request for Council Action****Consider Resolution Authorizing Engineering Services Proposal from Kimley-Horn for Assistance in Preparing Program Updates Required by the 2021 MS4 Permit**

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	
Item Type:	Consent	Amount included in current budget	
Contact:	Steve W. Dodge, 651-450-2541 SWD	Budget amendment requested	
Prepared by:	Steve W. Dodge, Asst. City Engineer	FTE included in current complement	
Reviewed by:	Thomas J. Kaldunski, City Engineer	New FTE requested - N/A	
		Other: Storm Water Utility Fund	X

PURPOSE/ACTION REQUESTED

Consider Resolution Authorizing Engineering Services Proposal from Kimley-Horn for Assistance in Preparing Program Updates Required by the 2021 MS4 Permit.

SUMMARY

The City of Inver Grove Heights submitted a MS4 permit application and corresponding TMDL form to the MPCA on April 15, 2021, to continue its permit coverage under the program and commit to completing certain program updates within 12 months of receiving permit coverage. Program updates include a combination of new activities the City will need to implement and additional documentation efforts for selected program elements.

The City's current program requires updates in the areas described in the attached *Summary of Required 2021 Permit Program Updates*. These updates include modifications to the City's stormwater ordinances, creating standard procedures for operations and developing procedures for education and public outreach activities. Kimley-Horn will prepare draft and final documents to address the areas required by the City's recent MS4 permit application. These program efforts will be completed through regular coordination meetings with the City's staff responsible for MS4 program compliance.

Staff requested a proposal from Kimley-Horn to work with City staff to prepare the required program updates. Kimley-Horn is part of the City's consulting pool and has experience in stormwater program support. The cost for this assistance will be \$23,900. This amount will be covered by the Stormwater Utility Fund.

Staff recommends approval of the resolution accepting engineering services proposal from Kimley-Horn for Assistance Preparing Program Updates Required by the 2021 MS4 in the amount of \$23,900.

SWD/nh

Attachment(s): Resolution
Summary of MS4 Program Updates
Proposal / Individual Project Order

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION AUTHORIZING ENGINEERING SERVICES PROPOSAL FROM KIMLEY-HORN FOR
ASSISTANCE IN PREPARING PROGRAM UPDATES REQUIRED BY THE 2021 MS4 PERMIT**

RESOLUTION NO. 2021-166

WHEREAS, the City is currently permitted to discharge stormwater under the 2013 issuance of the MS4 General Permit; and

WHEREAS, The Minnesota Pollution Control Agency reissued the MS4 General Permit on November 16, 2020;

WHEREAS, The city submitted Part 2 of the application for permit coverage under the reissued permit on April 15, 2021; and

WHEREAS, As required by the Permit, the City must complete various program updates as detailed in Part 2 of the application for permit coverage submitted by the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA THAT:

1. Engineering services proposal from Kimley-Horn is hereby approved and staff is directed to work with Kimley-Horn to complete the program updates as required by the permit and as detailed in the Part 2 application submittal.

Adopted by the City Council of Inver Grove Heights this 14th day of June, 2021.

AYES:

NAYS:

Tom Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk



Summary of Required 2021 Permit Program Updates

MCM = Minimum Control Measure

BMP = Best Management Practice

MCM 1: Public Education and Outreach

- Identify two specific stormwater high-priority issues and distribute education materials on these issues.
- At least once annually, distribute education and outreach materials focused on deicing salt use.
- At least once annually, distribute education and outreach materials focused on pet waste.
- Update education plan to consider low income residents, people of color and non-native English speaking residents as target audiences.

MCM 2: Public Participation/Involvement - None

MCM 3: Illicit Discharge Detection and Elimination (IDDE)

- **Update ordinance** to require proper salt storage at commercial, institutional and non-NPDES permitted industrial facilities.
- Create a written inventory of priority areas for potential illicit discharges.
- Update procedures for responding to illicit discharges, cleanup actions and documenting of reported illicit discharges.

MCM 4: Construction Site Stormwater Runoff Control

- Update written program procedures for construction site runoff control activities to describe planned inspection frequencies for high and low priority sites.
- Update documentation for site plan reviews to include notifying applicants of the need to obtain NPDES Permit coverage and documenting staff review comments supporting approvals or denials.

MCM 5: Post Construction Stormwater Management

- **Update ordinance** to include provisions for requiring linear projects to provide a water quality volume considering both the new impervious and reconstructed impervious surfaces.
- Documentation requirements for training of staff involved in MCM 5 activities.

MCM 6: Pollution Prevention/Good Housekeeping for Municipal Operations

- Develop and implement a written snow and ice management policy for individuals that perform winter maintenance activities for the City.
- Update annual training program for staff having responsibilities for winter maintenance.
- Develop and maintain written procedures for determining pollutant removal effectiveness of City owned ponds and treatment systems.
- Update planned schedules for inspections and maintenance of structural BMPs and outfalls.
- Develop and maintain a mapped inventory of potential areas of bacteria (i.e., dense waterfowl areas, dog parks) and develop a written plan to reduce these sources.

INDIVIDUAL PROJECT ORDER NUMBER 40A

Describing a specific agreement between Kimley-Horn and Associates, Inc. (the Consultant), and City of Inver Grove Heights (the Client) in accordance with the terms of the Master Agreement for Continuing Professional Services dated April 19, 2011, which is incorporated herein by reference.

Identification of Project: MS4 Permit Program Assistance – Phase 2
Program Updates

General Category of Services: Stormwater Program Support

Specific Scope of Basic Services: Assist City in Updating SWPPP as Described in Part 2 Permit Application Form

Additional Services if Required: None identified at this time.

Schedule: See attached Exhibit C.

Deliverables: Compiled Program/SWPPP Documents
Meeting Materials/Presentations

Method of Compensation: To be billed on an hourly (cost plus) basis as detailed in attached Exhibit B.

Special Terms of Compensation: None

Other Special Terms of Individual Project Order: None

ACCEPTED:

CITY OF INVER GROVE HEIGHTS

KIMLEY-HORN AND ASSOCIATES, INC.

BY: _____

BY:  _____

TITLE: _____

TITLE: Sr. Vice President

DATE: _____

DATE: 5/6/21

EXHIBIT A
SCOPE OF SERVICES

INDIVIDUAL PROJECT ORDER (IPO) NO. 40A

MS4 PERMIT PROGRAM ASSISTANCE
PHASE 2 – PROGRAM UPDATES

The City of Inver Grove Heights is required to update their existing MS4 program to meet any gaps identified following the submittal of the 2020 MS4 Permit Update. Any MS4 permit program gaps must be addressed within 12 months from the approved permit date. The City has requested assistance in updating the existing program procedures and as well as developing any new documents to address MS4 program deficiencies. This scope of work addresses services up to the one year from permit coverage deadline for permit program updates (estimated May 2022).

1. PREPARE UPDATED PROGRAM MATERIALS

A. Draft Program Documents

Kimley-Horn will prepare draft permit program documents using the City's existing program procedures as a starting point. If a new document needs to be created, Kimley-Horn will use example documents on hand as a template and complete the document based on the City's input during the initial work to complete the application and the meeting held on April 28, 2021 to discuss program update requirements. We will deliver draft documents to the City in phases for review and comment. For example, we will deliver draft documents for Minimum Control Measure (MCM) 1 for City review while we are working on MCM 2 and 3 updates. We will generally send a new phase of documents to the City every 6-8 weeks, adjusting based on the availability of City staff to complete reviews.

B. Final Program Documents

Following collection of comments and responses from City staff on each phase of draft documents, Kimley-Horn will prepare a compiled final draft of all documents and deliver the package to City staff for final review. We will schedule and facilitate a final review meeting to collect final comments and make revisions to address City staff comments. Following completion of revisions, we will compile and deliver the final program documents package.

2. PROJECT MANAGEMENT / REVIEW MEETINGS

Kimley-Horn will provide overall project management to coordinate the schedule and required meetings to achieve the required submittal deadline. Our scope includes preparation for and attendance at up to eight (8) 1-hour virtual meetings to review draft documents and discuss necessary steps, schedules and responsibilities for completing the required materials.

Kimley-Horn staff will be available for the meeting if needed to present or answer questions regarding the MS4 permit program documents. Following authorization of the documents by Council, City staff will be responsible for submitting the finalized program documents to the MPCA.

EXHIBIT B
ESTIMATED COSTS

INDIVIDUAL PROJECT ORDER (IPO) NO. 40A

MS4 PERMIT PROGRAM ASSISTANCE
PHASE 2 – PROGRAM UPDATES

Kimley-Horn proposes to perform all services included within this IPO on an hourly (cost plus) basis using our current standard hourly rate schedule. The following is a summary of our estimated costs for the services included as a part of this IPO:

Task	Descriptions	Estimated Fee
1-A	Draft Program Documents	\$ 9,970
1-B	Final Documents	\$ 5,380
2	Project Management/Meetings	\$ 7,150
Subtotal		\$ 22,500
Reimbursable Expenses		\$ 1,400
Total		\$ 23,900

Reimbursable expenses (copy/printing charges, plotting, mileage, delivery charges, faxes, etc.) will be charged as an office expense at 6.0% of the labor fee.

Our total estimated not-to-exceed cost for the scope of services included as a part of this IPO is, therefore, \$23,900 including all labor and reimbursable expenses.

EXHIBIT C
SCHEDULE

INDIVIDUAL PROJECT ORDER (IPO) NO. 40A

MS4 PERMIT PROGRAM ASSISTANCE
PHASE 2 – PROGRAM UPDATES

The following is a summary of the proposed schedule for the project to meet the one-year program updates deadline:

Notice to Proceed	May 24, 2021
Draft Program Materials to City	July - November 2021
Review Meetings	August - December 2021
Final Program Materials to City	January 2022
Council Authorizes Approval	January – February 2022

**Request for Council Action****TITLE:** Receive Comprehensive Annual Financial Report for the Year Ended December 31, 2020

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	
Item Type:	Consent	Amount included in current budget	
Contact:	Amy Hove, 651-450-2521	Budget amendment requested	
Prepared by:	Amy Hove, Finance Director	FTE included in current complement	
Reviewed by:		New FTE requested - N/A	
		Other	X

PURPOSE/ACTION REQUESTED:

To receive the Comprehensive Annual Financial Report which includes the Management Letter and Other Required Reports for the year ended December 31, 2020.

SUMMARY:

Each year the City contracts with an independent Certified Public Accounting firm to audit the City's Comprehensive Annual Financial Report (Report). Abdo, Eick & Meyers, LLP (AEM) performed the audit for the 2020 Report. They have issued an unqualified (clean) opinion on the City's financial statements. This is the highest form of assurance a Certified Public Accounting Firm can issue. The 2020 Report is included within the agenda materials and Brad Falteysek from Abdo, Eick & Meyers, LLP will provide a summary of the report during the Presentation portion of the meeting. As accounting and auditing standards dictate the scope and form of these reports, there is no further Council action necessary other than to receive the reports.

In reviewing the Comprehensive Annual Financial Report, I suggest reading the Letter of Transmittal which begins on page 11 in the Introductory Section of the report, Management's Discussion and Analysis (MD&A) which begins on page 29 in the Financial Section of the report, and the Notes to the Financial Statements which begin on page 63 in the Financial Section in the report.

We will be submitting the Report to the Government Finance Officers Association for the Certificate of Achievement for Excellence in Financial Reporting. This will be the 34th year that we have participated in this program.



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2020**

**CITY OF INVER GROVE HEIGHTS,
MINNESOTA**

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CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2020

REPORT PREPARED BY:
FINANCE DEPARTMENT

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City of Inver Grove Heights, Minnesota
Comprehensive Annual Financial Report
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INTRODUCTORY SECTION

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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City of Inver Grove Heights

www.ci.inver-grove-heights.mn.us

June 9, 2021

To the City Council and Citizens of the City of Inver Grove Heights:

Minnesota statutes require all cities to issue an annual report on its financial position and activity prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with audit standards generally accepted in the United States of America by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Inver Grove Heights for the fiscal year ended December 31, 2020.

This report consists of management's representations concerning the finances of the City of Inver Grove Heights. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Inver Grove Heights has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Inver Grove Heights' financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the City of Inver Grove Heights' internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Inver Grove Heights' financial statements have been audited by Abdo, Eick & Meyers, LLP a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Inver Grove Heights for the fiscal year ended December 31, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Inver Grove Heights' financial statements for the fiscal year ended December 31, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Inver Grove Heights' MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Inver Grove Heights, incorporated in 1965, is a suburban community located about 12 miles south of the City of St. Paul, Minnesota and part of the Twin Cities Metropolitan Area that includes Minneapolis with a total population estimated to be 4 million. The city is located in Dakota county, one of the fastest growing counties in the state in terms of population, housing and business growth. The City of Inver Grove Heights currently occupies a land area of approximately 30 square miles and serves a population of approximately 36,000. The City of Inver Grove Heights is empowered to levy a property tax on both real and personal properties located within its boundaries. While it is empowered by state statute to extend its corporate limits by annexation, Inver Grove Heights is still developing within its corporate limits and is bordered on all sides by other incorporated communities.

The City of Inver Grove Heights became a statutory city in 1974. The City operates under a statutory form of government consisting of a four-member city council and the mayor who is a voting member. Council members serve four-year staggered terms, with two council members elected every four years and the Mayor serves a two-year term. Among its primary duties, the city council makes laws, sets policies, adopts budgets and oversees a wide-ranging agenda for the community. The city administrator is appointed by the city council. The city administrator heads the administrative branch of city government and directs all city operations, projects and programs.

The City of Inver Grove Heights provides a full range of services, including police and fire protection, the construction and maintenance of highways, streets and other infrastructure; water and sewer services, community development support, and recreational activities and cultural events.

The annual budget serves as a foundation for the City of Inver Grove Heights' financial planning and control. All departments of the City of Inver Grove Heights submit requests for appropriation for the following year to the city administrator, who uses this information to develop a proposed budget. This is presented to the city council for their review. The city council is required to adopt a proposed budget and tax levy by September 30. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 28.

Factors Affecting Financial Condition

The information in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Inver Grove Heights operates.

Local Economy. The City of Inver Grove Heights continues to experience growth in population and development. State Highway 52, which traverses north and south through the City, allows City residents and businesses a rapid and direct access directly north into downtown St. Paul and to Interstate Highway 94 which connects St. Paul with Minneapolis. This roadway has enhanced transportation throughout the metropolitan area for City residents and increased opportunity for further industrial, commercial and residential development. Interstate Highway 494 traverses east and west through the City and connects with Interstate Highway 694 to form a freeway loop around the entire Twin Cities Metropolitan area. The highway system provides Inver Grove Heights ready access to the downtowns of Minneapolis and St. Paul as well as the international airport located 11 miles away.

Inver Grove Heights has several large industries which account for a significant portion of the City's commercial tax capacity. Some of the industries are highly automated and consequently are major taxpayers but not major employers.

Relevant Financial Policies.

In 2020, the City did not implement any new GASB policies.

The primary financial goal of the City's investment policy is to ensure the safety of principal invested by the City. Cash temporarily idle during the year is invested in instruments authorized under *Minnesota Statute No. 118A*. Instruments authorized include certificates of deposit, commercial paper, and obligations of U.S. Treasury and government agencies. In order to achieve diversification, the policy provides that, except for U.S. Treasury securities, no more than 50% of the City's total investment portfolio will be invested with a single institution or in a single security type. A report summarizing investment activity and demonstrating compliance with this policy is prepared on a quarterly basis for City Council review. Cash balances from all City funds are pooled into an investment fund and investment income is distributed on a pro-rata basis at the end of each quarter.

Capital financing for major municipal improvements is provided through improvement bonds, general obligation bonds, tax increment bonds, or revenue bonds. Depending upon the project, special assessments may be levied upon properties to share in the cost of the improvement project. The special assessments are collected over a period and are used to help satisfy the improvement bond debt. Internal financing of improvement projects is usually minimal and only for short periods of time.

In 2020, the City refinanced their 2010B General Obligation Bonds to take advantage of the market's low interest rates. The City continues to monitor for additional interest rate opportunities with potential bond refinancing in 2022 or 2023.

The City has adopted a comprehensive set of internal control procedures. The City's accounting system was developed and is continually evaluated to assure the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance in the areas of safeguarding assets against loss from unauthorized use or disposition, reliability of financial records, and convenience of access for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the evaluation of cost and benefits requires estimates and judgments by management, and the cost of a control should not exceed the benefits likely to be derived. All internal controls are evaluated against the above criteria. It is our belief that the City's internal accounting controls adequately safeguard the City's assets and provides reasonable assurance of properly recording financial transactions.

Major Initiatives.

Community Development

In 2020, the Community Development Department of the city quickly adjusted its service model to adapt to the new required safety protocols of the Covid-19 Pandemic. Permitting began to occur online and via remote teleconference meeting. The city's building construction inspections shifted to be conducted when possible via video calls or drone. There was a slowing of development activity in the 2nd and 3rd quarters of the year, with construction activity picking back up by year's end. This was because the private sector developers were greatly hampered by the pandemic in that their construction crews, due to social distancing protocols and in some cases, illness, conducted their work more slowly than normal. They also experienced widespread disruptions in the construction material supply chain due to the pandemic in that they reported many incidents of limited construction supplies and materials being available and what they could find had significant price mark ups. This was especially true for the construction of single-family homes in 2020. In 2020, the city did experience a sizeable uptick in construction permits being pulled for renovations on existing single-family homes, as more of the general public worked remotely, and many with children schooling at home as well, they decided to undertake home renovation projects to increase home satisfaction and functionality.

In 2020, the City of Inver Grove Heights' total new construction value was \$81 million, compared to \$103 million in 2019, \$81 million in 2018 and \$80 million in 2017. Total new residential construction was 30 new dwelling units, with residential additions and remodeling adding \$26 million in new value and business/industrial construction adding \$16 million in value. The number of construction permits applied for and approved in 2020 was 3173, compared to 3518 in 2019 and 3161 in 2018. Even with the pandemic, the building inspection division of the Community Development Department performed 5673 building inspections in 2020, up from 5474 in 2019.

Some new commercial development projects in 2020 included renovations of existing commercial buildings such as Pilot Trucking Center, Industrial Equities an office/warehouse tenant build out, office renovations on the 4th and 5th floor of the CHS Corporate Headquarters, the creation of Gateway Recovery Center a new private pay substance abuse treatment facility and various other commercial tenant buildouts. New commercial construction buildings included a new \$4.8 million, 89,000 sf office warehouse, \$3 million for a light manufacturing facility and an \$8.3 million Dakota County Smart Center law enforcement training and special services building.

The Planning Department was very busy with reviewing a wide range of new residential development plats and planned unit developments as well as working on numerous zoning code amendments to accommodate growth. Development highlights include; the final phase of 42 lots in the Settlers Ridge North 2nd single family development on 65th and Hwy 3, master plan approval of the entire site of the STOR storage facility on Hwy 3 just west of Hwy 149, the review and construction of the first building in the Inverpointe Business park, approvals of 49 units of affordable housing in the Ron Clark project on Upper 55th near Babcock Trail, The Crossing project of 150 unit apartment building which is now under construction, Canvas project on Hwy 3/70th street consisting of detached rental units and future apartment building, infill developments consisting of single family homes at Degrio Way/Concord and 70th/near Booth Ave, a Caribou Coffee drive-thru standalone building at the Southview Shopping center. In all, planning staff processed a total of 56 planning cases in 2020. This bodes well for a very active 2021 construction season in the city if the pandemic continues to wane.

In economic development activities, the Inver Grove Heights Economic Development Authority (EDA) adopted an economic development strategic plan and tracked market demand and demographics to continue to well position the city for smart growth. The EDA also approved a contract for another year of the 'Open to Business' small business entrepreneurial support program whereby the city partners with the county CDA to insure professional small business counseling services and microloan financing is made available to local entrepreneurs in start-up, growth or pandemic recovery modes of business.

Police Department

The Police Department utilizes a team-based approach to its community-oriented policing activity. The department has redoubled its efforts to become more deeply engaged with the community. After several years of scheduling patrol personnel on 12-hour shifts, this has proved to be an effective means of deploying department personnel. The change to patrol shift scheduling has resulted in increased patrol coverage and the ability to focus personnel on targeted problem-solving efforts. Officers participate in child safety fairs, children's safety camps, youth police academy, Town Hall meetings, Crime Free Multi-Housing, Neighborhood Watch Groups and many other events culminating in Minnesota Night to Unite in August, Inver Grove Heights Days in September, and a nine-week Citizen's Academy that starts in late September with the graduation in early November.

The Police Department remains active in a variety of programs, including: Alcohol Compliance Checks, Assault Response Team, Business Check Program, Intensive Supervision Program (ISP), and Critical Incident Stress Management (CISM) team. In addition, the department has an active Police Reserve Unit and Chaplain Corps that provides hundreds of hours of volunteer service in carrying out departmental objectives.

The Police Department maintains many strong connections with neighboring law enforcement agencies and public safety providers in and around Dakota County, including: the Dakota Communications Center (DCC), the Special Operations Team (SOT), the Incident Management Team (IMT), MAAG (SWAT), Dakota County Electronic Crime Unit (ECU), and countywide Traffic Safety Initiative. The Police Department also partners with Independent School District No. 199 to co-fund a School Resource Officer (SRO) position. In October 2020, our K-9 Officer and Partner graduated from an intensive training school in Anoka County and now patrol the street and participate in events in the community showing all the uses for a K-9.

In 2021 the Police Department received a grant from the Office of Traffic safety and has an officer dedicated full time to traffic enforcement and DWI enforcement in Dakota County. The department also partnered up with all Dakota County Public Safety Agencies, St. Paul Police, MN State Patrol and Washington County Sheriff during the Civil unrest in the twin cities. They have been training collaboratively in 2021 and will partner again with these agencies in events of civil unrest in 2021 and moving forward.

Fire Department

The number of emergency calls increased from a high of 1,811 in 2019 to a new record high of 2,217 in 2020, a one-year 22% increase. This is an 85% increase in calls since we started the duty crew in January 2016. Of those total calls, 69%, were for both Rescue and Emergency Medical Services incidents, up slightly from 2018 and 2019. The rest involved a combination of many other classifications such as: different types of fires, alarms (fire/carbon monoxide), etc. Of those 2,217 calls, 9% were concurrent calls, which is when two calls come in at the same time.

Recruitment and retention issues of non-career personnel continued to affect the Fire Department. From 2017 to 2020, we lost 44 firefighters to resignations or retirements. Over that same timeframe, we made offers to 45, however, 17 of them left at or near the beginning of their training. That left us with only a net gain of 28 and 16 of them hired in 2020. With the constant turnover, at the end of 2020, 40% of our firefighters had 19 months or less with us. Another 15% had 27 months or less, leaving over half of our firefighters with less than 3 years' experience.

To supplement the 3 full time shift captains, we started an Acting Company Officer (ACO) program for paid-on-call personnel to be trained as officers. ACO personnel act as weekend duty officers and combined with paid-on-call officers and full-time administrative staff, fill in for the full time shift captains when they are gone.

The department received a new rescue/command/air truck and a new 100-foot platform ladder truck that replaced two similar vehicles that were close to 30 years old. The FD also acquired a 27-foot retired Navy rescue boat through a state program. The boat was fairly complete but will need a pump added for it to be considered a fire boat as well.

Early in 2020, COVID hit and firefighters had to change their response and training procedures but did not restrict response to any types of emergency calls they went to before the pandemic. COVID did however, affect other areas. All fire stations were closed to the public, our new fire inspection program slowed down, and the Fire Explorer program was shut down. It also meant that all our in-person public outreach and education programs ceased, however, we still found ways to connect with the public. We created virtual student fire prevention and safety lessons, used social media to stay in touch with the residents, and even sponsored two mask drives to stay involved with the community. We hope to be able to get back out – in person - with the public when the country gets back to more normal activities.

We responded to civil unrest fires in St. Paul and dealt with 2 fire fatalities in residential structures. We continued to run a 12-month recruit training academy that brings in students from 3 different counties. Although it had to be modified because of covid. students were still able to graduate only one week late. We continued to be active in Dakota County Special Operations team, state MN Task Force 1, Dakota County Fire Chiefs and Fire Training Officers, Wakota Mutual Aid, Capitol City Regional, and Wakota CAER.

In 2021, the Fire Department hopes to be able to get back involved in prevention, safety, and other community events. This would include such activities as Citizen Academy, Fire Prevention Week, Night to Unite, career fairs, safety camps, staffing Inver Grove Heights Days, and attending the county Fire Safety Education Day.

Public Works

Public Works continues to oversee the street reconstruction program, a street mill and overlay program and a street crack seal and seal coating program. These programs will ensure a well-maintained roadway infrastructure. The 2020 urban street reconstruction project rebuilt 0.56 mile of street, completed full depth reclamation on 0.37 mile of street and a mill and overlay on 1.28 miles of street. The crack seal and seal coat projects covered 6.89 and 5.41 miles of street, respectively. The street system was expanded in 2020 with the construction of 0.08 mile of streets in new residential developments. In addition 0.54 mile of trunk water main and 0.39 mile of trunk sanitary sewer were installed.

Parks & Recreation

The City continued phased development of Heritage Village Park in 2020. Phase II included the main park area fill, grading and utilities. Also constructed were the trail system, half of a major parking lot, and the open lawn area. Phase III includes a retaining wall, ornamental fencing, and portions of the concrete railroad walkway. Phase III will be completed in spring of 2021.

The City purchased seven acres of land for a neighborhood park in the Northwest area at the end of 2020. Plans are underway to begin development in 2021. The City and County continue to work cooperatively on the Mendota Lebanon Regional Trail and the Veterans Memorial Greenway (formerly Rich Valley Greenway).

At the Veteran's Memorial Community Center/Grove, COVID-19 had a negative impact on revenue generation and facility utilization. The community center was closed twice for a total of 142 days. When the building reopened, restrictions limited the number of people allowed in the building and in classes. In addition, the National Guard Armory was utilized as a COVID-19 testing site for the latter half of 2020.

In recreation we saw several staff changes with three new staff and two others moving to new roles within the department in 2020. We are excited to take a fresh look at the various programs we offer to the community to help them be more social, active, and engaged. COVID-19 restrictions have made planning and implementation of recreation programs challenging. However, staff have been flexible and creative in finding ways to provide both in-person and virtual activities to serve the public.

Inver Wood continues to perform well financially as a positive recreational asset in the community. COVID-19 contributed to a strong participation in golf. People were anxious to get outdoors and remain active. The strong numbers of people playing at Inver Wood are reflected in the positive revenues generated in operations for 2020. In 2020, the city also ran a 29-Year Anniversary Membership Campaign. In less than three weeks, the city met all membership goals and has slated funding for the coming years.

Administration

2020 was a whole new experience for everyone at the City.

In March of 2020, the city declared a local emergency, in conjunction with the State Emergency declared by the Governor. This Emergency has been renewed three times since then.

Most city employees have been teleworking since the emergency declaration. Our Police, Fire and Public Works staff have been on site and providing great service to our customers and community. We did find out that we can support many employees teleworking and we were able to continue to do most of our business online. We also had to switch all our meetings, staff, City Council, as well as all Commission meetings, to a virtual setting. This also worked quite well, and staff continued to be productive and residents or those needed to attend meetings and hear and see what is going on, were able to do so.

We ran three elections in 2020 for the first time in the City's history: A Presidential Primary election, the Primary Election, and the General Election. These were made even more critical by virtue of the pandemic that hit in March and reaching out to voters and messaging about the importance of voting; whether early voting, voting by absentee or voting in person.

A new Mayor was elected for the first time in 22 years and 2 new City Council members were elected. 2021 will also be a time for new beginnings at the department head level with three long serving members leaving: Parks & Recreation Director, Public Works Director and City Administrator.

For the Future.

For the first time ever, the City Council adopted a Vision Statement and adopted a Strategic plan, that laid out eight main areas of focus with goals and objectives contained within each of those specific areas. This should serve as the go to document for making decisions about the budget and policy, as well as what the priorities are for the city going forward.

A major focus of the Comprehensive Plan is the continued expansion of infrastructure and subsequent development of the northwest part of the City, an area of approximately five square miles. Construction of the first segment of sanitary sewer and municipal water occurred in 2009 with further extensions in 2016, 2017, and 2018. Major transportation improvements include the construction of Highway 3/County Road 26 roundabout and 65th Street in 2019. These public improvements will serve the several residential developments that the City approved in recent years, as well as future residential, commercial and office development.

The City continues to concentrate on redevelopment in the Concord Boulevard Neighborhood, an area adjacent to the Mississippi River. The City's goals are to improve the existing residential neighborhood, strengthen and increase commercial activities, increase property values, and provide additional employment opportunities. In the last few years, the City has been acquiring properties and undertaking environmental investigations and remediation. The City has successfully obtained state and county grants to financially support these redevelopment efforts.

The Inver Grove Heights Economic Development Authority continues to work with the Dakota County Community Development Authority (CDA) and the community development leadership from other Dakota County cities for the purpose of partnering to advance county-wide economic development growth. This work includes marketing, business retention, business recruitment, research, and new ways or providing entrepreneurial support to small businesses.

The Police Department's 2021 initiatives will include a focus on mental health both within the police department and the community we serve. We will work on building our peer support team and mental and physical wellbeing of our officers through mental health check-ups and utilizing our new fitness room. We will continue to build on the utilization of the Vitals App with our community and we are working on a mental health response with our medical partners. The 2021 survey was recently completed and we will incorporate feedback from the community into our 2021 policing plans.

While the City continues to grow, the Fire Department needs to also continue to grow and evolve. Although the City did not receive a federal hiring grant to add additional full time staff, we will continue to apply for the same grant moving forward. This grant would allow the department to supplement our non-career staff with limited additional full time, while limiting the cost impact to the City for the first 3 years. The department is looking at bringing in an independent 3rd party to evaluate our operations so we can continue to provide the best service to our community at the most efficient cost. Since our northern most fire station needs a lot of updates and repairs, we will be looking at costs of repair versus replacing that station and selling the land where the station presently sits.

In 2021, the proposed Pavement Management Program will involve work on 15.71 miles of streets. The program will include reconstruction, crack seal and seal coat projects. The City will partner with Dakota County on the design and construction of a major road improvement project that will expand 70th Street from two to four lanes between the Eagan border and Trunk Highway 3, and that will continue the realignment of Argenta Trail from Amana Trail to 65th Street. The City will also partner with Dakota County on the design of a major street reconstruction and modernization project on 117th Street, between Rich Valley Boulevard and TH 52.

At South Valley Park, we have obtained a MN DNR Outdoor Recreation Grant that will allow us to begin implementation of different concepts found in the plan such as new playground equipment, a new shelter, performance space, and additional parking in 2021/2022.

The Parks and Recreation Commission began undertaking the job of updating our Comprehensive Park, Recreation, Trail, and Facility Plan in 2020. When completed, the plan will help provide a vision for the system over the next 10-20 years. The plan will cover parks, maintenance, recreation programs, trails, the VMCC/Grove, and Inver Wood Golf Course

At the VMCC, there is an ongoing effort to improve efficiency and replace failing infrastructure. The facility is celebrating 20 years in operation in 2021 and certain features will need extensive renovation and replacement over the next decade.

Finally, we are working with McKinstry to develop a city-wide operations and maintenance plan for all city facilities. The completed plan will provide us with a list of all the assets, their value, condition assessment, and anticipated maintenance and capital replacement needs so we can plan for and budget properly. This is an import project so we can continue to provide excellent municipal services to the public.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Inver Grove Heights for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the thirty-third (33) consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government has published an easily readable and efficiently organized financial report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated services of the Finance Department staff. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Inver Grove Heights' finances.

Respectfully submitted,

A handwritten signature in black ink that reads "Heather Rand". The signature is written in a cursive, flowing style.

Heather Rand
Interim City Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Inver Grove Heights
Minnesota**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

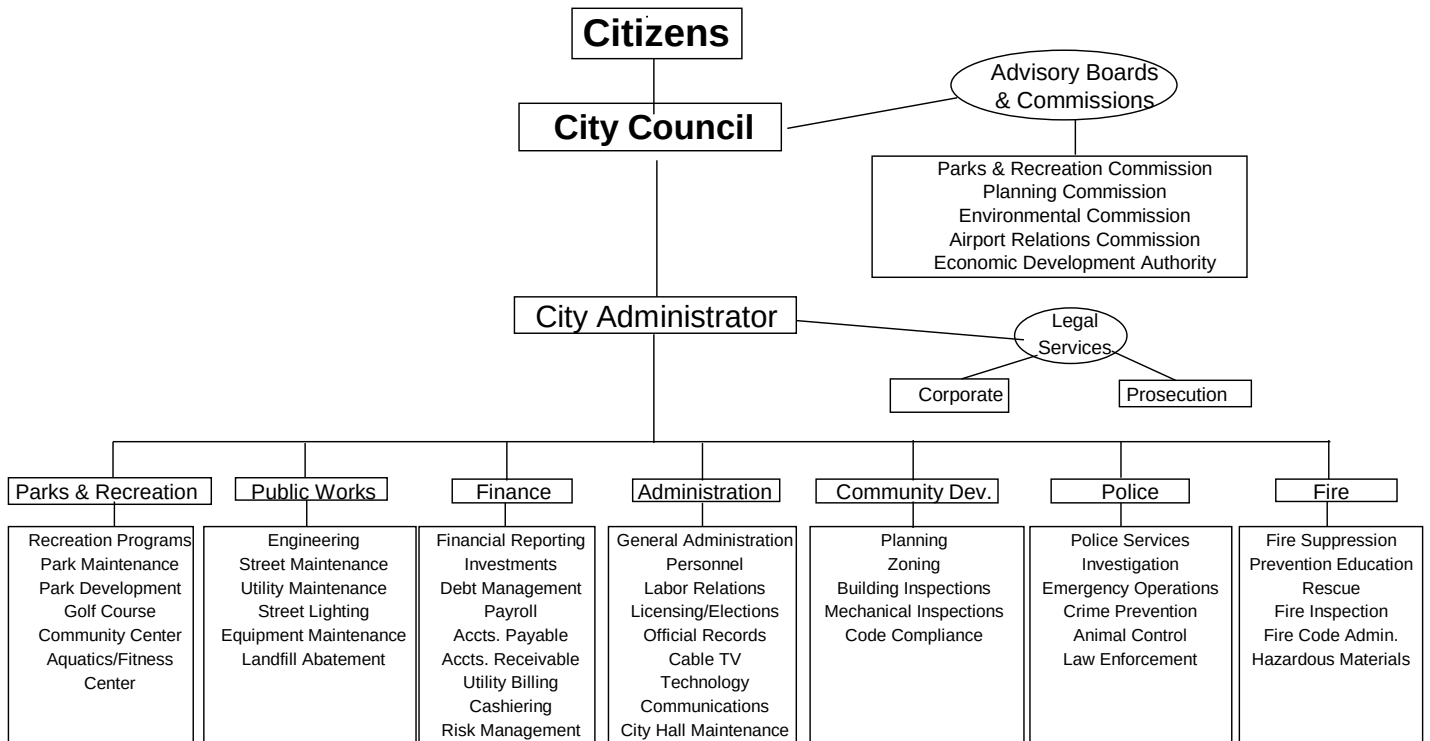
December 31, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF INVER GROVE HEIGHTS, MINNESOTA

ORGANIZATION CHART



City of Inver Grove Heights, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2020

ELECTED

Name	Title	Term Expires
George Tourville	Mayor	12/31/20
Tom Bartholomew	Council Member	12/31/20
Rosemary Piekarski Krech	Council Member	12/31/22
Kara Perry	Council Member	12/31/20
Brenda Dietrich	Council Member	12/31/22

APPOINTED

Name	Title
Joseph Lynch	City Administrator
Amy Hove	Finance Director
Melissa Chiodo	Police Chief
Judy Smith-Thill	Fire Chief
Scott Thureen	Director of Public Works
Heather Rand	Community Development Director
Eric Carlson	Director of Parks and Recreation

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FINANCIAL SECTION
CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Inver Grove Heights, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Inver Grove Heights, Minnesota (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General fund and Community Center special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 29 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, the related notes disclosures, Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios and the Schedule of Changes in the City's OPEB Liability and Related Ratios starting on page 102 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

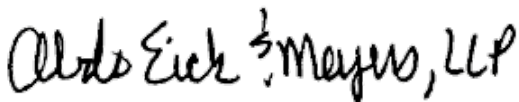
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, statistical section and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual fund financial statements and schedules, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
June 9, 2021

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Management's Discussion and Analysis

As management of the City of Inver Grove Heights, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 11 - 18 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$236,972,173 (net position). Of this amount, \$63,392,696 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net position for governmental activities increased \$12,852,596 and business-type activities increased \$473,274, resulting in a total increase of \$13,325,870, mainly as a result of the sewer activities for business-type activities and increase in taxes for the governmental activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$48,741,320, an increase of \$6,486,198 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$12,870,165, or 50.9 percent of next year's budgeted expenditures.
- The City's total debt decreased \$3,461,050, (7.11% percent) during the current fiscal year. The decrease was due to scheduled debt payments and refunding bond payments from funds held in escrow.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, community development, and interest on long-term debt. The business-type activities of the City include water and sewer utilities and the golf course.

The government-wide financial statements start on page 41 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Improvement Bonds, Community Center, Closed Bond, Local Improvement Construction, Pavement Management, Developer Escrow and the Host Community funds, which are all considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General fund and Community Center special revenue fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with its budget.

The basic governmental fund financial statements start on page 46 of this report.

Proprietary Funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for all the water, sewer, and golf course funds, which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sanitary sewer and golf operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for compensated absences, risk management, central equipment maintenance, office supplies and equipment, city facilities, and technology. Because these services predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements start on page 56 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 63 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pensions and other postemployment benefits to its employees.

Required supplementary information can be found starting on page 102 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the required supplementary information.

Combining and individual fund financial statements and schedules start on page 114 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$236,972,173 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (69.4 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Inver Grove Heights' Summary of Net Position

	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Assets						
Current and other assets	\$ 80,363,042	\$ 74,778,831	\$ 5,584,211	\$ 15,802,651	\$ 13,721,302	\$ 2,081,349
Capital assets, net of depreciation	144,925,533	141,064,641	3,860,892	64,608,158	66,068,165	(1,460,007)
Total Assets	225,288,575	215,843,472	9,445,103	80,410,809	79,789,467	621,342
Deferred Outflows of Resources						
Deferred charge on refunding	-	1,657	(1,657)	155,016	174,194	(19,178)
Deferred other postemployment benefits resources	101,992	60,536	41,456	13,073	7,981	5,092
Deferred pension resources	5,058,225	5,840,739	(782,514)	172,723	115,171	57,552
Total Deferred Outflows of Resources	5,160,217	5,902,932	(742,715)	340,812	297,346	43,466
Liabilities						
Long-term liabilities outstanding	46,565,272	46,100,758	464,514	15,030,410	16,088,530	(1,058,120)
Other liabilities	5,801,841	7,407,927	(1,606,086)	2,445,847	1,071,041	1,374,806
Total Liabilities	52,367,113	53,508,685	(1,141,572)	17,476,257	17,159,571	316,686
Deferred Inflows of Resources						
Deferred pension resources	4,319,348	7,326,028	(3,006,680)	49,661	174,503	(124,842)
Deferred other postemployment benefits resources	14,059	16,015	(1,956)	1,802	2,112	(310)
Total Deferred Inflows of Resources	4,333,407	7,342,043	(3,008,636)	51,463	176,615	(125,152)
Net Position						
Net investment in capital assets	113,246,973	108,559,698	4,687,275	51,251,800	51,455,529	(203,729)
Restricted	9,080,704	9,707,215	(626,511)	-	-	-
Unrestricted	51,420,595	42,628,763	8,791,832	11,972,101	11,295,098	677,003
Total Net Position	\$173,748,272	\$160,895,676	\$ 12,852,596	\$ 63,223,901	\$ 62,750,627	\$ 473,274

An additional portion of the City's net position (3.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$63,392,696 may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Significant changes from the prior year are noted below:

City of Inver Grove Heights' Changes in Net Position

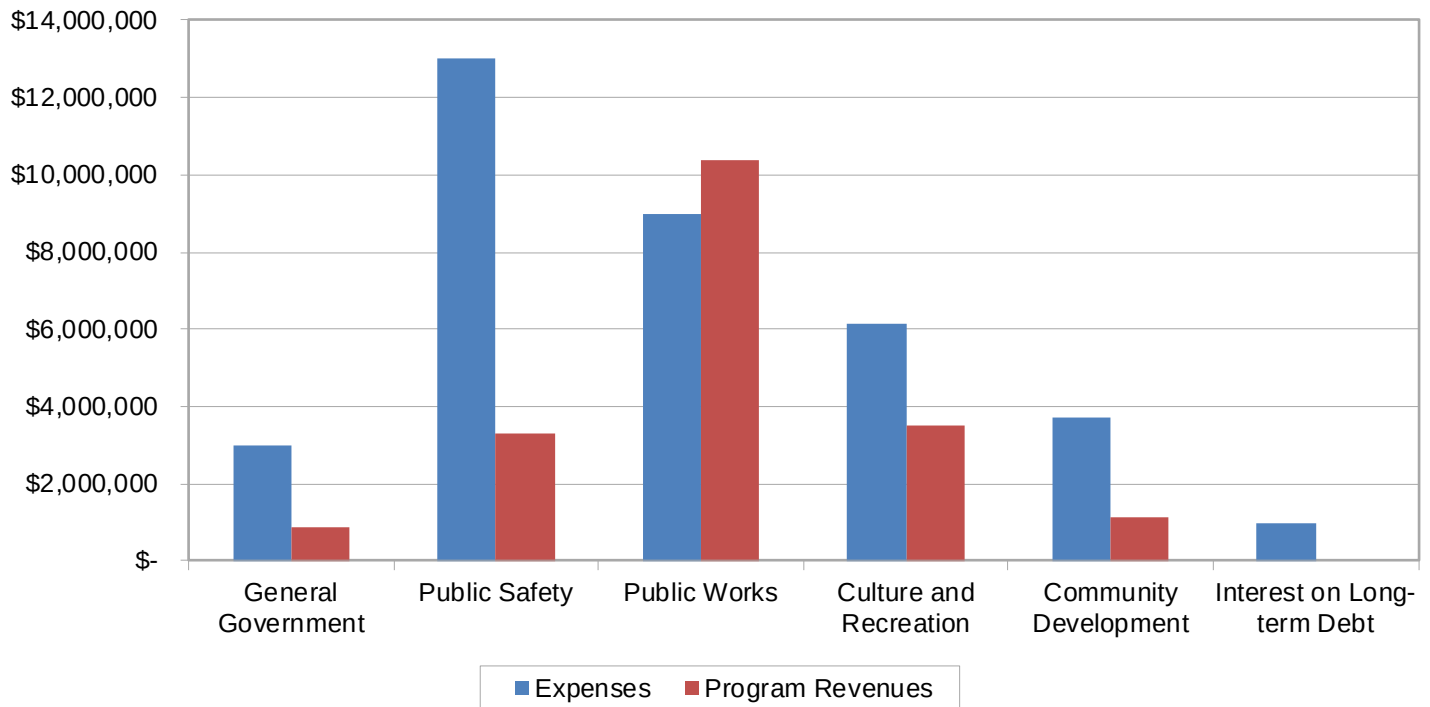
	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 8,845,932	\$ 9,859,253	\$ (1,013,321)	\$ 9,206,102	\$ 8,540,285	\$ 665,817
Operating grants and contributions	5,486,950	3,254,500	2,232,450	5,223	6,667	(1,444)
Capital grants and contributions	4,864,126	4,182,202	681,924	1,365,247	2,106,572	(741,325)
General Revenues						
Taxes						
Property taxes	24,825,120	23,348,621	1,476,499	-	-	-
Tax increment	-	1,738,995	(1,738,995)	-	-	-
Other taxes	1,254,957	1,305,257	(50,300)	-	-	-
Grants and contributions not restricted to specific programs	112,520	75,893	36,627	-	-	-
Unrestricted investment earnings	1,807,149	1,592,145	215,004	485,445	341,373	144,072
Gain on sale of capital assets	10,860	-	10,860	-	-	-
Total Revenues	<u>47,207,614</u>	<u>45,356,866</u>	<u>1,850,748</u>	<u>11,062,017</u>	<u>10,994,897</u>	<u>67,120</u>
Expenses						
General government	2,969,823	3,017,849	(48,026)	-	-	-
Public safety	12,994,292	11,486,291	1,508,001	-	-	-
Public works	8,983,184	8,989,180	(5,996)	-	-	-
Culture and recreation	6,135,155	7,497,438	(1,362,283)	-	-	-
Community development	3,693,217	2,322,377	1,370,840	-	-	-
Interest on long-term debt	1,003,536	1,452,062	(448,526)	-	-	-
Water	-	-	-	2,887,882	2,779,567	108,315
Sewer	-	-	-	4,148,917	3,959,592	189,325
Golf course	-	-	-	2,127,755	1,796,957	330,798
Total Expenses	<u>35,779,207</u>	<u>34,765,197</u>	<u>1,014,010</u>	<u>9,164,554</u>	<u>8,536,116</u>	<u>628,438</u>
Excess before Transfers	11,428,407	10,591,669	836,738	1,897,463	2,458,781	(561,318)
Transfers (Net)	<u>1,424,189</u>	<u>321,140</u>	<u>1,103,049</u>	<u>(1,424,189)</u>	<u>(321,140)</u>	<u>(1,103,049)</u>
Change in Net Position	12,852,596	10,912,809	1,939,787	473,274	2,137,641	(1,664,367)
Prior Period Adjustment	-	(166,286)	166,286	-	-	-
Net Position, January 1	<u>160,895,676</u>	<u>150,149,153</u>	<u>10,746,523</u>	<u>62,750,627</u>	<u>60,612,986</u>	<u>2,137,641</u>
Net Position, December 31	<u>\$173,748,272</u>	<u>\$160,895,676</u>	<u>\$ 12,852,596</u>	<u>\$ 63,223,901</u>	<u>\$ 62,750,627</u>	<u>\$ 473,274</u>

- The increase in operating grants and contributions from 2019 was due to coronavirus relief funds received in 2020.
- The increase in governmental activity expenses was due to an increase in costs funded with the above mentioned coronavirus relief funds and an increase in pension expense.
- Tax increment revenue decreased due to the city no longer having any active tax increment financing districts.

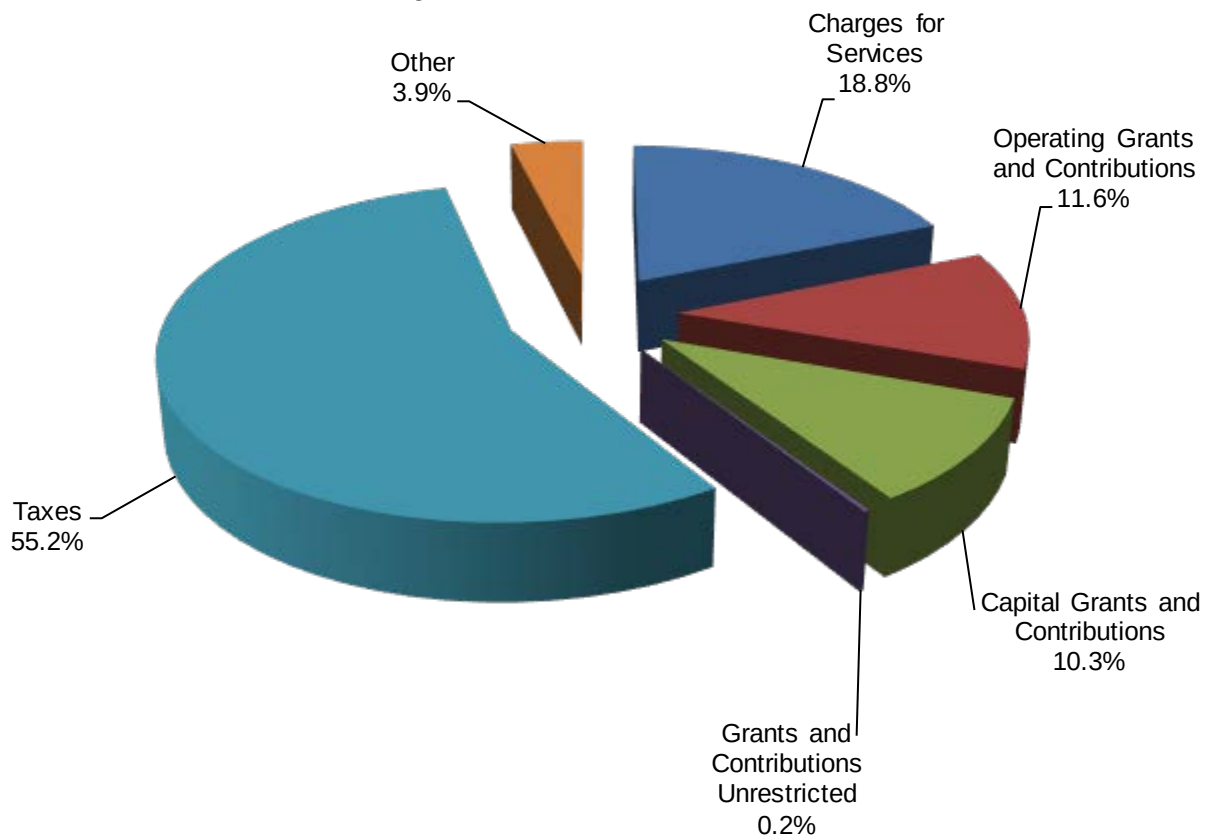
Governmental Activities. Governmental activities increased the City's net position by \$12,852,596. This increase was primarily the result of current year increases in tax revenue and operating and capital grant revenues. The following graph depicts various governmental activities and shows the revenues and expenses directly related to those activities.

In 2020, Public Safety received \$1,911,314 in program revenues under the Federal Cares Act funds to be applied to public safety payroll costs occurred during the COVID-19 pandemic.

Expenses and Program Revenues - Governmental Activities



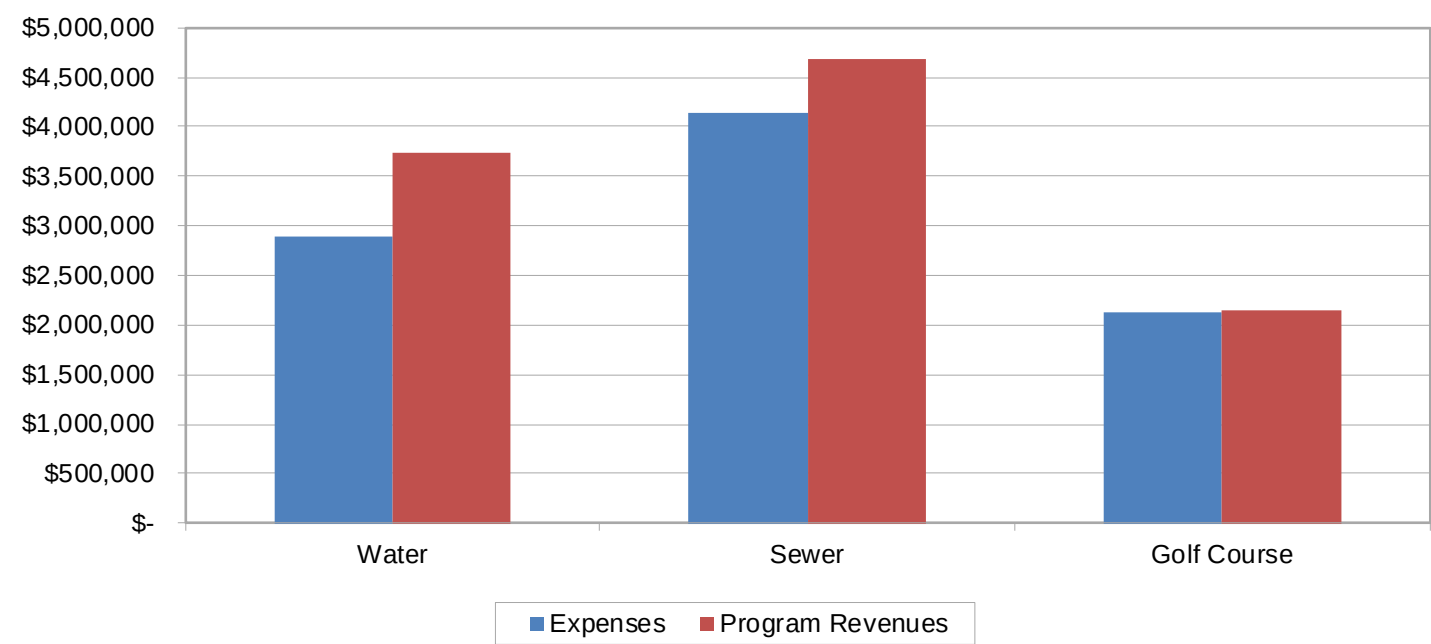
Revenues by Source - Governmental Activities



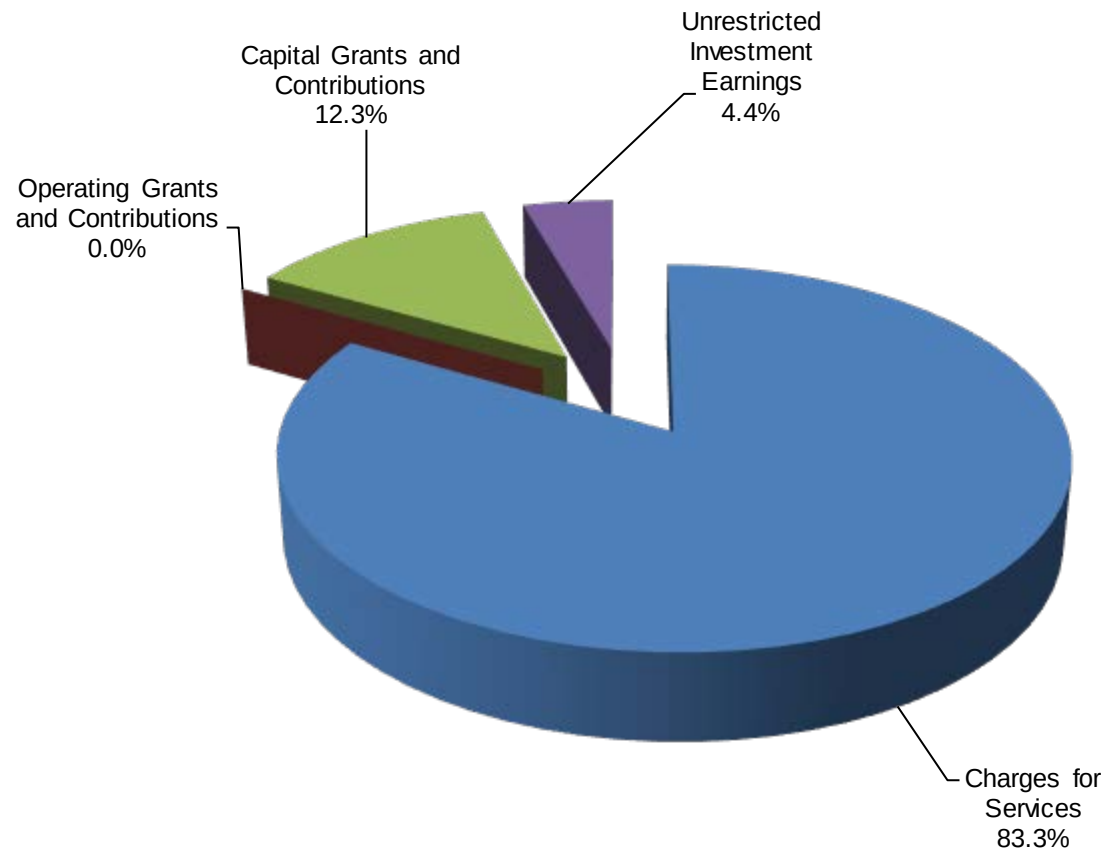
Business-type Activities. The net position of business-type activities increased by \$473,274. This increase was primarily the result of sewer activities.

Below are graphs showing the business-type activities revenue and expense comparisons.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds had combined ending fund balances of \$48,741,320, an increase of \$6,486,198 in comparison with the prior year. Approximately 17.8 percent of this total amount, \$11,120,172, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is not available for new spending because it is either 1) nonspendable \$29,850, 2) restricted \$8,801,689, 3) committed \$4,078,939, or 4) assigned \$24,710,670. For further classification refer to Note 3E starting on page 82 of this report.

Activity in the City's major funds is discussed below:

Major Fund	Fund Balances December 31,		Increase (Decrease)
	2020	2019	
General	\$ 12,914,648	\$ 11,490,873	\$ 1,423,775
The General fund is the chief operating fund of the City. As a measure of the General fund's liquidity, it may be useful to compare total fund balance to the following year's budget. The fund balance is 50.9 percent of next year's budgeted expenses. The increase in fund balance was mostly a result of funding received from federal sources.			
Improvement Bonds	\$ 3,660,852	\$ 3,887,236	\$ (226,384)
The Improvement Bonds fund has a total fund balance of \$3,660,852, all of which is restricted for the payment of debt service. The decrease in fund balance is a result of paying down debt obligations.			
Community Center	\$ (1,749,598)	\$ (1,786,238)	\$ 36,640
Charges for services for 2020 totaled \$1,062,841. The fund also received transfers of \$1,685,872 to assist with operating and capital costs resulting in an increase in fund balance.			
Closed Bond	\$ 2,023,174	\$ 1,968,905	\$ 54,269
The Closed Bond fund has a total fund balance of \$2,023,174, of which all is assigned for capital improvements. The increase is attributed to interest earnings with minimal expenditure activity.			
Local Improvement Construction	\$ 1,386,850	\$ (955,083)	\$ 2,341,933
The Local Improvement Construction fund was established to account for the governmental portion of improvement projects. The increase is primarily related to state aid reimbursements for current and past projects and transfers in from other funds. The State has approved the City's request for an advance in state aid funding which will allow for completion of pending street projects.			
Pavement Management	\$ 5,452,451	\$ 5,670,367	\$ (217,916)
The Pavement Management fund was established to account for the governmental portion of capital projects. The ending fund balance is assigned for capital improvements. The decrease is due to current year project costs utilizing existing reserve balances.			
Host Community	\$ 8,325,575	\$ 6,927,640	\$ 1,397,935
Charges for services for 2020 totaled \$3,116,049. These were offset with transfers out of \$1,670,893 to other funds for various needs of the funds including operations and capital projects resulting in an increase in fund balance. The ending balance is assigned for capital improvements.			
Developer Escrow	\$ -	\$ -	\$ -
The Developer Escrow fund was established to account for the developer escrow receipts and related costs. Revenue is recognized in this fund as funds are used for building related costs.			

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the year, unrestricted net position of the enterprise funds amounted to \$11,972,101. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's General fund budget was amended during the year. The original budget called for a \$0 change in fund balance and the final budget anticipated use of \$500,430 of fund balance due to carryover requests from the 2019 budget. Revenues were less than budget by \$121,693, primarily due to licenses and permits coming in under budget by \$430,064 as many development activities were delayed due to the COVID-19 pandemic. Expenditures were \$252,353 more than budgeted amounts, primarily due to expenditures for public safety and general government coming in over budget by \$431,301 and \$123,188, respectively. The City did not adjust the 2020 budget for COVID-related expenditures. Both public safety and general government spent considerable resources towards the purchase of PPE and other supplies to help combat the spread of COVID-19 in the community. The General Fund was reimbursed for those purchases by a transfer in from the City's CARES Fund to cover those expenditures. With those additional revenues, plus a CARES-eligible transfer in to help offset public safety payroll costs, the net change in fund balance for the General Fund was a positive \$1,423,775.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$209,533,691 (net of accumulated depreciation). This investment in capital assets includes land (tangible and intangible), buildings, improvements, machinery and equipment, park facilities, roads and bridges, and other infrastructure.

Major capital asset events during the current fiscal year included the following:

- The City completed and made operational a new Fire Hall, costing \$10,593,120. The Fire Department also received a Heavy Duty Rescue and Platform Tower Fire Truck for \$620,956 and \$1,270,560, respectively. The Police Department setup new leased Police Vehicles in 2020 for \$90,619.
- In reaction to the Covid-19 Pandemic, the City invested \$188,723 in Bi-Polar Ionization Air Cleaning Systems in various City Government Buildings.
- Purchases of \$453,949 were made by the Public Works Department to acquire machinery and equipment. This includes: \$177,382 for the purchase of a Volvo Loader and \$101,611 for accessorizing of a Mack Truck purchased in the previous year, \$101,878 for three service trucks, \$54,730 for a Road Painting System, and \$9,631 for a Portable Electric Message Sign.
- \$122,027 for Project Management Software was spent by the City's Inspections Department.
- The Culture and Recreation Department assets activity totaled \$779,941. \$503,014 for acquisition of the Peltier Property and \$10,946 for other land for City Parks. The Salem Hill Athletic Courts were complete in 2020 at a cost of \$163,478. \$52,620 was spent on items such as Video Cabling, Concession Stand Remodeling, and Water Curtain for new Glass Door.
- \$1,547,358 went towards the completion of Bancroft Way Neighborhood Street Improvements.
- The City received donated land, infrastructure and distribution systems for developments at Pine Bend Estates, Scenic Hills, Settlers Ridge, and SMART Center totaling \$1,863,900.
- Additionally, the City has construction in progress at year-end for both governmental and business-type activities totaling \$28,970,941.
- The City has construction commitments relating to street, water, sanitary sewer, storm water, parks, and building improvements of \$1,239,737 at year-end.

City of Inver Grove Heights' Capital Assets (Net of Depreciation)

Additional information on the City's capital assets can be found in Note 3B starting on page 76 of this report.

	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Land	\$ 32,805,741	\$ 31,969,987	\$ 835,754	\$ 3,214,055	\$ 3,214,055	\$ -
Construction in Progress	26,637,959	34,255,391	(7,617,432)	2,332,982	2,297,615	35,367
Infrastructure	50,301,231	50,163,861	137,370	-	-	-
Buildings and Systems	24,980,028	15,761,574	9,218,454	58,101,426	59,350,468	(1,249,042)
Improvements other than Buildings	4,121,783	4,190,890	(69,107)	550,460	832,270	(281,810)
Machinery and Equipment	6,078,791	4,722,938	1,355,853	409,235	373,757	35,478
Total	<u>\$144,925,533</u>	<u>\$141,064,641</u>	<u>\$ 3,860,892</u>	<u>\$ 64,608,158</u>	<u>\$ 66,068,165</u>	<u>\$ (1,460,007)</u>

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$43,980,000. All of the City's bonds are backed by the full faith and credit of the City. During the year, the City issued \$1,1640,000 in G.O. Improvement Refunding Bonds, Series 2020A.

State statutes limit the amount of G.O. debt a Minnesota city may issue to 3 percent of total estimated market value. The current debt limitation for the City is \$121,295,097. Only the \$25,920,000 in G.O. bonds is counted within the statutory limitation. The other debt of the City is either wholly or partially financed by revenues other than a general tax levy.

City of Inver Grove Heights' Outstanding Debt

Additional information on the City's long-term debt can be found in Note 3D starting on page 78 of this report.

	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
G.O. Bonds	\$ 25,920,000	\$ 26,870,000	\$ (950,000)	\$ -	\$ -	\$ -
G.O. Special Assessments Bonds	4,885,000	6,070,000	(1,185,000)	-	-	-
G.O. Tax Increment Bonds	-	-	-	-	-	-
G.O. Revenue Bonds	-	-	-	13,175,000	14,405,000	(1,230,000)
Bond Premium	873,560	924,154	(50,594)	336,374	381,830	(45,456)
Total	<u>\$ 31,678,560</u>	<u>\$ 33,864,154</u>	<u>\$ (2,185,594)</u>	<u>\$ 13,511,374</u>	<u>\$ 14,786,830</u>	<u>\$ (1,275,456)</u>

Economic Factors and Next Year's Budgets and Rates

- The City's net tax capacity increased by 7.0 percent for taxes payable 2021 which was greater than the 5.9 percent increase for taxes payable 2020. Tax capacity on Residential property increased 6.8 percent, Commercial property increased 7.4 percent, and Industrial property increased 12.3 percent. Without new construction the increase in tax capacity would have been 5.7 percent. The City's levy increased \$1,392,475, or 5.6 percent for taxes payable 2021 but the tax rate decreased 0.9 percent due to tax capacity growth.
- The City has been slowly increasing contributions to the Pavement Management Program. The 2021 budget dedicates \$2,250,000 of the City's overall tax levy to this program. In addition to tax dollars, the program also receives an annual State Aid maintenance contribution of approximately \$415,000.
- Water and sewer fees were increased 2.0 percent and 3.5 percent respectively for 2021, based on our long-range financial plan.
- Storm water utility fees were implemented on July 1, 2012 and were increased 5% for 2021.
- The City evaluated its December 31, 2020 consolidated financial statements for subsequent events through the date the consolidated financial statements were issued. The City continues to monitor the economic uncertainties that have arisen from the COVID-19 pandemic. Areas that could be negatively impacted include interest income, lodging tax revenue and charges for services at the Community Center. However, City facilities have reopened to the public and development activities are holding strong. The City continues to prepare for, monitor and respond to changing economic conditions.
- In March 2021 the Federal Government passed the American Rescue Plan (ARP) to help aid in the nation's recovery from the COVID-19 pandemic. As a non-entitlement entity (municipality of less than 50,000 in population), the City is estimated to receive around \$3.75 million from the State for this funding. Half of the funding is scheduled in 2021 with the remaining half to be received in 2022. The US Department of Treasury continues to release new guidance on allowable spending and the City has until December 31, 2024 to obligate those funds (December 31, 2026 to spend). The City is still in early discussions on how to best utilize their ARP dollars.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Finance Director, City of Inver Grove Heights, 8150 Barbara Avenue, Inver Grove Heights, MN 55077-3412.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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City of Inver Grove Heights, Minnesota

Statement of Net Position

December 31, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 67,136,388	\$ 15,730,239	\$ 82,866,627
Receivables			
Accrued interest	248,234	68,011	316,245
Taxes	1,701,165	-	1,701,165
Accounts	1,220,661	1,519,168	2,739,829
Special assessments	4,318,307	35,395	4,353,702
Due from other governments	692,748	232,400	925,148
Internal balances	1,801,976	(1,801,976)	-
Inventories	72,848	15,303	88,151
Prepaid items	88,359	4,111	92,470
Land held for resale	1,138,500	-	1,138,500
Net pension asset	1,943,856	-	1,943,856
Capital assets			
Land and construction in progress	59,443,700	5,547,037	64,990,737
Depreciable assets (net of accumulated depreciation)	85,481,833	59,061,121	144,542,954
Total Assets	<u>225,288,575</u>	<u>80,410,809</u>	<u>305,699,384</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	155,016	155,016
Deferred other postemployment benefits resources	101,992	13,073	115,065
Deferred pension resources	5,058,225	172,723	5,230,948
Total Deferred Outflows of Resources	<u>5,160,217</u>	<u>340,812</u>	<u>5,501,029</u>
Liabilities			
Accounts and contracts payable	1,712,133	50,497	1,762,630
Escrows payable	2,332,557	-	2,332,557
Accrued salaries payable	217,887	24,602	242,489
Due to other governments	93,868	289,147	383,015
Accrued interest payable	389,671	154,880	544,551
Deposits payable	23,801	64,457	88,258
Unearned revenue	1,031,924	1,862,264	2,894,188
Long-term liabilities			
Due within one year			
Long-term liabilities	2,433,304	1,338,965	3,772,269
Due in more than one year			
Long-term liabilities	31,884,759	12,398,749	44,283,508
Net pension liability	11,587,442	1,208,127	12,795,569
Other postemployment benefits liability	659,767	84,569	744,336
Total Liabilities	<u>52,367,113</u>	<u>17,476,257</u>	<u>69,843,370</u>
Deferred Inflows of Resources			
Deferred pension resources	4,319,348	49,661	4,369,009
Deferred other postemployment benefit resources	14,059	1,802	15,861
Total Deferred Inflows of Resources	<u>4,333,407</u>	<u>51,463</u>	<u>4,384,870</u>
Net Position			
Net investment in capital assets	113,246,973	51,251,800	164,498,773
Restricted for			
Debt service	3,934,215	-	3,934,215
Community development	4,065,163	-	4,065,163
Park improvements	1,065,208	-	1,065,208
Public safety	16,118	-	16,118
Unrestricted	51,420,595	11,972,101	63,392,696
Total Net Position	<u>\$ 173,748,272</u>	<u>\$ 63,223,901</u>	<u>\$ 236,972,173</u>

The notes to the financial statements are an integral part of this statement.

City of Inver Grove Heights, Minnesota

Statement of Activities

For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 2,969,823	\$ 83,437	\$ 776,596	\$ -
Public safety	12,994,292	605,334	2,695,121	-
Public works	8,983,184	5,152,781	618,654	4,618,077
Culture and recreation	6,135,155	1,861,459	1,396,579	246,049
Community development	3,693,217	1,142,921	-	-
Interest on long-term debt	1,003,536	-	-	-
Total Governmental Activities	<u>35,779,207</u>	<u>8,845,932</u>	<u>5,486,950</u>	<u>4,864,126</u>
Business-type Activities				
Water	2,887,882	3,212,973	3,121	521,551
Sewer	4,148,917	3,847,337	736	843,696
Golf course	2,127,755	2,145,792	1,366	-
Total Business-type Activities	<u>9,164,554</u>	<u>9,206,102</u>	<u>5,223</u>	<u>1,365,247</u>
Total	<u>\$ 44,943,761</u>	<u>\$ 18,052,034</u>	<u>\$ 5,492,173</u>	<u>\$ 6,229,373</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Lodging taxes

Franchise taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Gain on sale of capital assets

Transfers - Internal Activities

Total General Revenues and Transfers

Change in Net Position

Net position, January 1

Net Position, December 31

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (2,109,790)	\$ -	\$ (2,109,790)
(9,693,837)	-	(9,693,837)
1,406,328	-	1,406,328
(2,631,068)	-	(2,631,068)
(2,550,296)	-	(2,550,296)
(1,003,536)	-	(1,003,536)
<u>(16,582,199)</u>	<u>-</u>	<u>(16,582,199)</u>
-	849,763	849,763
-	542,852	542,852
-	19,403	19,403
<u>-</u>	<u>1,412,018</u>	<u>1,412,018</u>
<u>(16,582,199)</u>	<u>1,412,018</u>	<u>(15,170,181)</u>
22,121,494	-	22,121,494
2,703,626	-	2,703,626
77,357	-	77,357
1,177,600	-	1,177,600
112,520	-	112,520
1,807,149	485,445	2,292,594
10,860	-	10,860
1,424,189	(1,424,189)	-
<u>29,434,795</u>	<u>(938,744)</u>	<u>28,496,051</u>
12,852,596	473,274	13,325,870
<u>160,895,676</u>	<u>62,750,627</u>	<u>223,646,303</u>
<u>\$173,748,272</u>	<u>\$ 63,223,901</u>	<u>\$236,972,173</u>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS
CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

City of Inver Grove Heights, Minnesota

Balance Sheet
Governmental Funds
December 31, 2020

		Debt Service	Special Revenue
	General	Improvement Bonds	Community Center
Assets			
Cash and temporary investments	\$ 12,049,277	\$ 3,483,217	\$ 516,225
Receivables			
Accrued interest	46,826	11,371	726
Taxes	1,497,550	174,774	-
Accounts	98,067	-	24,471
Special assessments	3,826	654,999	-
Due from other governments	38,282	-	462,694
Due from other funds	-	-	-
Prepaid items	28,365	-	395
Land held for resale	-	-	-
Total Assets	\$ 13,762,193	\$ 4,324,361	\$ 1,004,511
Liabilities			
Accounts and contracts payable	\$ 377,760	\$ 475	\$ 54,741
Escrows payable	-	-	-
Accrued salaries payable	194,850	-	8,770
Due to other governments	37,392	-	13
Due to other funds	-	-	2,220,300
Deposits payable	-	-	5,186
Unearned revenue	9,987	-	14,130
Total Liabilities	619,989	475	2,303,140
Deferred Inflows of Resources			
Unavailable revenues - delinquent taxes	107,506	12,456	-
Unavailable revenues - special assessments	3,826	650,578	-
Unavailable revenues - intergovernmental	116,224	-	450,969
Total Deferred Inflows of Resources	227,556	663,034	450,969
Fund Balances			
Nonspendable	28,365	-	395
Restricted	16,118	3,660,852	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	12,870,165	-	(1,749,993)
Total Fund Balances	12,914,648	3,660,852	(1,749,598)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,762,193	\$ 4,324,361	\$ 1,004,511

The notes to the financial statements are an integral part of this statement.

Capital Projects						
Closed Bond	Local Improvement Construction	Pavement Management	Host Community	Developer Escrows	Other Governmental Funds	Total Governmental Funds
\$ 2,014,644	\$ 3,037,109	\$ 5,627,281	\$ 7,139,420	\$ 2,365,968	\$ 15,853,877	\$ 52,087,018
8,250	10,066	20,281	29,691	-	62,813	190,024
632	6,832	7,879	-	-	13,498	1,701,165
-	57,000	47,100	220,184	-	772,308	1,219,130
868,403	253,096	2,262,384	-	-	275,599	4,318,307
-	189,073	-	-	-	1,205	691,254
-	-	-	1,000,000	-	-	1,000,000
-	-	-	-	-	1,090	29,850
-	-	-	-	-	1,138,500	1,138,500
<u>\$ 2,891,929</u>	<u>\$ 3,553,176</u>	<u>\$ 7,964,925</u>	<u>\$ 8,389,295</u>	<u>\$ 2,365,968</u>	<u>\$ 18,118,890</u>	<u>\$ 62,375,248</u>
\$ -	\$ 735,700	\$ 277,205	\$ 13,708	\$ 33,321	\$ 79,270	\$ 1,572,180
-	-	-	-	2,332,557	-	2,332,557
-	-	-	-	-	5,001	208,621
-	-	-	50,012	90	6,356	93,863
-	-	-	-	-	1,000,000	3,220,300
-	-	-	-	-	18,615	23,801
-	1,006,783	-	-	-	1,024	1,031,924
-	1,742,483	277,205	63,720	2,365,968	1,110,266	8,483,246
352	535	673	-	-	5,657	127,179
868,403	250,957	2,234,596	-	-	275,599	4,283,959
-	172,351	-	-	-	-	739,544
868,755	423,843	2,235,269	-	-	281,256	5,150,682
-	-	-	-	-	1,090	29,850
-	-	-	-	-	5,124,719	8,801,689
-	-	-	-	-	4,078,939	4,078,939
2,023,174	1,386,850	5,452,451	8,325,575	-	7,522,620	24,710,670
-	-	-	-	-	-	11,120,172
2,023,174	1,386,850	5,452,451	8,325,575	-	16,727,368	48,741,320
<u>\$ 2,891,929</u>	<u>\$ 3,553,176</u>	<u>\$ 7,964,925</u>	<u>\$ 8,389,295</u>	<u>\$ 2,365,968</u>	<u>\$ 18,118,890</u>	<u>\$ 62,375,248</u>

The notes to the financial statements are an integral part of this statement.

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City of Inver Grove Heights, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2020

Amounts reported for the governmental activities in the statement of net position are different because

Total Fund Balances - Governmental Funds	\$ 48,741,320
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the funds.	1,943,856
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	212,520,817
Less: accumulated depreciation	(86,244,460)
Internal service funds are used by the City to charge the cost of compensated absences, liability, property, and workers compensation insurance, vehicles and equipment, centralized purchase of consumable office supplies, maintaining facilities, and maintenance of computer systems. These balances are reported with governmental activities on the statement of net position.	34,771,698
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Noncurrent liabilities at year-end consist of	
Bonds payable	(30,805,000)
Plus premium on bonds issued	(873,560)
Other postemployment benefits payable	(659,767)
Net pension liability	(11,194,418)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Delinquent taxes	127,179
Special assessments	4,283,959
Intergovernmental	739,544
Governmental funds do not report long-term amounts related to pensions and OPEB.	
Deferred outflows other postemployment benefit resources	101,992
Deferred inflows other postemployment benefit resources	(14,059)
Deferred outflows of pension resources	5,002,035
Deferred inflows of pension resources	(4,303,193)
Governmental funds do not report a liability for accrued interest until due and payable.	(389,671)
Total Net Position - Governmental Activities	<u>\$ 173,748,272</u>

The notes to the financial statements are an integral part of this statement.

City of Inver Grove Heights, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

		<u>Debt Service</u>	<u>Special Revenue</u>
	<u>General</u>	<u>Improvement Bonds</u>	<u>Community Center</u>
Revenues			
Taxes	\$ 22,031,549	\$ 2,702,106	\$ -
Licenses and permits	1,232,336	-	-
Intergovernmental	832,888	4,175	-
Charges for services	797,851	-	1,062,841
Fines and forfeitures	145,283	-	-
Special assessments	1,981	220,078	-
Investment earnings	345,702	80,461	5,854
Miscellaneous	97,503	-	440,820
Total Revenues	<u>25,485,093</u>	<u>3,006,820</u>	<u>1,509,515</u>
Expenditures			
Current			
General government	2,564,476	-	-
Public safety	12,571,164	-	-
Public works	4,218,542	-	-
Culture and recreation	2,033,280	-	2,547,127
Community development	2,897,979	-	-
Capital outlay			
General government	642	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	210,139
Community development	-	-	-
Debt service			
Principal	-	2,135,000	-
Interest and other charges	-	1,069,906	-
Bond issuance costs	-	47,548	-
Total Expenditures	<u>24,286,083</u>	<u>3,252,454</u>	<u>2,757,266</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,199,010</u>	<u>(245,634)</u>	<u>(1,247,751)</u>
Other Financing Sources (Uses)			
Transfers in	2,634,861	-	1,685,872
Transfers out	(2,410,096)	(187)	(401,481)
Premium on bonds issued	-	19,437	-
Issuance of refunding bonds	-	1,640,000	-
Principal paid on refunded bonds	-	(1,640,000)	-
Total Other Financing Sources (Uses)	<u>224,765</u>	<u>19,250</u>	<u>1,284,391</u>
Net Change in Fund Balances	1,423,775	(226,384)	36,640
Fund Balances, January 1	<u>11,490,873</u>	<u>3,887,236</u>	<u>(1,786,238)</u>
Fund Balances, December 31	<u>\$ 12,914,648</u>	<u>\$ 3,660,852</u>	<u>\$ (1,749,598)</u>

The notes to the financial statements are an integral part of this statement.

Capital Projects						
Closed Bond	Local Improvement Construction	Pavement Management	Host Community	Developer Escrows	Other Governmental Funds	Total Governmental Funds
\$ 1,520	\$ 103,326	\$ 119,721	\$ -	\$ -	\$ 1,148,530	\$ 26,106,752
-	-	-	-	-	-	1,232,336
-	2,605,203	453,860	-	-	2,688,558	6,584,684
-	13,331	1,175	3,116,049	470,653	1,526,470	6,988,370
-	-	-	-	-	-	145,283
5,584	383,125	755,861	-	-	57,760	1,424,389
57,718	84,307	146,242	204,989	-	468,033	1,393,306
-	18,378	421,780	-	-	181,357	1,159,838
64,822	3,207,670	1,898,639	3,321,038	470,653	6,070,708	45,034,958
4,745	-	-	-	-	-	2,569,221
-	-	-	-	-	-	12,571,164
5,995	23,848	160,652	66,901	470,653	441,529	5,388,120
-	-	-	-	-	542,735	5,123,142
-	-	-	185,309	-	561,661	3,644,949
-	-	-	-	-	-	642
-	342,469	-	-	-	-	342,469
-	1,036,504	4,619,449	-	-	7,581	5,663,534
-	791,035	-	-	-	613,834	1,615,008
-	-	-	-	-	1,201	1,201
-	-	-	-	-	-	2,135,000
-	-	-	-	-	-	1,069,906
-	-	-	-	-	-	47,548
10,740	2,193,856	4,780,101	252,210	470,653	2,168,541	40,171,904
54,082	1,013,814	(2,881,462)	3,068,828	-	3,902,167	4,863,054
187	1,442,157	2,765,832	-	-	784,180	9,313,089
-	(114,038)	(102,286)	(1,670,893)	-	(3,010,401)	(7,709,382)
-	-	-	-	-	-	19,437
-	-	-	-	-	-	1,640,000
-	-	-	-	-	-	(1,640,000)
187	1,328,119	2,663,546	(1,670,893)	-	(2,226,221)	1,623,144
54,269	2,341,933	(217,916)	1,397,935	-	1,675,946	6,486,198
1,968,905	(955,083)	5,670,367	6,927,640	-	15,051,422	42,255,122
\$ 2,023,174	\$ 1,386,850	\$ 5,452,451	\$ 8,325,575	\$ -	\$ 16,727,368	\$ 48,741,320

The notes to the financial statements are an integral part of this statement.

City of Inver Grove Heights, Minnesota
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2020

Amounts reported for governmental activities in the statement of activities are different because

Total Net Change in Fund Balances - Governmental Funds	\$ 6,486,198
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlays	5,637,583
Depreciation expense	(3,548,350)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Capital assets contributed from developers	1,318,207
Capital assets transferred to enterprise funds	(262,457)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	
Principal repayments	3,775,000
Bonds issued	(1,640,000)
Current year amortization of bond premium	70,031
Premium on bonds issued	(19,437)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	43,887
Internal service funds are used by the City to charge the cost of compensated absences, liability, property, and workers compensation insurance, vehicles and equipment, centralized purchase of consumable office supplies, maintaining facilities, and maintenance of computer systems. These balances are reported with governmental activities in the statement of activities.	357,002
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Special assessments	108,676
Property taxes	(26,675)
Intergovernmental	238,286
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Other postemployment benefits	(24,655)
Long-term pension activity is not reported in governmental funds.	
Pension expense	283,853
Pension revenue from State contributions	55,447
Change in Net Position - Governmental Activities	<u><u>\$ 12,852,596</u></u>

The notes to the financial statements are an integral part of this statement.

City of Inver Grove Heights, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 22,003,800	\$ 22,003,800	\$ 22,031,549	\$ 27,749
Licenses and permits	1,662,400	1,662,400	1,232,336	(430,064)
Intergovernmental	696,100	696,100	832,888	136,788
Charges for services	660,000	660,000	797,851	137,851
Fines and forfeitures	180,000	180,000	145,283	(34,717)
Special assessments	8,000	8,000	1,981	(6,019)
Investment earnings	147,400	147,400	345,702	198,302
Miscellaneous	5,700	5,700	97,503	91,803
Total Revenues	<u>25,363,400</u>	<u>25,363,400</u>	<u>25,485,093</u>	<u>121,693</u>
Expenditures				
Current				
General government	2,302,900	2,441,280	2,564,476	(123,196)
Public safety	11,838,200	12,139,850	12,571,164	(431,314)
Public works	4,322,100	4,322,100	4,218,542	103,558
Culture and recreation	2,132,500	2,141,500	2,033,280	108,220
Community development	2,959,600	2,989,000	2,897,979	91,021
Capital outlay				
General government	-	-	642	(642)
Total Expenditures	<u>23,555,300</u>	<u>24,033,730</u>	<u>24,286,083</u>	<u>(252,353)</u>
Excess of Revenues Over Expenditures	<u>1,808,100</u>	<u>1,329,670</u>	<u>1,199,010</u>	<u>(130,660)</u>
Other Financing Sources (Uses)				
Transfers in	578,000	578,000	2,634,861	2,056,861
Transfers out	<u>(2,386,100)</u>	<u>(2,408,100)</u>	<u>(2,410,096)</u>	<u>(1,996)</u>
Total Financing Sources (Uses)	<u>(1,808,100)</u>	<u>(1,830,100)</u>	<u>224,765</u>	<u>2,054,865</u>
Net Change in Fund Balances	-	(500,430)	1,423,775	1,924,205
Fund Balances, January 1	<u>11,490,873</u>	<u>11,490,873</u>	<u>11,490,873</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 11,490,873</u>	<u>\$ 10,990,443</u>	<u>\$ 12,914,648</u>	<u>\$ 1,924,205</u>

The notes to the financial statements are an integral part of this statement.

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City of Inver Grove Heights, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Community Center Special Revenue Fund
For the Year Ended December 31, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	\$ 2,458,700	\$ 2,458,700	\$ 1,062,841	\$ (1,395,859)
Investment earnings	-	-	5,854	5,854
Miscellaneous	336,300	336,300	440,820	104,520
Total Revenues	<u>2,795,000</u>	<u>2,795,000</u>	<u>1,509,515</u>	<u>(1,285,485)</u>
Expenditures				
Current				
Culture and recreation	3,269,100	3,269,100	2,547,127	721,973
Capital outlay				
Culture and recreation	829,400	1,499,100	210,139	1,288,961
Total Expenditures	<u>4,098,500</u>	<u>4,768,200</u>	<u>2,757,266</u>	<u>2,010,934</u>
Deficiency of Revenues Under Expenditures	<u>(1,303,500)</u>	<u>(1,973,200)</u>	<u>(1,247,751)</u>	<u>725,449</u>
Other Financing Sources (Uses)				
Transfers in	1,306,500	1,976,200	1,685,872	(290,328)
Transfers out	-	-	(401,481)	(401,481)
Total Financing Sources (Uses)	<u>1,306,500</u>	<u>1,976,200</u>	<u>1,284,391</u>	<u>(691,809)</u>
Net Change in Fund Balances	3,000	3,000	36,640	33,640
Fund Balances, January 1	<u>(1,786,238)</u>	<u>(1,786,238)</u>	<u>(1,786,238)</u>	<u>-</u>
Fund Balances, December 31	<u>\$ (1,783,238)</u>	<u>\$ (1,783,238)</u>	<u>\$ (1,749,598)</u>	<u>\$ 33,640</u>

The notes to the financial statements are an integral part of this statement.

City of Inver Grove Heights, Minnesota
Statement of Net Position (Continued on the Following Page)
Proprietary Funds
December 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Golf Course	Total	
Assets					
Current Assets					
Cash and temporary investments	\$ 9,343,488	\$ 4,725,991	\$ 1,660,760	\$ 15,730,239	\$ 15,049,370
Receivables					
Accrued interest	40,247	24,777	2,987	68,011	58,210
Accounts	652,938	866,230	-	1,519,168	1,531
Special assessments	35,395	-	-	35,395	-
Due from other governments	19,293	-	213,107	232,400	1,494
Due from other funds	-	-	-	-	4,022,276
Inventories	-	-	15,303	15,303	72,848
Prepaid items	-	-	4,111	4,111	58,509
Total Current Assets	<u>10,091,361</u>	<u>5,616,998</u>	<u>1,896,268</u>	<u>17,604,627</u>	<u>19,264,238</u>
Long-term Assets					
Capital assets					
Land	583,598	768,102	1,862,355	3,214,055	209,122
Construction in progress	1,027,873	1,305,109	-	2,332,982	-
Buildings and systems	51,320,568	42,433,298	920,412	94,674,278	17,409,502
Improvements other than buildings	98,108	39,924	4,501,427	4,639,459	240,717
Machinery and equipment	<u>342,472</u>	<u>26,519</u>	<u>1,081,998</u>	<u>1,450,989</u>	<u>14,357,131</u>
Total Capital Assets	53,372,619	44,572,952	8,366,192	106,311,763	32,216,472
Less accumulated depreciation	<u>(21,741,328)</u>	<u>(14,457,285)</u>	<u>(5,504,992)</u>	<u>(41,703,605)</u>	<u>(13,567,296)</u>
Net Capital Assets	<u>31,631,291</u>	<u>30,115,667</u>	<u>2,861,200</u>	<u>64,608,158</u>	<u>18,649,176</u>
Total Long-term Assets	<u>31,631,291</u>	<u>30,115,667</u>	<u>2,861,200</u>	<u>64,608,158</u>	<u>18,649,176</u>
Total Assets	<u>41,722,652</u>	<u>35,732,665</u>	<u>4,757,468</u>	<u>82,212,785</u>	<u>37,913,414</u>
Deferred Outflows of Resources					
Deferred charge on refunding	-	155,016	-	155,016	-
Deferred other postemployment benefits resources	4,651	2,854	5,568	13,073	-
Deferred pension resources	<u>60,660</u>	<u>39,239</u>	<u>72,824</u>	<u>172,723</u>	<u>56,190</u>
Total Deferred Outflows of Resources	<u>65,311</u>	<u>197,109</u>	<u>78,392</u>	<u>340,812</u>	<u>56,190</u>

The notes to the financial statements are an integral part of this statement.

City of Inver Grove Heights, Minnesota
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Golf Course	Total	
Liabilities					
Current Liabilities					
Accounts and contracts payable	\$ 40,638	\$ 11,344	\$ (1,485)	\$ 50,497	\$ 139,953
Accrued salaries payable	11,111	5,666	7,825	24,602	9,266
Due to other governments	79,140	222,772	(12,765)	289,147	5
Due to other funds	-	-	1,801,976	1,801,976	-
Accrued interest payable	6,833	148,047	-	154,880	-
Deposits payable	-	-	64,457	64,457	-
Unearned revenue	152,430	240,840	1,468,994	1,862,264	-
Compensated absences payable - current portion	12,434	14,555	51,976	78,965	873,304
Bonds payable - current portion	390,000	870,000	-	1,260,000	-
Total Current Liabilities	692,586	1,513,224	3,380,978	5,586,788	1,022,528
Long-term Liabilities					
Compensated absences payable	95,697	44,384	7,294	147,375	1,766,199
Bonds payable	421,601	11,829,773	-	12,251,374	-
Net pension liability	424,291	274,463	509,373	1,208,127	393,024
Other postemployment benefits payable	30,089	18,460	36,020	84,569	-
Total Long-term Liabilities	971,678	12,167,080	552,687	13,691,445	2,159,223
Total Liabilities	1,664,264	13,680,304	3,933,665	19,278,233	3,181,751
Deferred Inflows of Resources					
Deferred pension resources	17,441	11,282	20,938	49,661	16,155
Deferred other postemployment benefit resources	641	393	768	1,802	-
Total Deferred Inflows of Resources	18,082	11,675	21,706	51,463	16,155
Net Position					
Net investment in capital assets	30,819,690	17,570,910	2,861,200	51,251,800	18,649,176
Unrestricted	9,285,927	4,666,885	(1,980,711)	11,972,101	16,122,522
Total Net Position	\$ 40,105,617	\$ 22,237,795	\$ 880,489	\$ 63,223,901	\$ 34,771,698

The notes to the financial statements are an integral part of this statement.

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City of Inver Grove Heights, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Golf Course	Total	
Operating Revenues					
Charges for services					
Water sales	\$ 3,190,106	\$ -	\$ -	\$ 3,190,106	\$ -
Sewer charges	-	3,839,705	-	3,839,705	-
Late fees	11,698	7,632	-	19,330	-
Water meter sales	11,169	-	-	11,169	-
Foot golf	-	-	3,986	3,986	-
Green fees	-	-	811,457	811,457	-
Golf cart rentals	-	-	535,766	535,766	-
Practice center	-	-	175,457	175,457	-
Golf shop	-	-	56,807	56,807	-
Food and beverage	-	-	147,319	147,319	-
Other	-	-	413,861	413,861	5,344,420
Total Operating Revenues	<u>3,212,973</u>	<u>3,847,337</u>	<u>2,144,653</u>	<u>9,204,963</u>	<u>5,344,420</u>
Operating Expenses					
Personnel services	671,656	451,357	1,114,323	2,237,336	928,170
Other current expenses	1,223,053	2,552,135	750,475	4,525,663	2,547,484
Depreciation	991,866	793,219	262,957	2,048,042	1,823,206
Total Operating Expenses	<u>2,886,575</u>	<u>3,796,711</u>	<u>2,127,755</u>	<u>8,811,041</u>	<u>5,298,860</u>
Operating Income	<u>326,398</u>	<u>50,626</u>	<u>16,898</u>	<u>393,922</u>	<u>45,560</u>
Nonoperating Revenues (Expenses)					
Investment earnings	284,834	179,637	20,974	485,445	413,843
Miscellaneous revenues	3,121	736	2,505	6,362	54,012
Gain on sale of capital assets	-	-	-	-	10,860
Interest and amortization expense	(1,307)	(352,206)	-	(353,513)	-
Total Nonoperating Revenues (Expenses)	<u>286,648</u>	<u>(171,833)</u>	<u>23,479</u>	<u>138,294</u>	<u>478,715</u>
Income (Loss) Before Contributions and Transfers	<u>613,046</u>	<u>(121,207)</u>	<u>40,377</u>	<u>532,216</u>	<u>524,275</u>
Capital Contributions	521,496	843,751	-	1,365,247	12,245
Transfers In	531	910,321	6,519	917,371	150,394
Transfers Out	(1,652,779)	(688,781)	-	(2,341,560)	(329,912)
Total Transfers and Contributions	<u>(1,130,752)</u>	<u>1,065,291</u>	<u>6,519</u>	<u>(58,942)</u>	<u>(167,273)</u>
Change in Net Position	(517,706)	944,084	46,896	473,274	357,002
Net Position - January 1	<u>40,623,323</u>	<u>21,293,711</u>	<u>833,593</u>	<u>62,750,627</u>	<u>34,414,696</u>
Net Position, December 31	<u>\$ 40,105,617</u>	<u>\$ 22,237,795</u>	<u>\$ 880,489</u>	<u>\$ 63,223,901</u>	<u>\$ 34,771,698</u>

The notes to the financial statements are an integral part of this statement.

City of Inver Grove Heights, Minnesota
Statement of Cash Flows (Continued on the Following Page)
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Golf Course	Total	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 3,435,605	\$ 3,665,071	\$ 3,214,133	\$ 10,314,809	\$ 5,341,395
Other operating receipts	1,984	-	1,139	3,123	52,957
Payments to suppliers	(1,200,552)	(2,402,488)	(780,181)	(4,383,221)	(2,495,714)
Payments to employees	(707,921)	(459,253)	(1,082,470)	(2,249,644)	(786,619)
Net Cash Provided (Used) by Operating Activities	<u>1,529,116</u>	<u>803,330</u>	<u>1,352,621</u>	<u>3,685,067</u>	<u>2,112,019</u>
Cash Flows from Noncapital Financing Activities					
Receipts on interfund balances	-	-	-	-	294,822
Payments on interfund balances	-	-	(81,908)	(81,908)	-
Transfers from other funds	531	910,321	6,519	917,371	150,394
Transfers to other funds	(1,652,779)	(688,781)	-	(2,341,560)	(329,912)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,652,248)</u>	<u>221,540</u>	<u>(75,389)</u>	<u>(1,506,097)</u>	<u>115,304</u>
Cash Flows from Capital and Related Financing Activities					
Connection fees received	231,421	539,258	-	770,679	-
Acquisition of capital assets	(7,095)	-	-	(7,095)	(635,354)
Proceeds from sale of capital assets	-	-	-	-	10,860
Interest paid on debt	(20,676)	(372,449)	-	(393,125)	-
Principal paid on bonds	(379,999)	(850,001)	-	(1,230,000)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(176,349)</u>	<u>(683,192)</u>	<u>-</u>	<u>(859,541)</u>	<u>(624,494)</u>
Cash Flows from Investing Activities					
Investment receipts	<u>283,662</u>	<u>184,727</u>	<u>20,663</u>	<u>489,052</u>	<u>414,692</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(15,819)	526,405	1,297,895	1,808,481	2,017,521
Cash and Cash Equivalents, January 1	<u>9,359,307</u>	<u>4,199,586</u>	<u>362,865</u>	<u>13,921,758</u>	<u>13,031,849</u>
Cash and Cash Equivalents, December 31	<u>\$ 9,343,488</u>	<u>\$ 4,725,991</u>	<u>\$ 1,660,760</u>	<u>\$ 15,730,239</u>	<u>\$ 15,049,370</u>

The notes to the financial statements are an integral part of this statement.

City of Inver Grove Heights, Minnesota
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Golf Course	Total	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating income	\$ 326,398	\$ 50,626	\$ 16,898	\$ 393,922	\$ 45,560
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation	991,866	793,219	262,957	2,048,042	1,823,206
Other income related to operations	3,121	736	2,505	6,362	54,012
(Increase) decrease in assets/deferred outflows of resources					
Accounts receivable	241,925	(195,224)	1,953	48,654	(1,531)
Due from other governments	(19,293)	12,958	(213,107)	(219,442)	(1,494)
Inventories	-	-	(12,333)	(12,333)	(16,086)
Prepaid items	-	-	2,182	2,182	94,427
Deferred OPEB resources	(1,791)	(1,224)	(2,077)	(5,092)	-
Deferred pension resources	(19,373)	(13,644)	(24,535)	(57,552)	4,839
Increase (decrease) in liabilities/deferred inflows of resources					
Accounts and contracts payable	7,607	9,654	(6,589)	10,672	(13,801)
Accrued salaries payable	(19,857)	(10,420)	(14,810)	(45,087)	(35,016)
Due to other governments	14,894	139,993	(12,966)	141,921	(12,770)
Deposits payable	-	-	7,647	7,647	-
Unearned revenue	-	-	1,272,987	1,272,987	-
Compensated absences payable	(28,491)	(16,389)	21,312	(23,568)	369,970
Net pension liability	75,212	58,053	101,086	234,351	(122,982)
Other postemployment benefits payable	2,129	2,529	1,895	6,553	-
Deferred pension resources	(45,115)	(27,499)	(52,228)	(124,842)	(76,315)
Deferred OPEB resources	(116)	(38)	(156)	(310)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,529,116</u>	<u>\$ 803,330</u>	<u>\$ 1,352,621</u>	<u>\$ 3,685,067</u>	<u>\$ 2,112,019</u>
Schedule of Noncash Capital and Related Financing Activities					
Capital assets contributed from developers	\$ 258,209	\$ 287,484	\$ -	\$ 545,693	\$ 12,245
Capital assets contributed from governmental activities	104,080	158,377	-	262,457	-
Capital assets donated to governmental activities	18,041	17,206	-	35,247	-
Amortization of bond premium	16,202	29,254	-	45,456	-
Amortization of deferred charges on refunding	-	19,178	-	19,178	-

The notes to the financial statements are an integral part of this statement.

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City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Inver Grove Heights (the City) was incorporated in 1965 and operates under the State of Minnesota Statutory Plan A form of government. The governing body consists of a five-member City Council elected by voters of the City. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City.

The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of their operational or financial relationships with the City. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. Included in the City's reporting entity, based upon the application of these criteria, is the following blended component unit.

Blended Component Unit

The Inver Grove Heights Economic Development Authority (EDA) is a legal entity separate from the City. Although legally separate, the EDA is reported as if it were part of the primary government because the Board of Commissioners is made up of the Mayor and the four City Council members and the City has operational responsibility over the EDA. It is this criterion that results in the EDA being reported as a blended component unit and reported as a special revenue fund. Separate financial statements are not prepared for the EDA.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

The *General fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Improvement Bonds fund* is a debt service fund that accounts for resources accumulated and payments for principal and interest on long term general obligation debt.

The *Community Center fund* accounts for the activities at the Veterans Memorial and the Grove Community Center. Charges for services within the fund are committed to Community Center activity.

The *Closed Bond, Local Improvement Construction, Pavement Management, and Host Community funds* are capital projects funds that account for improvement revenues and expenditures from replacement funds set aside for capital improvements.

The *Developer Escrow fund* accounts for the activities related to the collection and use of developer and building related escrow accounts.

The City reports the following major proprietary funds:

The *Water fund* and the *Sewer fund* account for activities related to the operation of a water distribution system and a sanitary sewer collection system, respectively.

The *Golf Course fund* accounts for resources and payments related to the operation and maintenance of a municipal golf course.

Additionally, the City reports the following fund types:

Internal service funds account for compensated absences, risk management, central equipment, central stores, city facilities and technology services provided to other departments or agencies of the City. Internal service funds operate in a manner similar to enterprise funds; however, they provide services primarily to other departments within the City.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are payments in-lieu of taxes, payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the Statement of Cash Flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2020:

- Government agency and treasury securities of \$19,839,735 are valued using quoted market prices (Level 1 inputs)
- Negotiable certificates of deposits and municipal bonds of \$39,994,868 are valued using a matrix pricing model (Level 2 inputs)

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

Property taxes are submitted to the County Auditor by December 28 of each year, to be levied on January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment due on October 15.

Unpaid taxes at December 31 become liens on the respective property and are classified in the fund financial statements as delinquent taxes receivable.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for taxes not received within 60 days after year end in the governmental fund financial statements.

Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as a bond indenture. Restricted assets are reported as cash held with fiscal agent.

Accounts Receivable

Accounts receivable include amounts billed for services, such as water, sewer, storm water and nuisance charges, provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2020. The City annually certifies delinquent water, sewer, storm water and nuisance accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

All trade (utility) and property tax receivables are shown at gross amount, since both taxes and trade (utility) receivables are assessable to the property taxes and are collectible upon the sale of the assessed property.

Due From Other Governments

The amounts due from other government primarily include amounts for project cost in which the City is receiving grants to support the projects.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements. At December 31, 2020, the total delinquent special assessment receivable balance is \$6,250.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Land Held for Resale

Land was acquired by the EDA for subsequent resale for redevelopment purposes. Land held for resale is an asset recorded at the lower of cost or realizable value in the fund that acquired it.

Capital Assets

A capital asset is defined as a financial resource that is tangible or intangible in nature, complete in and of itself, and is not a component of another. Capital assets, which include property, easements, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of acquisition. Infrastructure assets acquired prior to the fiscal year ended December 31, 1979 are not reported.

Intangible assets prior to 2010 were capitalized and bundled with the infrastructure/land purchases and have been determined to have an indefinite life and therefore have not been broken out from the assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of assets are not capitalized.

Property, plant and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Life in Years
Buildings and Structures	20 to 50
Equipment and Machinery	3 to 20
Distribution and Collection Systems	50
Streets and Infrastructure	25

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items which qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statement of net position. These items result from actuarial calculations and current year pension contributions and OPEB contributions made subsequent to the measurement dates. The third item, deferred charge on refunding results in the loss on a bond refunding recognized over shorter of the life of the refunded bond or the refunding bond.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick leave and personal leave benefits. There is an estimated liability for unpaid accumulated sick and personal leave that will be taken as severance upon retirement. All vacation and estimated retirement severance are accrued when incurred in government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For the most part, the General fund is typically used to liquidate governmental compensated absences payable.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Other Postemployment Benefits

Under Minnesota statute 471.61, subdivision 2b, public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees are able to add dependent coverage during open enrollment period or qualifying life event prior to retirement. All premiums are funded on a pay-as-you-go basis. The liability was determined, in accordance with GASB Statement No. 75, at January 1, 2019. The General fund is typically used to liquidate governmental other postemployment benefits payable.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred. In accordance with federal regulations, the City's general obligation tax exempt bonds follow the arbitrage requirements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For the most part, the General fund is typically used to liquidate governmental pension liabilities.

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by Inver Grove Height's Fire Relief Association and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. Investments are reported at fair value.

The total pension expense for the General Employees Plan, Police and Fire Plan, DCP and Fire Relief Association is as follows:

	Public Employees Retirement Association of Minnesota (PERA)			Fire Relief Association	Total All Plans
	GERP	PEPFP	DCP		
Pension Expense	\$ 430,746	\$ 695,737	\$ 1,390	\$ 205,274	\$ 1,333,147

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items, which arise only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, one of the items, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: delinquent taxes, special assessments and intergovernmental. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Furthermore, the City has additional items which qualify for reporting in this category on the statement of net position. The items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statement of net position and results from actuarial calculations involving net differences between projected and actual earnings on plan investments and changes in proportions.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- a. Restricted net position - Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- b. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Pursuant to the Fund Balance Policy approved by City Council, the City Administrator has been delegated the authority to assign and remove assignments of fund balance amounts for specific purposes.

Unassigned - These are residual amounts in the General fund not reported in any other classification. The General fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has formally adopted a fund balance policy for the General fund. The City will strive to maintain a minimum General fund unassigned fund balance of 40 to 45 percent of next year's budgeted expenditures.

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles), as applied to governmental units by the Government Accounting Standards Board (GASB). An annual appropriated budget is adopted for the General fund as well as for the Convention and Visitors Bureau, Recreation, Community Center and Economic Development Authority special revenue funds.

Budgeted amounts are reported as originally adopted, as well as amended by the City Council. Individual amendments were not material in relation to the original appropriations which were adjusted. Budgeted expenditure appropriations lapse at year-end. Any unencumbered appropriations that need to be carried forward to the next year must be reappropriated by the City Council from the fund balance.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General fund. Encumbrances outstanding at year-end expire and outstanding purchase orders are cancelled and not reported in the financial statements. Therefore, there are no outstanding encumbrances at year end.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 2: Stewardship, Compliance and Accountability (Continued)

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public meetings are conducted to obtain taxpayer comments.
3. The General fund budget is legally enacted through passage of a resolution on a departmental basis and can be expended by each department based upon detailed budget estimates for that department. The Convention and Visitors Bureau, Recreation, Community Center and Economic Development Authority special revenue fund budgets are legally enacted through passage of resolutions for each fund as a whole.
4. The City Administrator is authorized to transfer appropriations within a fund's budget. Additional fund appropriations and deletions are or may be authorized by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General fund.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service funds. Supplementary budgets are adopted for the Proprietary funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.
7. A capital improvement program is reviewed annually by the City Council for the Capital Project funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
8. Expenditures may not legally exceed budgeted appropriations at the total fund level. Monitoring of budgets is maintained at the expenditure category level (i.e., personnel services; other current; capital outlay) within each activity.
9. The City Council may authorize transfers of budgeted amounts between City funds.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2020 expenditures exceeded appropriations in the following fund:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Major			
General Fund	\$ 24,033,730	\$ 24,286,083	\$ 252,353

The excess expenditures were funded by revenues in excess of expectations.

C. Deficit Fund Equity

The following fund had a fund equity deficit at December 31, 2020:

Fund	Amount
Major	
Community Center	\$ 1,749,598

The fund deficits are expected to be eliminated with future fund revenues or transfers from other funds.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the government entity.

At year end, the City's carrying amount of deposits was \$4,921,571 and the bank balance was \$5,600,822. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining bank balance was covered by collateral held by the City's agent in the City's name.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

Investments

At year end, the City's investment balances were as follows:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
Broker Money Market Funds	N/A	less than 1 year	\$ 18,084,303			
Non-pooled Investments at Fair Value						
Negotiable Certificates of Deposits	N/A	less than 1 year	2,283,964	\$ -	\$ 2,283,964	\$ -
Negotiable Certificates of Deposits	N/A	1 to 5 years	2,512,223	-	2,512,223	-
Government Agency Securities	AA+	1 to 5 years	6,744,665	6,744,665	-	-
Government Agency Securities	AAA	1 to 5 years	12,080,550	12,080,550	-	-
Government Agency Securities	AAA	more than 5 years	1,014,520	1,014,520	-	-
Municipal Bonds	A	1 to 5 years	1,064,880	-	1,064,880	-
Municipal Bonds	AA-	less than 1 year	889,777	-	889,777	-
Municipal Bonds	AA-	1 to 5 years	2,805,330	-	2,805,330	-
Municipal Bonds	AA	less than 1 year	3,372,075	-	3,372,075	-
Municipal Bonds	AA	1 to 5 years	4,447,473	-	4,447,473	-
Municipal Bonds	AA	more than 5 years	485,419	-	485,419	-
Municipal Bonds	AA+	less than 1 year	508,375	-	508,375	-
Municipal Bonds	AA+	1 to 5 years	3,157,119	-	3,157,119	-
Municipal Bonds	AAA	less than 1 year	3,732,072	-	3,732,072	-
Municipal Bonds	AAA	1 to 5 years	11,877,591	-	11,877,591	-
Municipal Bonds	AAA	more than 5 years	2,858,570	-	2,858,570	-
Total Investments			\$ 77,918,906	\$ 19,839,735	\$ 39,994,868	\$ -

(1) Ratings are provided by Standard & Poor's where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

City of Inver Grove Heights, Minnesota

Notes to the Financial Statements

December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

The investments of the City are subject to the following risks:

- *Interest Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the City's investment policy, the City will not directly invest more than five percent (5 percent) of the total portfolio in securities maturing more than five (5) years from the date of purchase, unless matched to a specific cash flow. The City was not exposed to interest rate risks due to the fact that their investments are not exposed to highly sensitive changes in interest rates.
- *Credit Risk*. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list on page 66 of the notes to the financial statements. In accordance with its investment policy, the City will minimize credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business, and diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- *Concentration of Credit Risk*. Concentration of credit risk is defined as positions of five percent (5 percent) or more in the securities of a single issuer. As of December 31, 2020, the following issuers exceeded 5 percent of the City's total investments: FHLMC (6.49 percent) and FHLB (14.14 percent). The City's investment policy does not allow for an investment in any issuer or security type (except U.S. Treasury Bonds) that is in excess of fifty percent (50 percent) of the City's total investments.
- *Custodial Credit Risk- Deposits*. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Minnesota statutes and the City's investment policy states that in order to provide a level of security for all funds, the collateralization level will be 110 percent of market value not covered by insurance. As of December 31, 2020, all of the City's bank balance was covered by federal depository insurance or by perfected collateral held by the City's agent in the City's name.
- *Custodial Credit Risk - Investments*. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of December 31, 2020, all securities were held by the City or its agent in the City's name. The City does not have an investment policy for custodial credit risk.

The City's investments held by a broker-dealer were insured by SIPC or other supplemental insurance as of December 31, 2020. However, each investment brokerage firm may have a limit to their supplemental insurance coverage and because of the size of the City's portfolio in relation to the brokerage firm's excess SIPC coverage limits; the portion of the supplemental policy applicable to the City's portfolio is unknown. The City accepts the risk due to the controls in place at the broker-dealer.

A reconciliation of cash and temporary investments as shown on the statement of net position for the City follows:

Carrying Amount of Deposits	\$ 4,921,571
Investments	77,918,906
Petty Cash	<u>26,150</u>
Total	<u><u>\$ 82,866,627</u></u>
As Reported on the Financial Statements	
Statement of net position	
Cash and temporary investments	<u><u>\$ 82,866,627</u></u>

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 31,969,987	\$ 835,754	\$ -	\$ 32,805,741
Construction in progress	34,255,391	4,686,522	(12,303,954)	26,637,959
Total Capital Assets not Being Depreciated	66,225,378	5,522,276	(12,303,954)	59,443,700
Capital Assets Being Depreciated				
Infrastructure	108,687,071	2,543,771	-	111,230,842
Buildings and systems	37,947,812	10,645,741	-	48,593,553
Improvements other than buildings	9,710,315	163,474	-	9,873,789
Machinery and equipment	13,251,448	2,661,140	(317,183)	15,595,405
Total Capital Assets Being Depreciated	169,596,646	16,014,126	(317,183)	185,293,589
Less Accumulated Depreciation for				
Infrastructure	(58,523,210)	(2,406,401)	-	(60,929,611)
Buildings and systems	(22,186,238)	(1,427,287)	-	(23,613,525)
Improvements other than buildings	(5,519,425)	(232,581)	-	(5,752,006)
Machinery and equipment	(8,528,510)	(1,305,287)	317,183	(9,516,614)
Total Accumulated Depreciation	(94,757,383)	(5,371,556)	317,183	(99,811,756)
Total Capital Assets Being Depreciated, Net	74,839,263	10,642,570	-	85,481,833
Governmental Activities Capital Assets, Net	<u>\$ 141,064,641</u>	<u>\$ 16,164,846</u>	<u>\$ (12,303,954)</u>	<u>\$ 144,925,533</u>

Depreciation expense was charged to functions of the governmental activities as follows:

Governmental Activities	
General Government	\$ 767,150
Public Safety	407,581
Public Works	2,902,761
Culture and Recreation	1,213,206
Community Development	80,858
Total Depreciation Expense - Governmental Activities	<u>\$ 5,371,556</u>

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated				
Land	\$ 3,214,055	\$ -	\$ -	\$ 3,214,055
Construction in progress	2,297,615	35,367	-	2,332,982
Total Capital Assets not Being Depreciated	<u>5,511,670</u>	<u>35,367</u>	<u>-</u>	<u>5,547,037</u>
Capital Assets Being Depreciated				
Buildings and systems	94,128,585	545,693	-	94,674,278
Improvements other than buildings	4,639,459	-	-	4,639,459
Machinery and equipment	1,444,014	6,975	-	1,450,989
Total Capital Assets Being Depreciated	<u>100,212,058</u>	<u>552,668</u>	<u>-</u>	<u>100,764,726</u>
Less Accumulated Depreciation for				
Buildings and systems	(34,778,117)	(1,794,735)	-	(36,572,852)
Improvements other than buildings	(3,807,189)	(281,810)	-	(4,088,999)
Machinery and equipment	(1,070,257)	28,503	-	(1,041,754)
Total Accumulated Depreciation	<u>(39,655,563)</u>	<u>(2,048,042)</u>	<u>-</u>	<u>(41,703,605)</u>
Total Capital Assets Being Depreciated, Net	<u>60,556,495</u>	<u>(1,495,374)</u>	<u>-</u>	<u>59,061,121</u>
Business-type Activities Capital Assets, Net	<u>\$ 66,068,165</u>	<u>\$ (1,460,007)</u>	<u>\$ -</u>	<u>\$ 64,608,158</u>

Depreciation expense was charged to programs of the business-type activities as follows:

Business-type Activities	
Water	\$ 991,866
Sewer	793,219
Golf Course	<u>262,957</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 2,048,042</u>

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

C. Construction Commitments

The City has the following construction commitments at December 31, 2020 as follows:

Project	Spent to Date	Remaining Commitment
64th Street Area Improvements (1909D)	\$ 896,186	\$ 120,674
55th Street Court Reconstruction (Project 1809F)	800,303	109,237
Atwater Path Reconstruction & Street Lighting (Project 1809D)	406,450	53,542
Heritage Village Park (Project 1707)	27,395	24,696
Heritage Village Park (Project 1707)	1,691,529	176,524
Broderick Boulevard Reconstruction (Project 1509D)	3,318,897	126,850
Fire Station #2 - Sewer & Water Improvement (Project 1808)	30,965	3,160
Fire Station #2 - Sewer & Water Improvement (Project 1808)	821,627	32,782
Fire Station Fiber Optic Improvement (Project 1811)	-	1,150
Fire Station Fiber Optic Improvement (Project 1811)	23,432	2,494
Intersection Improvement at T.H. 3 & Diffley Ct (Project 1805)	-	174,317
NWA Trunk Watermain Improvement 65th Street Loop Phase 3 (Project 1703)	268,814	49,681
TH 3 Intersection Improvements (Project 1724)	3,625,762	39,085
65th Street Between TH 3 & Argenta Trail (Project 1503)	1,545,978	1,888
NWA Trunk WA improvement - 65th Street Loop (Phase IV) (Project 1803)	457,511	81,660
Heritage Village Park Phase II (Project 2014)	56,196	241,995
	<u>\$ 13,971,045</u>	<u>\$ 1,239,737</u>

D. Long-term Debt

General Obligation (G.O.) Bonds

The City issues G.O. and revenue bonds to provide funds for the acquisition and construction of major capital facilities and equipment. Debt service is covered by tax increments, special assessments, property tax levies and revenues. In addition, bonds have been issued to refund G.O., G.O. special assessment, and G.O. revenue bonds.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Bonds, Series 2015A	\$ 7,745,000	2.00 - 3.00 %	09/17/15	02/01/31	\$ 5,910,000
G.O. Refunding Capital Bonds, Series 2016A	8,515,000	2.75 - 3.00	12/29/16	02/01/34	7,840,000
G.O. Capital Improvement Plan Bonds, Series 2018A	9,785,000	3.35 - 5.00	12/27/18	02/01/39	9,670,000
G.O. Capital Improvement Plan Bonds, Series 2018A	2,500,000	3.50 - 4.00	01/03/19	02/01/39	<u>2,500,000</u>
Total G.O. Bonds					<u>\$ 25,920,000</u>

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity for G.O. bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 1,315,000	\$ 825,923	\$ 2,140,923
2022	1,370,000	780,173	2,150,173
2023	1,450,000	729,573	2,179,573
2024	1,525,000	676,223	2,201,223
2025	1,575,000	620,548	2,195,548
2026 - 2030	8,570,000	2,270,775	10,840,775
2031 - 2035	6,845,000	1,022,957	7,867,957
2036 - 2039	3,270,000	224,255	3,494,255
Total	<u>\$ 25,920,000</u>	<u>\$ 7,150,427</u>	<u>\$ 33,070,427</u>

G.O. Improvement (Special Assessment) Bonds

The following bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. Some issues, however, are partially financed by ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds, Series 2017B	\$ 3,505,000	2.00 - 3.00 %	12/11/17	02/01/33	\$ 3,245,000
G.O. Improvement Bonds, Series 2020A	1,640,000	.05 - 1.00	12/15/20	02/01/27	<u>1,640,000</u>
Total G.O. Special Assessment Bonds					<u>\$ 4,885,000</u>

Annual debt service requirements to maturity for G.O. special assessment bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 245,000	\$ 93,333	\$ 338,333
2022	645,000	89,193	734,193
2023	500,000	78,418	578,418
2024	505,000	68,243	573,243
2025	515,000	57,893	572,893
2026 - 2030	1,760,000	163,450	1,923,450
2031 - 2033	715,000	27,062	742,062
Total	<u>\$ 4,885,000</u>	<u>\$ 577,592</u>	<u>\$ 5,462,592</u>

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

G.O. Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be repaid from future revenues pledged from the Water and Sewer enterprise funds and are backed by the taxing power of the City. Annual revenues from charges for services, principal and interest payments, and percentage of revenue required to cover principal and interest payments are as follows:

				Water	Sewer
Net Operating Revenues				\$ 3,212,973	\$ 3,847,337
Principal and Interest				400,675	1,222,450
Percentage of Revenues				12.47 %	31.77 %

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Utility Revenue Refunding Bonds, Series 2012A	\$ 5,315,000	2.00 - 2.15 %	04/24/12	02/01/22	\$ 790,000
G.O. Sewer Revenue Refunding Bonds, Series 2014B	5,015,000	2.00 - 3.00	12/30/14	02/01/29	3,630,000
G.O. Sewer Revenue Bonds, Series 2015B	4,185,000	3.00 - 4.00	09/17/15	02/01/31	3,330,000
G.O. Sewer Refunding Revenue Bonds, Series 2017A	5,685,000	1.50 - 3.00	01/12/17	02/01/36	5,425,000
Total G.O. Revenue Bonds					<u>\$ 13,175,000</u>

The annual debt service requirements to maturity for G.O. revenue bonds are as follows:

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2021	\$ 1,260,000	\$ 355,163	\$ 1,615,163
2022	1,305,000	321,288	1,626,288
2023	935,000	290,463	1,225,463
2024	970,000	262,475	1,232,475
2025	1,000,000	234,369	1,234,369
2026 - 2030	5,020,000	719,675	5,739,675
2031 - 2035	2,270,000	197,205	2,467,205
2036	415,000	5,705	420,705
Total	<u>\$ 13,175,000</u>	<u>\$ 2,386,343</u>	<u>\$ 15,561,343</u>

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
G.O. bonds	\$ 26,870,000	\$ -	\$ (950,000)	\$ 25,920,000	\$ 1,315,000
G.O. special assessment bonds	6,070,000	1,640,000	(2,825,000)	4,885,000	245,000
Bond premium	924,154	19,437	(70,031)	873,560	-
Total Bonds Payable	33,864,154	1,659,437	(3,845,031)	31,678,560	1,560,000
Compensated Absences Payable	2,269,533	1,184,882	(814,912)	2,639,503	873,304
 Governmental Activity Long-term Liabilities	 \$ 36,133,687	 \$ 2,844,319	 \$ (4,659,943)	 \$ 34,318,063	 \$ 2,433,304
Business-type Activities					
Bonds Payable					
G.O. revenue bonds	\$ 14,405,000	\$ -	\$ (1,230,000)	\$ 13,175,000	\$ 1,260,000
Bond premium	381,830	-	(45,456)	336,374	-
Total Bonds Payable	14,786,830	-	(1,275,456)	13,511,374	1,260,000
Compensated Absences Payable	249,908	137,955	(161,523)	226,340	78,965
 Business-type Activity Long-term Liabilities	 \$ 15,036,738	 \$ 137,955	 \$ (1,436,979)	 \$ 13,737,714	 \$ 1,338,965

Current Refunding

On December 15, 2020 the City issued \$1,640,000 of 2020A G.O. Bonds. The bonds bear an average coupon rate of 1.0 percent and along with available City funds, were used to call \$1,985,000 of the outstanding principal of the 2010B G.O. Improvement Bonds. As a result of the refunding issue, the City will save \$497,302 in debt service payments and achieve an economic gain (the present value of the difference between the old and the new debt service) of \$101,703.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

E. Components of Fund Balance

Fund equity balances are classified below to reflect the limitations and restrictions of the respective funds.

	General	Improvement Bonds	Community Center	Closed Bond
Nonspendable				
Prepaid items	\$ 28,365	\$ -	\$ 395	\$ -
Restricted for				
Debt service	-	3,660,852	-	-
Community development	-	-	-	-
Public safety	16,118	-	-	-
Park improvements	-	-	-	-
Total Restricted	<u>16,118</u>	<u>3,660,852</u>	<u>-</u>	<u>-</u>
Committed to				
Convention and				
Visitors Bureau	-	-	-	-
Recreation	-	-	-	-
Economic development	-	-	-	-
Pavement management	-	-	-	-
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned to				
Capital improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,023,174</u>
Unassigned	<u>12,870,165</u>	<u>-</u>	<u>(1,749,993)</u>	<u>-</u>
Total	<u><u>\$ 12,914,648</u></u>	<u><u>\$ 3,660,852</u></u>	<u><u>\$ (1,749,598)</u></u>	<u><u>\$ 2,023,174</u></u>

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

	Local Improvement Construction	Pavement Management	Host Community	Other Governmental	Total
Nonspendable					
Prepaid items	\$ -	\$ -	\$ -	\$ 1,090	\$ 29,850
Restricted for					
Debt service	-	-	-	-	3,660,852
Community development	-	-	-	4,059,511	4,059,511
Public safety	-	-	-	-	16,118
Park improvements	-	-	-	1,065,208	1,065,208
Total Restricted	-	-	-	5,124,719	8,801,689
Committed to					
Convention and Visitors Bureau	-	-	-	100,897	100,897
Recreation	-	-	-	368,867	368,867
Economic development	-	-	-	356,622	356,622
Pavement management	-	-	-	3,252,553	3,252,553
Total Committed	-	-	-	4,078,939	4,078,939
Assigned to					
Capital improvements	1,386,850	5,452,451	8,325,575	7,522,620	24,710,670
Unassigned	-	-	-	-	11,120,172
Total	<u>\$ 1,386,850</u>	<u>\$ 5,452,451</u>	<u>\$ 8,325,575</u>	<u>\$ 16,727,368</u>	<u>\$ 48,741,320</u>

F. Interfund Receivables, Payables and Transfers

The composition of interfund balances at December 31, 2020 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
Internal Service	Golf Course	To loan funds for repairs and maintenance	\$ 1,801,976
Internal Service	Community Center	To loan funds for capital improvements	2,220,300
Host Community	Nonmajor governmental	To loan funds for land purchase	1,000,000
Total			<u>\$ 5,022,276</u>

The Internal Service Central Equipment fund made advances to the Golf Course and Community Center funds which will be paid back in annual installments. The Host Community fund made advances to the nonmajor governmental EDA fund, which will be paid back when the land for resale has sold.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

The composition of interfund transfers for the year ended December 31, 2020 is as follows:

Fund	Transfer In			
	General	Closed Bond	Local Improvement Construction	Pavement Management
Transfer Out				
General	\$ -	\$ -	\$ 2,370	\$ 1,749,626
Improvement Bonds	-	187	-	-
Local Improvement Construction	-	-	-	-
Pavement Management	-	-	102,286	-
Host Community	-	-	323	-
Community Center	-	-	401,481	-
Nonmajor Governmental	2,062,861	-	386,574	375,994
Water	286,000	-	34,630	422,012
Sewer	286,000	-	184,581	218,200
Internal Service Funds	-	-	329,912	-
Total	<u>\$ 2,634,861</u>	<u>\$ 187</u>	<u>\$ 1,442,157</u>	<u>\$ 2,765,832</u>

Fund	Transfer In						Total
	Community Center	Nonmajor Governmental	Water	Sewer	Golf Course	Internal Service Funds	
Transfer Out							
General	\$ -	\$ 658,100	\$ -	\$ -	\$ -	\$ -	\$ 2,410,096
Improvement Bonds	-	-	-	-	-	-	187
Local Improvement Construction	-	114,038	-	-	-	-	114,038
Pavement Management	-	-	-	-	-	-	102,286
Host Community	1,670,570	-	-	-	-	-	1,670,893
Community Center	-	-	-	-	-	-	401,481
Nonmajor Governmental	15,302	12,042	531	184	6,519	150,394	3,010,401
Water	-	-	-	910,137	-	-	1,652,779
Sewer	-	-	-	-	-	-	688,781
Internal Service Funds	-	-	-	-	-	-	329,912
Total	<u>\$ 1,685,872</u>	<u>\$ 784,180</u>	<u>\$ 531</u>	<u>\$ 910,321</u>	<u>\$ 6,519</u>	<u>\$ 150,394</u>	<u>\$ 10,380,854</u>

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

The City annually budgets transfers for specific purposes and includes transfers to cover funds annual operations, transfers for debt service payments, transfers made as part of capital improvement plans and other transfers made for various reasons. The City made the following one-time non-budgeted transfers for the year ended December 31, 2020:

- A transfer from the General fund to the Local Improvement Construction fund was adopted by resolution. The transfer was for construction projects.
- A transfer from the Improvement Bonds fund to the Closed Bond fund was adopted by resolution. The transfer was to close a fund.
- A transfer from the Local Improvement Construction fund to the Pavement Management fund, nonmajor governmental funds, water and sewer funds were adopted by resolution. The transfers were to fund construction projects.
- Transfers from the Pavement Management fund to the Local Improvement Construction fund were adopted by resolution. The transfers were for construction projects.
- A transfer from the Host Community fund to the Local Improvement Construction fund was adopted by resolution. The transfer was for construction projects.
- Transfers from the Host Community fund to the Community Center fund were budgeted and adopted by resolution. The transfers were to support operations and capital needs.
- Transfers from the Host Community fund to the nonmajor governmental funds were adopted by resolution. The transfers were for construction projects.
- Transfers from the nonmajor governmental funds to the Local Improvement Construction fund and other nonmajor governmental funds were adopted by resolution. The transfers were for construction projects.
- Transfers from the Water fund to the Local Improvement and Sewer fund were adopted by resolution. The transfers were for construction projects.
- Transfers from the Internal Service fund to the Local Improvement fund were adopted by resolution. The transfers were for construction projects.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota statutes*, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

B. Benefits Provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014 vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3.0 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

Minnesota statutes chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2020 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2020, 2019 and 2018 were \$680,633, \$620,963 and \$593,314, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 11.30 percent of pay to 11.80 percent and employer rates increased from 16.95 percent to 17.70 percent on January 1, 2020. The City's contributions to the Police and Fire Fund for the years ending December 31, 2020, 2019 and 2018 were \$892,474, \$745,061 and \$618,063, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2020, the City reported a liability of \$7,230,521 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$222,930. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1206 percent which was an increase of 0.0067 from its proportion measured as of June 30, 2019.

City's Proportionate Share of the Net Pension Liability	\$ 7,230,521
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>222,930</u>
Total	<u><u>\$ 7,453,451</u></u>

For the year ended December 31, 2020, the City recognized pension expense of \$411,344 for its proportionate share of General Employees Plan's pension expense. In addition, the City recognized an additional \$19,402 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2020, the City reported its proportionate share of General Employee's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 63,103	\$ 35,014
Changes in Actuarial Assumptions	3,180	262,224
Net Difference Between Projected and Actual Earnings on Plan Investments	185,045	-
Changes in Proportion	424,111	-
Contributions Paid to PERA Subsequent to the Measurement Date	<u>356,829</u>	<u>-</u>
Total	<u>\$ 1,032,268</u>	<u>\$ 297,238</u>

The \$356,829 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$ (172,929)
2022	137,125
2023	240,790
2024	173,215
2025	-

Police and Fire Fund Pension Costs

At December 31, 2020, the City reported a liability of \$5,565,048 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.4222 percent which was an increase of 0.0416 from its proportion measured as of June 30, 2019.

The State of Minnesota also contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in fire state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

City of Inver Grove Heights, Minnesota

Notes to the Financial Statements

December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

As a result, the State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the City recognized pension expense of \$655,397 for its proportionate share of the Police and Fire Plan's pension expense.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in fire state aid. The City also recognized \$40,340 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2020, the City reported its proportionate share of Police and Fire Plan's deferred outflows of resources and deferred inflows of resources, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 233,136	\$ 326,837
Changes in Actuarial Assumptions	1,830,174	3,190,243
Net Difference Between Projected and Actual Earnings on Plan Investments	324,671	-
Changes in Proportion	1,079,705	-
Contributions Paid to PERA Subsequent to the Measurement Date	461,496	-
Total	<u>\$ 3,929,182</u>	<u>\$ 3,517,080</u>

The \$461,496 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$ (59,224)
2022	(996,798)
2023	425,460
2024	456,660
2025	124,508

E. Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for General Employees Plan and 1.0 percent per year for Police and Fire Plan.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020. The recommended assumptions for that plan were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Police and Fire Fund

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	35.5 %	5.10 %
Private Markets	25.0	5.90
Fixed Income	20.0	0.75
International Equity	17.5	5.90
Cash Equivalents	<u>2.0</u>	-
Total	<u><u>100.00 %</u></u>	

F. Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>City Proportionate Share of NPL</u>		
	<u>1 Percent Decrease (6.50%)</u>	<u>Current (7.50%)</u>	<u>1 Percent Increase (8.50%)</u>
General Employees Fund	\$ 11,588,017	\$ 7,230,521	\$ 3,635,937
Police and Fire Fund	11,091,941	5,565,048	992,512

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

Note 5: Public Employees Defined Contribution Plan (Defined Contribution Plan)

Four council members are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.0 percent of employer contributions and twenty-five hundredths of 1.0 percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by the City during the fiscal year 2020 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 1,390	\$ 1,390	5.00%	5.00%	5.00%

The City's contributions to the DCP for the years ended December 31, 2020, 2019 and 2018 were \$1,390, \$1,406 and \$1,800, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 6: Defined Benefit Pension Plans - Fire Relief Association

A. Plan Description

All members of the Inver Grove Heights Fire Department (the Department) are covered by a defined benefit plan administered by the Inver Grove Heights Firefighters Relief Association (the Association). As of December 31, 2019, the plan covered 54 active firefighters and 13 vested terminated fire fighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department's membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (chapter 261 as amended by chapter 509 of Minnesota statutes 1980). Funds are also derived from investment income.

B. Benefits Provided

A firefighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full-service pension upon retirement.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, shall be equal to 60 percent of the pension as prescribed by the bylaws. This percentage increases 4 percent per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable non-forfeitable percentage of pension.

C. Contributions

Minnesota statutes, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions (if applicable). The State of Minnesota contributed \$222,652 in fire state aid to the plan on behalf of the Department for the year ended December 31, 2019, which was recorded as a revenue. There were no required employer contributions calculated based on statutory provisions. In 2019 and 2020, the City made voluntary contributions of \$82,775 and \$85,075 to the plan, respectively.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

D. Pension Costs

At December 31, 2020, the City reported a net pension liability (asset) of \$(1,943,856) for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2019. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the Department. The following table presents the changes in net pension liability (asset) during the year:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2019	\$ 3,983,282	\$ 5,405,475	\$ (1,422,193)
Changes for the Year			
Service cost	171,379	-	171,379
Interest on pension liability (asset)	205,260	-	205,260
Assumption Changes	-	-	-
Plan Changes	225,435	-	225,435
Contributions (employer)	-	82,775	(82,775)
Nonemployer contributions	-	213,866	(213,866)
Projected Investment Return	-	281,966	(281,966)
(Gain)/loss	-	554,080	(554,080)
Benefit payments	(845,318)	(845,318)	-
Administrative expenses	-	(8,950)	8,950
Total Net Changes	(243,244)	278,419	(521,663)
Ending Balance December 31, 2019	\$ 3,740,038	\$ 5,683,894	\$ (1,943,856)

For the year ended December 31, 2020, the City recognized negative pension expense of \$17,378.

At December 31, 2020, the City reported deferred outflows of resources and its contributions subsequent to the measurement date related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 293,111
Changes in Actuarial Assumptions	46,846	-
Net Difference Between Projected and Actual Earnings on Plan Investments	-	261,580
Contributions to Plan Subsequent to the Measurement Date	222,652	-
Total	\$ 269,498	\$ 554,691

City of Inver Grove Heights, Minnesota

Notes to the Financial Statements

December 31, 2020

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

Deferred outflows of resources totaling \$222,652 related to pensions resulting from the City's contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources related to the plan will be recognized in pension expense as follows:

2021	\$ (136,498)
2022	(111,946)
2023	(7,863)
2024	(145,997)
2025	(35,181)
Thereafter	(70,360)

E. Actuarial Assumptions

The total pension asset at December 31, 2020 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement Eligibility at 100 Percent at Age 50	
Salary Increases	2.50% per year
Cost of Living Increases	0.00% per year
Investment Rate of Return	5.50%
20-Year Municipal Bond Yield	3.50%

The discount rate changed from 5.75% to 5.50% in 2020.

The long-term expected rate of return on pension plan investments was based on the plan's target investment allocation along with long-term expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	10.00 %	2.25 %
Fixed Income	32.00	3.40
Equities	57.00	7.10
Other	<u>1.00</u>	6.00
Total	<u>100.00 %</u>	

F. Discount Rate

The discount rate used to measure the total pension liability was 5.50 percent. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate. The equivalent single rate is the discount rate.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

G. Pension Asset Sensitivity

The following presents the City's net pension asset for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension asset would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	City Proportionate Share of NPA		
	1 Percent Decrease (4.50%)	Current (5.50%)	1 Percent Increase (6.50%)
Defined Benefit Plan	\$ (1,808,413)	\$ (1,943,856)	\$ (2,072,820)

H. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report. The report may be obtained by writing to the Inver Grove Heights Firefighters Relief Association, 8150 Barbara Ave, Inver Grove Heights, MN 55077.

Note 7: Postemployment Benefits Other Than Pensions

A. Plan Description

The City provides a single-employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical coverage and is administered by HealthPartners, Inc. It is the City's policy for Council to periodically review its medical coverage, and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. The City does not issue a publicly available report.

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	6
Active Plan Members	<u>153</u>
Total Plan Members	<u><u>159</u></u>

B. Funding Policy

Retirees receiving benefits contribute 100 percent of their premium costs. Retirees and their spouses contribute to the health care plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with HealthPartners, Inc. The required contributions are based on projected pay-as-you-go financing requirements. For the year ended December 31, 2020, the City's average contribution rate was .5 percent of covered-employee payroll. For fiscal year 2020, the City contributed \$59,890 to the plan. As of January 1, 2020, there were six retirees receiving health benefits from the City's health plan.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 7: Postemployment Benefits Other Than Pensions (Continued)

C. Actuarial Methods and Assumptions

The City's total OPEB liability of \$744,336 was measured as of January 1, 2020, and was determined by an actuarial valuation as of January 1, 2020.

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.90%
Expected Long-Term Investment Return	N/A
20-Year Municipal Bond Yield	2.90%
Inflation Rate	2.50%
Salary Increases	3.00%
Medical Trend Rate	6.50% in 2020 grading to 5% over 6 years and then to 4.00% over the next 48 years

The discount rate used to measure the total OPEB liability was 3.80 percent. Mortality rates were based on the RP-2014 White Collar Mortality Tables (de-trended to 2006) and then projected beyond the valuation date using scale MP-2017.

The actuarial assumptions used in the January 1, 2020 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

D. Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances at December 31, 2019	<u>\$ 669,716</u>
Changes for the Year:	
Service cost	53,871
Interest	26,207
Differences between expected and actual experience	39,601
Changes in assumptions or other inputs	23,458
Benefit payments	<u>(68,517)</u>
Net Changes	<u>74,620</u>
Balances at December 31, 2020	<u><u>\$ 744,336</u></u>

Since the prior measurement date, the following assumptions changed:

- The health care trend rates, mortality tables, and salary increase rates were updated.
- The discount rate was changed from 3.80% to 2.90%.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 7: Postemployment Benefits other than Pensions (Continued)

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.90 percent) or 1-percentage-point higher (3.90 percent) than the current discount rate:

1 Percent Decrease (1.9%)	Current (2.9%)	1 Percent Increase (3.9%)
\$ 795,196	\$ 744,336	\$ 696,620

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rate that is 1-percentage point lower (5.50 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.50 percent increasing to 6.00 percent) than the current cost trend rate:

1 Percent Decrease (5.5% Decreasing to 4%)	Healthcare Cost Trend Rates (6.5% Decreasing to 5%)	1 Percent Increase (7.5% Decreasing to 6%)
\$ 674,242	\$ 744,336	\$ 827,366

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of \$85,696. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 20,525	\$ 15,861
Net Difference between Projected and Actual Earnings on Plan Investments	34,650	-
Contributions to OPEB Subsequent to the Measurement Date	59,890	-
Total	<u>\$ 115,065</u>	<u>\$ 15,861</u>

Deferred outflows of resources totaling \$59,890 related to pensions resulting from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:

2021	\$ 5,618
2022	5,618
2023	5,618
2024	5,618
2025	5,618
Thereafter	11,224

City of Inver Grove Heights, Minnesota

Notes to the Financial Statements

December 31, 2020

Note 8: Operating Agreement

In June 2016, the City entered into a use agreement with Independent School District No. 199, to grant the District right and privilege to use the Aquatic and Fitness Center and National Guard Armory. The use agreement will commence on January 1, 2017 and terminate on December 31, 2026. Under the use agreement, the annual fee has been determined for the next year and for each calendar year, is payable in two equal installments on June 1 and December 31.

The net book value of the assets noted above being leased are as follows:

Asset	
Buildings	\$ 17,689,059
Less: Accumulated depreciation	<u>(17,689,059)</u>
Total	<u>\$ -</u>

Future annual usage rates are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2021	<u>\$ 275,000</u>

Note 9: Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is not subject to a deductible.

Property and casualty insurance is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portion of the insurance policies and for any exclusions from the insurance policies. These amounts are considered immaterial to the financial statements.

The City continues to carry commercial insurance for all other risks of loss, including disability and employee health insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

The risk management activities of the City are accounted for by the Risk Management fund, an internal service fund, which charges its costs to user departments. The fund is designed to build up a reserve which will provide the City the opportunity to assume a greater share of its insurance risks and thereby reducing the cost to purchase insurance.

City of Inver Grove Heights, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 9: Other Information (Continued)

B. Contingencies

Tax Increment Financing Districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements. The City currently does not have any open tax increment districts.

C. Conduit Debt Obligations

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payment received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2020, there was one series of Housing Revenue Bonds outstanding as follows:

Series	Amount Issued	Balance Outstanding 12/31/20
2005 Senior Housing Revenue Refunding Bonds	\$ 32,290,000	\$ 21,035,000

Note 10: COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus ("COVID-19") and the risks to the international community as virus spreads globally. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. In response to the pandemic, the State of Minnesota has issued stay-at-home orders and other measures aimed at slowing the spread of the coronavirus.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Due to the rapid development and fluidity of this situation, the City cannot determine the ultimate impact that the COVID-19 pandemic will have on its financial condition, liquidity, and future revenue collection, and therefore any prediction as to the ultimate impact on the City's financial condition, liquidity, and future results of its revenue collections is uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

City of Inver Grove Heights, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2020

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/20	0.1206 %	\$ 7,230,521	\$ 222,930	\$ 7,453,451	\$ 8,595,785	86.7 %	79.0 %
06/30/19	0.1139	6,297,276	195,825	6,493,101	8,063,116	80.5	80.2
06/30/18	0.1121	6,218,848	204,030	6,422,878	7,509,053	85.5	79.5
06/30/17	0.1086	6,932,952	87,187	7,020,139	6,960,481	100.9	75.9
06/30/16	0.1064	8,639,152	112,841	8,751,993	6,603,007	132.5	68.9
06/30/15	0.1083	5,612,668	-	5,612,668	6,363,706	88.2	78.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/20	\$ 680,633	\$ 680,633	\$ -	\$ 9,075,102	7.5 %
12/31/19	620,963	620,963	-	8,279,503	7.5
12/31/18	593,314	593,314	-	7,910,851	7.5
12/31/17	544,197	544,197	-	7,255,965	7.5
12/31/16	499,836	499,836	-	6,664,480	7.5
12/31/15	488,967	488,967	-	6,519,564	7.5

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of Inver Grove Heights, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Notes to the Required Supplementary Information - General Employees Fund

Changes in Actuarial Assumptions

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

City of Inver Grove Heights, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Notes to the Required Supplementary Information - General Employees Fund (Continued)

Changes in Plan Provisions

2020 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

City of Inver Grove Heights, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/20	0.4222 %	\$ 5,565,048	\$ -	\$ 5,565,048	\$ 4,762,639	116.8 %	87.2 %
06/30/19	0.3806	4,051,871	-	4,051,871	4,012,373	101.0	89.3
06/30/18	0.3461	3,689,070	-	3,689,070	3,647,742	101.1	88.8
06/30/17	0.3420	4,617,407	-	4,617,407	3,506,580	131.7	85.4
06/30/16	0.3320	13,323,738	-	13,323,738	3,201,037	416.2	63.9
06/30/15	0.3310	3,760,965	-	3,760,965	3,030,956	124.1	86.6

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - Police and Fire Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/20	\$ 892,474	\$ 892,474	\$ -	\$ 5,042,229	17.7 %
12/31/19	745,061	745,061	-	4,395,638	17.0
12/31/18	618,063	618,063	-	3,815,205	16.2
12/31/17	581,071	581,071	-	3,586,858	16.2
12/31/16	540,976	540,976	-	3,339,358	16.2
12/31/15	499,560	499,560	-	3,083,704	16.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of Inver Grove Heights, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Notes to the Required Supplementary Information - Police and Fire Fund

Changes in Actuarial Assumptions

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017. As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

City of Inver Grove Heights, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Notes to the Required Supplementary Information - Police and Fire Fund (Continued)

Changes in Plan Provisions

2020 - No changes noted

2019 - No changes noted

2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

City of Inver Grove Heights, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios

	2020 (Fire Relief Report Date 2019)	2019 (Fire Relief Report Date 2018)	2018 (Fire Relief Report Date 2017)	2017 (Fire Relief Report Date 2016)	2016 (Fire Relief Report Date 2015)	2015 (Fire Relief Report Date 2014)
Total Pension Liability						
Service cost	\$ 171,379	\$ 197,738	\$ 192,915	\$ 147,752	\$ 152,797	\$ 149,070
Interest on pension liability (asset)	205,260	232,865	224,791	173,689	151,603	149,666
Changes of assumptions	-	32,691	-	33,665	-	-
Plan changes	225,435	81,241	-	879,054	-	-
Loss	-	(290,848)	-	(105,129)	-	-
Benefit payments	(845,318)	(245,000)	(319,214)	-	(168,074)	(55,673)
Net Change in Total Pension Liability	(243,244)	8,687	98,492	1,129,031	136,326	243,063
Total Pension Liability - January 1	3,983,282	3,974,595	3,876,103	2,747,072	2,610,746	2,367,683
Total Pension Liability - December 31 (a)	\$ 3,740,038	\$ 3,983,282	\$ 3,974,595	\$ 3,876,103	\$ 2,747,072	\$ 2,610,746
Plan Fiduciary Net Position						
Employer contributions	\$ 82,775	\$ 80,475	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Nonemployer contributions	213,866	205,308	198,234	195,016	192,612	180,645
Projected investment return	281,966	330,578	286,264	271,808	277,385	221,943
Gain (loss)	554,080	(690,670)	520,427	122,761	(497,477)	-
Benefit payments	(845,318)	(245,000)	(319,214)	-	(168,074)	(55,673)
Administrative expenses	(8,950)	(8,008)	(8,822)	(7,600)	(7,700)	(6,752)
Net Change in Plan Fiduciary Net Position	278,419	(327,317)	701,889	606,985	(178,254)	365,163
Plan Fiduciary Net Position - January 1	5,405,475	5,732,792	5,030,903	4,423,918	4,602,172	4,237,009
Plan Fiduciary Net Position - December 31 (b)	\$ 5,683,894	\$ 5,405,475	\$ 5,732,792	\$ 5,030,903	\$ 4,423,918	\$ 4,602,172
Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)	\$ (1,943,856)	\$ (1,422,193)	\$ (1,758,197)	\$ (1,154,800)	\$ (1,676,846)	\$ (1,991,426)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (B/A)	151.97%	135.70%	144.24%	129.79%	161.04%	176.28%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of Inver Grove Heights, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Notes to the Required Supplementary Information - Fire Relief Association

Changes in Actuarial Assumptions

2018 - The discount rate changed from 5.75% to 5.00%.

2016 - The discount rate changed from 6.00% to 5.75%.

2015 - The benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in Plan Provisions

2019 - A benefit level increase from \$8,100 to \$8,600 was reflected in the active liability

2018 - The benefit level changed from \$7,900 to \$8,100.

2016 - The benefit level changed from \$5,900 to \$7,900.

2015 - There were no changes in actuarial assumptions in 2015.

Schedule of Employer's Fire Relief Association Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/20	\$ 222,652	\$ 222,652	\$ -
12/31/19	205,308	288,083	(82,775)
12/31/18	203,308	283,783	(80,475)
12/31/17	198,234	220,234	(22,000)
12/31/16	195,016	220,016	(25,000)
12/31/15	190,612	215,612	(25,000)
12/31/14	205,645	205,645	-

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of Inver Grove Heights, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 53,871	\$ 36,389	\$ 38,497
Interest	26,207	22,943	22,833
Differences between expected and actual experience	39,601	-	-
Changes in assumptions	23,458	(20,393)	-
Benefit payments	(68,517)	(55,701)	(56,043)
Net Change in Total OPEB Liability	74,620	(16,762)	5,287
Total OPEB Liability - Beginning January 1,	669,716	686,478	681,191
Total OPEB Liability - Ending December 31,	<u>\$ 744,336</u>	<u>\$ 669,716</u>	<u>\$ 686,478</u>
Covered Payroll	\$ 12,812,510	\$ 10,686,455	\$ 10,375,199
City's total OPEB liability as a percentage of covered payroll	5.81 %	6.27 %	6.62 %

Changes in Assumptions:

In 2020, the following assumptions changes:

The health care trend rates, mortality tables, and salary increase rates were updated.

The discount rate was changed from 3.80% to 2.90%

In 2019, the following assumptions changes:

The discount rate was changed from 3.30% to 3.80%

In 2018, the following assumptions changes:

The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2014 Generational Improvement Scale (Blue Collar Tables for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables (de-trended to 2006) and then projected beyond the valuation date using scale MP-2017 (Blue Collar Tables for Police and Fire Personnel).

The subsidized benefits for the officers injured in the line of duty are assumed to end after five years for the two individuals under age 40 as of the valuation date and at age 65 for the one individual over age 55 as of the valuation date.

The withdrawal and retirement tables for all employees were updated.

The discount rate was changed from 4.00% to 3.30%

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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NONMAJOR GOVERNMENTAL FUNDS

City of Inver Grove Heights, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2020

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Cash and temporary investments	\$ 3,675,250	\$ 12,178,627	\$ 15,853,877
Receivables			
Accrued interest	12,653	50,160	62,813
Taxes	7,834	5,664	13,498
Accounts	273,000	499,308	772,308
Special assessments	-	275,599	275,599
Due from other governments	1,205	-	1,205
Prepaid items	1,090	-	1,090
Land held for resale	1,138,500	-	1,138,500
Total Assets	<u>\$ 5,109,532</u>	<u>\$ 13,009,358</u>	<u>\$ 18,118,890</u>
Liabilities			
Accounts and contracts payable	\$ 4,711	\$ 74,559	\$ 79,270
Accrued salaries payable	3,845	1,156	5,001
Due to other governments	1,308	5,048	6,356
Due to other funds	1,000,000	-	1,000,000
Deposits payable	18,615	-	18,615
Unearned revenue	1,024	-	1,024
Total Liabilities	<u>1,029,503</u>	<u>80,763</u>	<u>1,110,266</u>
Deferred Inflows of Resources			
Unavailable revenues - delinquent taxes	-	5,657	5,657
Unavailable revenues - special assessments	-	275,599	275,599
Total Deferred Inflows of Resources	<u>-</u>	<u>281,256</u>	<u>281,256</u>
Fund Balances			
Nonspendable	1,090	-	1,090
Restricted	-	5,124,719	5,124,719
Committed	4,078,939	-	4,078,939
Assigned	-	7,522,620	7,522,620
Total Fund Balances	<u>4,080,029</u>	<u>12,647,339</u>	<u>16,727,368</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,109,532</u>	<u>\$ 13,009,358</u>	<u>\$ 18,118,890</u>

City of Inver Grove Heights, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2020

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 1,148,508	\$ 22	\$ 1,148,530
Intergovernmental	2,688,558	-	2,688,558
Charges for services	123,546	1,402,924	1,526,470
Special assessments	-	57,760	57,760
Investment earnings	99,405	368,628	468,033
Miscellaneous	1,694	179,663	181,357
Total Revenues	<u>4,061,711</u>	<u>2,008,997</u>	<u>6,070,708</u>
Expenditures			
Current			
Public works	-	441,529	441,529
Culture and recreation	505,434	37,301	542,735
Community development	547,882	13,779	561,661
Capital outlay			
Public works	-	7,581	7,581
Culture and recreation	-	613,834	613,834
Community development	-	1,201	1,201
Total Expenditures	<u>1,053,316</u>	<u>1,115,225</u>	<u>2,168,541</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,008,395</u>	<u>893,772</u>	<u>3,902,167</u>
Other Financing Sources (Uses)			
Transfers in	404,843	379,337	784,180
Transfers out	<u>(2,181,538)</u>	<u>(828,863)</u>	<u>(3,010,401)</u>
Total Other Financing Sources (Uses)	<u>(1,776,695)</u>	<u>(449,526)</u>	<u>(2,226,221)</u>
Net Change in Fund Balances	1,231,700	444,246	1,675,946
Fund Balances, January 1	<u>2,848,329</u>	<u>12,203,093</u>	<u>15,051,422</u>
Fund Balances, December 31	<u><u>\$ 4,080,029</u></u>	<u><u>\$ 12,647,339</u></u>	<u><u>\$ 16,727,368</u></u>

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NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Convention and Visitors Bureau was created by a resolution of the City Council to account for the local lodging tax revenues collected per Ordinance No. 1015, which was adopted by the City Council on October 8, 2001, under the authority of Minnesota statutes, section 469.190.

Recreation accounts for recreation activities of the City.

Franchise Fee accounts for the collection of gas and electric franchise fees to support pavement management.

Economic Development Authority accounts for the activities of the Economic Development Authority.

CARES Federal Grant accounts for the receipts and community development activity related to the CARES Grant.

City of Inver Grove Heights, Minnesota
Nonmajor Special Revenue Funds
Subcombining Balance Sheet
December 31, 2020

	Convention and Visitors Bureau	Recreation	Franchise Fees	Economic Development Authority	CARES Federal Grant	Total
Assets						
Cash and temporary investments	\$ 92,634	\$ 389,396	\$ 2,973,575	\$ 219,645	\$ -	\$ 3,675,250
Receivables						
Accrued interest	429	1,433	10,193	598	-	12,653
Taxes	7,834	-	-	-	-	7,834
Accounts	-	4,215	268,785	-	-	273,000
Due from other governments	-	1,205	-	-	-	1,205
Prepaid items	650	-	-	440	-	1,090
Land held for resale	-	-	-	1,138,500	-	1,138,500
Total Assets	\$ 101,547	\$ 396,249	\$ 3,252,553	\$ 1,359,183	\$ -	\$ 5,109,532
Liabilities						
Accounts and contracts payable	\$ -	\$ 2,837	\$ -	\$ 1,874	\$ -	\$ 4,711
Accrued salaries payable	-	3,598	-	247	-	3,845
Due to other governments	-	1,308	-	-	-	1,308
Due to other funds	-	-	-	1,000,000	-	1,000,000
Deposits payable	-	18,615	-	-	-	18,615
Unearned revenue	-	1,024	-	-	-	1,024
Total Liabilities	-	27,382	-	1,002,121	-	1,029,503
Fund Balances						
Nonspendable	650	-	-	440	-	1,090
Committed	100,897	368,867	3,252,553	356,622	-	4,078,939
Total Fund Balances	101,547	368,867	3,252,553	357,062	-	4,080,029
Total Liabilities and Fund Balances	\$ 101,547	\$ 396,249	\$ 3,252,553	\$ 1,359,183	\$ -	\$ 5,109,532

City of Inver Grove Heights, Minnesota
Nonmajor Special Revenue Funds
Subcombining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2020

	Convention and Visitors Bureau	Recreation	Franchise Fee	Economic Development Authority	CARES Federal Grant	Total
Revenues						
Taxes						
Franchise	\$ -	\$ -	\$ 1,071,151	\$ -	\$ -	\$ 1,071,151
Lodging	77,357	-	-	-	-	77,357
Intergovernmental	22,944	-	-	-	2,665,614	2,688,558
Charges for services	-	123,546	-	-	-	123,546
Investment earnings	3,109	10,353	69,466	3,826	12,651	99,405
Miscellaneous	-	1,694	-	-	-	1,694
Total Revenues	<u>103,410</u>	<u>135,593</u>	<u>1,140,617</u>	<u>3,826</u>	<u>2,678,265</u>	<u>4,061,711</u>
Expenditures						
Current						
Culture and recreation	126,608	378,826	-	-	-	505,434
Community development	-	-	-	47,679	500,203	547,882
Total Expenditures	<u>126,608</u>	<u>378,826</u>	<u>-</u>	<u>47,679</u>	<u>500,203</u>	<u>1,053,316</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,198)</u>	<u>(243,233)</u>	<u>1,140,617</u>	<u>(43,853)</u>	<u>2,178,062</u>	<u>3,008,395</u>
Other Financing Sources (Uses)						
Transfers in	11,878	309,765	-	83,200	-	404,843
Transfers out	(3,476)	-	-	-	(2,178,062)	(2,181,538)
Total Other Financing Sources (Uses)	<u>8,402</u>	<u>309,765</u>	<u>-</u>	<u>83,200</u>	<u>(2,178,062)</u>	<u>(1,776,695)</u>
Net Change in Fund Balances	(14,796)	66,532	1,140,617	39,347	-	1,231,700
Fund Balances, January 1	<u>116,343</u>	<u>302,335</u>	<u>2,111,936</u>	<u>317,715</u>	<u>-</u>	<u>2,848,329</u>
Fund Balances, December 31	<u>\$ 101,547</u>	<u>\$ 368,867</u>	<u>\$ 3,252,553</u>	<u>\$ 357,062</u>	<u>\$ -</u>	<u>\$ 4,080,029</u>

City of Inver Grove Heights, Minnesota
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Convention and Visitors Bureau Special Revenue Fund
For the Year Ended December 31, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Lodging taxes	\$ 149,000	\$ 149,000	\$ 77,357	\$ (71,643)
Intergovernmental	7,000	7,000	22,944	15,944
Investment earnings	-	-	3,109	3,109
Miscellaneous	1,000	1,000	-	(1,000)
Total Revenues	157,000	157,000	103,410	(53,590)
Expenditures				
Current				
Culture and recreation	158,200	158,200	126,608	31,592
Deficiency of Revenues				
Under Expenditures	(1,200)	(1,200)	(23,198)	(21,998)
Other Financing Sources (Uses)				
Transfers in	-	-	11,878	11,878
Transfers out	(7,400)	(7,400)	(3,476)	3,924
Total Other Financing Sources (Uses)	(7,400)	(7,400)	8,402	15,802
Net Change in Fund Balances	(8,600)	(8,600)	(14,796)	(6,196)
Fund Balances, January 1	116,343	116,343	116,343	-
Fund Balances, December 31	<u>\$ 107,743</u>	<u>\$ 107,743</u>	<u>\$ 101,547</u>	<u>\$ (6,196)</u>

City of Inver Grove Heights, Minnesota
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Recreation Special Revenue Fund
For the Year Ended December 31, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	\$ 218,400	\$ 218,400	\$ 123,546	\$ (94,854)
Investment earnings	4,400	4,400	10,353	5,953
Miscellaneous	22,200	22,200	1,694	(20,506)
Total Revenues	245,000	245,000	135,593	(109,407)
Expenditures				
Current				
Culture and recreation	514,600	514,600	378,826	135,774
Deficiency of Revenues Under Expenditures	(269,600)	(269,600)	(243,233)	26,367
Other Financing Sources				
Transfers in	309,600	309,600	309,765	165
Net Change in Fund Balances	40,000	40,000	66,532	26,532
Fund Balances, January 1	302,335	302,335	302,335	-
Fund Balances, December 31	<u>\$ 342,335</u>	<u>\$ 342,335</u>	<u>\$ 368,867</u>	<u>\$ 26,532</u>

City of Inver Grove Heights, Minnesota
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Economic Development Authority Special Revenue Fund
For the Year Ended December 31, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Investment earnings	-	-	3,826	3,826
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>3,826</u>	<u>(11,174)</u>
Expenditures				
Current				
Community development	<u>76,200</u>	<u>98,200</u>	<u>47,679</u>	<u>50,521</u>
Deficiency of Revenues				
Under Expenditures	(61,200)	(83,200)	(43,853)	39,347
Other Financing Sources				
Transfers in	<u>61,200</u>	<u>83,200</u>	<u>83,200</u>	<u>-</u>
Net Change in Fund Balances	-	-	39,347	39,347
Fund Balances, January 1	<u>317,715</u>	<u>317,715</u>	<u>317,715</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 317,715</u>	<u>\$ 317,715</u>	<u>\$ 357,062</u>	<u>\$ 39,347</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Project funds account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by Proprietary funds).

Capital Facilities accounts for financial resources assigned for future City capital facilities.

Equipment Acquisition accounts for major equipment purchases.

Parks Acquisition and Development accounts for park dedication fees, related revenues and park and/or trail improvements.

State Aid Construction accounts for the use of municipal state aid allotments to finance projects not assessed such as street lights, sidewalks, and streets.

Capital Improvement Revolving accounts for preliminary construction costs incurred for projects not ordered.

Community Property accounts for financial resources assigned for future community property purchases and sales.

Storm Water Management accounts for storm water projects.

Tree Preservation accounts for financial resources assigned for tree preservation.

Parks Capital Replacement accounts for financial resources assigned for maintenance and replacement of parks facilities.

Americans with Disabilities Act accounts for financial resources assigned for building repairs and maintenance.

Community Projects accounts for financial resources assigned for future community projects.

Permanent Improvement Revolving accounts for improvement revenues and expenditures from replacement funds set aside for capital improvements.

Tax Increment Financing accounts for the use of tax increment in the City's tax increment districts.

City of Inver Grove Heights, Minnesota
Nonmajor Capital Projects Funds
Subcombining Balance Sheet
December 31, 2020

	Capital Facilities	Equipment Acquisition	Parks Acquisition and Development	State Aid Construction	Capital Improvement Revolving	Community Property
Assets						
Cash and temporary investments	\$ 73,627	\$ 657,051	\$ 1,847,518	\$ 470,536	\$ 666,706	\$ 21,518
Receivables						
Accrued interest	296	2,579	9,367	2,724	2,540	78
Taxes	-	-	-	-	7	-
Accounts	-	-	116,850	-	-	-
Special assessments	-	-	-	-	262,636	-
Total Assets	\$ 73,923	\$ 659,630	\$ 1,973,735	\$ 473,260	\$ 931,889	\$ 21,596
Liabilities						
Accounts and contracts payable	\$ -	\$ -	\$ 60,878	\$ -	\$ -	\$ -
Accrued salaries and benefits payable	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Total Liabilities	-	-	60,878	-	-	-
Deferred Inflows of Resources						
Unavailable revenues - delinquent taxes	-	-	-	-	2	-
Unavailable revenues - special assessments	-	-	-	-	262,636	-
Total Deferred Inflows of Resources	-	-	-	-	262,638	-
Fund Balances						
Restricted	-	-	1,065,208	-	-	-
Assigned	73,923	659,630	847,649	473,260	669,251	21,596
Total Fund Balances	73,923	659,630	1,912,857	473,260	669,251	21,596
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 73,923	\$ 659,630	\$ 1,973,735	\$ 473,260	\$ 931,889	\$ 21,596

Storm Water Management	Tree Preservation	Parks Capital Replacement	Americans with Disabilities Act	Community Projects	Permanent Improvement Revolving	Tax Increment Financing	Total
\$ 2,193,519	\$ 306,537	\$ 1,405,370	\$ 253,618	\$ 141,691	\$ 95,109	\$ 4,045,827	\$ 12,178,627
10,560	878	5,371	1,027	662	394	13,684	50,160
-	-	-	-	-	5	5,652	5,664
382,458	-	-	-	-	-	-	499,308
-	-	-	-	-	12,963	-	275,599
<u>\$ 2,586,537</u>	<u>\$ 307,415</u>	<u>\$ 1,410,741</u>	<u>\$ 254,645</u>	<u>\$ 142,353</u>	<u>\$ 108,471</u>	<u>\$ 4,065,163</u>	<u>\$ 13,009,358</u>
\$ 13,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,559
1,156	-	-	-	-	-	-	1,156
5,048	-	-	-	-	-	-	5,048
19,885	-	-	-	-	-	-	80,763
-	-	-	-	-	3	5,652	5,657
-	-	-	-	-	12,963	-	275,599
-	-	-	-	-	12,966	5,652	281,256
-	-	-	-	-	-	4,059,511	5,124,719
2,566,652	307,415	1,410,741	254,645	142,353	95,505	-	7,522,620
2,566,652	307,415	1,410,741	254,645	142,353	95,505	4,059,511	12,647,339
<u>\$ 2,586,537</u>	<u>\$ 307,415</u>	<u>\$ 1,410,741</u>	<u>\$ 254,645</u>	<u>\$ 142,353</u>	<u>\$ 108,471</u>	<u>\$ 4,065,163</u>	<u>\$ 13,009,358</u>

City of Inver Grove Heights, Minnesota
Nonmajor Capital Projects Funds
Subcombining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2020

	Capital Facilities	Equipment Acquisition	Parks Acquisition and Development	State Aid Construction	Capital Improvement Revolving	Community Property
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ -
Charges for services	-	-	313,520	-	-	-
Special assessments	-	-	-	-	44,572	-
Investment earnings	2,103	18,314	69,549	32,649	17,986	536
Miscellaneous	-	-	7,763	-	-	-
Total Revenues	<u>2,103</u>	<u>18,314</u>	<u>390,832</u>	<u>32,649</u>	<u>62,569</u>	<u>536</u>
Expenditures						
Current						
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay						
Public works	-	-	-	-	-	-
Culture and recreation	-	-	613,600	-	-	-
Community development	-	-	-	-	-	1,201
Total Expenditures	<u>-</u>	<u>-</u>	<u>613,600</u>	<u>-</u>	<u>-</u>	<u>1,201</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,103</u>	<u>18,314</u>	<u>(222,768)</u>	<u>32,649</u>	<u>62,569</u>	<u>(665)</u>
Other Financing Sources (Uses)						
Transfers in	-	15,300	-	-	87,373	-
Transfers out	-	-	-	-	(82,653)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>15,300</u>	<u>-</u>	<u>-</u>	<u>4,720</u>	<u>-</u>
Net Change in Fund Balances	2,103	33,614	(222,768)	32,649	67,289	(665)
Fund Balances, January 1	<u>71,820</u>	<u>626,016</u>	<u>2,135,625</u>	<u>440,611</u>	<u>601,962</u>	<u>22,261</u>
Fund Balances, December 31	<u>\$ 73,923</u>	<u>\$ 659,630</u>	<u>\$ 1,912,857</u>	<u>\$ 473,260</u>	<u>\$ 669,251</u>	<u>\$ 21,596</u>

Storm Water Management	Tree Preservation	Parks Capital Replacement	Americans with Disabilities Act	Community Projects	Permanent Improvement Revolving	Tax Increment Financing	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ -	\$ 22
1,089,404	-	-	-	-	-	-	1,402,924
-	-	-	-	-	13,188	-	57,760
74,514	5,978	38,411	7,144	4,751	2,706	93,987	368,628
-	171,900	-	-	-	-	-	179,663
<u>1,163,918</u>	<u>177,878</u>	<u>38,411</u>	<u>7,144</u>	<u>4,751</u>	<u>15,905</u>	<u>93,987</u>	<u>2,008,997</u>
418,826	-	-	-	22,703	-	-	441,529
-	-	37,301	-	-	-	-	37,301
-	-	-	-	-	-	13,779	13,779
-	-	-	7,581	-	-	-	7,581
-	-	234	-	-	-	-	613,834
-	-	-	-	-	-	-	1,201
<u>418,826</u>	<u>-</u>	<u>37,535</u>	<u>7,581</u>	<u>22,703</u>	<u>-</u>	<u>13,779</u>	<u>1,115,225</u>
745,092	177,878	876	(437)	(17,952)	15,905	80,208	893,772
26,664	-	250,000	-	-	-	-	379,337
<u>(582,735)</u>	<u>-</u>	<u>(163,475)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(828,863)</u>
<u>(556,071)</u>	<u>-</u>	<u>86,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(449,526)</u>
189,021	177,878	87,401	(437)	(17,952)	15,905	80,208	444,246
<u>2,377,631</u>	<u>129,537</u>	<u>1,323,340</u>	<u>255,082</u>	<u>160,305</u>	<u>79,600</u>	<u>3,979,303</u>	<u>12,203,093</u>
<u>\$ 2,566,652</u>	<u>\$ 307,415</u>	<u>\$ 1,410,741</u>	<u>\$ 254,645</u>	<u>\$ 142,353</u>	<u>\$ 95,505</u>	<u>\$ 4,059,511</u>	<u>\$ 12,647,339</u>

City of Inver Grove Heights, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued on the Following Pages)
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020			2019
	Budget Amounts		Actual	Actual
	Original	Final	Amounts	Amounts
Revenues				
Taxes				
Property taxes	\$ 21,893,800	\$ 21,893,800	\$ 21,925,100	\$ 20,701,144
Cable franchise fees	110,000	110,000	106,449	105,536
Total taxes	22,003,800	22,003,800	22,031,549	20,806,680
Licenses and permits				
Business	1,662,200	1,662,200	1,232,061	1,883,178
Nonbusiness	200	200	275	1,559
Total licenses and permits	1,662,400	1,662,400	1,232,336	1,884,737
Intergovernmental				
Federal				
Other	-	-	42,144	42,144
State				
Police and fire aid	557,000	557,000	640,817	638,168
PERA aid	20,200	20,200	-	20,190
Other	-	-	39,127	945
County	17,800	17,800	14,701	18,670
Local	101,100	101,100	96,099	104,817
Total intergovernmental	696,100	696,100	832,888	782,790
Charges for services				
General government	4,600	4,600	1,126	6,138
Public safety	8,700	8,700	40,021	22,775
Public works	398,400	398,400	452,671	372,784
Rentals	223,000	223,000	236,654	241,237
Community development	25,300	25,300	67,379	28,044
Total charges for services	660,000	660,000	797,851	670,978
Fines and forfeitures	180,000	180,000	145,283	187,738
Special assessments	8,000	8,000	1,981	6,347
Investment earnings	147,400	147,400	345,702	192,324
Miscellaneous				
Donations	-	-	35,558	11,661
Other	5,700	5,700	61,945	39,300
Total miscellaneous	5,700	5,700	97,503	50,961
Total Revenues	25,363,400	25,363,400	25,485,093	24,582,555

City of Inver Grove Heights, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and City Council					
Personnel services	\$ 51,500	\$ 51,500	\$ 49,270	\$ 2,230	\$ 49,186
Supplies	300	300	322	(22)	23,186
Other services and charges	108,300	108,300	138,178	(29,878)	148,135
Total Mayor and City Council	160,100	160,100	187,770	(27,670)	220,507
City administration					
Personnel services	874,400	901,780	1,010,019	(108,239)	756,612
Supplies	14,600	14,600	16,372	(1,772)	77,286
Other services and charges	191,500	193,500	173,180	20,320	180,870
Total city administration	1,080,500	1,109,880	1,199,571	(89,691)	1,014,768
Elections					
Personnel services	115,800	151,800	140,835	10,965	2,001
Supplies	7,500	18,500	18,520	(20)	8,940
Other services and charges	15,200	16,200	21,197	(4,997)	-
Total elections	138,500	186,500	180,552	5,948	10,941
Financial administration					
Personnel services	777,400	828,400	855,693	(27,293)	670,396
Supplies	33,300	33,300	32,338	962	67,273
Other services and charges	113,100	123,100	108,552	14,548	156,426
Total financial administration	923,800	984,800	996,583	(11,783)	894,095
Total general government	2,302,900	2,441,280	2,564,476	(123,196)	2,140,311
Public safety					
Police					
Personnel services	6,207,700	6,264,532	6,617,800	(353,268)	6,091,254
Supplies	124,300	153,222	164,063	(10,841)	538,595
Other services and charges	2,277,300	2,278,196	2,262,459	15,737	1,976,209
Total police	8,609,300	8,695,950	9,044,322	(348,372)	8,606,058
Fire					
Personnel services	2,041,100	2,081,100	2,168,041	(86,941)	1,924,004
Supplies	104,700	212,700	265,432	(52,732)	218,990
Other services and charges	1,083,100	1,150,100	1,093,369	56,731	1,062,240
Total fire	3,228,900	3,443,900	3,526,842	(82,942)	3,205,234
Total public safety	11,838,200	12,139,850	12,571,164	(431,314)	11,811,292

City of Inver Grove Heights, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public works					
Streets and highways					
Personnel services	\$ 216,400	\$ 216,400	\$ 216,856	\$ (456)	\$ 215,729
Supplies	3,700	3,700	3,414	286	13,400
Other services and charges	58,700	58,700	36,923	21,777	42,292
Total streets and highways	278,800	278,800	257,193	21,607	271,421
Engineering					
Personnel services	924,400	924,400	969,506	(45,106)	944,765
Supplies	22,500	22,500	17,836	4,664	101,768
Other services and charges	133,600	133,600	121,638	11,962	143,103
Total engineering	1,080,500	1,080,500	1,108,980	(28,480)	1,189,636
Street maintenance					
Personnel services	1,022,000	1,022,000	1,033,605	(11,605)	1,053,701
Supplies	505,900	505,900	482,401	23,499	458,843
Other services and charges	1,259,700	1,259,700	1,178,407	81,293	1,383,209
Total street maintenance	2,787,600	2,787,600	2,694,413	93,187	2,895,753
Street lighting					
Other services and charges	175,200	175,200	157,956	17,244	148,296
Total public works	4,322,100	4,322,100	4,218,542	103,558	4,505,106
Culture and recreation					
Parks and recreation					
Personnel services	1,144,500	1,144,500	1,089,737	54,763	1,060,790
Supplies	192,900	192,900	163,622	29,278	226,141
Other services and charges	795,100	804,100	779,921	24,179	791,104
Total culture and recreation	2,132,500	2,141,500	2,033,280	108,220	2,078,035
Community development					
Community development					
Personnel services	368,600	368,600	396,948	(28,348)	231,400
Supplies	3,100	3,100	2,950	150	52,164
Other services and charges	30,100	30,100	33,935	(3,835)	22,604
Total community development	401,800	401,800	433,833	(32,033)	306,168

City of Inver Grove Heights, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Budget Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Expenditures (Continued)					
Current (continued)					
Community development (continued)					
Planning					
Personnel services	\$ 369,400	\$ 369,400	\$ 396,074	\$ (26,674)	\$ 341,295
Supplies	8,100	8,100	5,162	2,938	18,271
Other services and charges	85,900	63,900	67,668	(3,768)	99,627
Total planning	463,400	441,400	468,904	(27,504)	459,193
Inspections					
Personnel services	1,267,900	1,292,900	1,255,385	37,515	656,975
Supplies	160,500	171,900	171,814	86	62,537
Other services and charges	666,000	681,000	568,043	112,957	116,334
Total inspections	2,094,400	2,145,800	1,995,242	150,558	835,846
Total community development	2,959,600	2,989,000	2,897,979	91,021	1,601,207
Total current	23,555,300	24,033,730	24,285,441	(251,711)	22,135,951
Capital outlay					
General government	-	-	642	(642)	-
Public safety	-	-	-	-	1,384
Public works	-	-	-	-	181
Total capital outlay	-	-	642	(642)	1,565
Total Expenditures	23,555,300	24,033,730	24,286,083	(252,353)	22,137,516
Excess of Revenues					
Over Expenditures	1,808,100	1,329,670	1,199,010	(130,660)	2,445,039
Other Financing Sources (Uses)					
Transfers in	578,000	578,000	2,634,861	2,056,861	520,551
Transfers out	(2,386,100)	(2,408,100)	(2,410,096)	(1,996)	(2,007,857)
Total Other Financing Sources (Uses)	(1,808,100)	(1,830,100)	224,765	2,054,865	(1,487,306)
Net Change in Fund Balances	-	(500,430)	1,423,775	1,924,205	957,733
Fund Balances, January 1	11,490,873	11,490,873	11,490,873	-	10,533,140
Fund Balances, December 31	\$ 11,490,873	\$ 10,990,443	\$ 12,914,648	\$ 1,924,205	\$ 11,490,873

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INTERNAL SERVICE FUNDS

Internal Service funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost reimbursement basis. Revenues are recognized in the accounting period in which they are earned and become objectively measurable; expenses are recognized in the period incurred, if objectively measurable.

Compensated Absences was established to account for payment of unused vacation, sick, personal leave, severance and also the allocation of such costs to respective departments.

Risk Management was established to account for all City insurance programs related to the ongoing operations with the exception of employee benefit coverage.

Central Equipment was established to account for the cost of operating a maintenance facility and providing vehicles and equipment used by City departments and funds. The exception is the Golf Course fund which maintains its own equipment and vehicles.

Central Stores was established to account for the centralized purchase of consumable office supplies used by departments of the City.

City Facilities was established to account for the cost of maintaining City Hall. User departments are charged a rental fee based upon square footage.

Technology was established to account for the maintenance of all computer systems of the City.

City of Inver Grove Heights, Minnesota
Internal Service Funds
Combining Statement of Net Position
December 31, 2020

	Compensated Absences	Risk Management	Central Equipment	Central Stores
Assets				
Current Assets				
Cash and temporary investments	\$ 2,448,363	\$ 985,642	\$ 9,631,890	\$ 518,288
Receivables				
Accrued interest	8,669	3,542	37,824	2,037
Accounts	-	-	-	1,531
Due from other governments	-	-	-	-
Due from other funds	-	-	4,022,276	-
Inventories	-	-	72,848	-
Prepaid items	-	57,234	1,275	-
Total Current Assets	<u>2,457,032</u>	<u>1,046,418</u>	<u>13,766,113</u>	<u>521,856</u>
Noncurrent Assets				
Capital assets				
Land	-	-	209,122	-
Buildings and systems	-	-	1,708,857	-
Improvements other than buildings	-	-	240,717	-
Machinery and equipment	-	-	13,219,595	-
Less accumulated depreciation	-	-	(9,527,401)	-
Total Capital Assets (Net of Accumulated Depreciation)	<u>-</u>	<u>-</u>	<u>5,850,890</u>	<u>-</u>
Total Assets	<u>2,457,032</u>	<u>1,046,418</u>	<u>19,617,003</u>	<u>521,856</u>
Deferred Outflows of Resources				
Deferred pension resources	<u>-</u>	<u>1,827</u>	<u>37,922</u>	<u>-</u>
Liabilities				
Current Liabilities				
Accounts and contracts payable	-	47,691	68,666	4,530
Accrued salaries payable	-	279	6,323	-
Due to other governments	-	5	-	-
Compensated absences payable - current	811,702	872	30,475	-
Total Current Liabilities	<u>811,702</u>	<u>48,847</u>	<u>105,464</u>	<u>4,530</u>
Noncurrent Liabilities				
Compensated absences payable	1,611,675	2,741	57,449	-
Pension liability	-	12,778	265,248	-
Total Noncurrent Liabilities	<u>1,611,675</u>	<u>15,519</u>	<u>322,697</u>	<u>-</u>
Total Liabilities	<u>2,423,377</u>	<u>64,366</u>	<u>428,161</u>	<u>4,530</u>
Deferred Inflows of Resources				
Deferred pension resources	<u>-</u>	<u>525</u>	<u>10,903</u>	<u>-</u>
Net Position				
Investment in capital assets	-	-	5,850,890	-
Unrestricted	33,655	983,354	13,364,971	517,326
Total Net Position	<u>\$ 33,655</u>	<u>\$ 983,354</u>	<u>\$ 19,215,861</u>	<u>\$ 517,326</u>

City Facilities	Technology	Total
\$ 498,204	\$ 966,983	\$ 15,049,370
1,941	4,197	58,210
-	-	1,531
1,494	-	1,494
-	-	4,022,276
-	-	72,848
-	-	58,509
<u>501,639</u>	<u>971,180</u>	<u>19,264,238</u>
-	-	209,122
15,700,645	-	17,409,502
-	-	240,717
138,334	999,202	14,357,131
<u>(3,158,365)</u>	<u>(881,530)</u>	<u>(13,567,296)</u>
<u>12,680,614</u>	<u>117,672</u>	<u>18,649,176</u>
<u>13,182,253</u>	<u>1,088,852</u>	<u>37,913,414</u>
<u>16,441</u>	<u>-</u>	<u>56,190</u>
16,916	2,150	139,953
2,664	-	9,266
-	-	5
8,194	22,061	873,304
<u>27,774</u>	<u>24,211</u>	<u>1,022,528</u>
25,612	68,722	1,766,199
114,998	-	393,024
<u>140,610</u>	<u>68,722</u>	<u>2,159,223</u>
<u>168,384</u>	<u>92,933</u>	<u>3,181,751</u>
<u>4,727</u>	<u>-</u>	<u>16,155</u>
12,680,614	117,672	18,649,176
<u>344,969</u>	<u>878,247</u>	<u>16,122,522</u>
<u>\$ 13,025,583</u>	<u>\$ 995,919</u>	<u>\$ 34,771,698</u>

City of Inver Grove Heights, Minnesota
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2020

	Compensated Absences	Risk Management	Central Equipment	Central Stores
Operating Revenues				
Charges for services	\$ 422,245	\$ 1,127,800	\$ 2,911,900	\$ 113,200
Operating Expenses				
Personnel services	448,312	25,384	440,951	-
Other current expenses	-	1,052,976	751,659	95,389
Depreciation	-	-	1,044,011	-
Total Operating Expenses	448,312	1,078,360	2,236,621	95,389
Operating Income (Loss)	(26,067)	49,440	675,279	17,811
Nonoperating Revenues				
Investment earnings	61,163	25,263	269,451	14,452
Miscellaneous revenues	-	7,071	43,405	3,128
Gain on sale of capital assets	-	-	10,860	-
Total Nonoperating Revenues	61,163	32,334	323,716	17,580
Income (Loss) Before Transfers and Contributions	35,096	81,774	998,995	35,391
Capital Contributions	-	-	12,245	-
Transfers In	-	13,614	3,296	1,423
Transfers Out	-	-	(329,912)	-
Change in Net Position	35,096	95,388	684,624	36,814
Net Position, January 1	(1,441)	887,966	18,531,237	480,512
Net Position, December 31	\$ 33,655	\$ 983,354	\$ 19,215,861	\$ 517,326

City Facilities	Technology	Total
<u>\$ 769,275</u>	<u>\$ -</u>	<u>\$ 5,344,420</u>
252,411	(238,888)	928,170
494,923	152,537	2,547,484
630,384	148,811	1,823,206
<u>1,377,718</u>	<u>62,460</u>	<u>5,298,860</u>
<u>(608,443)</u>	<u>(62,460)</u>	<u>45,560</u>
13,567	29,947	413,843
309	99	54,012
-	-	10,860
<u>13,876</u>	<u>30,046</u>	<u>478,715</u>
(594,567)	(32,414)	524,275
-	-	12,245
121,995	10,066	150,394
<u>-</u>	<u>-</u>	<u>(329,912)</u>
(472,572)	(22,348)	357,002
<u>13,498,155</u>	<u>1,018,267</u>	<u>34,414,696</u>
<u>\$ 13,025,583</u>	<u>\$ 995,919</u>	<u>\$ 34,771,698</u>

City of Inver Grove Heights, Minnesota
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2020

	Compensated Absences	Risk Management	Central Equipment	Central Stores
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 422,245	\$ 1,127,800	\$ 2,911,900	\$ 111,669
Other operating receipts	-	7,037	42,692	3,128
Payments to suppliers	-	(910,767)	(765,103)	(99,091)
Payments to employees	(134,965)	(18,708)	(425,868)	-
Net Cash Provided (Used) by Operating Activities	<u>287,280</u>	<u>205,362</u>	<u>1,763,621</u>	<u>15,706</u>
Cash Flows from Noncapital Financing Activities				
Receipts on interfund balances	-	-	294,822	-
Transfers from other funds	-	13,614	3,296	1,423
Transfers to other funds	-	-	(329,912)	-
Net Cash Used by Noncapital Financing Activities	<u>-</u>	<u>13,614</u>	<u>(31,794)</u>	<u>1,423</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	-	-	(523,606)	-
Proceeds from sale of capital assets	-	-	10,860	-
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(512,746)</u>	<u>-</u>
Cash Flows from Investing Activities				
Investment receipts	<u>60,658</u>	<u>25,425</u>	<u>270,740</u>	<u>14,443</u>
Net Increase (Decrease) in Cash and Cash Equivalents	347,938	244,401	1,489,821	31,572
Cash and Cash Equivalents, January 1	<u>2,100,425</u>	<u>741,241</u>	<u>8,142,069</u>	<u>486,716</u>
Cash and Cash Equivalents, December 31	<u>\$ 2,448,363</u>	<u>\$ 985,642</u>	<u>\$ 9,631,890</u>	<u>\$ 518,288</u>

City Facilities	Technology	Total
\$ 767,781	\$ -	\$ 5,341,395
-	100	52,957
(519,260)	(201,493)	(2,495,714)
<u>(182,674)</u>	<u>(24,404)</u>	<u>(786,619)</u>
<u>65,847</u>	<u>(225,797)</u>	<u>2,112,019</u>
-	-	294,822
121,995	10,066	150,394
<u>-</u>	<u>-</u>	<u>(329,912)</u>
<u>121,995</u>	<u>10,066</u>	<u>115,304</u>
(111,748)	-	(635,354)
<u>-</u>	<u>-</u>	<u>10,860</u>
<u>(111,748)</u>	<u>-</u>	<u>(624,494)</u>
<u>13,279</u>	<u>30,147</u>	<u>414,692</u>
89,373	(185,584)	2,017,521
<u>408,831</u>	<u>1,152,567</u>	<u>13,031,849</u>
<u>\$ 498,204</u>	<u>\$ 966,983</u>	<u>\$ 15,049,370</u>

City of Inver Grove Heights, Minnesota
Internal Service Funds
Statements of Cash Flows (Continued)
For the Year Ended December 31, 2020

	Compensated Absences	Risk Management	Central Equipment	Central Stores
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (26,067)	\$ 49,440	\$ 675,279	\$ 17,811
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	-	-	1,044,011	-
Other income related to operations	-	7,071	43,405	3,128
(Increase) decrease in assets/deferred outflows of resources				
Accounts receivable	-	-	-	(1,531)
Due from other governments	-	-	-	-
Inventories	-	-	(16,086)	-
Prepaid items	-	95,702	(1,275)	-
Deferred pension resources	-	(1,174)	(12,950)	-
Increase (decrease) in liabilities/deferred inflows of resources				
Accounts and contracts payable	-	46,502	4,704	(3,702)
Accrued salaries payable	-	(137)	(12,684)	-
Due to other governments	-	5	(787)	-
Compensated absences payable	313,347	1,157	12,830	-
Net pension liability	-	7,260	54,108	-
Deferred pension resources	-	(464)	(26,934)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 287,280</u>	<u>\$ 205,362</u>	<u>\$ 1,763,621</u>	<u>\$ 15,706</u>
Schedule of Noncash Capital and Related Financing Activities				
Capital assets contributed from developers	\$ -	\$ -	\$ 12,245	\$ -

City Facilities	Technology	Totals
\$ (608,443)	\$ (62,460)	\$ 45,560
630,384	148,811	1,823,206
309	99	54,012
-	-	(1,531)
(1,494)	-	(1,494)
-	-	(16,086)
-	-	94,427
(11,353)	30,316	4,839
(24,337)	(36,968)	(13,801)
(435)	(21,760)	(35,016)
-	(11,988)	(12,770)
12,223	30,413	369,970
71,976	(256,326)	(122,982)
(2,983)	(45,934)	(76,315)
<u>\$ 65,847</u>	<u>\$ (225,797)</u>	<u>\$ 2,112,019</u>
\$ -	\$ -	\$ 12,245

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STATISTICAL SECTION (UNAUDITED)

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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STATISTICAL SECTION (UNAUDITED)

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	<u>Pages</u>
Financial Trends	147 - 156
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	159 - 165
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	
Debt Capacity	166 - 172
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	173 - 175
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	176 - 180
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

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City of Inver Grove Heights, Minnesota
Summary Financial Report
Governmental Funds
Revenues and Expenditures For General Operations
For the Years Ended December 31, 2020 and 2019

	Total		Percent Increase (Decrease)
	2020	2019	
Revenues			
Taxes	\$ 26,106,752	\$ 26,375,433	(1.02) %
Licenses and permits	1,232,336	1,884,737	(34.61)
Intergovernmental	6,584,684	4,964,285	32.64
Charges for services	6,988,370	7,310,715	(4.41)
Fines and forfeits	145,283	187,738	(22.61)
Special assessments	1,424,389	1,354,147	5.19
Investment earnings	1,393,306	1,306,923	6.61
Miscellaneous	1,159,838	1,072,834	8.11
Total Revenues	<u>\$ 45,034,958</u>	<u>\$ 44,456,812</u>	1.30 %
Per Capita	\$ 1,275	\$ 1,253	1.76 %
Expenditures			
Current			
General government	\$ 2,569,221	\$ 2,147,501	19.64 %
Public safety	12,571,164	11,897,247	5.66
Public works	5,388,120	5,501,354	(2.06)
Culture and recreation	5,123,142	6,006,067	(14.70)
Community development	3,644,949	1,657,141	119.95
Capital outlay			
General government	642	-	N/A
Public safety	342,469	7,930,343	(95.68)
Public works	5,663,534	6,432,444	(11.95)
Culture and recreation	1,615,008	3,400,085	(52.50)
Community development	1,201	619,779	(99.81)
Debt service			
Principal	2,135,000	2,385,000	(10.48)
Interest and other charges	1,069,906	1,234,714	(13.35)
Bond issuance costs	47,548	110,529	(56.98)
Total Expenditures	<u>\$ 40,171,904</u>	<u>\$ 49,322,204</u>	(18.55) %
Per Capita	\$ 1,137	\$ 1,390	(18.18) %
Total Long-term Indebtedness	\$ 31,678,560	\$ 33,864,154	(6.45) %
Per Capita	897	954	(6.03)
General Fund Balance - December 31	\$ 12,914,648	\$ 11,490,873	12.39 %
Per Capita	366	324	12.90

The purpose of this report is to provide a summary of financial information concerning the City of Inver Grove Heights to interested citizens. The complete financial statements may be examined at City Hall, 8150 Barbara Avenue, Inver Grove Heights, MN 55077-3412. Questions about this report should be directed to the Finance Department at (651) 450-2500.

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2011	Restated 2012 (1)	2013	2014
Governmental Activities				
Net investment in capital assets	\$ 72,950,086	\$ 83,551,495	\$ 85,313,175	\$ 88,745,756
Restricted	14,658,567	6,562,002	5,419,184	6,560,238
Unrestricted	20,841,229	35,453,954	33,615,784	37,024,099
Total Governmental Activities Net Position	<u>\$ 108,449,882</u>	<u>\$ 125,567,451</u>	<u>\$ 124,348,143</u>	<u>\$ 132,330,093</u>
Business-type Activities				
Net investment in capital assets	\$ 56,914,506	\$ 34,833,936	\$ 38,002,856	\$ 38,248,637
Restricted	452,053	-	-	-
Unrestricted	9,876,848	18,909,882	21,168,180	20,875,925
Total Business-type Activities Net Position	<u>\$ 67,243,407</u>	<u>\$ 53,743,818</u>	<u>\$ 59,171,036</u>	<u>\$ 59,124,562</u>
Total Primary Government				
Net investment in capital assets	\$ 129,864,592	\$ 118,385,431	\$ 123,316,031	\$ 126,994,393
Restricted	15,110,620	6,562,002	5,419,184	6,560,238
Unrestricted	30,718,077	54,363,836	54,783,964	57,900,024
Total Primary Government Net Position	<u>\$ 175,693,289</u>	<u>\$ 179,311,269</u>	<u>\$ 183,519,179</u>	<u>\$ 191,454,655</u>

Note: The City implemented GASB Statement No. 63 and GASB Statement No. 65 in fiscal 2013. Net position information has been restated for 2012 for this accounting change. Years prior to 2012 have not been restated. The City implemented GASB Statement No. 68 and GASB Statement No. 67 in fiscal 2015. Years prior to 2015 have not been restated. The City implemented GASB Statement No. 75 in fiscal 2018. Years prior to 2018 have not been restated.

(1) The Water Revenue Bonds and Sewer Revenue Bonds debt service funds and the Water Connection, Sewer Connection, and Water System Improvements capital projects funds were reclassified from governmental activities to business-type activities in 2013. Activity prior to 2012 has not been restated for this change.

Fiscal Year

2015	2016	2017	2018	2019	2020
\$ 92,587,696	\$ 96,443,126	\$ 93,604,421	\$ 101,204,542	\$ 108,559,698	\$ 113,246,973
7,697,092	8,666,803	10,112,971	9,651,283	9,707,215	9,080,704
32,064,187	30,600,727	31,939,890	39,293,328	42,628,763	51,420,595
<u>\$ 132,348,975</u>	<u>\$ 135,710,656</u>	<u>\$ 135,657,282</u>	<u>\$ 150,149,153</u>	<u>\$ 160,895,676</u>	<u>\$ 173,748,272</u>
\$ 40,500,700	\$ 48,192,046	\$ 49,136,855	\$ 51,148,138	\$ 51,455,529	\$ 51,251,800
-	-	-	-	-	-
18,559,610	13,397,258	10,707,274	9,464,848	11,295,098	11,972,101
<u>\$ 59,060,310</u>	<u>\$ 61,589,304</u>	<u>\$ 59,844,129</u>	<u>\$ 60,612,986</u>	<u>\$ 62,750,627</u>	<u>\$ 63,223,901</u>
\$ 133,088,396	\$ 144,635,172	\$ 142,741,276	\$ 152,352,680	\$ 160,015,227	\$ 164,498,773
7,697,092	8,666,803	10,112,971	9,651,283	9,707,215	9,080,704
50,623,797	43,997,985	42,647,164	48,758,176	53,923,861	63,392,696
<u>\$ 191,409,285</u>	<u>\$ 197,299,960</u>	<u>\$ 195,501,411</u>	<u>\$ 210,762,139</u>	<u>\$ 223,646,303</u>	<u>\$ 236,972,173</u>

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued on the Following Pages)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2011	Restated 2012 (1)	2013	2014
Expenses				
Governmental activities				
General government	\$ 1,873,647	\$ 1,835,043	\$ 1,789,711	\$ 1,764,065
Public safety	7,399,743	7,840,331	7,806,417	8,069,896
Public works	7,135,787	10,021,043	6,225,122	7,284,147
Culture and recreation	6,990,333	6,320,509	6,417,200	6,382,850
Community development	1,202,751	1,786,359	1,784,117	-
Interest on long-term debt	2,230,632	1,612,457	1,026,367	873,009
Total Governmental Activities Expenses	<u>26,832,893</u>	<u>29,415,742</u>	<u>25,048,934</u>	<u>24,373,967</u>
Business-type activities				
Water	2,393,558	2,967,411	2,550,172	2,722,584
Sewer	3,018,197	3,253,964	3,342,170	3,422,724
Golf course	2,014,668	1,926,395	1,653,246	1,537,243
Total Business-type Activities Expenses	<u>7,426,423</u>	<u>8,147,770</u>	<u>7,545,588</u>	<u>7,682,551</u>
Total Primary Government Expenses	<u>\$ 34,259,316</u>	<u>\$ 37,563,512</u>	<u>\$ 32,594,522</u>	<u>\$ 32,056,518</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 557,450	\$ 578,465	\$ 13,492	\$ 13,086
Public safety	456,068	540,587	612,664	625,566
Public works	2,810,312	3,176,747	3,159,957	3,257,758
Culture and recreation	2,677,946	2,864,888	2,683,173	2,966,749
Community development	667,667	720,775	1,082,712	1,144,089
Operating grants and contributions	876,505	938,347	952,499	1,170,083
Capital grants and contributions	5,382,914	5,320,013	2,971,574	6,587,288
Total Governmental Activities Program Revenues	<u>13,428,862</u>	<u>14,139,822</u>	<u>11,476,071</u>	<u>15,764,619</u>
Business-type activities				
Charges for services				
Water	2,879,883	3,304,846	3,054,386	2,818,851
Sewer	2,776,965	2,875,891	3,016,134	3,052,651
Golf course	1,405,244	2,819,818	1,402,594	1,414,141
Operating grants and contributions	-	-	1,961	1,418
Capital grants and contributions	28,889	92,036	1,188,808	1,177,104
Total Business-type Activities Program Revenues	<u>7,090,981</u>	<u>9,092,591</u>	<u>8,663,883</u>	<u>8,464,165</u>
Total Primary Government Program Revenues	<u>\$ 20,519,843</u>	<u>\$ 23,232,413</u>	<u>\$ 20,139,954</u>	<u>\$ 24,228,784</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1,655,475	\$ 2,996,056	\$ 2,481,001	\$ 2,395,582	\$ 3,017,849	\$ 2,969,823
8,109,514	10,727,458	12,087,235	10,236,391	11,486,291	12,994,292
6,816,075	8,887,750	7,690,391	7,056,944	8,989,180	8,983,184
6,576,337	6,768,580	7,919,434	7,139,360	7,497,438	6,135,155
1,792,921	1,599,270	2,540,933	2,124,968	2,322,377	3,693,217
771,350	926,142	1,007,774	1,091,471	1,452,062	1,003,536
<u>25,721,672</u>	<u>31,905,256</u>	<u>33,726,768</u>	<u>30,044,716</u>	<u>34,765,197</u>	<u>35,779,207</u>
2,381,673	2,562,739	2,705,498	3,003,465	2,779,567	2,887,882
3,628,484	3,571,160	4,265,285	4,123,098	3,959,592	4,148,917
1,581,313	1,486,481	3,901,573	1,932,241	1,796,957	2,127,755
<u>7,591,470</u>	<u>7,620,380</u>	<u>10,872,356</u>	<u>9,058,804</u>	<u>8,536,116</u>	<u>9,164,554</u>
<u>\$ 33,313,142</u>	<u>\$ 39,525,636</u>	<u>\$ 44,599,124</u>	<u>\$ 39,103,520</u>	<u>\$ 43,301,313</u>	<u>\$ 44,943,761</u>
\$ 11,190	\$ 19,706	\$ 21,386	\$ 12,049	\$ 49,005	\$ 83,437
629,828	628,342	689,060	635,233	769,972	605,334
3,552,354	3,346,781	3,038,693	3,469,315	3,971,781	5,152,781
3,184,781	3,570,598	2,922,124	3,210,032	3,314,495	1,861,459
702,948	1,019,012	1,202,410	1,401,683	1,754,000	1,142,921
1,012,882	986,082	1,219,181	2,567,895	3,254,500	5,486,950
3,860,088	5,079,885	2,125,371	7,803,984	4,182,202	4,864,126
<u>12,954,071</u>	<u>14,650,406</u>	<u>11,218,225</u>	<u>19,100,191</u>	<u>17,295,955</u>	<u>19,197,008</u>
2,899,782	2,878,095	3,051,811	3,132,068	3,031,231	3,212,973
3,088,659	3,281,356	3,460,592	3,693,679	3,753,168	3,847,337
1,634,226	1,306,162	1,467,194	1,879,599	1,755,886	2,145,792
12,587	12,345	8,283	10,087	6,667	5,223
1,463,961	2,175,951	1,392,096	1,717,863	2,106,572	1,365,247
<u>9,099,215</u>	<u>9,653,909</u>	<u>9,379,976</u>	<u>10,433,296</u>	<u>10,653,524</u>	<u>10,576,572</u>
<u>\$ 22,053,286</u>	<u>\$ 24,304,315</u>	<u>\$ 20,598,201</u>	<u>\$ 29,533,487</u>	<u>\$ 27,949,479</u>	<u>\$ 29,773,580</u>

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2011	Restated 2012 (1)	2013	2014
Net Revenues (Expenses)				
Governmental activities	\$(13,404,031)	\$(15,275,920)	\$(13,572,863)	\$ (8,609,348)
Business-type activities	(335,442)	944,821	1,118,295	781,614
Total Primary Government Net Revenues (Expenses)	<u><u>\$(13,739,473)</u></u>	<u><u>\$(14,331,099)</u></u>	<u><u>\$(12,454,568)</u></u>	<u><u>\$ (7,827,734)</u></u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 15,043,355	\$ 14,943,650	\$ 14,607,605	\$ 15,070,818
Tax increments	1,969,395	1,922,302	1,861,618	1,931,061
Lodging taxes	77,882	79,790	88,151	105,877
Franchise taxes	88,755	90,442	90,442	90,442
Grants and contributions not restricted to specific programs	134,220	300,636	162,694	95,004
Other general revenues	159,354	-	-	-
Unrestricted investment earnings	1,165,824	375,830	(210,750)	575,796
Gain on sale of capital assets	210,741	1,561	17,780	12,855
Transfers	(8,923,244)	(1,388,301)	(4,263,985)	1,112,503
Total Governmental Activities	<u><u>9,926,282</u></u>	<u><u>16,325,910</u></u>	<u><u>12,353,555</u></u>	<u><u>18,994,356</u></u>
Business-type activities				
Unrestricted investment earnings	151,193	274,251	44,938	284,415
Transfers	8,923,244	1,388,301	4,263,985	(1,112,503)
Total Business-type Activities	<u><u>9,074,437</u></u>	<u><u>1,662,552</u></u>	<u><u>4,308,923</u></u>	<u><u>(828,088)</u></u>
Total Primary Government	<u><u>\$ 19,000,719</u></u>	<u><u>\$ 17,988,462</u></u>	<u><u>\$ 16,662,478</u></u>	<u><u>\$ 18,166,268</u></u>
Change in Net Position				
Governmental activities	\$ (3,477,749)	\$ 1,049,990	\$ (1,219,308)	\$ 10,385,008
Business-type activities	8,738,995	2,607,373	5,427,218	(46,474)
Total Primary Government	<u><u>\$ 5,261,246</u></u>	<u><u>\$ 3,657,363</u></u>	<u><u>\$ 4,207,910</u></u>	<u><u>\$ 10,338,534</u></u>

Note: The City implemented GASB Statement No. 63 and GASB Statement No. 65 in fiscal 2013. Net position information has been restated for 2012 for this accounting change. Years prior to 2012 have not been restated. The City implemented GASB Statement No. 68 and GASB Statement No. 67 in fiscal 2015. Years prior to 2015 have not been restated. The City implemented GASB Statement No. 75 in fiscal 2018. Years prior to 2018 have not been restated.

(1) The Water Revenue Bonds and Sewer Revenue Bonds debt service funds and the Water Connection, Sewer Connection, and Water System Improvements capital projects funds were reclassified from governmental activities to business-type activities in 2013. Activity prior to 2012 has not been restated for this change.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$(12,767,601)	\$(17,254,850)	\$(22,508,543)	\$(10,944,525)	\$(17,469,242)	\$(16,582,199)
1,507,745	2,033,529	(1,492,380)	1,374,492	2,117,408	1,412,018
<u>\$(11,259,856)</u>	<u>\$(15,221,321)</u>	<u>\$(24,000,923)</u>	<u>\$ (9,570,033)</u>	<u>\$(15,351,834)</u>	<u>\$(15,170,181)</u>
\$ 16,657,367	\$ 18,068,901	\$ 19,395,888	\$ 21,043,742	\$ 23,348,621	\$ 24,825,120
2,020,664	1,959,743	1,578,646	1,655,941	1,738,995	-
106,361	128,367	133,979	133,872	133,808	77,357
98,221	103,406	107,441	1,135,415	1,171,449	1,177,600
144,337	280,346	146,791	161,095	75,893	112,520
-	-	-	-	-	-
435,751	345,223	545,279	761,542	1,592,145	1,807,149
11,070	78,545	89,116	21,486	-	10,860
841,284	(348,000)	458,029	939,547	321,140	1,424,189
<u>20,315,055</u>	<u>20,616,531</u>	<u>22,455,169</u>	<u>25,852,640</u>	<u>28,382,051</u>	<u>29,434,795</u>
232,427	147,465	205,234	354,181	341,373	485,445
(841,284)	348,000	(458,029)	(939,547)	(321,140)	(1,424,189)
<u>(608,857)</u>	<u>495,465</u>	<u>(252,795)</u>	<u>(585,366)</u>	<u>20,233</u>	<u>(938,744)</u>
<u>\$ 19,706,198</u>	<u>\$ 21,111,996</u>	<u>\$ 22,202,374</u>	<u>\$ 25,267,274</u>	<u>\$ 28,402,284</u>	<u>\$ 28,496,051</u>
\$ 7,547,454	\$ 3,361,681	\$ (53,374)	\$ 14,908,115	\$ 10,912,809	\$ 12,852,596
898,888	2,528,994	(1,745,175)	789,126	2,137,641	473,274
<u>\$ 8,446,342</u>	<u>\$ 5,890,675</u>	<u>\$ (1,798,549)</u>	<u>\$ 15,697,241</u>	<u>\$ 13,050,450</u>	<u>\$ 13,325,870</u>

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2011	Restated 2012 (1)	Restated 2013	2014
General Fund				
Nonspendable	\$ 24,021	\$ 9,159	\$ 4,399	\$ 57,292
Restricted	-	45,800	76,800	22,000
Unassigned	6,326,550	7,232,157	8,029,014	9,111,824
Total General Fund	<u>\$ 6,350,571</u>	<u>\$ 7,287,116</u>	<u>\$ 8,110,213</u>	<u>\$ 9,191,116</u>
All Other Governmental Funds				
Nonspendable	\$ 621	\$ 1,001,348	\$ 19,644	\$ 21,450
Restricted	6,874,221	4,234,679	3,088,157	4,137,256
Committed	596,070	630,787	1,038,100	1,023,281
Assigned	20,691,467	15,858,720	13,113,187	13,249,048
Unassigned	(2,144,267)	(3,026,964)	(3,246,835)	(2,727,214)
Total All Other Governmental Funds	<u>\$ 26,018,112</u>	<u>\$ 18,698,570</u>	<u>\$ 14,012,253</u>	<u>\$ 15,703,821</u>

(1) The Water Revenue Bonds and Sewer Revenue Bonds debt service funds and the Water Connection, Sewer Connection, and Water System Improvements capital projects funds were reclassified from governmental to enterprise (business-type) in 2013. Activity prior to 2012 has not been restated for this change.

Fiscal Year

2015	2016	2017	2018	2019	2020
\$ 3,667	\$ 15,799	\$ 141,195	\$ 12,679	\$ 177,753	\$ 28,365
-	-	-	-	-	16,118
9,922,952	9,600,129	10,038,550	10,520,461	11,313,120	12,870,165
<u>\$ 9,926,619</u>	<u>\$ 9,615,928</u>	<u>\$ 10,179,745</u>	<u>\$ 10,533,140</u>	<u>\$ 11,490,873</u>	<u>\$ 12,914,648</u>
\$ 7,203	\$ 2,887	\$ 17,761	\$ 105,287	\$ 15,236	\$ 1,485
10,128,899	18,332,804	20,275,918	16,286,001	10,642,272	8,785,571
955,348	720,397	738,817	1,790,562	2,836,946	4,078,939
14,066,297	13,408,861	17,069,166	22,069,612	21,371,523	24,710,670
(1,949,474)	(1,847,409)	(3,741,559)	(6,573,705)	(4,101,728)	(1,749,993)
<u>\$ 23,208,273</u>	<u>\$ 30,617,540</u>	<u>\$ 34,360,103</u>	<u>\$ 33,677,757</u>	<u>\$ 30,764,249</u>	<u>\$ 35,826,672</u>

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2011	Restated 2012 (1)	2013	2014
Revenues				
Taxes	\$ 17,258,994	\$ 17,091,099	\$ 16,627,528	\$ 17,190,552
Licenses and permits	815,420	750,483	951,948	1,241,654
Intergovernmental	3,948,793	4,170,433	2,143,879	4,124,588
Charges for services	5,560,114	6,168,808	6,241,363	6,389,688
Fines and forfeitures	115,075	125,164	148,113	135,382
Special assessments	2,397,132	1,945,973	1,500,383	2,295,620
Donations	-	-	-	-
Investment earnings	991,558	213,053	(183,005)	359,937
Miscellaneous	847,598	1,383,500	261,540	234,831
Total Revenues	<u>31,934,684</u>	<u>31,848,513</u>	<u>27,691,749</u>	<u>31,972,252</u>
Expenditures				
Current				
General government	1,852,938	1,697,773	1,623,512	1,641,093
Public safety	7,304,412	7,644,656	7,750,149	7,959,499
Public works	6,081,929	5,995,442	4,168,764	4,466,294
Culture and recreation	5,346,020	4,932,946	4,926,142	5,174,615
Community development	1,212,442	1,298,078	1,612,680	1,499,946
Capital outlay	6,819,201	8,003,440	3,440,919	5,497,746
Debt service				
Principal	4,215,622	3,194,586	4,632,042	6,249,919
Interest and other charges	2,278,893	1,476,542	1,112,013	888,890
Bond issuance costs	-	-	-	83,755
Total Expenditures	<u>35,111,457</u>	<u>34,243,463</u>	<u>29,266,221</u>	<u>33,461,757</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,176,773)</u>	<u>(2,394,950)</u>	<u>(1,574,472)</u>	<u>(1,489,505)</u>
Other Financing Sources (Uses)				
Transfers in	12,099,659	11,122,977	9,003,530	7,171,496
Transfers out	(10,853,484)	(11,829,020)	(10,907,954)	(5,917,699)
Bond proceeds	-	-	-	-
Premium on bonds issued	58,634	13,500	-	118,912
Refunding bonds issued	4,505,000	395,000	-	4,650,000
Payment to refunded bond escrow agent	-	-	-	(1,761,033)
Principal paid on refunded bonds	(5,240,000)	-	(400,000)	-
Insurance recovery	-	-	15,676	300
Sale of capital assets	205,000	-	-	-
Total Other Financing Sources (Uses)	<u>774,809</u>	<u>(297,543)</u>	<u>(2,288,748)</u>	<u>4,261,976</u>
Net Change in Fund Balances	<u>\$ (2,401,964)</u>	<u>\$ (2,692,493)</u>	<u>\$ (3,863,220)</u>	<u>\$ 2,772,471</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>23.32%</u>	<u>16.27%</u>	<u>21.65%</u>	<u>24.25%</u>

(1) The Water Revenue Bonds and Sewer Revenue Bonds debt service funds and the Water Connection, Sewer Connection, and Water System Improvements capital projects funds were reclassified from governmental to enterprise (business-type) in 2013. Activity prior to 2012 has not been restated for this change.

Fiscal Year

2015	2016	2017	2018	2019	2020
\$ 18,951,875	\$ 20,287,670	\$ 21,228,180	\$ 24,029,756	\$ 26,375,433	\$ 26,106,752
844,006	1,133,121	1,355,686	1,515,601	1,884,737	1,232,336
1,111,405	2,686,298	1,828,149	8,443,585	4,964,285	6,584,684
6,857,352	7,073,953	6,044,318	6,635,041	7,310,715	6,988,370
120,029	119,855	173,365	185,181	187,738	145,283
1,759,195	1,536,041	1,649,876	1,235,379	1,354,147	1,424,389
-	-	-	88,317	-	-
257,824	231,466	391,228	565,567	1,306,923	1,393,306
455,909	771,714	1,050,756	776,392	1,072,834	1,159,838
<u>30,357,595</u>	<u>33,840,118</u>	<u>33,721,558</u>	<u>43,474,819</u>	<u>44,456,812</u>	<u>45,034,958</u>
1,667,440	1,868,611	1,870,026	2,147,041	2,147,501	2,569,221
8,342,569	9,332,846	9,837,271	10,753,947	11,897,247	12,571,164
4,580,122	4,504,655	4,848,977	4,668,439	5,501,354	5,388,120
5,284,502	5,268,205	5,696,321	6,058,369	6,006,067	5,123,142
1,612,736	1,696,528	2,008,043	1,915,702	1,657,141	3,644,949
4,939,260	8,747,031	6,000,301	18,103,407	18,382,651	7,622,854
3,688,280	2,851,870	2,575,000	11,015,000	2,385,000	2,135,000
675,558	787,537	882,784	1,134,477	1,234,714	1,069,906
131,221	140,713	85,505	124,608	110,529	47,548
<u>30,921,688</u>	<u>35,197,996</u>	<u>33,804,228</u>	<u>55,920,990</u>	<u>49,322,204</u>	<u>40,171,904</u>
<u>(564,093)</u>	<u>(1,357,878)</u>	<u>(82,670)</u>	<u>(12,446,171)</u>	<u>(4,865,392)</u>	<u>4,863,054</u>
5,633,063	7,596,433	5,668,147	9,224,763	9,746,464	9,313,089
(4,762,561)	(7,928,133)	(4,960,644)	(7,300,022)	(9,225,805)	(7,709,382)
7,745,000	-	3,505,000	9,785,000	2,500,000	-
188,546	273,154	128,904	407,479	55,244	19,437
-	8,515,000	-	-	-	1,640,000
-	-	-	-	-	-
-	-	-	-	-	(1,640,000)
-	-	-	-	-	-
-	-	47,643	-	-	-
<u>8,804,048</u>	<u>8,456,454</u>	<u>4,389,050</u>	<u>12,117,220</u>	<u>3,075,903</u>	<u>1,623,144</u>
<u>\$ 8,239,955</u>	<u>\$ 7,098,576</u>	<u>\$ 4,306,380</u>	<u>\$ (328,951)</u>	<u>\$ (1,789,489)</u>	<u>\$ 6,486,198</u>
<u>16.36%</u>	<u>12.30%</u>	<u>10.98%</u>	<u>31.32%</u>	<u>10.86%</u>	<u>9.28%</u>

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City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increments</u>	<u>Lodging Tax</u>	<u>Franchise Tax</u>	<u>Total</u>
2011	\$ 15,122,962	\$ 1,969,395	\$ 77,882	\$ 88,755	\$ 17,258,994
2012	14,998,565	1,922,302	79,790	90,442	17,091,099
2013	14,587,317	1,861,618	85,530	93,063	16,627,528
2014	15,063,172	1,931,061	98,691	97,628	17,190,552
2015	16,726,629	2,020,664	106,361	98,221	18,951,875
2016	18,096,154	1,959,743	128,367	103,406	20,287,670
2017	19,408,114	1,578,646	133,979	107,441	21,228,180
2018	21,104,528	1,655,941	133,872	1,135,415 (1)	24,029,756
2019	23,331,181	1,738,995	133,808	1,171,449	26,375,433
2020	24,851,795	- (2)	77,357	1,177,600	26,106,752

(1) The City began the collection of gas and electric utility franchise fees in 2018.

(2) In 2020, tax increment revenue decreased due to the city no longer having any active tax increment financing districts.

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended December 31, (1)	Tax Capacity				
	Real Property		Personal Property	Less Tax Exempt Real Property	Total Taxable Assessed Value
	Residential Property	Commercial Property			
2011	\$ 26,997,619	\$ 9,019,537	\$ 642,312	\$ 3,833,236	\$ 32,826,232
2012	24,584,767	9,012,637	664,866	3,795,448	30,466,822
2013	22,793,327	9,065,568	706,136	3,788,856	28,776,175
2014	23,532,484	9,252,706	711,742	3,824,454	29,672,478
2015	25,635,739	9,263,633	726,252	3,914,916	31,710,708
2016	27,361,534	9,779,662	753,881	4,071,056	33,824,021
2017	28,111,605	9,722,415	787,939	4,126,152	34,495,807
2018	31,103,141	9,930,791	823,979	4,623,984	37,233,927
2019	33,620,344	10,011,283	802,338	4,660,532	39,773,433
2020	35,916,787	10,284,333	818,480	4,796,534	42,223,066

Source: Dakota County Assessor.

<https://www.co.dakota.mn.us/HomeProperty/Assessing/MarketValues/Documents/2020CitiesTownships.PDF>

(1) Represents the year the taxes are payable, not the year the taxes are levied.

Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
43.162	\$3,128,770,600	1.17 %
44.883	2,893,900,109	1.18
46.312	2,720,514,055	1.20
46.128	2,798,175,018	1.20
48.131	3,005,516,326	1.19
49.266	3,198,957,044	1.18
51.644	3,270,107,980	1.18
51.112	3,560,206,357	1.18
53.537	3,805,930,599	1.17
51.037	4,043,169,905	1.16

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Inver Grove Heights		
	Operating Millage	Debt Service Millage	Total Direct Rate
2011	40.540 %	2.629 %	43.169 %
2012	40.974	3.909	44.883
2013	42.116	4.196	46.312
2014	41.849	4.279	46.128
2015	43.984	4.147	48.131
2016	43.621	5.645	49.266
2017	45.717	5.927	51.644
2018	46.379	4.733	51.112
2019	47.674	5.863	53.537
2020	45.151	5.886	51.037

Source: Dakota County Treasurer - Auditor.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Inver Grove Heights. Not all overlapping rates apply to all City of Inver Grove Heights property owners (i.e. the rates for School District #199 apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the school district.)

(2) Special districts include: Metropolitan Council, Mosquito Control, and Metropolitan Transit.

Overlapping Rates (1)					Total Direct & Overlapping Rates
Dakota County	School District No. 199	School District No. 196	School District No. 197	Special Districts (2)	
29.149 %	24.679 %	26.959 %	19.692 %	4.644 %	148.292 %
31.426	28.363	28.440	21.857	5.021	159.990
33.421	27.556	27.956	24.429	5.341	165.015
31.827	33.418	27.606	23.863	4.993	167.835
29.633	34.864	23.271	24.063	4.567	164.529
28.570	30.272	24.317	22.170	4.614	159.209
28.004	28.572	23.336	22.295	4.458	158.309
26.580	26.680	21.352	21.224	3.878	150.826
25.386	26.537	20.613	24.246	3.824	154.143
24.133	22.896	19.860	22.125	3.631	143.682

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Principal Property Taxpayers
Current and Nine Years Ago

Taxpayer	2020			2011		
	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity
Xcel Energy (Northern States Power)	\$ 1,990,390	1	4.48 %	\$ 1,581,644	1	4.31 %
Flint Hills	951,622	2	2.14	496,264	2	1.35
Southview Gables	910,970	3	2.05	-		-
Lake Cove Village Partnership	497,176	4	1.12	325,554	4	0.89
Salem Green Ltd. Partnership	473,102	5	1.06	244,927	8	0.67
PHM Inver Grove Inc	440,401	6	0.99	322,244	5	0.88
Brentwood Hills Ltd. Partnership	350,636	7	0.79	218,400	9	0.60
Pearlwood Estates LP	349,684	8	0.79	284,700	6	0.78
Chicago & NW Trans Co.	314,012	9	0.71	-		-
Vansouth Ltd. Partnership	285,186	10	0.64	284,700	6	0.78
ML Casa IV LP	-		-	396,501	3	1.08
Farmers Union Central Exchange (Cenex)	-		-	258,676	7	0.71
Individual	-		-	200,000	10	0.55
Total	<u>\$ 6,563,179</u>		<u>14.77 %</u>	<u>\$ 4,613,610</u>		<u>12.60 %</u>

Source: Dakota County Treasurer - Auditor.

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collection of Current Year's Levy	Percentage of Levy Collected	Collection of Prior Years' Levy	Total Collections	Percentage of Total Collections to Levy
2011	\$ 15,632,796	\$ 14,836,938	94.91	\$ 133,075	\$ 14,970,013	95.76 %
2012	14,958,691	14,850,595	99.28	67,699	14,918,294	99.73
2013	14,551,809	14,486,760	99.55	65,049	14,551,809	100.00
2014	15,056,760	14,906,474	99.00	152,623	15,056,760	100.00
2015	16,468,844	16,369,815	99.40	100,288	16,468,844	100.00
2016	18,022,195	17,928,458	99.48	104,580	18,022,195	100.00
2017	19,197,825	19,056,388	99.26	150,544	19,197,825	100.00
2018	21,041,791	20,921,998	99.43	138,037	21,041,791	100.00
2019	23,310,688	23,282,030	99.88	81,723	23,282,030	99.88
2020	24,810,277	24,673,232	99.45	-	24,673,232	99.45

Source: Dakota County Treasurer - Auditor.

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income		Per Capita
	General Obligation (G.O.) Bonds (1)	G.O. Tax Increment Bonds	G.O. Special Assessments Bonds	G.O. Revenue Bonds (1)	Capital Leases				
2011	\$ 30,800,655	\$ 9,924,586	\$ 13,655,000	\$ 1,235,000	\$ 157,875	\$55,773,116	4.77	%	\$ 1,651
2012	12,288,258	8,540,273	12,252,929	24,356,205	108,445	57,546,110	4.97		1,704
2013	10,171,859	6,105,000	10,456,544	21,040,004	83,245	47,856,652	4.02		1,400
2014	9,790,308	3,982,550	9,796,053	17,282,225	56,823	40,907,959	3.79		1,187
2015	17,363,296	2,836,275	7,567,731	20,408,629	29,120	48,205,051	3.94		1,389
2016	25,734,951	1,681,275	6,242,731	19,018,096	-	52,677,053	4.27		1,502
2017	25,073,158	1,131,275	8,452,731	23,197,427	-	57,854,591	4.45		1,642
2018	25,943,500	560,000	7,269,990	21,511,921	-	55,285,411	3.88		1,563
2019	27,673,288	-	6,190,866	14,786,830	-	48,650,984	3.27		1,371
2020	26,671,000	-	5,007,560	13,511,374	-	45,189,934	2.14		1,279

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics for personal income and population data.

(1) The G.O. revenue bonds were reclassified from governmental activities to business-type activities in 2013. Activity prior to 2012 has not been restated for this change.

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less Amounts Restricted for Debt Service</u>	<u>Net Bonded Debt</u>	<u>Percentage of Estimated Market Value of Taxable Property (1)</u>	<u>Per Capita (2)</u>
2011	\$ 55,615,241	\$ 482,331	\$ 55,132,910	1.76 %	\$ 1,632
2012	57,437,665	5,055,559	52,382,106	1.81	1,551
2013	47,773,407	4,662,906	43,110,501	1.58	1,261
2014	40,851,136	6,000,117	34,851,019	1.25	1,011
2015	48,175,931	5,119,578	43,056,353	1.43	1,243
2016	52,677,053	4,657,944	48,019,109	1.50	1,363
2017	57,854,591	5,129,747	52,724,844	1.61	1,496
2018	55,285,411	4,201,334	51,084,077	1.43	1,444
2019	48,650,984	4,304,080	44,346,904	1.17	1,250
2020	45,189,934	3,934,215	41,255,719	1.02	1,168

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

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City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
School District # 199	\$ 48,425,000	93.8619 %	\$ 45,452,625
School District # 196	110,985,000	29.9445	33,233,903
School District # 197 (3)	131,710,000	0.6899	908,667
Metropolitan Council (2)	187,200,000	1.0531	1,971,403
Total Overlapping Debt	478,320,000		81,566,598
City of Inver Grove Heights Direct Debt	31,678,560	100.0000	31,678,560
Total Direct and Overlapping Debt	\$ 509,998,560		\$ 113,245,158

Source: Dakota County Treasurer/Auditor, Official Statement obtained on EMMA and Municipal Advisor's records

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Inver Grove Heights, Minnesota. This process recognizes that, when considering the government's ability of issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(1) Amounts do not include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

(2) Debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt.

(3) Based upon the long term facilities maintenance revenue formula and current statistics, the District anticipates a portion of this debt will be paid by the State of Minnesota.

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2011	2012 (1)	2013	2014
Debt Limit	\$ 93,976,981	\$ 86,930,669	\$ 81,615,422	\$ 83,945,251
Total Net Debt Applicable to Limit	<u>31,282,986</u>	<u>8,878,622</u>	<u>7,685,804</u>	<u>6,181,018</u>
Legal Debt Margin	<u>\$ 62,693,995</u>	<u>\$ 78,052,047</u>	<u>\$ 73,929,618</u>	<u>\$ 77,764,233</u>
Total Net Debt Applicable to the Limit as a Percent of Debt Limit	33.29%	10.21%	9.42%	7.36%

(1) The G.O. revenue bonds were reclassified from governmental activities to business-type activities in 2013. Activity prior to 2012 has not been restated for this change.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 90,165,490	\$ 95,968,711	\$ 98,103,239	\$106,806,191	\$114,177,918	\$ 121,295,097
14,077,236	13,229,040	14,530,123	23,056,521	24,751,521	23,883,401
<u>\$ 76,088,254</u>	<u>\$ 82,739,671</u>	<u>\$ 83,573,116</u>	<u>\$ 83,749,670</u>	<u>\$ 89,426,397</u>	<u>\$ 97,411,696</u>
15.61%	13.78%	14.81%	21.59%	21.68%	19.69%

Legal Debt Margin Calculation for Fiscal Year 2020	
Taxable Market Value	<u>\$4,043,169,905</u>
Debt Limit (3 Percent of Market Value)	<u>\$ 121,295,097</u>
Debt Applicable to Limit	
General obligation bonds	25,920,000
Less: amount available in debt service funds	<u>(2,036,599)</u>
Total Net Debt Applicable to Limit	<u>23,883,401</u>
Legal Debt Margin	<u>\$ 97,411,696</u>

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Pledged Revenue Coverage
Last Ten Fiscal Years

Water G.O. Revenue Bonds

Fiscal Year	Water Charges and other (2)	Less Operating Expense (1)	Net Available Revenue	Debt Service			Coverage
				Principal (5)	Interest	Total	
2013	\$ 3,054,386	\$ 1,461,176	\$ 1,593,210	\$ 685,000	\$ 331,270	\$ 1,016,270	156.77 %
2014	2,818,851	1,771,162	1,047,689	745,000	169,423	914,423	114.57
2015	2,899,782	1,449,803	1,449,979	805,000	91,050	896,050	161.82
2016	2,878,095	1,572,283	1,305,812	825,000	74,039	899,039	145.25
2017	3,051,811	1,702,566	1,349,245	845,000	57,324	902,324	149.53
2018	3,132,068	2,005,111	1,126,957	850,000	40,426	890,426	126.56
2019	3,031,231	1,807,741	1,223,490	369,999	27,701	397,700	307.64
2020	3,212,973	1,894,709	1,318,264	379,999	20,676	400,675	329.01

Sewer G.O. Revenue Bonds

Fiscal Year	Sewer Charges and other (3)	Less Operating Expense (1)	Net Available Revenue	Debt Service			Coverage
				Principal (6)	Interest	Total	
2013	\$ 3,016,134	\$ 2,287,807	\$ 728,327	\$ 235,000	\$ 445,141	\$ 680,141	107.08 %
2014	3,052,651	2,299,419	753,232	465,000	434,060	899,060	83.78
2015	3,088,659	2,653,539	435,120	475,000	301,760	776,760	56.02
2016	3,281,356	2,455,570	825,786	525,000	472,244	997,244	82.81
2017	3,460,592	2,938,354	522,238	715,000	559,112	1,274,112	40.99
2018	3,693,679	2,779,890	913,789	790,000	609,351	1,399,351	65.30
2019	3,738,809	2,893,402	845,407	815,001	493,866	1,308,867	64.59
2020	3,847,337	3,003,492	843,845	850,001	372,449	1,222,450	69.03

Golf Course G.O. Revenue Bonds

Fiscal Year	Golf Course Charges and Others (4)	Less Operating Expense (1)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2010	\$ 1,408,208	\$ 1,392,570	\$ 15,638	\$ 350,000	\$ 102,585	\$ 452,585	3.46 %
2011	1,435,930	1,579,430	(143,500)	370,000	88,585	458,585	(31.29)
2012	1,401,052	1,690,209	(289,157)	385,000	73,415	458,415	(63.08)
2013	1,560,687	1,566,754	(6,067)	1,235,000	57,053	1,292,053	(0.47)

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Excludes depreciation expense.

(2) There are no water fund debt service requirements before 2013.

(3) There are no sewer fund debt service requirements before 2013.

(4) There are no golf course debt service requirements after 2013.

(5) Excludes refunded principal paid through cash held with fiscal agent (\$2,380,000 in 2013, \$2,885,000 in 2014).

(6) Excludes refunded principal paid through escrow agent (\$4,780,000 in 2014).

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income (1)	Unemployment Rate
2011	33,774	\$1,159,022,358	\$ 34,317	6.2 %
2012	33,774	1,147,370,328	33,972	5.3
2013	34,189	1,162,562,756	34,004	4.7
2014	34,458	1,213,335,096	35,212	3.9
2015	34,627	1,219,285,924	35,212	3.5
2016	35,234	1,234,916,466	35,049	3.3
2017	35,236	1,300,419,816	36,906	3.3
2018	35,372	1,425,526,972	40,301	2.6
2019	35,481	1,488,569,874	41,954	3.0
2020	35,321	2,108,063,243	59,683	7.9

Data Sources

Metropolitan Council (www.metrocouncil.org)

[https://metrocouncil.org/Data-and-Maps/Publications-And-Resources/Files-and-reports/2019-Population-Estimates-\(FINAL,-July-2020\).aspx](https://metrocouncil.org/Data-and-Maps/Publications-And-Resources/Files-and-reports/2019-Population-Estimates-(FINAL,-July-2020).aspx)

Minnesota Dept of Employment and Economic Development (www.deed.state.mn.us)

U.S. Census Bureau (www.factfinder2.census.gov)

(1) Per Capita Personal Income uses the latest published numbers.

<https://mn.gov/deed/ed/compare/compare-minnesota/quality/personal-income.jsp>

(2) Per Capita Personal Income is for the State of Minnesota, not solely the City of Inver Grove Heights and uses the latest published data.

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City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Principal Employers
Current Year and Nine Years Ago

	2020			2011		
	Employees	Rank	Percent of City Employment (1)	Employees	Rank	Percent of City Employment (1)
Cenex / CHS Cooperatives	1,300	1	6.62	880	2	4.30
Independent School District 199	668	2	3.40	535	3	2.61
Gertens	435	3	2.22	475	5	2.32
Inver Hills Community College	432	4	2.20	350	7	1.71
City of Inver Grove Heights	411	5	2.09	387	6	1.89
Travel Tags	350	6	1.78	350	8	1.71
Total Construction	200	8	1.02	250	9	1.22
Wal-Mart	210	7	1.07	220	10	1.07
Cub Foods	160	9	0.82	-		-
Target	150	10	0.76	-		-
Koch Refinery (Flint Hills)				1,200	1	5.86
Evergreen Industries				500	4	2.44
Total	<u>4,316</u>		<u>21.98 %</u>	<u>5,147</u>		<u>25.13 %</u>

Source: Reference USA, written and telephone survey (October 2020), the Minnesota Department of Employment and Economic Development and City records for 2020.

(1) Represents total employment within the company, not just those working within the City.

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016
General Government	27	27	29	29	28	34
Public Safety						
Police						
Officers	33	33	32	32	35	36
Civilians	6	5	5	5	6	6
Fire						
Firefighters and officers	1	2	2	2	3	3
Civilians	2	2	2	2	2	2
Public Works						
Engineering	8	8	6	6	6	6
Maintenance	15	15	15	15	15	16
Culture and Recreation	24	23	22	22	25	24
Water and Sewer	9	9	7	7	7	9
Total	<u>125</u>	<u>124</u>	<u>120</u>	<u>120</u>	<u>127</u>	<u>136</u>

Source: City budgets and personnel records.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
30	32	38	39
39	39	40	41
5	7	5	6
4	4	7	7
1	1	1	1
6	7	8	8
16	13	12	12
28	27	30	32
<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
<u><u>137</u></u>	<u><u>139</u></u>	<u><u>151</u></u>	<u><u>157</u></u>

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Operating Indicators by Function
Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016
Police						
Physical arrests	383	327	346	353	418	377
Traffic violations	2,616	2,237	2,244	1,653	1,285	1,154
Fire						
Calls answered	1,170	1,243	1,159	1,249	1,193	1,324
Public Works						
Resurfacing (miles)	2.53	2.45	0.83	1.75	1.25	0.70
Culture and Recreation						
Athletic field permits issued	2,884	2,941	2,794	2,849	2,877	2,823
Community center admissions	198,940	206,968	231,137	230,717	227,791	225,696
Rink hours used	4,091	3,988	4,272	4,155	4,045	5,467
Rounds of golf purchased	50,531	52,581	47,027	50,667	52,997	42,913
Driving range buckets (1)	20,548	25,216	17,608	17,167	19,901	10,647
Water						
New connections	10	147	105	50	37	427
Water main breaks	4	6	6	10	3	4
Average daily consumption (millions of gallons)	2.75	3.08	2.79	2.65	2.75	2.65

Sources: City department records.

(1) Driving range buckets can be purchased in three sizes ranging from twenty to seventy-five balls per bucket.

2017	2018	2019	2020
520	542	544	686
2,086	2,542	1,909	1,622
1,602	1,577	1,816	2,217
0.68	1.81	0.4	2.2
2,907	2,856	2,842	2,660
227,323	228,911	219,918	85,669
5,822	4,493	5,449	3,230
44,067	59,738	57,644	71,288
13,457	13,921	14,281	18,282
78	198	72	45
5	9	1	2
2.80	2.70	2.68	2.96

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016
Public Safety						
Police						
Stations	1	1	1	1	1	1
Patrol units	21	21	21	21	21	21
Fire stations						
Stations	2	2	2	2	2	2
Fire trucks	10	10	10	10	10	10
Other vehicles	4	4	4	4	4	4
Public Works						
Highways and streets						
Streets (miles) (3)	147	134	135	140	141	144
Street lights (1)	33	33	33	33	33	33
Traffic signals (2)	2	2	2	2	2	2
Culture and Recreation						
Parks acreage	885	885	844	844	844	844
Parks	27	27	28	28	28	28
Swimming pools	4	4	4	4	4	4
Ice rinks	10	10	10	10	10	10
Athletic fields	24	24	24	24	24	24
Tennis courts	11	11	11	11	11	11
Community centers	1	1	1	1	1	1
Golf courses	1	1	1	1	1	1
Utilities						
Water						
Miles of water main (3)	155	148	152	158	156	161
Wells	7	7	7	7	7	7
Fire hydrants	1,598	1,605	1,554	1,683	1,711	1,647
Maximum daily capacity (millions of gallons)	13	13	13	13	13	13
Sewer						
Miles of sanitary sewer	124	128	125	125	132	129
Miles of storm sewers	117	120	98	99	102	102

Source: City department records.

(1) The majority of street lights in the City are owned by the utility companies.

(2) The majority of traffic lights in the City are owned by Dakota County and/or the State of Minnesota.

(3) Prior to 2012, calculations included privately owned water mains and streets.

2017	2018	2019	2020
1	1	1	1
20	19	20	23
2	2	3	3
11	11	11	11
4	4	4	6
149	152	141	141
33	33	48	48
2	2	2	2
844	911	916	1,054
28	28	28	29
4	4	4	4
10	10	10	11
24	24	24	26
11	11	14	12
1	1	1	1
1	1	1	1
158	152	154	161
7	7	7	7
1,673	1,762	1,802	1,831
13	13	13	13
129	130	131	131
104	101	108	111

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OTHER REPORTS

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council
City of Inver Grove Heights, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Inver Grove Heights, Minnesota (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements which collectively comprise the City's basic financial statements,, and have issued our report thereon dated June 9, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of the City and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
June 9, 2021

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council
City of Inver Grove Heights, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Inver Grove Heights, Minnesota (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

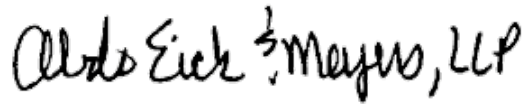
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
June 9, 2021

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FEDERAL FINANCIAL AWARD PROGRAMS

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

Honorable Mayor and City Council
City of Inver Grove Heights, Minnesota

Report on Compliance for Each Major Federal Program

We have audited the City of Inver Grove Heights, Minnesota (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*). Those standards and *Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirement referred to above that could have direct and material effect on each of its major federal programs for the year ended December 31, 2020.

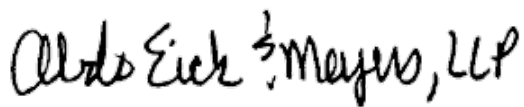
Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
June 9, 2021

City of Inver Grove Heights, Minnesota
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

<u>Funding Source</u>	<u>Administering Department</u>	<u>Federal Domestic Assistance Number</u>	<u>Program Name/Number</u>	<u>Federal Program Clusters</u>	<u>Federal Expenditures</u>
Department of Homeland Security	Direct	97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)		<u>\$ 12,467</u>
U.S. Department of Transportation	City of Mendota Heights	20.600 ⁽¹⁾	State and Community Highway Safety	<u>\$ 1,975</u>	
U.S. Department of Transportation	City of Mendota Heights	20.616 ⁽¹⁾	National Priority Safety Programs	3,949	
U.S. Department of Transportation	City of Rosemount	20.616 ⁽¹⁾	National Priority Safety Programs	<u>1,238</u>	
Total National Priority Safety Programs				<u>5,187</u>	
Total Highway Safety Cluster					<u>7,162</u>
U.S. Department of Transportation	City of Mendota Heights	20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated		6,407
U.S. Department of Transportation	City of Rosemount	20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated		<u>2,632</u>
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated					<u>9,039</u>
U.S. Department of Treasury	Dakota County	21.019	COVID-19 Coronavirus Relief Fund		22,296
U.S. Department of Treasury	Minnesota Department of Revenue	21.019	COVID-19 Coronavirus Relief Fund		<u>2,665,614</u>
Total COVID-19 Coronavirus Relief Fund					<u>2,687,910</u>
Total					<u><u>\$ 2,716,578</u></u>

(1) Denotes Highway Safety Cluster

City of Inver Grove Heights, Minnesota
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of City of Inver Grove Heights, Minnesota (the City). The City's reporting entity is defined in Note 1A to the City's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*). All federal awards received directly from Federal agencies as well as Federal awards passed through other government agencies are included on the schedule.

Note 2: Summary of Significant Accounting Policies for Expenditures

Expenditures reported on this schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit-Organizations, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Pass-through Entity Identifying Numbers

Pass-through entity identifying numbers are presented where available.

Note 4: Sub recipients

Federal expenditures presented in this schedule of \$2,716,578 were all expended and no subrecipients received money.

Note 5: Indirect Cost Rate

During the year ended December 31, 2020, the City did not elect to use the 10 percent de minimis indirect cost rate.

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City of Inver Grove Heights, Minnesota
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)?	No

Identification of Major Programs/Projects

	<u>CFDA No.</u>
Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between Type A and Type B Programs	\$ 750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

None

Section III - Major Federal Award Findings and Questioned Costs

There are no significant deficiencies, material weaknesses, or instances of noncompliance including questioned costs

Section IV - Schedule of Prior Year Audit Findings

None

Other Issues

A Corrective Action Plan is not required because there were no findings required to be reported under the Federal Single Audit Act.



Request for Council Action

TITLE: LANDSCAPE CONTRACTORS BUSINESS LOCATED AT 2660 - 50TH ST

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	
Item Type:	Consent Agenda	Amount included in current budget	
Contact:	Allan Hunting 651-450-2554	Budget amendment requested	
Prepared by:	Allan Hunting	FTE included in current complement	
Reviewed by:		New FTE requested - N/A	
		Other	

PURPOSE/ACTION REQUESTED:

Approve a Resolution relating to the Improvement Agreement, Storm Water Facilities Maintenance Agreement, Permanent Drainage and Utility Easement Agreement for 2660 - 50th Street.

- Requires a 3/5th's vote.

SUMMARY:

Council approved the conditional use permit for a landscape contractor's yard on April 26, 2021. A condition of approval was the creation of an improvement agreement to address the improvements on the site.

ANALYSIS

The agreements address the physical improvements to the site including; grading and drainage, stormwater management and utility connections to the site. MnDOT will require approval of their drainage permit before any work can commence on the site. Engineering will approve plans once this is in place.

All other conditions have been satisfied.

RECOMMENDATION:

Planning/Engineering Staff: Recommends approval of the agreements as proposed.

Attachments: Resolution approving agreements
Improvement Agreement
Storm Water Facilities Maintenance Agreement
Permanent Drainage and Utility Easement Agreement

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 2021-167

**A RESOLUTION APPROVING THE IMPROVEMENT AGREEMENT, STORM WATER
FACILITIES MAINTENANCE AGREEMENT, AND PERMANENT DRAINAGE AND UTILITY
EASEMENT AGREEMENT FOR 2660 - 50TH STREET**

**CASE NO. 21-19CV
(Kiehm Construction)**

WHEREAS, an application has been submitted for the property located at 2660 - 50th Street and legally described as:

**All of Lots 3-5, Block 1, Warren And McDowells Acre Lots No 2, subject to
Highway Easement Ex Parcel 234 of South Right-of-way Plat 19-46, according to
the recorded plat, Dakota County, Minnesota**

WHEREAS, a conditional use permit for a landscape contractor's yard was approved by City Council on April 26, 2021;

WHEREAS, conditions of approval require the applicant to enter into the attached agreements prior to any work commencing on site;

WHEREAS, the agreements were not completed prior to Council approving the requests and therefore must be approved by Council on separate action;

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS that, the Improvement Agreement, Storm Water Facilities Maintenance Agreement, and Permanent Drainage and Utility Easement Agreement are hereby approved and the City Clerk is hereby authorized and directed to record a certified copy of this Resolution at the Dakota County Recorder's Office.

Passed this 14th day of June, 2021.

AYES:
NAYS:

Thomas Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk

**IMPROVEMENT AGREEMENT
RELATING TO PROPERTY AT
2660 – 50TH STREET E.,
INVER GROVE HEIGHTS,
DAKOTA COUNTY, MINNESOTA**

**CITY OF INVER GROVE HEIGHTS
IMPROVEMENT AGREEMENT RELATING TO PROPERTY AT 2660 – 50TH STREET
E., INVER GROVE HEIGHTS, DAKOTA COUNTY, MINNESOTA**

THIS IMPROVEMENT AGREEMENT RELATING TO PROPERTY AT 2660 – 50TH STREET E., INVER GROVE HEIGHTS, DAKOTA COUNTY, MINNESOTA (Agreement) is made and entered into on the 14th day of June, 2021, by and between the City of Inver Grove Heights, a municipality of the State of Minnesota, (hereinafter called the City), and Developer identified herein.

RECITALS:

WHEREAS, the Developer has applied to the City for approval of the Development Plans.

WHEREAS, in conjunction with the granting of these approvals, the City requires grading, drainage, erosion and sediment control, the installation of storm water improvements, utility improvements and vegetation establishment.

WHEREAS, under authority granted to it, including Minnesota Statutes Chapters 412, 429, and 462, the Council has agreed to approve the Development Plans on the following conditions:

1. That the Developer enter into this Improvement Agreement, which contract defines the work which the Developer undertakes to complete; and
2. The Developer shall provide an irrevocable letter of credit, or cash deposit, in the amount and with conditions satisfactory to the City, providing for the actual construction and installation of such improvements within the period specified by the City.

WHEREAS, the Developer has filed four (4) complete sets of the Development Plans with the City.

WHEREAS, the Development Plans have been prepared by a registered professional engineer and have been submitted to and approved by the Director of PWD.

NOW, THEREFORE, subject to the terms and conditions of this Improvement Agreement and in reliance upon the representations, warranties and covenants of the parties herein contained, the City and Developer agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 Terms. The following terms, unless elsewhere defined specifically in the Improvement Agreement, shall have the following meanings as set forth below.

1.2 City. "City" means the City of Inver Grove Heights, a Minnesota municipal corporation.

1.3 Developer. "Developer" means Healing Gardens, LLC, a limited liability limited company organized under the laws of the State of Minnesota, and its successors and assigns.

1.4 Owner. "Owner" means Healing Gardens, LLC, a limited liability limited company organized under the laws of the State of Minnesota, and its successors and assigns.

1.5 Subject Property. "Subject Property" means that certain real property located in the City of Inver Grove Heights, Dakota County, Minnesota and legally described on the attached **Exhibit A**.

1.6 Development Plans. "Development Plans" means all the plans, drawings, specifications and surveys identified on the attached **Exhibit B**, and hereby incorporated by reference and made a part of this Improvement Agreement.

1.7 Improvement Agreement. "Improvement Agreement" means this instant contract by and between the City and Developer.

1.8 Council. "Council" means the Council of the City of Inver Grove Heights.

1.9 PWD. "PWD" means the Public Works Department of the City of Inver Grove Heights.

1.10 Director of PWD. "Director of PWD" means the Director of the Public Works Department of the City of Inver Grove Heights and his delegates.

1.11 County. "County" means Dakota County, Minnesota.

1.12 Other Regulatory Agencies. "Other Regulatory Agencies" means and includes, individually and collectively, the following:

- a.) Minnesota Department of Transportation
- b.) Dakota County
- c.) Dakota County Highway Department
- d.) Watershed District
- e.) Water Management Organization
- f.) Metropolitan Council

- g.) any other regulatory or governmental agency or entity affected by, or having jurisdiction over the Developer Improvements.

1.13 Utility Companies. "Utility Companies" means and includes, jointly and severally, the following:

- a.) utility companies, including electric, gas and cable;
- b.) pipeline companies.

1.14 Prior Easement Holders. "Prior Easement Holders" means and includes, jointly and severally, all holders of any easements or other property interests in the Subject Property.

1.15 Developer Improvements. "Developer Improvements" means and includes, individually and collectively, all the improvements identified in Article 3 and on the attached **Exhibit C**.

1.16 Developer Public Improvements. "Developer Public Improvements" means and includes, individually and collectively, all the improvements identified and checked on the attached **Exhibit C** that are further labeled "public". Developer Public Improvements are improvements to be constructed by the Developer within public right-of-way or public easements and which are to be approved and later accepted by the City. Developer Public Improvements are part of Developer Improvements.

1.17 Developer Default. "Developer Default" means and includes, individually and collectively, any of the following or any combination thereof, subject to Force Majeure:

- a.) failure by the Developer to timely pay the City any money required to be paid under the Improvement Agreement;
- b.) failure by the Developer to timely construct the Developer Improvements according to the Development Plans and the City standards and specifications;
- c.) failure by the Developer to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Improvement Agreement;
- d.) breach of the Developer Warranties.

1.18 Force Majeure. "Force Majeure" means (i) an earthquake, hurricane, tsunami, tornado, flood, or other weather conditions of unusual severity or duration or other similar natural catastrophe, (ii) a building moratorium or other governmental prohibition or restriction on construction that prohibits or restricts construction, (iii) a riot, insurrection, terrorist act, or war, (iv) circumstances adversely affecting the availability or delivery of materials or the

performance of work including, without limitation, excessive rain or other weather events that may not constitute flood or catastrophic events yet, nevertheless, result in stoppages of work or delays in the performance of construction, (v) strikes, lockouts or other labor disputes, (vi) actions or inaction (when action is required) of governmental authorities, (vii) fires or other casualties, or (viii) other causes or occurrences which are outside the control of the party whose obligation is delayed and could not be avoided by the exercise of due care on the part of such party.

1.19 Developer Warranties. "Developer Warranties" means that the Developer hereby warrants and represents the following:

- A. **Authority.** Developer has the right, power, legal capacity and authority to enter into and perform its obligations under this Improvement Agreement, and no approvals or consents of any persons are necessary in connection with the authority of Developer to enter into and perform its obligations under this Improvement Agreement.
- B. **No Default.** Developer is not in default under any lease, contract or agreement to which it is a party or by which it is bound which would affect performance under this Improvement Agreement. Developer is not a party to or bound by any mortgage, lien, lease, agreement, instrument, order, judgment or decree which would prohibit the execution or performance of this Improvement Agreement by Developer or prohibit any of the transactions provided for in this Improvement Agreement.
- C. **Present Compliance With Laws.** Developer has complied with and to the best of its knowledge is not in violation of applicable federal, state or local statutes, laws, and regulations including, without limitation, permits and licenses and any applicable zoning, environmental or other law, ordinance or regulation affecting the Subject Property and the Development Plans and the Developer Improvements; and Developer is not aware of any pending or threatened claim of any such violation.
- D. **Continuing Compliance With Laws.** Developer will comply with all applicable federal, state and local statutes, laws and regulations including, without limitation, permits and licenses and any applicable zoning, environmental or other law, ordinance or regulation affecting the Development Plans and the Developer Improvements.
- E. **No Litigation.** There is no suit, action, arbitration or legal, administrative or other proceeding or governmental investigation pending, or to the best knowledge of Developer threatened against or affecting Developer or the Subject Property or the Development Plans or the Developer Improvements. Developer is not in default with respect to any order, writ, injunction or decree of any federal, state, local or foreign court, department, agency or instrumentality.

F. **Full Disclosure.** None of the representations and warranties made by Developer or made in any exhibit hereto or memorandum or writing furnished or to be furnished by Developer or on its behalf contains or will contain any untrue statement of material fact or omit any material fact the omission of which would be misleading.

G. **Warranty on Proper Work and Materials.** The Developer warrants all work required to be performed by it under this Improvement Agreement against defective material and faulty workmanship for a period of two (2) years after its completion and acceptance by the City. With respect to matters covered by the warranty, the Developer shall be solely responsible for all costs of performing repair work arising within said two (2) year period required by the City within thirty (30) days of notification. All trees, grass, and sod shall be warranted to be alive, of good quality, and disease free for one (1) year after planting. Any replacements shall be similarly warranted for one (1) year from the time of planting.

The warranty period for drainage and erosion control improvements made by Developer shall be for two (2) years after completion and acceptance by the City; the warranty for the drainage and erosion control improvements shall also include the obligation of the Developer to repair and correct any damage to or deficiency with respect to such improvements.

H. **Obtaining Permits.** The Developer shall obtain in a timely manner and pay for all required permits, licenses and approvals, and shall meet, in a timely manner, all requirements of all applicable, local, state and federal laws and regulations which must be obtained or met before the Developer Improvements may be lawfully constructed.

I. **Fee Title/Ownership Interest.** Healing Gardens, LLC, a limited liability limited company organized under the laws of the State of Minnesota owns fee title to the Subject Property.

1.20 City Warranties. “City Warranties” means that the City hereby warrants and represents as follows:

A. **Organization.** City is a municipal corporation duly incorporated and validly existing in good standing under the laws of the State of Minnesota.

B. **Authority.** City has the right, power, legal capacity and authority to enter into and perform its obligations under this Improvement Agreement.

1.21 Formal Notice. Formal Notice means notices given by one party to the other if in writing and if and when delivered or tendered either in person or by depositing it in the United States mail in a sealed envelope, by certified mail, return receipt requested, with postage and postal charges prepaid, addressed as follows:

If to City: City of Inver Grove Heights
Attention: City Administrator
8150 Barbara Avenue
Inver Grove Heights, MN 55077

**If to Developer
or Owner:** Healing Gardens, LLC
c/o Living Space Landscapes, Inc.
2660 – 50th Street E.
Inver Grove Heights, MN 55076

or to such other address as the party addressed shall have previously designated by notice given in accordance with this Section. Notices shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed as provided above, provided, that a notice not given as above shall, if it is in writing, be deemed given if and when actually received by a party.

ARTICLE 2 **APPROVAL OF DEVELOPMENT PLANS**

2.1. Approval of Development Plans. The Development Plans are hereby approved by the City.

ARTICLE 3 **DEVELOPER IMPROVEMENTS**

3.1 Developer Improvements. The Developer shall install, at its own cost, the Developer Improvements in accordance with the Development Plans. The Developer Improvements shall be completed by the dates shown on **Exhibit C**, except as completion dates are extended by subsequent written action of the Director of PWD. Failure of the City to promptly take action to enforce this Improvement Agreement after expiration of time by which the Developer Improvements are to be completed shall not waive or release any rights of the City; the City may take action at any time thereafter, and the terms of this Improvement Agreement shall be deemed to be automatically extended until such time as the Developer Improvements are completed to the City's reasonable satisfaction.

3.2 Ground Material. The Developer shall insure that adequate and suitable ground material shall exist in the areas of public utility improvements to be made by Developer and shall guarantee the removal, replacement or repair of substandard or unstable material. The cost of said removal, replacement or repair is the responsibility of the Developer.

3.3 Grading/Drainage Plan. The Developer shall construct drainage facilities adequate to serve the Subject Property in accordance with the Development Plans. The grading and drainage plan shall include drainage swales to be sodded, storm sewer, catch basins, erosion control structures and ponding areas necessary to conform with the overall City storm sewer plan. The grading of the site shall be completed in conformance with the Development Plans. In

the event that the Developer fails to complete the grading of the site in conformance with the Development Plans by the stipulated date, the City may declare the Developer in default pursuant to Article 11.

3.4 Area Restoration. The Developer shall restore all areas disturbed by the development grading operation in accordance with the approved erosion control plan. Upon request of the PWD, the Developer shall remove the silt fences after grading and construction have occurred.

3.5 Erosion Control. The Developer shall provide and follow a plan for erosion control and pond maintenance in accord with the Best Management Practices (BMP) as delineated in the Minnesota Pollution Control Agency handbook titled Water Quality in Urban Areas. Such plan shall be detailed on the Development Plans and shall be subject to approval of the Director of PWD. The Developer shall install and maintain such erosion control structures as appear necessary under the Development Plans or become necessary subsequent thereto. The Developer shall be responsible for all damage caused as the result of grading and excavation within the Subject Property including, but not limited to, restoration of existing control structures and clean-up of public right-of-way, until all improvements are completed. As a portion of the erosion control plan, the Developer shall re-seed or sod any disturbed areas in accordance with the Development Plans. The City reserves the right to perform any necessary erosion control or restoration as required, if these requirements are not complied with after Formal Notice by the City as stated in Article 11. The Developer shall be financially responsible for payment for this extra work.

ARTICLE 4 **OTHER PERMITS**

4.1 Permits. The Developer shall obtain all necessary approvals, permits and licenses from the City, the Other Regulatory Agencies, the Utility Companies, and the Prior Easement Holders. Major design requirements of any such entities shall be determined prior to completion and incorporated into the Development Plans. All costs incurred to obtain said approvals, permits and licenses, and also all fines or penalties levied by any agency due to the failure of the Developer to obtain or comply with conditions of such approvals, permits and licenses, shall be paid by the Developer. The Developer shall defend and hold the City harmless from any action initiated by the Other Regulatory Agencies, the Utility Companies and the Prior Easement Holders resulting from such failures of the Developer.

ARTICLE 5 **OTHER DEVELOPMENT REQUIREMENTS**

5.1 Miscellaneous Requirements. Any additional requirements for approval of the Development Plans as specified by the Council are incorporated herein, as set forth in **Exhibit D**.

ARTICLE 6 **DEVELOPER PUBLIC IMPROVEMENTS**

6.1 Approval of Contractors and Engineer. Any contractor or engineer preparing plans and specifications selected by the Developer to design, construct or install any Developer Public Improvements must be approved in writing by the Director of PWD.

6.2 Construction. The construction, installation, materials and equipment related to Developer Public Improvements shall be in accord with the Development Plans. The Developer shall cause the contractors to furnish the PWD a written schedule of proposed operations, subcontractors and material suppliers, at least five (5) days prior to commencement of construction work. The Developer shall notify the City in writing, coordinate and hold a pre-construction conference with all affected parties at least three (3) days prior to starting construction of any Developer Public Improvements.

6.3 Inspection. The PWD or its designated representative shall periodically inspect the work installed by the Developer, its contractors, subcontractors or agents. The Developer shall notify the PWD two (2) working days prior to the commencement of the laying of utility lines, subgrade preparation or any other improvement work which shall be subsequently buried or covered to allow the City an opportunity to inspect such improvement work. Upon receipt of said notice, the City shall have a reasonable time, not to be less than three (3) working days, to inspect the improvements. Failure to notify the City to allow it to inspect said work shall result in the City's right pursuant to Article 11 to withhold the release of any portion of the escrow amount resulting from work being performed without the opportunity for adequate City inspection.

6.4 Faithful Performance of Construction Contracts. The Developer shall fully and faithfully comply with all terms of any and all contracts entered into by the Developer for the installation and construction of all of the Developer Public Improvements; and the Developer shall obtain lien waivers. Within thirty (30) days after Formal Notice, the Developer agrees to repair or replace, as directed by the City and at the Developer's sole cost and expense, any work or materials relating to Developer Public Improvements that within the warranty periods of Section 1.19(G) become defective or are not in compliance with the warranty provisions contained therein in the opinion of the City.

6.5 City Acceptance. The Developer shall give Formal Notice to the City within thirty (30) days once Developer Public Improvements have been completed in accord with this Development Contract and the ordinances, City standards and specifications and the Development Plans. The City shall then inspect the Developer Public Improvements and notify the Developer of any Developer Public Improvements that do not so conform. Upon compliance with this Development Contract and City ordinances, standards and specifications, the City shall so notify the Developer in writing and the Development Plans, the Developer Public Improvements shall become the property of the City upon Formal Notice of acceptance by the City.

After acceptance, the Developer Public Improvements become the property of the City, and the Developer shall have no responsibility with respect to maintenance of the Developer Public Improvements except as provided in Section 1.19(G) and except as provided in the following documents between the City and Developer and Owner:

- Storm Water Facilities Maintenance Agreement

If the Developer Public Improvements do not conform, Formal Notice shall be given to the Developer of the need for repair or replacement in reasonable detail or, in its discretion, the City may proceed under Article 11.

6.6 Engineering Submittals Required. The record plan "as built" drawings of the Developer Public Improvements shall be provided by the Developer in accordance with City standards no later than 90 days after completion and acceptance of the Developer Public Improvements by the City, unless otherwise approved in writing by the PWD. If the record plans are not provided to the City within the 90 days, the City may have this work done and pay for it with the Developer's sureties. The following information is required to be shown on the record plans:

1. Two ties to all curb boxes and gate valves.
2. All hydrant gate valves tied back to the hydrant.
3. All ties shall be 100 feet or less.
4. Top nut elevation of all hydrants.
5. Rim and Invert elevations on all manholes and catch basins.
6. Apron invert elevations on all Flared End Structures and storm sewer stubs.
7. Invert elevations on all sanitary and water service stubs.
8. Two ties to all sewer and water service locations.
9. Main line stationing for all sanitary sewer wyes and water main corporations.
10. Copy of final plat shall be submitted in an electronic format (see item 12).
11. As built grading plan containing spot elevations taken throughout the development to verify the development is graded in accordance with the approved grading plan with extra shots to verify swale elevations and locations. In pond areas, enough shots must be taken on the pond bottom , side slopes and grade breaks to verify the volume of each pond. The as-built must also verify emergency overflow elevations and locations. This as-built plan shall be Certified as to general conformance with the City Approved grading plan by a Registered Engineer or Registered Land Surveyor and submitted in an electronic format (see item 12).
12. Final as-built information shall be submitted in an electronic format compatible with the CITY'S Geographic Information System (GIS). All information must be

on the Dakota County coordinates system. Compatible formats are AUTOCAD .DWG or .DXF. As-built drawings shall also be scanned and stored as images in .TIFF or .PDF. All as-built drawings must be the approved plans modified to reflect as-built conditions Note: All corrected lines, grades and elevations shall have a line drawn through the original text and the new information placed nearby; the original information or text shall not be erased.

ARTICLE 7

RESPONSIBILITY FOR COSTS

7.1 Developer Improvement Costs. The Developer shall pay for the Developer Improvements; that is, all costs of persons doing work or furnishing skills, tools, machinery or materials, or insurance premiums or equipment or supplies and all just claims for the same; and the City shall be under no obligation to pay the contractor or any subcontractor any sum whatsoever on account thereof, whether or not the City shall have approved the contract or subcontract.

7.2 City Miscellaneous Expenses. The Developer shall reimburse the City for all reasonable engineering, administrative, legal and other expenses incurred or to be incurred by the City in connection with this Improvement Agreement and Development Plan approval and acceptance and authorization of improvements. Bills not paid within thirty (30) days shall accrue interest at the rate of eight percent per year.

7.3 Enforcement Costs. The Developer shall pay the City for costs incurred in the enforcement of this Improvement Agreement, including engineering and reasonable attorneys' fees.

7.4 Time of Payment. The Developer shall pay all bills from the City within thirty (30) days after billing. Bills not paid within thirty (30) days shall bear interest at the rate of 8% per year.

ARTICLE 8

DEVELOPER WARRANTIES

8.1 Statement of Developer Warranties. The Developer hereby makes and states the Developer Warranties.

ARTICLE 9

CITY WARRANTIES

9.1 Statement of City Warranties. The City hereby makes and states the City Warranties.

ARTICLE 10

INDEMNIFICATION OF CITY

10.1 Indemnification of City. Provided the City is not in Default under the Improvement Agreement with respect to the particular matter causing the claim, loss or damage, Developer shall indemnify, defend and hold the City, its Council, agents, employees, attorneys and representatives harmless against and in respect of any and all claims, demands, actions, suits, proceedings, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties and attorneys' fees, that the City incurs or suffers, which arise out of, result from or relate to:

- a.) breach by the Developer of the Developer Warranties;
- b.) failure of the Developer to timely construct the Developer Improvements according to the Development Plans and the City ordinances, standards and specifications, subject to Force Majeure;
- c.) failure by the Developer to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Improvement Agreement, subject to Force Majeure;
- d.) failure by the Developer to pay contractors, subcontractors, laborers, or materialmen;
- e.) failure by the Developer to pay for materials;
- f.) failure to obtain the necessary permits and authorizations to construct the Developer Improvements and;
- g.) construction of the Developer Improvements; and
- h.) delays in construction of the Developer Improvements, subject to Force Majeure.

ARTICLE 11

CITY REMEDIES UPON DEVELOPER DEFAULT

11.1 City Remedies. If a Developer Default occurs, the City shall give the Developer Formal Notice of the Developer Default and the Developer shall have thirty (30) days to cure the Developer Default unless thirty (30) days is not practicable for the Developer to cure the Developer Default, in which case the Developer shall be given a reasonable time, as determined by the City, to cure the default provided the Developer has commenced a suitable cure within the initial thirty (30) days. If the Developer, after Formal Notice to it by the City, does not cure the Developer Default within the time provided, then the City may avail itself of any remedy afforded by law and any of the following remedies:

- a.) the City may specifically enforce this Improvement Agreement;

- b.) the City may suspend any work, improvement or obligation to be performed by the City until the Developer Default is cured;
- c.) the City may collect on the irrevocable letter of credit or cash deposit pursuant to Article 12 hereof to the extent necessary to cure the Developer Default;
- d.) the City may suspend or deny building permits for buildings within the Subject Property until the Developer Default is cured;
- e.) the City may, at its sole option, perform the work or improvements to be performed by the Developer, in which case the Developer shall within thirty (30) days after written billing by the City reimburse the City for any costs and expenses incurred by the City. In the alternative, the City may in whole or in part, specially assess any of the costs and expenses incurred by the City; and the Developer hereby waives any and all procedural and substantive objections to the installation and construction of the work and improvements and the special assessment resulting therefrom, including, but not limited to, notice and hearing requirement and any claim that the special assessments exceed benefit to the Subject Property. The Developer hereby waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081. Nothing in this paragraph shall be deemed to impair Developer's right to dispute the amount assessed as exceeding the usual and customary amounts charged by the City given the task, work, construction or improvement performed by the City to ensure compliance with this Agreement.

11.2 No Additional Waiver Implied By One Waiver. In the event any agreement contained in this Improvement Agreement is breached by the Developer and thereafter waived in writing by the City, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder. All waivers by the City must be in writing.

11.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Improvement Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it, it shall not be necessary to give notice, other than the Formal Notice.

11.4 Emergency. Notwithstanding the requirement contained in Section 11.1 hereof relating to Formal Notice to the Developer in case of a Developer Default and notwithstanding the requirement contained in Section 11.1 hereof relating to giving the Developer a thirty (30) day period to cure the Developer Default, in the event of an emergency as determined by the Director of PWD, resulting from the Developer Default, the City may perform the work or improvement to be performed by the Developer without giving any notice or Formal Notice to the Developer and without giving the Developer the thirty (30) day period to cure the Developer Default. In such case, the Developer shall within thirty (30) days after written billing by the City reimburse the City for any and all costs incurred by the City. In the alternative, the City may, in whole or in part, specially assess the costs and expenses incurred by the City; and the Developer hereby waives any and all procedural and substantive objections to the installation and construction of the work and improvements and the special assessments resulting therefrom, including, but not limited to, notice and hearing requirements and any claim that the special assessments exceed benefit to the Subject Property. The Developer hereby waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081.

ARTICLE 12 **ESCROW DEPOSIT**

12.1 Escrow Requirement. Prior to the Developer beginning construction of the Developer Improvements the Developer shall deposit with the City an irrevocable letter of credit or cash deposit for the amount stated in **Exhibit E**.

All cost estimates shall be acceptable to the Director of PWD. The total escrow amount was calculated as shown on the attached **Exhibit E**. The bank and form of the irrevocable letter of credit or cash deposit shall be subject to approval by the City Finance Director and City Attorney and shall continue to be in full force and effect until released by the City. The irrevocable letter of credit shall be for a term ending December 31, 2023. In the alternative, the letter of credit may be for a one year term provided it is automatically renewable for successive one year periods from the present or any future expiration dates with a final expiration date of December 31, 2023, and further provided that the irrevocable letter of credit states that at least sixty (60) days prior to the expiration date the bank will notify the City if the bank elects not to renew for an additional period. The irrevocable letter of credit shall secure compliance by the Developer with the terms of this Improvement Agreement. The City may draw down on the irrevocable letter of credit or cash deposit, without any further notice than that provided in Section 11.1 relating to a Developer Default, for any of the following reasons:

- a.) a Developer Default; or
- b.) upon the City receiving notice that the irrevocable letter of credit will be allowed to lapse without renewal or replacement before December 31, 2023.

The City shall use the letter of credit proceeds or cash deposit proceeds to reimburse the City for its costs and to cause the Developer Improvements listed on Exhibit D to be constructed to the extent practicable; if the Director of PWD determines that such Developer Improvements

listed on **Exhibit E** have been constructed and after retaining 10% of the proceeds for later distribution pursuant to Section 12.2, the remaining proceeds shall be distributed to the Developer.

With City approval, the irrevocable letter of credit or cash deposit may be reduced pursuant to Section 12.2 from time to time as financial obligations are paid.

12.2 Escrow Release and Escrow Increase; Developer Improvements.

Periodically, upon the Developer's written request and upon completion by the Developer and acceptance by the City of any specific Developer Improvements, ninety percent (90%) of that portion of the irrevocable letter of credit, or cash deposit covering those specific completed improvements only shall be released. The final ten percent (10%) of that portion of the irrevocable letter of credit, or cash deposit, for those specific completed improvements shall be held until acceptance by the City and expiration of the warranty period under Section 1.19(G) hereof; in the alternative, the Developer may post a bond satisfactory to the City with respect to the final ten percent (10%).

If it is determined by the City that the Development Plans were not strictly adhered to, or that work was done without City inspection, the City may require, as a condition of acceptance, that the Developer post a irrevocable letter of credit, or cash deposit equal to 125% of the estimated amount necessary to correct the deficiency or to protect against deficiencies arising therefrom. The additional irrevocable letter of credit, or cash deposit, shall remain in force for such time as the City deems necessary, not to exceed five (5) years. In the event that work, which is concealed, was done without permitting City inspection, then the City may, in the alternative, require the concealed condition to be exposed for inspection purposes.

ARTICLE 13 **MISCELLANEOUS**

13.1 City's Duties. The terms of this Improvement Agreement shall not be considered an affirmative duty upon the City to complete any Developer Improvements.

13.2 No Third Party Recourse. Third parties shall have no recourse against the City under this Improvement Agreement.

13.3 Recording. The Improvement Agreement shall be recorded with the County Recorder and the Developer shall provide and execute any and all documents necessary to implement the recording.

13.4 Binding Agreement. The parties mutually recognize and agree that all terms and conditions of this recordable Improvement Agreement shall run with the Subject Property, and shall be binding upon the successors and assigns of the Owner. This Improvement Agreement shall also run with and be binding upon any after acquired interest of the Owner in the Subject Property.

13.5 Contract Assignment. The Developer and Owner may not assign this Improvement Agreement without the written permission of the Council, which approval will not be unreasonably withheld so long as no Developer Default then exists. The Developer's and Owner's obligations hereunder shall continue in full force and effect, even if the Owner sells the Subject Property.

13.6 Amendment and Waiver. The parties hereto may by mutual written agreement amend this Improvement Agreement in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this Improvement Agreement or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this Improvement Agreement, waive compliance by another with any of the covenants contained in this Improvement Agreement, waive performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Improvement Agreement. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this Improvement Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

13.7 Governing Law. This Improvement Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

13.8 Counterparts. This Improvement Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

13.9 Headings. The subject headings of the paragraphs and subparagraphs of this Improvement Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions.

13.10 Inconsistency. If the Development Plans are inconsistent with the words of this Improvement Agreement or if the obligation imposed hereunder upon the Developer are inconsistent, then that provision or term which imposes a greater and more demanding obligation on the Developer shall prevail.

13.11 Access. The Owner hereby grants to the City, its agents, employees, officers, and contractors a license to enter the Subject Property to perform all work and inspections deemed appropriate by the City during the installation of Developer Improvements.

[the remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Improvement Agreement.

CITY OF INVER GROVE HEIGHTS

By: _____
Tom Bartholomew
Its: Mayor

ATTEST:

Rebecca Kiernan, City Clerk

(CITY SEAL)

STATE OF MINNESOTA)
)
COUNTY OF DAKOTA) ss.

On this 14th day of June, 2021, before me a Notary Public within and for said County, personally appeared Tom Bartholomew and Rebecca Kiernan to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

**OWNER AND DEVELOPER:
HEALING GARDENS, LLC**

By: _____
Scott Solomonson
Its: President

STATE OF MINNESOTA)
)
COUNTY OF _____) ss.

On this _____ day of June, 2021, before me a Notary Public within and for said County, personally appeared Scott Solomonson, to me personally known, who being by me duly sworn, did say that he is the President of Healing Gardens, LLC, a Minnesota limited liability company, and that the foregoing instrument was executed on behalf of Healing Gardens, LLC by authority of the Board of Governors of Healing Gardens, LLC, a Minnesota limited liability company.

Notary Public

THIS INSTRUMENT DRAFTED BY:

Timothy J. Kuntz
LeVander, Gillen, & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

**AFTER RECORDING PLEASE
RETURN TO:**

Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

EXHIBIT A
LEGAL DESCRIPTION OF SUBJECT PROPERTY

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, described as follows:

Lots 3, 4, 5, 7 and 8, Block 1, Warren and McDowell's Acre Lots No. 2, Except Parcel 234 of the Minnesota Department of Transportation Right of Way Plat Numbered 19-46, Dakota County, Minnesota.

Abstract Property

EXHIBIT B
LIST OF DEVELOPMENT PLANS

<u>PLAN</u>	<u>DATE OF PLAN PREPARATION</u>	<u>PREPARED BY</u>
--------------------	--	-------------------------------

The above-listed Development Plans were approved by the City Engineer on June _____, 2021.

The Development Plans also include compliance by the Developer with those conditions set forth in the following correspondences (collectively the “City Engineer Memos”):

1. Memo from Steve Dodge and Nick Hahn to Allan Hunting dated March 25, 2021.

The City Engineer Memos are on file with the City.

The Development Plans also include modifications of the above referenced Development Plans as approved from time to time by the City Engineer.

EXHIBIT C
DEVELOPER IMPROVEMENTS

The items checked with an "X" below are the Developer Improvements.

The items checked with "Public" below are those Developer Improvements that are Developer-Public Improvements.

<u>CHECKED</u>	<u>COMPLETION DATE</u>	<u>IMPROVEMENT</u>
X	12-31-21, or prior to issuance of certificate of occupancy, whichever occurs first	general site grading, drainage erosion and sediment control
X	12-31-21, or prior to issuance of certificate of occupancy, whichever occurs first	private stormwater facilities (including infiltration treatment pond)
X	12-31-21, or prior to issuance of certificate of occupancy, whichever occurs first	private utility improvements (sanitary sewer and water service connection on 50 th St. E.)
X	12-31-21, or prior to issuance of certificate of occupancy, whichever occurs first	parking lot (pavement) and storage yard area (gravel)
X	12-31-20, or prior to issuance of certificate of occupancy, whichever occurs first	paved driveway expansion
X	12-31-21, or prior to issuance of certificate of occupancy, whichever occurs first	vegetation establishment and landscaping
X	12-31-21, or prior to issuance of certificate of occupancy, whichever occurs first	Re-construction of 50 th Street E. per City standards after sewer and water connection improvements completed

X

12-31-21, or prior to
issuance of certificate
of occupancy,
whichever occurs first

certified as-builts

EXHIBIT D

MISCELLANEOUS REQUIREMENTS AND CONDITIONS IMPOSED BY THE CITY

- 1.) **CONDITIONS TO BE SATISFIED BEFORE DEVELOPER BEGINS CONSTRUCTION OF DEVELOPER IMPROVEMENTS ON THE SUBJECT PROPERTY.** Before Developer begins construction of Developer Improvements on the Subject Property, all the following conditions must be satisfied:

- a.) Developer and Owner must execute this Improvement Agreement.
- b.) Developer must provide the letter of credit or cash deposit for the amount stated on Exhibit E of this Improvement Agreement.
- c.) Developer must provide to the City of Inver Grove Heights the cash deposit for the engineering inspection escrow and vegetation escrow amounts stated on Exhibit E of this Improvement Agreement.
- d.) Developer must fully pay the City of Inver Grove Heights for all planning, engineering review and legal fees that have been incurred up to the date of this Improvement Agreement; and Developer must further escrow with the City an amount determined by the City of Inver Grove Heights for future planning and engineering review fees and for legal fees, except for such fees as may already otherwise be taken into account in the calculations or engineering inspection escrow made a part of Exhibit E.
- e.) Final site plans and the Operations and Maintenance Plan for the stormwater facilities shall be submitted to the City and approved by the City Engineer.
- f.) Developer and/or Owner must execute the following documents for the Subject Property:
 - Storm Water Facilities Maintenance Agreement
 - Drainage and Utility Easement (perimeter)

The form of the documents are subject to the approval of the City Attorney and the Director of PWD.

- 2.) **CONDITIONS TO BE SATISFIED BY DECEMBER 31, 2021 OR BEFORE CITY ISSUES A CERTIFICATE OF OCCUPANCY FOR THE SUBJECT PROPERTY.** By December 31, 2021, or before the City issues a certificate of occupancy for the Subject Property, whichever occurs first, all the following conditions must be satisfied:

- a.) All the conditions in paragraph 1 of this Exhibit D have been met.

- b.) Grading, drainage, erosion, and sediment control have been completed.
 - c.) All private storm water improvements must be completed and approved by the City Engineer.
 - d.) The utility improvements (sanitary sewer and water service connection on 50th Street E.) have been completed.
 - e.) The parking lot (pavement) and storage yard area (gravel) have been installed.
 - f.) The paved driveway expansion is complete.
 - g.) Vegetation establishment associated with the grading, drainage, erosion and sediment control must be completed and landscaping must be completed.
 - h.) The re-construction of 50th Street E. per City standards (after the sewer and water connection improvements are complete) shall be approved by the City.
 - i.) Certified as-builts shall be submitted to the City.
- 4.) **CLEAN UP OF CONSTRUCTION DEBRIS ON STREETS AND ADJOINING PROPERTY.** During the construction within the Subject Property the Developer is responsible for removing any construction debris (including construction material and other waste products resulting from construction) that may be blown from the construction site into adjoining private properties or into City streets or that may fall from delivery trucks onto adjoining private properties or City streets. Further, during construction, the Developer must clear the City streets of any dirt or other earthen material that may fall onto the City streets from the delivery trucks that are being used in the excavation and grading of the site.
- 5.) **EXISTING RESIDENTIAL HOME ON SUBJECT PROPERTY.** There is an existing home located on the Subject Property. Landowner does not intend to demolish or remove the existing home from the Subject Property. Landowner does not intend to reside in or rent the existing home on the Subject Property. Landowner agrees and understands that the City Code does not allow the existing home to be occupied as a residence or to be rented for occupation as a residential dwelling. Landowner may use the existing home located on the Subject Property for storage uses or business related uses but Landowner may not occupy the home as a residence and may not rent the existing home for use as a residential dwelling. Landowner may only have make one meter water connection to a building on the Subject Property.
- 6.) **MNDOT POND T-14.** The private infiltration treatment pond being installed on the Subject Property must meet City stormwater standards and MnDOT standards and must not negatively impact MnDOT Pond T-14 by flow or volume control.

EXHIBIT E
ESCROW CALCULATION

DEVELOPER IMPROVEMENTS

1.)	Grading, Drainage, Erosion, Sediment Control & Turf Establishment	\$38,800
2.)	Retaining Wall	\$6,000
3.)	Utility Improvements (Private Sewer & Water)	\$22,500
4.)	Storm Water Improvements (pipes, manholes, bioretention basin, and vegetative establishment)	\$15,500
5.	Parking Lot & Paved Driveway Expansion	\$20,735
5.)	Reconstruction of 50 th Street E. Disturbance (sewer and water)	\$11,165
6.)	Landscaping (Planning)	\$6,000
7.)	Construction Debris Cleanup	\$1,500
7.)	Certified As-Builts	\$2,000
SUBTOTAL:		\$124,200
<u>MULTIPLIED BY:</u>		x 1.25
EQUALS		\$155,250
<u>ESCROW AMOUNT:</u>		\$155,250

EXHIBIT E
ESCROW CALCULATION
(Continued)

Engineering Escrow Amount

In addition to the Escrow Amount for Developer Improvements set forth above, the Developer shall also deposit \$15,000 in cash with the City (hereafter "Engineering Escrow Amount") contemporaneously with execution of this Improvement Agreement.

The Engineering Escrow Amount shall be used to pay the City for engineering inspection, attorney's expenses, staff review time, assurance for sediment/erosion control compliance and maintenance requirements at the City's standard rates charged for such tasks.

Subject to the following paragraphs, upon satisfactory completion of the Developer Improvements, the City shall return to the Developer any remaining portion of the Engineering Escrow Amount not otherwise previously charged the Developer.

Twenty five percent (25%) of this Engineering Escrow Amount shall be retained by the City (hereafter referred to as Escrow Retainage) and this Escrow Retainage shall be available to the City to pay for deficiencies and problems related to grading, drainage, erosion and sediment control on the Subject Property in the event such problems and deficiencies arise prior to all the vegetation being established to the sole satisfaction of the City. The City may use the Escrow Retainage to correct any such deficiencies or problems or to protect against further deficiencies or problems.

The City shall return to the Developer any remaining Escrow Retainage when all the following events have occurred:

- a.) all of the vegetation has been established, to the sole satisfaction of the City.

To the extent the engineering inspection charges or the amount needed to correct the deficiencies and problems relating to grading, drainage, erosion and sediment control exceed the initially deposited \$15,000 Engineering Escrow Amount, the Developer is responsible for payment of such excess within thirty (30) days after billing by the City.

EXHIBIT E
ESCROW CALCULATION
(Continued)

Vegetation Escrow Amount

Also, \$2,500 of the deposited Engineering Escrow Amount shall remain in the Engineering Escrow to be used by the City to ensure the vegetation installed within and around the storm water facilities is maintained and established for a 3-year period from the date of satisfactory installation (hereafter “Vegetation Escrow Amount”). The Vegetation Escrow Amount shall be available to the City to pay for deficiencies and problems related to the vegetation installed within and around the storm water facilities on the Subject Property in the event such problems and deficiencies arise during the 3-year period.

After the 3-year period has expired and upon approval by the City Engineer, the City shall return to the Developer any of the remaining Vegetation Escrow Amount.

To the extent the amount needed to correct the deficiencies and problems relating to the vegetation within and around the storm water facilities exceeds the initially retained \$2,500 Vegetation Escrow Amount, the Developer is responsible for payment of such excess within thirty (30) days after billing by the City.

Barr Engineering Escrow Amount

In addition to the requirements set forth above, Developer shall escrow with the City the sum of \$3,000 to be used by the City to pay Barr Engineering for stormwater management review, analysis and calculations.

STORM WATER FACILITIES MAINTENANCE AGREEMENT
RELATING TO PROPERTY AT 2660 – 50TH STREET E.
INVER GROVE HEIGHTS, DAKOTA COUNTY, MINNESOTA

THIS STORM WATER FACILITIES MAINTENANCE AGREEMENT (Agreement) is made, entered into and effective this 14th day of June, 2021, by and between the City of Inver Grove Heights, a Minnesota municipal corporation (hereafter referred to as “City”) and Healing Gardens, LLC, a Minnesota limited liability company (hereafter referred to as “Landowner”).

Subject to the terms and conditions hereafter stated and based on the representations, warranties, covenants, agreements and recitals of the parties herein contained, the parties do hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Terms. The following terms, unless elsewhere specifically defined herein, shall have the following meanings as set forth below.

1.2 City. “City” means the City of Inver Grove Heights, a Minnesota municipal corporation.

1.3 Landowner. “Landowner” means Healing Gardens, LLC, a Minnesota limited liability company, and its successors and assigns.

1.4 Responsible Owner. “Responsible Owner” means, jointly and severally, all of the following:

The fee title owner of the Subject Property and the successors and assigns of such fee title owner.

1.5 Storm Water Facilities. “Storm Water Facilities” means each and all of the following, individually and collectively, to the extent located within the Subject Property:

Any existing or future infiltration ponds, inlet and outlet pipes and related storm water appurtenances lying within the Subject Property.

1.6 Storm Water Facility Plan. “Storm Water Facility Plan” means collectively the following:

-
-

The Storm Water Facility Plan is on file with the City. The Storm Water Facility Plan also means and includes the Operations and Maintenance Plan attached hereto as **Exhibit B**.

1.7 Subject Property. “Subject Property” means that certain real property located in the City of Inver Grove Heights, Dakota County, Minnesota legally described on **Exhibit A**.

1.8 NWA Stormwater Manual. “NWA Stormwater Manual” means the Inver Grove Heights Northwest Area Storm Water Manual prepared by Emmons & Olivier Resources dated July 2006, and as adopted by the City of Inver Grove Heights and codified in Section 10-13J-5 (H) of the Inver Grove Heights City Code, as amended from time to time by amendment of general applicability.

ARTICLE 2 **RECITALS**

Recital No. 1. Landowner owns the Subject Property and is currently the Responsible Owner.

Recital No. 2. Landowner has requested that the City approve development plans in connection with the Subject Property.

Recital No. 3. The Landowner will construct the Storm Water Facilities on the Subject Property.

Recital No. 4. The City is willing to approve the development plans in connection with the Subject Property if, among other things, Landowner executes this Storm Water Facilities Maintenance Agreement.

Recital No. 5. By this Agreement the parties seek to:

- a.) impose upon the Responsible Owner the responsibility of maintaining the Storm Water Facilities, notwithstanding the fact that the Storm Water Facilities may exist within easements dedicated or granted to the City and the public.
- b.) provide a mechanism where the City may charge-back to the Responsible Owner any maintenance work that the City performs with respect to the Storm Water Facilities in the event the Responsible Owner fails to perform its obligations to maintain the Storm Water Facilities.

- c.) provide the City with right of access over the Subject Property to access the Stormwater Facilities, when needed.

ARTICLE 3

RESPONSIBILITY FOR MAINTENANCE

3.1 Construction of Storm Water Facilities. Prior to December 31, 2021 or prior to issuance of a certificate of occupancy for the Subject Property, whichever occurs first, Landowner shall construct and install the Storm Water Facilities on the Subject Property in accordance with the Storm Water Facility Plan at its sole expense at a location and in a configuration as approved by the City.

3.2 Maintenance of Storm Water Facilities. The Responsible Owner is obligated at its expense to perpetually maintain the Storm Water Facilities in accordance with the Standard of Maintenance set forth in Section 3.3 hereof. The Responsible Owner shall not modify, alter, remove, eliminate or obstruct the Storm Water Facilities for as long as the Storm Water Facilities exist. The Responsible Owner shall also ensure that the Storm Water Facilities always remain in compliance with the Storm Water Facility Plan. All entities that fall within the definition of Responsible Owner have the joint and several obligations of the defined Responsible Owner. The responsibility of the Responsible Owner for maintaining the Storm Water Facilities on the Subject Property exists even though the event or omission which caused the need for maintenance of the Storm Water Facilities may arise on property outside of the Subject Property.

3.3 Standard of Maintenance. The Responsible Owner must meet the Standard of Maintenance set forth in this Section 3.3.

The Standard of Maintenance shall comply with all of the following:

- a. The Standard of Maintenance shall comply with the standards contained in Title 9, Chapter 5 of the Inver Grove Heights City Code (as amended from time to time, by amendment of general applicability).
- b. The Standard of Maintenance shall comply with the stormwater maintenance standards and requirements as set forth in the **NWA Stormwater Manual** (as amended from time to time, by amendment of general applicability). The NWA Stormwater Manual is on file with the City's Director of Public Works. The NWA Stormwater Manual shall apply to the Storm Water Facilities notwithstanding the fact that the Subject Property is located outside of the Northwest Area Overlay District.
- c. The Standard of Maintenance shall be reasonable and conform to the same standards that the City's Director of Public Works utilizes for storm water systems that the City maintains, as those standards are from time to time amended.
- d. The Standard of Maintenance shall comply with the City approved Operations & Maintenance Plan hereafter referenced.

- e. The Standard of Maintenance shall include but not be limited to each of the following:
- i.) The Responsible Owner shall monitor the Stormwater Facilities and shall as soon as possible correct any malfunction or deficiency in the operation of such structure so as to ensure that the structure operates in conformance with the design parameters.
 - ii.) Responsible Owner must comply with Section IV of the NWA Stormwater Manual which outlines the requirements for the operations and maintenance of Long Term Best Management Practices (BMP's) for stormwater facilities. The Responsible Owner must prepare an Operations & Maintenance Plan to show how the Responsible Owner plans to operate and maintain Long Term Best Management Practices for the Stormwater Facilities being constructed on the Subject Property. The Responsible Owner has submitted a final Operations & Maintenance Plan to the City, attached hereto as **Exhibit B**. The final Operations & Maintenance Plan attached hereto as Exhibit B has been approved by the City. The Responsible Owner and the successors and assigns thereof shall be responsible for following the Operations & Maintenance Plan as approved by the City. The final Operations & Maintenance Plan shall be on file with the City's Director of Public Works.
 - iii.) The Responsible Owner shall be required to reduce total suspended solids by 85% from pre-improvement rates and to reduce phosphorus levels by 55% from pre-improvement levels. When requested by the City, the Responsible Owner shall be required to monitor and test the stormwater discharges at the Responsible Owner's expense, to ensure compliance with these requirements. The Responsible Owner is required to install and maintain stormwater facilities that are designed to treat the one (1) inch of impervious surface volume from the Subject Property; due to the fact that a redevelopment project is occurring, the Director of Public Works is allowing the treatment of one (1) inch impervious surface volume rather than a reduction of the one (1) inch impervious surface volume. The Responsible Owner shall provide the City with test results of the discharge on an annual basis when testing is requested.
 - iv.) The final Operations & Maintenance Plan shall contain the following information:
 - a. Detailed inspection requirements;
 - b. Inspection and maintenance schedules;
 - c. Contact information for the Responsible Owner;
 - d. As built plans of the Stormwater Facilities;
 - e. A letter of compliance from the designer after construction of the Stormwater Facilities is completed;

- f. The requirement for an annual report to the City to demonstrate that post construction maintenance is being accomplished per the Operations & Maintenance Plan;
- g. The GPS coordinates for the Stormwater Facilities shall be provided to the City after construction is completed. Stormwater Facilities smaller than 200 square feet can be located with one GPS coordinate. Stormwater Facilities larger than 200 square feet shall have outlet coordinates and the corners of the Stormwater Facilities located by GPS. The GPS readings shall be provided to the City before the Stormwater Facilities are covered.
- h. The design storage capacity of each Storm Water Facilities shall be documented in the Operations & Maintenance Plan.
- i. A form and level of pretreatment approved by the City are required in the treatment train before any infiltration system; and
- j. The Operations & Maintenance Plan shall incorporate responses to Chapter 8 of the NWA Stormwater Manual which provides additional requirements and checklists for the Responsible Owner to comply with in the operations and maintenance phase of construction.

If the Stormwater Facility Plan is inconsistent with the Standard of Maintenance or if components within the Standard of Maintenance are inconsistent with other components within the Standard of Maintenance, then that provision, term or component which imposes a greater and more demanding obligation shall prevail.

In December of each year, the Responsible Owner shall submit to the City an annual report that identifies all of the tests, inspections, corrective measures and other activities conducted by the Responsible Owner under the Operations & Maintenance Plan for the preceding year. The annual report shall also identify any conditions of non-compliance with the Standard of Maintenance during the preceding year and the annual report shall address how the conditions of non-compliance were cured. The annual report shall also include the information shown on the form attached hereto as **Exhibit C**.

3.4 Notice of Non-Compliance with Section 3.2; Cure Period. If the City's Director of Public Works ("DPW") determines, at his or her reasonable discretion, that the Responsible Owner has not complied with the Standard of Maintenance, the DPW shall provide written notice to the Responsible Owner of such failure to comply with the Standard of Maintenance. This notice shall specify that the Responsible Owner will have thirty (30) days to comply with the Standard of Maintenance, unless thirty (30) days is not practicable for the Responsible Owner to cure the default, in which case the Responsible Owner shall be given a reasonable time, as determined by the DPW, to cure the default provided the Responsible Owner has commenced a suitable cure within the initial thirty (30) days. Notwithstanding the requirement contained in this Section relating to written notice and opportunity of the Responsible Owner to comply with the Standard of Maintenance, in the event of an emergency as determined by the DWP, the City may perform the work to be performed by the Responsible Owner without giving any notice to the Responsible Owner and without giving the Responsible

Owner thirty (30) days to comply with the Standard of Maintenance. If the City performs emergency service work, the Responsible Owner shall be obligated to repay the City the costs incurred to perform the emergency service work, and the City shall follow those procedures set forth in Sections 3.5 and 3.6 with respect to the billing, collection and/or tax certification of such costs.

3.5 Payment of Costs Incurred by City. If the Responsible Owner fails to comply with the Standard of Maintenance within thirty (30) days after delivery of the written notice, or in the case of an emergency situation as determined by the DPW, the City may perform those tasks necessary for compliance and the City shall have the right of access to the areas where the Storm Water Facilities are located to perform such work. The City shall charge all costs incurred by the City to perform the tasks necessary for compliance to the Responsible Owner.

The amount of costs charged by the City to the Responsible Owner shall be the usual and customary amounts charged by the City given the task, work, or improvement performed by the City to ensure compliance with the Standard of Maintenance. The Responsible Owner shall make payment directly to the City within thirty (30) days after invoicing ("Due Date") by the City. Bills not paid by the Due Date shall incur the standard penalty and interest established by the City for utility billings within the City.

3.6 Certification of Costs Payable With Taxes; Special Assessments. If payment is not made under Section 3.5 by the Responsible Owner with respect to the Subject Property, the City may certify to Dakota County the amounts due as payable with the real estate taxes for the Subject Property in the next calendar year; such certifications may be made under Minnesota Statutes, Chapter 444 in a manner similar to certifications for unpaid utility bills. The Responsible Owner waives any and all procedural and substantive objections to the imposition of such usual and customary charges on the Subject Property.

Further, as an alternate means of collection, if the written billing is not paid by the Responsible Owner, the City, without notice and without hearing, may specially assess the Subject Property for the costs and expenses incurred by the City. The Responsible Owner hereby waives any and all procedural and substantive objections to special assessments for the maintenance costs including, but not limited to, notice and hearing requirements and any claims that the charges or special assessments exceed the benefit to the Subject Property. The Responsible Owner waives any appeal rights otherwise available pursuant to Minnesota Statute § 429.081. The Responsible Owner acknowledges that the benefit from the performance of maintenance tasks by the City to ensure compliance with the Standard of Maintenance equals or exceeds the amount of the charges and assessments for the maintenance costs that are being imposed hereunder upon the Subject Property.

3.7 Obligation For Maintenance Notwithstanding Public Easement. The Responsible Owner agrees that its obligations relating to maintenance of the Storm Water Facilities exist notwithstanding the fact that the Storm Water Facilities may be located in whole or in part within public easements.

3.8 Indemnification of City. Responsible Owner shall indemnify, defend and hold the City, its council, agents, employees, attorneys and representatives harmless against and in respect of any and all claims, demands, actions, suits, proceedings, losses, costs, expenses,

obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties and attorneys' fees, that the City incurs or suffers, which arise out of, result from or relate to:

- a.) failure by the Responsible Owner to observe or perform any covenant, conditions, obligation or agreement on their part to be observed or performed under this Agreement;
- b.) failure by the Responsible Owner to pay contractors, subcontractors, laborers, or materialmen;
- c.) failure by the Responsible Owner to pay for any materials that may be used by the Responsible Owner to maintain the Storm Water Facilities; and
- d.) construction of the Storm Water Facilities.

3.9 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it, it shall not be necessary to give notice, other than the notice, if any, required by this Agreement.

ARTICLE 4 **CITY'S COVENANTS**

4.1 Approval of Development Plans. The City agrees that if Responsible Owner executes this Storm Water Facilities Maintenance Agreement and if the conditions required by the City in the Improvement Agreement between the City and Landowner dated June 14, 2021 are met, the City will approve the Development Plans for the Subject Property as identified in the Improvement Agreement between the City and Landowner.

ARTICLE 5 **MISCELLANEOUS**

5.1 Binding Agreement. The parties mutually recognize and agree that all terms and conditions of this recordable Agreement shall run with the Subject Property and shall be binding upon the parties and the successors and assigns of the parties. This Agreement shall also be binding on and apply to any title, right and interest of the Landowner in the Subject Property acquired by Landowner after the execution date of this Agreement or after the recording date of this Agreement.

5.2 Amendment and Waiver. The parties hereto may by mutual written agreement amend this Agreement in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this Agreement or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this Agreement, waive compliance by another with any of the covenants contained in this Agreement, waive performance of any obligations by the other or waive the

fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Agreement. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

5.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

5.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

5.5 Consent. Responsible Owner consents to the recording of this Agreement.

5.6 Notice. Notice shall mean notices given by one party to the other if in writing and if and when delivered or tendered either in person or by depositing it in the United States mail in a sealed envelope, by certified mail, return receipt requested, with postage and postal charges prepaid, addressed as follows:

If to City:

City of Inver Grove Heights
Attention: City Administrator
8150 Barbara Avenue
Inver Grove Heights, MN 55077

If to Landowner:

Healing Gardens, LLC
c/o Living Space Landscapes, Inc.
2660 – 50th Street E.
Inver Grove Heights, MN 55076

or to such other address as the party addressed shall have previously designated by notice given in accordance with this Section. Notices shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed as provided above, provided, that a notice not given as above shall, if it is in writing, be deemed given if and when actually received by a party.

IN WITNESS WHEREOF Landowner and the City have entered into this Agreement on the day and year first stated above.

CITY OF INVER GROVE HEIGHTS

By: _____
Tom Bartholomew
Its: Mayor

ATTEST:

Rebecca Kiernan, City Clerk

(CITY SEAL)

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 14th day of June, 2021, before me a Notary Public within and for said County, personally appeared Tom Bartholomew and Rebecca Kiernan to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

**LANDOWNER:
HEALING GARDENS, LLC**

By: _____
Scott Solomonson
Its: President

STATE OF MINNESOTA)
)
COUNTY OF _____) ss.

On this _____ day of June, 2021, before me a Notary Public within and for said County, personally appeared Scott Solomonson, to me personally known, who being by me duly sworn, did say that he is the President of Healing Gardens, LLC, a Minnesota limited liability company, and that the foregoing instrument was executed on behalf of Healing Gardens, LLC by authority of the Board of Governors of Healing Gardens, LLC, a Minnesota limited liability company.

Notary Public

THIS INSTRUMENT DRAFTED BY:

Timothy J. Kuntz
LeVander, Gillen, & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

**AFTER RECORDING PLEASE
RETURN TO:**

Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

EXHIBIT A
LEGAL DESCRIPTION OF SUBJECT PROPERTY

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, described as follows:

Lots 3, 4, 5, 7 and 8, Block 1, Warren and McDowell's Acre Lots No. 2, Except Parcel 234 of the Minnesota Department of Transportation Right of Way Plat Numbered 19-46, Dakota County, Minnesota.

Abstract Property

EXHIBIT B
OPERATIONS & MAINTENANCE PLAN

MAINTENANCE PLAN

Maintenance of the Storm Water Facilities shall be performed as outlined in Table 1.1 below to ensure healthy and functioning Storm Water Facilities conforming to the intent of the original design parameters. Maintenance shall be completed annually by September 10th. An annual inspection report shall be submitted to the City Engineering Division by December 31 of each year to demonstrate that post-construction maintenance is being accomplished per this Operations and Maintenance plan.

TABLE 1.1 – MAINTENANCE ACTIVITIES

Maintenance Activity	Frequency	Procedure	Maintenance Done By
1. Sediment, trash and debris removal from inlet, outlets, pipes and structures.	Annually in spring and fall as needed.	Remove trash and/or debris. Pruning and weeding, mow filter strip	Responsible Owner
2. Sediment, trash and debris removal swales	Annually in spring and fall as needed.	Remove sediment and restore swales to capacity	Responsible Owner
3. Erosion repair and vegetation replacement.	Annually in spring and fall as needed.	Repair eroded areas and re-seed, re-sod, re-plant and mulch as necessary and remove dry, dead or severely diseased vegetation	Responsible Owner
4. Mulch replacement	Every 2 to 3 years or as needed to maintain 3" to 4" depth	If applicable, add shredded hardwood mulch	Responsible Owner
5. Watering	As needed	Provide 1 inch of water when plants show signs of stress	Responsible Owner
6. Vegetation replacement and weeding	Annually in spring and fall	Replace dead vegetation and remove evasive or unwanted plants	Responsible Owner
7. Clean/fix structural components	As needed per inspection	Dependent on the type of damage; repair components per manufacturer's recommendations	Responsible Owner
8. Replacement of infiltration basin	Infiltration basin failure.	The owner shall notify the City and make repairs within 60 days, unless otherwise approved by the City Engineer.	Responsible Owner

EXHIBIT C
ANNUAL INSPECTION FORM

CITY OF INVER GROVE HEIGHTS NPDES INSPECTION PROGRAM					
INLET / OUTLET					
STRUCTURE ID		INSPECTION DATE		INSPECTOR(S)	
LOCATION					
EASEMENT					
ACCESSIBLE	Y	N			
STRUCTURES IN ESMT.	Y	N	DESCRIPTION		
TREES IN ESMT.	Y	N	LARGEST DIAMETER (INCHES)		
STRUCTURE	FES	PIPE	CB	OTHER	
ATTRIBUTES	TRASH GUARD	WEIR	SURGE BASIN	OTHER	NONE
CONDITION*	OK	MINOR MAINTENANCE	MAJOR MAINTENANCE	INACCESSIBLE	
END SECTION EROSION	Y	N			
FLOW CONDITION	FLOW PRESENT	NO FLOW	SUBMERGED		
COMMENTS					
VEGETATION/DEBRIS	WEEDS, ETC.	BRUSH, TREES, ETC.	GARBAGE/DEBRIS	NONE	
RESTRICTING FLOW	Y	N			
COMMENTS					
SEDIMENT					
CONDITION**	NONE	MINOR MAINTENANCE	MAJOR MAINTENANCE		
COMMENTS					
RIP RAP					
PRESENT	Y	N			
CONDITION***	OK	MINOR MAINTENANCE	MAJOR MAINTENANCE		
COMMENTS					
ILLICIT DISCHARGE	Y	N			
COMMENTS					
MAINTENANCE PERFORMED:					
SIGNED:			DATE:		

* Minor Maintenance: i.e. regROUT joint, repair trash guard; Major Maintenance: structure separating(ed) from pipe

** Minor Maintenance: repair can be done by City crews, Major Maintenance: heavy equip. is needed

*** Minor Maintenance: repair can be done by City crews, Major Maintenance: heavy equip. is needed

PERMANENT DRAINAGE AND UTILITY
EASEMENT AGREEMENT
DAKOTA COUNTY, MINNESOTA

THIS PERMANENT DRAINAGE AND UTILITY EASEMENT AGREEMENT (Easement) is made, granted and conveyed this 14th day of June, 2021, by and between Healing Gardens, LLC, a Minnesota limited liability company, hereinafter referred to as the “Landowner,” and the City of Inver Grove Heights, a Minnesota municipal corporation, hereinafter referred to as the “City.”

The Landowner owns the real property situated within Dakota County, Minnesota as described on the attached **Exhibit A** (hereinafter “Landowner’s Property”).

The Landowner for the sum of one dollar and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby convey and quitclaim to the City, its successors and assigns, the following:

A **permanent easement for drainage and utility purposes**, including all rights of a “drainage easement” and an “utility easement” as defined by Minn. Stat. § 505.01, subd. 3(b) and 3(j), **and for all such purposes ancillary, incident, or related thereto** (hereinafter “Permanent Easement”) under, over, across, through, and upon that portion of the Landowners’ Property legally described and depicted on **Exhibit B** (hereinafter the “Permanent Easement Area”) attached hereto and incorporated herein by reference.

The Permanent Easement rights granted herein are forever and shall include, but not be limited to, the construction, reconstruction, maintenance, inspection, repair, and replacement of any drainage facilities and utilities, underground pipes, conduits, other utilities and mains, and all facilities and improvements ancillary, incident, or related thereto, under, over, across, through and upon the Permanent Easement Area.

EXEMPT FROM STATE DEED TAX

The rights of the City also include the right of the City, its contractors, agents and servants:

- a.) to enter upon the Permanent Easement Area at all reasonable times for the purposes of construction, reconstruction, inspection, repair, replacement, grading, sloping, and restoration relating to the purposes of this Permanent Easement; and

- b.) to maintain the Permanent Easement Area and any City improvements located therein, together with the right to excavate and refill ditches or trenches; and
- c.) to remove from the Permanent Easement Area trees, brush, herbage, aggregate, undergrowth and other obstructions interfering with the location, construction and maintenance of the drainage facilities and utilities; and to deposit earthen material in and upon the Permanent Easement Area; and
- d.) to remove or otherwise dispose of all earth or other material excavated from the Permanent Easement Area as the City may deem appropriate.

The City shall not be responsible for any costs, expenses, damages, demands, obligations, penalties, attorneys' fees and losses resulting from any claims, actions, suits, or proceedings based upon a release or threat of release of any hazardous substances, petroleum, pollutants, and contaminants which may have existed on, or which relate to, the Permanent Easement Area or the Landowner's Property prior to the date hereof.

Nothing contained herein shall be deemed a waiver by the City of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by the Landowner, its successors or assigns, shall be subject to any governmental immunity defenses of the City and the maximum liability limits provided by Minnesota Statute, Chapter 466.

The Landowner, for itself and its successors and assigns, does hereby warrant to and covenant with the City, its successors and assigns, that it is well seized in fee of the Landowner's Property described on Exhibit A and the Permanent Easement Area described and depicted on Exhibit B and that it has good right to grant and convey the Permanent Easement herein to the City.

This Permanent Drainage and Utility Easement Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[the remainder of this page has been intentionally left blank]

IN TESTIMONY WHEREOF, the Landowner and the City have caused this Permanent Drainage and Utility Easement Agreement to be executed as of the day and year first above written.

LANDOWNER:
HEALING GARDENS, LLC

By: _____
Scott Solomonson
Its: President

STATE OF MINNESOTA)
)
COUNTY OF _____) ss.

On this ____ day of June, 2021, before me a Notary Public within and for said County, personally appeared Scott Solomonson, to me personally known, who being by me duly sworn, did say that he is the President of Healing Gardens, LLC, a Minnesota limited liability company, and that the foregoing instrument was executed on behalf of Healing Gardens, LLC by authority of the Board of Governors of Healing Gardens, LLC, a Minnesota limited liability company.

Notary Public

CITY OF INVER GROVE HEIGHTS:

By: _____
Thomas Bartholomew, Mayor

Attest:

Rebecca Kiernan, City Clerk

(CITY SEAL)

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 14th day of June, 2021, before me a Notary Public within and for said County, personally appeared Thomas Bartholomew and Rebecca Kiernan to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

This instrument was drafted by:
Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, Minnesota 55075
(651) 451-1831

After recording, please return to:
Timothy J. Kuntz
LeVander, Gillen & Miller
633 South Concord Street, Suite 400
South St. Paul, Minnesota 55075
(651) 451-1831

EXHIBIT A
LEGAL DESCRIPTION OF LANDOWNER'S PROPERTY

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, described as follows:

Lots 3, 4, 5, 7 and 8, Block 1, Warren and McDowell's Acre Lots No. 2, Except Parcel 234 of the Minnesota Department of Transportation Right of Way Plat Numbered 19-46, Dakota County, Minnesota.

Abstract Property

EXHIBIT B
LEGAL DESCRIPTION OF PERMANENT EASEMENT AREA

A permanent easement for drainage and utility purposes under, over, across, through and upon that portion of Landowner's Property described as follows:

EXHIBIT B (CONTINUED)
DEPICTION OF PERMANENT EASEMENT AREA

**Request for Council Action****TITLE:** Kellie Kronberg - Case No. 21-33V

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	X
Item Type:	Consent Agenda	Amount included in current budget	
Contact:	Heather Botten 651-450-2569	Budget amendment requested	
Prepared by:	Heather Botten	FTE included in current complement	
Reviewed by:		New FTE requested - N/A	
		Other	

PURPOSE/ACTION REQUESTED: Consider a Resolution relating to a Variance from the front yard setbacks for a garage and mud room addition for the property located at 3180 70th Street.

- Requires a 3/5th's vote.
- 60-day deadline: July 2, 2021 (second 60-days)

SUMMARY:

The applicant is requesting a variance from the front setback to construct a garage and mud room addition onto the existing home. The house on the property was built in 1962, there is an existing two stall attached garage that the homeowner would like to convert into living space and then add on a two-stall garage and mud room. The property is located along 70th Street, which is an arterial street that requires a 50-foot setback. The addition would be kept in-line with the existing setback of the home, about 31 feet from the front property line and about 50 feet from 70th Street. All other zoning requirements such as side setbacks and impervious surface would be met.

Staff believes the applicant is proposing the addition within the most reasonable area of the property that provides the least amount of land alteration while meeting the needs of the applicant. If the owners pushed the addition back 20 feet to comply with setback requirements, they would then be over the maximum impervious surface allowed on the property triggering a storm water facility on the property to treat the additional runoff.

Planning Staff: Staff does not believe the request is out of character for the neighborhood and it is consistent with the comprehensive plan. The addition would be constructed in-line with the existing home, not encroaching any more than the established setback. The property is unique in that the way the home is configured, the addition would be located over existing impervious surface. Adding the addition 20 feet to the south to comply with setbacks would require a storm water plan and removal of a significant tree.

Planning Commission: At the June 1, 2021 public hearing, the applicant was present. One neighbor testified against the request stating they were concerned that the size of the home with the proposed addition would be larger than all other homes in the area. The Planning Commission recommended approval of the variance request stating the addition would be at the same front setback as the home and would avoid the need of obtaining a storm water facility and agreement with the City (8-0).

Attachments: Approval Resolution
Planning staff report

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 2021- 168

**RESOLUTION APPROVING A VARIANCE FOR A GARAGE AND MUD ROOM ADDITION
TO ENCROACH INTO THE FRONT SETBACK**

**CASE NO. 21-33V
Kronberg**

3180 70th Street and legally described as follows:

W 50 feet of Lot 12, Block 1 & East 55 feet of Lot 13 Block 1, South Grove No. 8, according to
the recorded plat, Dakota County, Minnesota

WHEREAS, an application has been received for a Variance to allow a garage and
home addition to encroach within the front setback;

WHEREAS, the afore described property is zoned R-1C, Single-family Residential;

WHEREAS, a Variance may be granted by the City Council from the strict application
of the provisions of the City Code Title 10, Chapter 3-4 and conditions and safeguards imposed
in the variance so granted where practical difficulties or particular hardships result from
carrying out the strict letter of the regulations of the Zoning Code, as per City Code 10-3-4 D;

WHEREAS, the City of Inver Grove Heights Planning Commission reviewed the request
on June 1, 2021 in accordance with City Code Section City Code 10-3-3:C;

WHEREAS, a practical difficulty or uniqueness was found to exist based on the
following findings:

- a. The request is in harmony with the general purpose and intent of the City
Ordinance and is consistent with the Comprehensive Plan.
- b. The garage and home addition do not appear to have any adverse impacts on
the neighboring properties.

- c. The property is unique in that the addition would not be any closer to the street than the setback already established by the home.
- d. Complying with setback requirements would be adding additional impervious surface, requiring a storm water facility and maintenance agreement and the removal of a significant tree.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, that the variance to allow a garage and home addition withing the required front setback is hereby approved subject to the following conditions:

1. The site shall be developed in substantial conformance with the site plan on file with the Planning Department.
2. Final site, grading, and erosion control plans shall be approved by the City Engineer.

BE IT FURTHER RESOLVED that the City Clerk is hereby authorized and directed to record a certified copy of this Resolution at the Dakota County Recorder's Office.

Adopted by the City Council of Inver Grove Heights this 14th day of June, 2021.

Tom Bartholomew, Mayor

Ayes:

Nays:

ATTEST:

Rebecca Kiernan, City Clerk



PLANNING REPORT

CASE NO: 21-33V

APPLICANT & PROPERTY OWNER: Kellie Kronberg

REQUEST: Variance from the front yard setback

HEARING DATE: June 1, 2021

LOCATION: 3180 70th Street

COMPREHENSIVE PLAN: LDR, Low Density Residential

ZONING: R-1C, Single Family Residential

REVIEWING DIVISIONS: Planning
Engineering

PREPARED BY: Heather Botten
Associate Planner

BACKGROUND

The applicant is requesting a variance from the front setback to construct a garage and mud room addition onto the existing home. The property has an existing two stall attached garage that the homeowner would like to convert into living space and then add on a two-stall garage and mud room. The lot is .33 acres in size. The house was built in 1962, with the home constructed on the east side of the lot. A typical front setback on a local street is 30 feet, in this case, 70th Street is an arterial street that requires a 50-foot setback. The addition would be kept in-line with the existing setback of the home. All other zoning requirements such as side setbacks and impervious surface would be met.

SPECIFIC REQUESTS

The applicant is requesting the following:

- 1) A **variance** to allow a 30-foot front yard setback whereas 50 feet is required for setbacks along arterial streets.

EVALUATION OF THE REQUEST

The following land uses, zoning districts and comprehensive plan designations surround the subject property: Single family; zoned R-1C; guided LDR, Low Density Residential

ENGINEERING

Engineering has reviewed the request take no exception to the request.

VARIANCE

City Code Title 10, Chapter 3. Variances, states that the City Council may grant variances when they are in harmony with the general purposes and intent of the zoning ordinance and consistent with the comprehensive plan and establishes that there are practical difficulties in complying with the official control. In order to grant the requested variances, City Code identifies criteria which are to be considered practical difficulties. The applicant's request is reviewed below against those criteria.

1. *The variance request is in harmony with the general purpose and intent of the city code and consistent with the comprehensive plan.*

Allowing a residential building addition that includes an attached garage on the property would be in harmony with the general purpose and intent of the comprehensive plan which guides the property single family residential. The proposed addition would meet all other code requirements including impervious surface, exterior building material requirements, side and rear setbacks.

2. *The property owner proposes to use the property in a reasonable manner not permitted by the zoning ordinance.*

The applicant is proposing the building within the most reasonable area of the property that provides the least amount of land alteration while meeting the needs of the applicant. If the owners pushed the addition back 20 feet to comply with setback requirements, they would then be over the maximum impervious surface allowed on the property triggering a storm water facility on the property to treat the additional runoff. Additionally, if the proposed structure complied with setbacks they would have to remove a significant tree on the property.

3. *The plight of the landowner is due to circumstances unique to the property not created by the landowner.*

The addition would be kept in-line with the existing home, not encroaching any closer to the street than the home. Due to the large right-of-way the addition would be located about 50 feet from 70th Street and 30 feet from the front property line.

4. *The variance will not alter the essential character of the locality.*

One of the functions of setback requirements is to maintain consistency of structure placement and aesthetic qualities from street and neighboring views. The neighborhood, developed in the 60's, all have similar home setbacks. The proposed structure does not appear to alter the essential character of the area. The structure would be located in-line with the existing home so aesthetically the view from 70th Street and surrounding properties would not change and overall the essential character of the neighborhood would not be adversely affected.

5. *Economic considerations alone do not constitute an undue hardship.*

Economic considerations do not appear to be a basis or a sole basis for this request.

ALTERNATIVES

The Planning Commission has the following actions available on the following requests:

- A. Approval.** If the Planning Commission finds the application to be acceptable, the following action should be taken:
- Approval of the **Variance** to construct a garage/mud room addition within the front yard setback subject to the following conditions:
 1. The site shall be developed in substantial conformance with the site plan on file with the Planning Department.
 2. Final site, grading, and erosion control plans shall be approved by the City Engineer.

Rationale: The request is not out of character for the neighborhood and is consistent with the comprehensive plan. The addition does not appear to have an adverse impact on the neighboring properties. The addition will be constructed in-line with the existing home, not encroaching any more than the established setback. The property is unique in that the way the home is configured, the addition would be located over existing impervious surface. Adding the addition 20 feet to the south to comply with setbacks would require a storm water plan and removal of a significant tree.

B. Denial. If the Planning Commission does not favor the proposed variance, the above request should be recommended for denial. With a recommendation for denial, findings or the basis for the denial should be given.

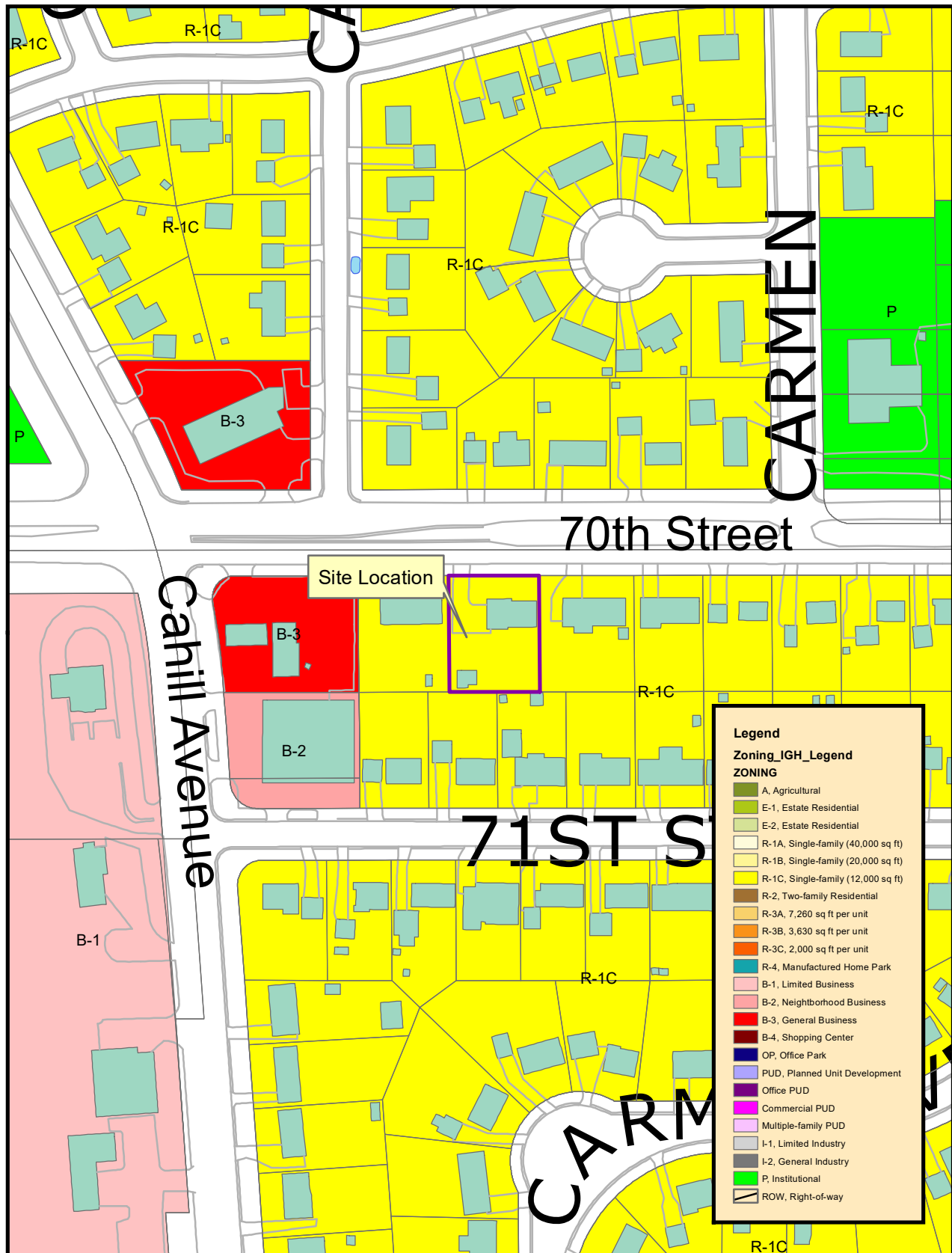
RECOMMENDATION

Based on the information in the preceding report and the conditions listed in Alternative A, staff is recommending approval of the requested variance.

Attachments: Zoning and Location Map
 Narrative
 Site Plan
 Elevation
 Photos



3180 70th Street Case No. 21-33V



THIS DRAWING IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS ONE. THIS DRAWING IS A COMPILED OF RECORDS, INFORMATION AND DATA LOCATED IN VARIOUS CITY, COUNTY AND STATE OFFICES AND OTHER SOURCES AND IS TO BE USED FOR REFERENCE PURPOSES ONLY. THE CITY OF INVER GROVE HEIGHTS IS NOT RESPONSIBLE FOR ANY INACCURACIES HEREIN CONTAINED

Map produced by the City of Inver Grove Heights GIS Dept.
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Exhibit A
Zoning and Location Map

Map not to scale

3180 70th Street East IGH, MN 55076- Kellie Kronberg

To whom it may concern,

I, Kellie Kronberg, am applying for approval to build a new garage and mudroom outside of the approved city code. We would like to build a new garage attached to our current home with a finished mud room. Due to the current set back allowance we would be building this structure about 30 feet from our property line, but 50 feet from the street. This would be in line with the current structure of our home and not be any closer to our property line than current structure.

We are converting our current garage into a furnished living space to allow more room for our family to gather and enjoy. See attached schematic drawings

Proposed New Garage Dimensions: 24' X 30'

Distance from the assumed property line where garage would sit adjacent to: 5' (side setback)

Proposed Mud Room: 12' X 8'

This location would not alter the essential character of our neighborhood as we would keep this no closer to the street than our current structure. We also feel that this will greatly improve the appearance of our home as we would re do all siding.

If we were to not be granted variance and need to build our garage 50 feet from our property line VS 50 feet from the street we would lose a good chunk of our much loved backyard where we spend a lot of our time as a family.

Practical Difficulties if variance is not granted.

1. Fireplace would need to be removed from the side of our house. If we needed to build the attached garage back further from property line our fireplace would need to be removed from the house in order to build in that location
2. Trees- we would need to remove a large tree from our backyard. which would leave the yard with no shade to home or yard.
3. Stormwater drainage would need to be added due to the amount of impervious surface we would end up with.

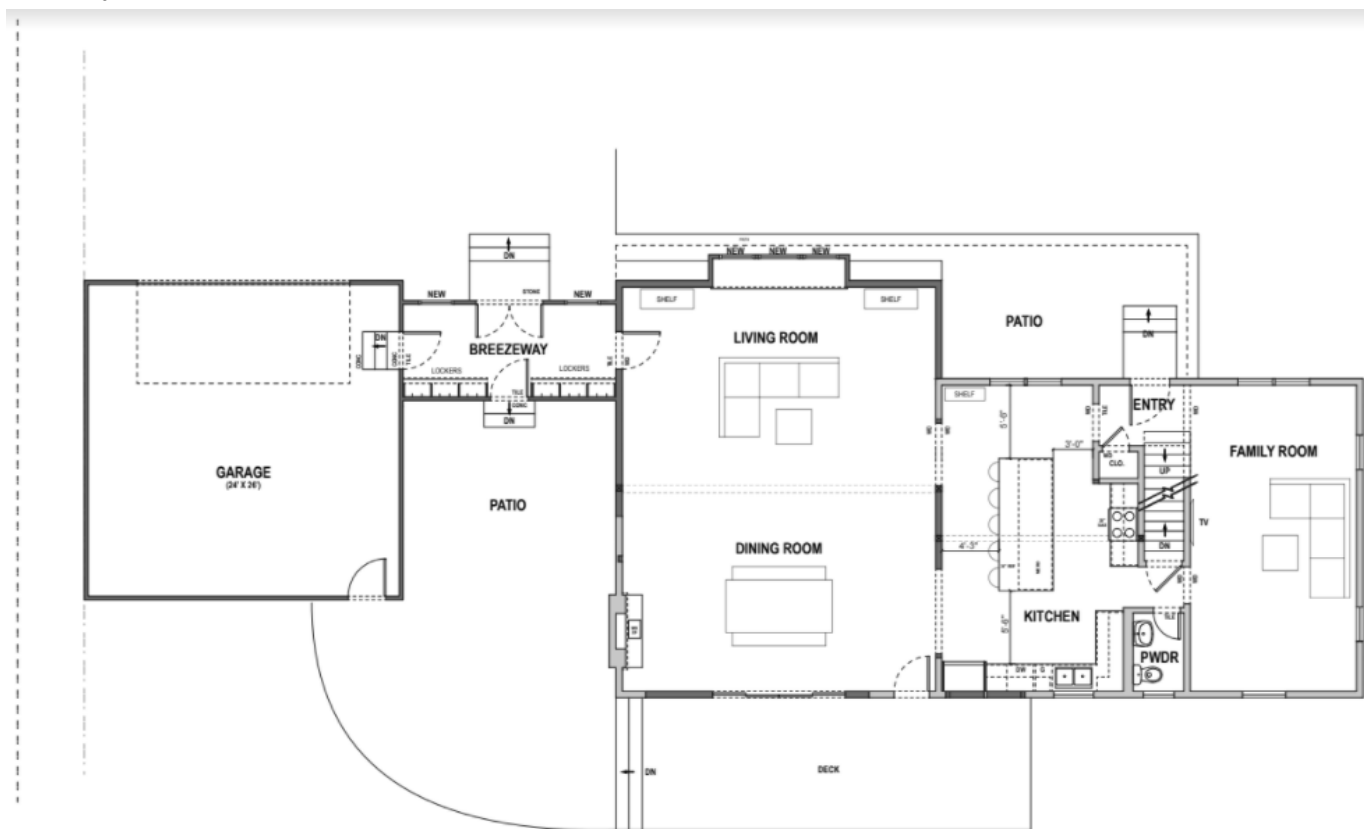
We would be sure to add windows on both sides of the garage in order to keep as much natural light as once was there.

Please feel free to reach out with any questions.

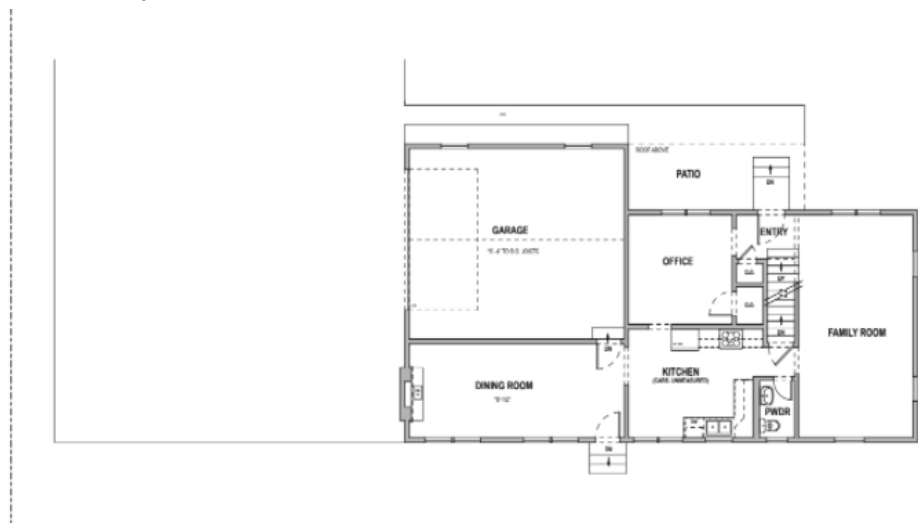
Kellie or Kyle Kronberg

651-269-0016

New Layout:



Current Layout:



3180 70th Street East IGH, MN 55076- Kellie Kronberg



Above Pictured: proposed external front and back view.

Proposed structure would sit 57.7 feet back from the edge of 70th Street East

KELLIE ANN KRONBERG
3180 70th St E
Inver Grove Heights, MN, 55076

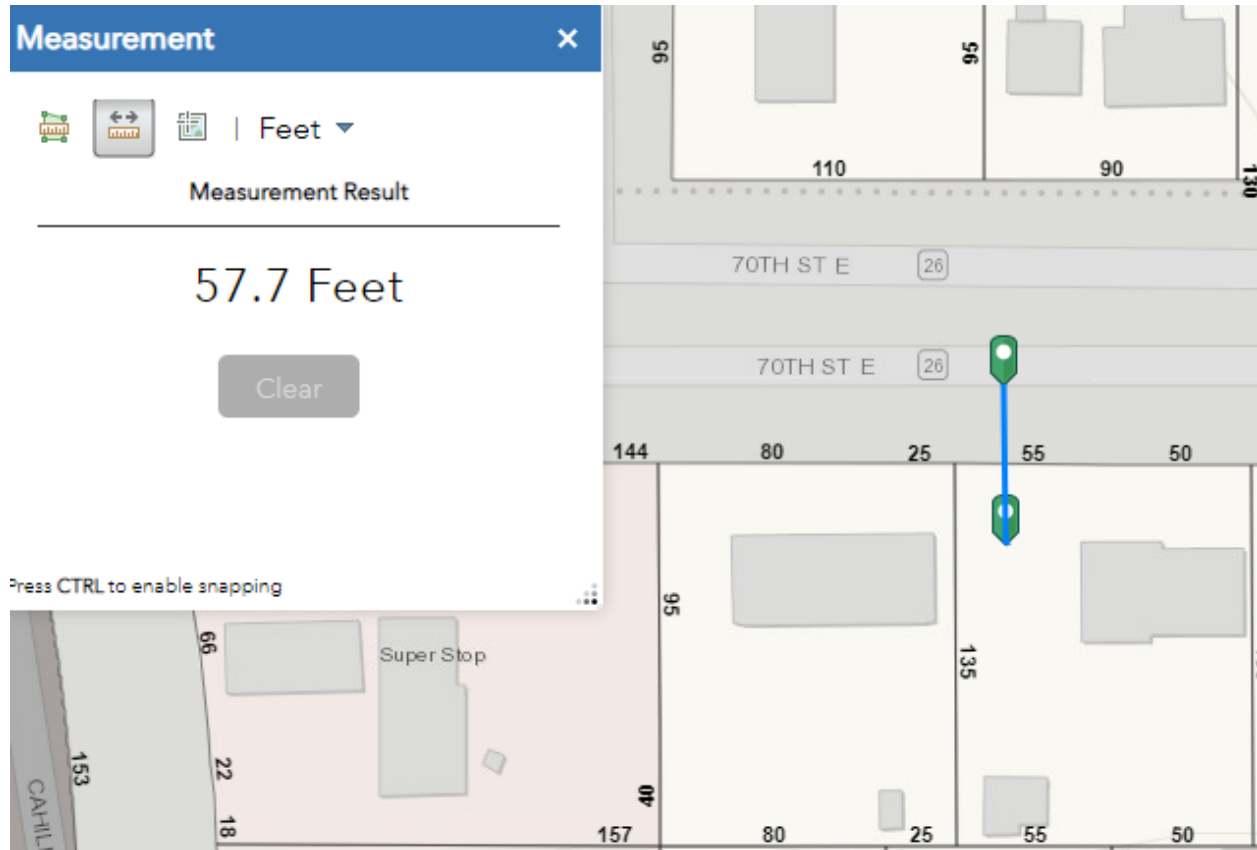
SCHEMATIC
DESIGN

3.11.21

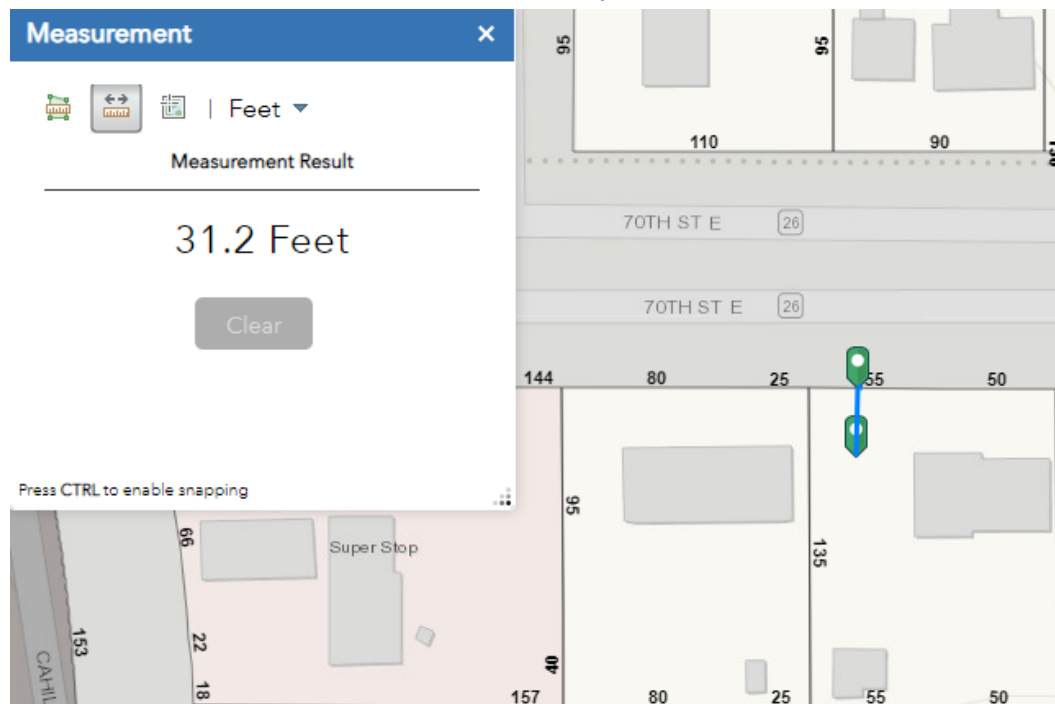
INSTRUCTION

A20

3180 70th Street East IGH, MN 55076- Kellie Kronberg



This is 31.2 feet from the documented property line.



3180 70th Street East IGH, MN 55076- Kellie Kronberg



3180 70th Street East IGH, MN 55076- Kellie Kronberg



**Request for Council Action****TITLE: Resolution Making an Election Not to Waive the Statutory Tort Limits for Liability Insurance Purposes**

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	X
Item Type:	Consent	Amount included in current budget	
Contact:	Amy Hove, 651-450-2521	Budget amendment requested	
Prepared by:	Bill Schroepfer, Accountant	FTE included in current complement	
Reviewed by:	Amy Hove, Finance Director	New FTE requested - N/A	
		Other	

PURPOSE/ACTION REQUESTED:

Approve the resolution making an election not to waive the statutory tort limit for liability insurance purposes.

SUMMARY:

The City procures its liability insurance from the League of Minnesota Cities Insurance Trust (LMCIT). LMCIT requires City Council to make an annual election to waive or not waive statutory tort limits. The City has never waived the tort limit. The attached resolution merely confirms current practice for the City and is in conformance with the majority of Minnesota cities.

Minnesota Statutes 466.04 currently sets the maximum liability limits for cities at \$500,000 per claimant and \$1,500,000 per occurrence. The City's current insurance policies provide coverage up to the tort liability limits as provided by Minnesota Statutes. LMCIT does allow cities to waive those limits if they so choose. Since cities have a choice to waive or not to waive LMCIT requires cities to make the election annually.

I recommend that the Council adopt the attached resolution making an election not to waive the statutory tort limit for liability insurance purposes.

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION MAKING AN ELECTION NOT TO WAIVE THE STATUTORY TORT LIMITS
FOR LIABILITY INSURANCE PURPOSES**

WHEREAS, Minnesota Statutes Chapter 466 deals with tort liability for cities; and

WHEREAS, Minnesota Statutes 466.04 currently sets the maximum liability limits for cities at \$500,000 per claimant and \$1,500,000 per occurrence; and

WHEREAS, the City procures its insurance from the League of Minnesota Cities Insurance Trust (LMCIT); and

WHEREAS, LMCIT allows the City an option to waive those limits; and

WHEREAS, LMCIT has asked the City to make the election annually with regards to waiving or not waiving its tort liability established by Minnesota Statutes 466.04.

NOW, THEREFORE BE IT RESOLVED, BY THE CITY OF INVER GROVE HEIGHTS does hereby elect not to waive the statutory tort limits established by Minnesota Statutes 466.04.

Adopted by the City of Inver Grove Heights this 14th day of July 2021.

Ayes:

Nays:

Thomas Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk

**Request for Council Action**

TITLE: Consider approval to purchase encrypted Police portable and mobile radios using funds leftover from the Equipment Acquisition Fund

	Fiscal/FTE Impact	Mark all that apply
Meeting Date: June 14 th , 2021	None	
Item Type: Consent	Amount included in current budget	
Contact: Melissa Chiodo: 651-450-2526	Budget amendment requested	X
Prepared by: Melissa Chiodo Chief of Police	FTE included in current complement	
Reviewed by: Amy Hove Finance Director	New FTE requested - N/A	
	Other	

PURPOSE/ACTION REQUESTED

The City Council is asked to approve the purchase of encrypted mobile and portable radios for the police department using funds from the Equipment Acquisition Fund.

BACKGROUND

Several years ago, the Law Enforcement agencies in Dakota County made an agreement to move to using encrypted police radios in the future. The timeline to purchase encrypted radios and switching over to an encrypted system was moved up to 2022. The Inver Grove Heights Police Department has been setting aside money each year for the purchase of encrypted radios but with the timeline being moved up we need additional funding to purchase the radios by 2022.

ANALYSIS

If the police department does not have encrypted portable and mobile radios, they will not be able to receive 911 calls from Dakota County Communications nor will we be able to communicate on the same radio system with the other law enforcement agencies in Dakota County. The current radio vendor is selling the radios at a discounted price in 2021. In 2022 the base prices increase significantly and would cost the city more money to purchase if they waited for 2022 and we would have communications issues if the purchase were not done before the switch over.

In January 2021, the City Council approved closing the Equipment Acquisition Fund (Fund 401) and committed \$120,000 of the fund balance towards emergency siren improvements. After final balances were calculated, there remained approximately \$408,000 in the Equipment Acquisition fund balance that was transferred to the Central Equipment Fund that would be available for this project.

The police department has set aside \$97,000 and the total cost of the project is \$250,000.

RECOMMENDATIONS

It is the recommendation of the police department that the radios are purchased now to save money once costs increase and so that we have continuity of operations when the switch is made to encrypted radios in 2022.

We recommend Council approve the remaining cost of \$153,000 to be covered by leftover Equipment Acquisition Fund (Fund 401) dollars that are presently included in the Central Equipment Fund balance.

**Request for Council Action****TITLE: Resolution Approving Purchase Agreements between the City and Kurt A. Rechtzigel**

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	
Item Type:	Sale and Acquisition of Real Property	Amount included in current budget	
Contact:	Timothy J. Kuntz, City Attorney's Office	Budget amendment requested	
Prepared by:	Timothy J. Kuntz	FTE included in current complement	
Reviewed by:		New FTE requested - N/A	
		Other	

PURPOSE/ACTION REQUESTED:

The Council has previously approved Purchase Agreements between the City and Kurt A. Rechtzigel in connection with a land swap transaction. There have been ongoing negotiations and discussions between the City and Rechtzigel since that time with the final resolution of the attached two Purchase Agreements between the City and Rechtzigel for the purchase of Drainage and Utility Easements by the City on land owned by Rechtzigel in exchange for the sale by the City to Rechtzigel of a portion of Dakota County Tax Parcel No. 20-00800-51-020 (currently owned by the City). The major change between the previously approved Purchase Agreements and the attached Purchase Agreements is that the City is now obtaining a permanent drainage and utility easement over a portion of the Rechtzigel property as opposed to fee title.

At the June 14, 2021 Council meeting, the Council is asked to consider the attached *Resolution Approving A Purchase Agreement Between The City Of Inver Grove Heights (As Seller) And Kurt A. Rechtzigel (As Buyer) And Approving A Purchase Agreement For Drainage And Utility Easements Between The City Of Inver Grove Heights (As Buyer) And Kurt A. Rechtzigel (As Seller)*.

SUMMARY:

The attached Resolution will approve and authorize the following:

- Approve the Purchase Agreement from the City (as Seller) to Rechtzigel (as Buyer)
- Approve the Purchase Agreement for Drainage and Utility Easements from Rechtzigel (as Seller) to the City (as Buyer)
- Approve the Permanent Drainage and Utility Easement relating to Parcel A-1
- Approve the Permanent Drainage and Utility Easement relating to Parcel A-2
- Authorize the Mayor and City Clerk to execute the attached two Purchase Agreements and the attached two Easements
- Authorize the Mayor and City Clerk and City Attorney to execute all closing documents in connection with the Purchase Agreement transactions

**LEVANDER,
GILLEN &
MILLER, P.A.**

ATTORNEYS AT LAW

TIMOTHY J. KUNTZ
DANIEL J. BEESON
ANGELA M. LUTZ AMANN
KORINE L. LAND
DONALD L. HOEFT
BRIDGET McCAULEY NASON
PETER G. MIKHAIL
SCOTT M. LUCAS
DAVID L. SIENKO
TONA T. DOVE
AARON S. PRICE
CASSANDRA C. WOLFGRAM
CASSANDRA J. BAUTISTA
AMANDA J. JOHNSON

MEMO

TO: Inver Grove Heights Mayor and Councilmembers
FROM: Timothy J. Kuntz, City Attorney
DATE: June 14, 2021
RE: Resolution Approving Purchase Agreements between the City and Kurt A. Rechtzigel; June 14, 2021 Council Meeting

Section 1. Background. This matter involves a resolution approving Purchase Agreements between the City of Inver Grove Heights (City) and Kurt A. Rechtzigel (Rechtzigel) for the purchase of Drainage and Utility Easements by the City on land owned by Rechtzigel in exchange for the sale by the City to Rechtzigel of a portion of Dakota County Tax Parcel No. 20-00800-51-020 (currently owned by the City).

The proposed closing of the transactions between the City and Rechtzigel is June 18, 2021. The City and its representatives (including the City Attorney) will need to execute various real estate closing documents in conjunction with the closing.

The closing documents will include the following:

- Purchase Agreement from the City (as Seller) to Rechtzigel (as Buyer)
- Purchase Agreement for Drainage and Utility Easements from Rechtzigel (as Seller) to the City (as Buyer)
- Permanent Drainage and Utility Easement relating to Parcel A-1
- Permanent Drainage and Utility Easement relating to Parcel A-2

Section 2. Salient Terms. The references in this memo and the attached resolution to the Parcels refer to the survey sketch attached to the resolution. The City will convey Parcel B-1 to Rechtzigel. Rechtzigel in turn will convey a Drainage and Utility Easement over the entirety of Parcel A-2 to the City and Rechtzigel will convey a Drainage and Utility Easement to the City over a portion of Parcel A-1.

Rechtzigel and the City will each pay 50% of the survey cost and 50% of the Environmental Assessment cost. Rechtzigel will reimburse the City \$5,000 for the legal fees incurred by the City relating to the transactions.

Rechtzigel and the City will also agree to the following planning considerations relating to the future development of the storm water facilities for Parcels A-1 and B-1:

- The City agrees that when Parcels A-1 and B-1 are developed, the City will not require additional easements other than those required by the City Zoning Code and the City Subdivision Code and the City's Northwest Area Standards.
- After conveyance of the Drainage and Utility Easement to the City on Parcel A-2, the City will allow the property owner of Parcels A-1 and B-1 to use the Drainage and Utility Easement on Parcel A-2 and to use Parcel B-2 (owned by the City) for grading and storm water management purposes in compliance with the Northwest Area Standards for the development of Parcels A-1 and B-1.
- With respect to access by the City to the storm water facilities constructed or to be constructed in Parcel A-2 in conjunction with the development of Parcels A-1 and B-1, the City shall use the maintenance access road on Outlot C, Scenic Hills First Addition or access through the City owned Parcel B-2; provided, however, the property owner of Parcel A-1 and B-1 is responsible for and must construct the access road on Parcel A-2 and the unfinished segment on Outlot C, Scenic Hills First Addition which meets the Northwest Area Standards and which connects the existing access on Outlot C, Scenic Hills First Addition, across Parcel A-1 as necessary, to the proposed stormwater management facilities on Parcel A-2.
- The City agrees that when Parcels A-1 and B-1 are developed, the acreage contained in Parcel A-2 (owned by Rechtzigel, subject to the Drainage and Utility Easement in favor of the City) shall be included as part of the density calculation to arrive at the density for Parcels A-1 and B-1.

Section 3. Council Action. At the June 14, 2021 Council meeting, the Council is asked to consider the attached *Resolution Approving A Purchase Agreement Between The City Of Inver Grove Heights (As Seller) And Kurt A. Rechtzigel (As Buyer) And Approving A Purchase Agreement For Drainage And Utility Easements Between The City Of Inver Grove Heights (As Buyer) And Kurt A. Rechtzigel (As Seller).*

The attached Resolution will approve and authorize the following:

- Approve the Purchase Agreement from the City (as Seller) to Rechtzigel (as Buyer)
- Approve the Purchase Agreement for Drainage and Utility Easements from Rechtzigel (as Seller) to the City (as Buyer)
- Approve the Permanent Drainage and Utility Easement relating to Parcel A-1
- Approve the Permanent Drainage and Utility Easement relating to Parcel A-2

- Authorize the Mayor and City Clerk to execute the attached two Purchase Agreements and the attached two Easements
- Authorize the Mayor and City Clerk and City Attorney to execute all closing documents in connection with the Purchase Agreement transactions

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 2021-169

**RESOLUTION APPROVING A PURCHASE AGREEMENT BETWEEN THE CITY OF
INVER GROVE HEIGHTS (AS SELLER) AND KURT A. RECHTZIGEL (AS BUYER)
AND APPROVING A PURCHASE AGREEMENT FOR DRAINAGE AND UTILITY
EASEMENTS BETWEEN THE CITY OF INVER GROVE HEIGHTS (AS BUYER) AND
KURT A. RECHTZIGEL (AS SELLER)**

WHEREAS, this resolution involves Purchase Agreements between the City of Inver Grove Heights (City) and Kurt A. Rechtzigel (Rechtzigel) for the purchase of Drainage and Utility Easements by the City on land owned by Rechtzigel in exchange for the sale by the City to Rechtzigel of a portion of Dakota County Tax Parcel No. 20-00800-51-020 (currently owned by the City).

WHEREAS, Rechtzigel owns land contiguous to land owned by the City and the City has a need for a portion of the Rechtzigel property for storm water management control and capacity purposes.

WHEREAS, the references in this resolution to the Parcels refer to the survey sketch attached to this resolution. The City will convey Parcel B-1 to Rechtzigel. Rechtzigel in turn will convey a Drainage and Utility Easement over the entirety of Parcel A-2 to the City and Rechtzigel will convey a Drainage and Utility Easement to the City over a portion of Parcel A-1.

WHEREAS, Rechtzigel and the City will each pay 50% of the survey cost and 50% of the Environmental Assessment cost. Rechtzigel will reimburse the City \$5,000 for the legal fees incurred by the City relating to the transactions.

WHEREAS, Rechtzigel and the City will also agree to the following planning considerations relating to the future development of the storm water facilities for Parcels A-1 and B-1:

- The City agrees that when Parcels A-1 and B-1 are developed, the City will not require additional easements other than those required by the City Zoning Code and the City Subdivision Code and the City's Northwest Area Standards.
- After conveyance of the Drainage and Utility Easement to the City on Parcel A-2, the City will allow the property owner of Parcels A-1 and B-1 to use the Drainage and Utility Easement on Parcel A-2 and to use Parcel B-2 (owned by the City) for grading and storm water management purposes in compliance with the Northwest Area Standards for the development of Parcels A-1 and B-1.

- With respect to access by the City to the storm water facilities constructed or to be constructed in Parcel A-2 in conjunction with the development of Parcels A-1 and B-1, the City shall use the maintenance access road on Outlot C, Scenic Hills First Addition or access through the City owned Parcel B-2; provided, however, the property owner of Parcel A-1 and B-1 is responsible for and must construct the access road on Parcel A-2 and the unfinished segment on Outlot C, Scenic Hills First Addition which meets the Northwest Area Standards and which connects the existing access on Outlot C, Scenic Hills First Addition, across Parcel A-1 as necessary, to the proposed stormwater management facilities on Parcel A-2.
- The City agrees that when Parcels A-1 and B-1 are developed, the acreage contained in Parcel A-2 (owned by Rechtzigel, subject to the Drainage and Utility Easement in favor of the City) shall be included as part of the density calculation to arrive at the density for Parcels A-1 and B-1.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Inver Grove Heights:

1. The following attached two Purchase Agreements are hereby approved:
 - Purchase Agreement from the City (as Seller) to Rechtzigel (as Buyer)
 - Purchase Agreement for Drainage and Utility Easements from Rechtzigel (as Seller) to the City (as Buyer)
2. The following attached two Drainage and Utility Easements are hereby approved:
 - Permanent Drainage and Utility Easement relating to Parcel A-1
 - Permanent Drainage and Utility Easement relating to Parcel A-2
3. The Mayor and City Clerk are authorized to execute the attached two Purchase Agreements and the attached two Easements.
4. The Mayor and City Clerk and City Attorney are authorized to execute all closing documents in connection with the Purchase Agreement transactions.

Adopted by the City Council of the City of Inver Grove Heights this 14th day of June, 2021.

Tom Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk

**PURCHASE AGREEMENT
BY AND BETWEEN**

**CITY OF INVER GROVE HEIGHTS
(SELLER)**

AND

**KURT A. RECHTZIGEL
(BUYER)**

**FOR PURCHASE OF A PORTION OF LAND LOCATED AT
1467 – 80TH STREET E., INVER GROVE HEIGHTS, MINNESOTA, DAKOTA COUNTY**

(Closing Date: June 18, 2021)

BUYER:

Kurt A. Rechtzigel
1407 – 80th Street E.
Inver Grove Heights, MN 55077

SELLER:

City of Inver Grove Heights
8150 Barbara Avenue
Inver Grove Heights, MN 55077

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (Agreement) is made this 14th day of June, 2021, by and between Seller and Buyer as hereafter defined. Subject to the performance by the Buyer of the provisions and conditions hereinafter set forth, Seller in consideration of the Purchase Price to be paid as hereinafter provided agrees to sell and convey to Buyer and Buyer agrees to purchase the Real Property. Subject to the covenants, warranties, representations and mutual consideration herein contained, the parties hereby agree as follows:

SECTION 1. DEFINITIONS.

1.1 Terms. The following terms, unless elsewhere defined specifically in this Agreement, shall have the following meanings as set forth below.

1.2 Buyer. Buyer shall mean Kurt A. Rechtzigel, a single person, and his successors and assigns.

1.3 Seller. Seller shall mean City of Inver Grove Heights, a municipal corporation organized and existing under the laws of the State of Minnesota.

1.4 Real Property. Real Property shall mean that portion of the following tax parcel located in the City of Inver Grove Heights, County of Dakota, State of Minnesota, identified as Dakota County Tax No. 20-00800-51-020, legally described and depicted on the attached Exhibit A, which exhibit is incorporated by reference. The Real Property shall also include all of the right, title and interest of the owner of the property in and to any easements, rights of way, privileges, appurtenances, and right to the same belonging to or inuring to the benefit of the Real Property described on Exhibit A. The City shall retain the City Retained Parcel.

1.5 Intentionally Omitted.

1.6 Title Company. Title Company means DCA Title located at 750 Main Street, Suite 208, Mendota Heights, MN 55120.

1.7 Permitted Encumbrances. Permitted Encumbrances shall mean and comprise the following:

- a.) building and zoning laws, ordinances, state and federal regulations;
- b.) minerals and mineral rights reserved by the State of Minnesota;
- c.) easements, restrictions and reservations of record identified on the attached Exhibit B (subject to Buyer's right pursuant to Section 13 to cancel this Agreement if such easements, restrictions and reservations are not satisfactory and acceptable to Buyer);

- d.) Reservation to the City of Inver Grove Heights and its successors and assigns a permanent non-exclusive easement for the purposes of street, right-of-way, drainage and utilities under, over, across, through and upon the southern 50 feet of the Real Property described herein.

1.8 Closing Date. Closing Date shall mean on or before June 18, 2021; or such other date that shall be mutually agreeable to Seller and Buyer.

1.9 Possession Date. Possession Date shall mean Closing Date.

1.10 Due Diligence Date. Due Diligence Date shall mean on or before the Closing Date.

1.11 Title Approval Date. Title Approval Date shall mean the date specified in Section 10 as the Title Approval Date.

1.12 Governmental / Zoning Approval Date. Governmental /Zoning Approval Date shall mean on or before Due Diligence Date.

1.13 Closing Documents. Closing Documents shall mean and comprise the following:

- a.) Warranty Deed for the Real Property, subject to Permitted Encumbrances.
- b.) An affidavit by Seller of no judgments, no tax liens and no unrecorded interests.
- c.) Satisfaction of any liens and mortgages on the Real Property.
- d.) All other documents affecting title to and possession of the Real Property and necessary to transfer or assign the same to Buyer by the Warranty Deed.
- e.) An affidavit by Seller that there has been no labor or materials furnished for which mechanic liens can be filed with respect to any labor or materials ordered by Seller.
- f.) A “bring down certificate” by Seller certifying that the warranties and representations of Seller contained in this Agreement shall be true in all respects at and as of the Closing Date as though such representations, warranties, covenants and agreements were made at and of the Closing Date.
- g.) Any certificate required by Minnesota Statutes with respect to any above-ground storage tanks located on the Real Property, if such tanks exist.
- h.) A Well Disclosure Certificate, if a water well exists and a Sewage Treatment System Disclosure, if applicable.
- i.) FIRPTA Affidavit. An affidavit of Seller certifying that Seller is not a “foreign person”, “foreign partnership”, foreign trust”, “foreign estate” or “disregarded

entity” as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended.

- j.) Seller’s Affidavit. A standard owner's affidavit (ALTA form) from Seller which may be reasonably required by Title Company to issue an owner's policy of title insurance with respect to the Real Property with the so-called “standard exceptions” deleted.
- k.) Settlement Statement. A settlement statement with respect to this transaction.
- l.) Title Policy. An ALTA Owner’s Policy of Title Insurance, the premium for which shall be paid by Buyer.
- m.) General Deliveries. All other documents reasonably determined by Title Company to be necessary to transfer the Real Property to Buyer and to evidence that Seller (a) has satisfied all indebtedness with respect thereto, (b) has obtained such termination statements or releases from such secured creditors as may be necessary to ensure that the Real Property is subject to no liens or encumbrances, (c) has obtained all consents from third parties necessary to effect the terms of this Agreement, including, without limitation, the consents of all parties holding an interest in the Real Property, (d) has provided such other documents as are reasonably determined by Title Company to be necessary to issue policies of title insurance to Buyer with respect to the Real Property with the so-called “standard exceptions” deleted, and (e) has duly authorized the transactions contemplated hereby.

1.14 Closing Location. Closing Location shall mean the business offices of the title insurance company (Title Company) referenced in Section 10.

1.15 Conditions Precedent To Closing By Seller. Conditions Precedent To Closing By Seller shall mean the following:

- a.) Accuracy of Representations. The representations, warranties, covenants and agreements of Buyer contained in this Agreement or in any written statement memorandum or exhibit that shall be delivered pursuant to this Agreement shall be true in all respects at and as of the Closing Date as though such representations, warranties, covenants and agreements were made at and of the Closing Date.
- b.) Performance. The Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing Date.
- c.) Absence of Litigation. No action or proceeding by or before any court or other governmental body shall have been instituted or threatened pertaining to any transaction contemplated by this Agreement or its consummation or the transfer or

sale of the Real Property.

- d.) Approval of Documents. Other than documents the forms of which are specified in Exhibits hereto, the form and substance of all certificates, instruments, opinions and other documents delivered by one party to another under this Agreement shall be satisfactory in all reasonable respect to the party to receive the document and its counsel.
- e.) Property Split. A Condition Precedent to Closing is that the City approves the split of Dakota County Tax Parcel No. 20-00800-51-020 into the Real Property (described on Exhibit A) and into the City Retained Parcel (described in Section 1.35).
- f.) Consistency with Comprehensive Plan. A Condition Precedent to Closing is that pursuant to Minnesota Statutes § 462.356, Subd. 2 the Planning Commission of the City of Inver Grove Heights issues a report concerning whether the sale of the Real Property is consistent with the Comprehensive Plan of the City.

1.16 Conditions Precedent To Closing By Buyer. Conditions Precedent To Closing By Buyer shall mean the following:

- a.) Accuracy of Representations. The representations, warranties, covenants and agreements of Seller contained in this Agreement or in any written statement memorandum or exhibit that shall be delivered pursuant to this Agreement shall be true in all respects at and as of the Closing Date as though such representations, warranties, covenants and agreements were made at and of the Closing Date.
- b.) Performance. Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing Date.
- c.) Absence of Litigation. As of the Closing Date, no action or proceeding by or before any court or other governmental body shall have been instituted or threatened pertaining to any transaction contemplated by this Agreement or its consummation or the transfer or sale of the Real Property.
- d.) Approval of Documents. Other than documents the forms of which are specified in Exhibits hereto, the form and substance of all certificates, instruments, opinions and other documents delivered by one party to another under this Agreement shall be satisfactory in all reasonable respect to the party to receive the document and its counsel.
- e.) Acceptance of Marketable Title. On or before the Title Approval Date, the Buyer has approved the status of the marketability of title with respect to the Real Property and the Buyer has waived any objections to the status of the marketability of title or

the Seller has removed or cured any objections made by Buyer as to the status of the marketability of title.

- f.) Easement Approval Contingency. On or before the Title Approval Date, the Buyer has accepted the easements shown on the Title Commitment and listed within the Permitted Encumbrances or has waived any objections to the easements listed within the Permitted Encumbrances or on the Title Commitment.
- g.) Encroachment Approval Contingency. On or before the Due Diligence Date, the Buyer has accepted and approved the encroachments shown by any survey of the Real Property or otherwise visually identifiable on the Real Property or the Buyer has waived any objection to the encroachment.
- h.) Environmental / Physical Condition Approval Contingency. On or before the Due Diligence Date, Buyer has inspected the Real Property and has determined in the sole judgment of the Buyer that the environmental condition of the Real Property is acceptable to Buyer and suitable for Buyer's intended use.
- i.) Governmental / Zoning Approval Contingency. On or before the Governmental / Zoning Approval Date, the Buyer, at its own expense, has satisfied itself that the zoning of the Real Property is adequate for Buyer's intended use and Buyer has obtained whatever governmental approvals the Buyer deems necessary or advisable for the Buyer's intended use of the Real Property; or on or before the Governmental / Zoning Approval Date, the Buyer has waived its right to obtain government approvals.
- j.) Suitability Approval Contingency. On before the Due Diligence Date, the Buyer, in its sole discretion, shall determine whether the Real Property is suitable for the intended use to be made by the Buyer.

1.17 Purchase Considerations. The Purchase Consideration for the Real Property means that the Buyer grants and conveys to the Seller those certain Drainage and Utility Easements identified and legally described in the Purchase Agreement for Drainage and Utility Easements between Kurt A. Rechtzigel (as Seller) and City of Inver Grove Heights (as Buyer) of even date herewith.

1.18 Seller's Warranties. Seller's Warranties shall mean and comprise the following:

Seller represents and warrants to Buyer that:

- a.) Authority and Organization. Seller is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of Minnesota. Seller has all requisite power and authority to own, use and sell the Real Property.

Seller has the right, power, legal capacity and authority to enter into and perform the

Seller's obligations under this Agreement, and no approvals or consents of any persons or entities are necessary. The execution and delivery of this Agreement does not and the consummation of the transactions contemplated hereby will not violate any indenture, mortgage, lease, deed of trust, agreement, arrangement, license, order, judgment or decree.

- b.) No Default. Seller is not a party to or bound by any mortgage, lien, lease, agreement, instrument, order, judgment or decree which would prohibit the execution or performance of this Agreement by Seller or prohibit any of the transactions provided for in this Agreement.
- c.) Title. At Closing Date, Seller will have good and marketable title pursuant to the laws of the State of Minnesota to the Real Property to be conveyed hereunder. At Closing Date, the Real Property will not be subject to a contract or other agreement of sale or subject to security interests, mortgages, encumbrances, liens (including income, personal property and other tax liens) or off-sets, claims, reductions or charges of any kind or character.
- d.) Litigation. There is no suit, action, arbitration or legal, administrative or other proceeding or governmental investigation pending or, to the best knowledge of Seller, threatened, against or affecting Seller with respect to the Real Property.
- e.) Full Disclosure. None of the representations and warranties made by Seller or made in any exhibit hereto, certificate or memorandum furnished or to be furnished by them, or on their behalf, contains or will contain any untrue statement of material fact or omit any material fact the omission of which would be misleading.
- f.) No Condemnation Notice. Seller has not received any notice of condemnation proceedings against the whole or any part of the Real Property.
- g.) Intentionally Omitted. This section has been intentionally omitted.
- h.) Intentionally Omitted. This section has been intentionally omitted.
- i.) No Boundary Disputes. To Seller's best knowledge, there are no boundary disputes relating to the Real Property.
- j.) No Unrecorded Agreements. There are no unrecorded agreements, covenants, easements, leases, rights of first refusal or options to purchase concerning the Real Property.

1.19 Buyer's Warranties. Buyer's Warranties shall mean the following:

Buyer represents and warrants to Seller that:

- a.) Authority. Buyer has the right, power, legal capacity and authority to enter into and perform its obligations under this Agreement.
- b.) No Other Approvals Necessary. No approvals or consents of any persons other than Buyer are necessary in connection with it. Buyer has taken all necessary action to authorize the execution of this Agreement and the consummation of the transactions contemplated hereby.

1.20 Hazardous Substance. Hazardous Substance means any of the following:

- a.) Any commercial chemical designated pursuant to the Federal Water Pollution Control Act, under United States Code, title 33, Section 1321(b)(2)(A);
- b.) Any hazardous air pollutant listed pursuant to the Clean Air Act, under United States Code, title 42, section 7412;
- c.) Any hazardous substance, pollutant or contaminant regulated under the Comprehensive Environmental Response Compensation and Liability Act as amended, 42 U.S.C. 9601 et. seq. (CERCLA); and hazardous substance, pollutant or contaminant regulated under similar Minnesota environmental laws;
- d.) Any hazardous waste under Minnesota laws;
- e.) Pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act, as amended, 7 U.S.C. Section 136 et. seq. (FIFRA);
- f.) Asbestos, polychlorinated biphenyls (PCBs), toxic substances, and other substances regulated under the Toxic Substances Control Act, as amended, 15 U.S.C. section 2601 et. seq. (TSCA);
- g.) Source material, special nuclear material, by product materials, any other radioactive materials or radioactive wastes however produced, regulated under the Atomic Energy Act, as amended, 42 U.S.C. section 2011 et. seq. or the Nuclear Waste Policy Act of 1982, as amended, 42 U.S.C. section 10101 et. seq.;
- h.) Industrial process and pollution control wastes, which are hazardous within the meaning of the Resource Conservation And Recovery Act, as amended 42 U.S.C. Section 6901 et. seq. (RCRA);
- i.) Any hazardous material under the Hazardous Materials Transportation Act, 49 USCS Appx. Section 1801 et. seq.;
- j.) Any hazardous material listed in Code of Federal Regulation Title 49, Section 172.101;

k.) Any pollutant or contaminant as defined by 42 U.S.C. Section 9601.

1.21 Release. Release means any spilling, leakage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment of any Waste, Hazardous Substance, Petroleum or pollutant or contaminant as defined by 42 U.S.C. Section 9601.

1.22 Petroleum. Petroleum means any of the following:

- a.) gasoline
- b.) fuel oil
- c.) kerosene
- d.) any petroleum distillate
- e.) any petroleum residual
- f.) diesel fuel
- g.) oil
- h.) ethanol.

1.23 Construction Debris. Construction Debris means construction debris as defined by Minn. Stat. § 115A.03.

1.24 Demolition Debris. Demolition Debris means solid waste resulting from the demolition of buildings, roads, and other man-made structures including concrete, brick, bituminous concrete, untreated wood, masonry, glass, trees, rock, and plastic building parts.

1.25 Industrial Solid Waste. Industrial Solid Waste means industrial waste as defined by Minn. Stat. § 115A.03.

1.26 Mixed Municipal Solid Waste. Mixed Municipal Solid Waste means mixed municipal solid waste as defined by Minn. Stat. § 115A.03.

1.27 Solid Waste. Solid Waste means solid waste as defined by Minn. Stat. § 115A.03.

1.28 Hazardous Waste. Hazardous Waste means hazardous waste as defined by Minn. Stat. § 115B.02.

1.29 Pollutants. Pollutants means pollutants as defined by Minn. Stat. § 115B.02.

1.30 Contaminants. Contaminants means contaminants as defined by Minn. Stat. § 115B.02.

1.31 Sewage Sludge. Sewage Sludge means sewage sludge as defined by Minn. Stat. § 115A.03.

1.32 Waste. Waste means, jointly and severally, the following:

- a.) Hazardous Substances
- b.) Hazardous Waste
- c.) Pollutants
- d.) Contaminants
- e.) Construction Debris
- f.) Demolition Debris
- g.) Industrial Solid Waste
- h.) Mixed Municipal Solid Waste
- i.) Solid Waste.
- j.) Sewage Sludge.

1.33 Environmental Laws. "Environmental Laws" shall mean all federal laws and regulations that protect or regulate the environment, including, but not limited to, the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Clean Water Act 33 U.S.C. § 1251 et seq., and the Water Quality Act of 1987; the Federal Insecticide Fungicide, and Rodenticide Act ("FIFRA"), 7 U.S.C. § 136 et seq., the Marine Protection Research, and Sanctuaries Act, 33 U.S.C. § 1401 et seq.; the National Environmental Policy Act, 42 U.S.C. § 4321 et seq.; the Noise Control Act, 42 U.S.C. § 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq. as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. § 3001 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq. as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-To-Know Act, and Radon Gas and Indoor Air Quality research Act; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. § 2601 et seq.; the Atomic Energy Act, 42 U.S.C. § 2011 et seq., and the Nuclear Waste Policy Act of 1982, 42 U.S.C. § 2011 et seq., all as may be amended, with implementing regulations and guidelines.

Environmental Laws shall also include The Minnesota Environmental Response and

Liability Act ("MERLA") and state, regional, county, municipal, and other local laws, regulations, and ordinances insofar as they are equivalent or similar to the federal laws recited above or purport to regulate Waste or Petroleum.

1.34 Rechtzigel Retained Parcel. Rechtzigel Retained Parcel shall mean the property owned by Seller and being retained by Seller that is legally described on Exhibit C attached hereto.

1.35 City Retained Parcel. City Retained Parcel shall mean the property owned by the City that is legally described on Exhibit D attached hereto.

SECTION 2. PURCHASE CONSIDERATION AND MANNER AND TIME OF DELIVERY.

Buyer, in consideration of the mutual promises and covenants herein contained, agrees to deliver to the Seller for the Real Property the Purchase Consideration in the manner and at the times set forth below:

The Purchase Consideration shall be delivered on the Closing Date in the manner set forth in that certain Purchase Agreement for Drainage and Utility Easements between Kurt A. Rechtzigel (as Seller) and City of Inver Grove Heights (as Buyer) of even date herewith.

Kurt A. Rechtzigel shall retain fee ownership of the Rechtzigel Retained Parcel.

The City shall retain fee ownership of the City Retained Parcel.

At Closing Date, Seller shall deliver to Buyer a general Warranty Deed for the Real Property, subject to Permitted Encumbrances.

Such conveyances will be free of all liens, mortgages, pledges and charges.

If the Conditions Precedent referenced in Section 13 are neither met nor waived, then this Agreement shall be cancelled pursuant to Section 13. If the Conditions Precedent referenced in Section 13 are either met or waived, but the Buyer does not close this transaction, then this Agreement shall be cancelled.

SECTION 3. OBLIGATION TO PROVIDE WARRANTY DEED. Subject to performance by the Buyer of the Agreement herein, the Seller agrees to execute and deliver a Warranty Deed for the Real Property, subject to Permitted Encumbrances. The Real Property shall be free of any lien, mortgage, charge, or lease save and except the Permitted Encumbrances.

SECTION 4. REAL ESTATE TAXES. Seller shall pay all real estate taxes payable prior to the year of closing, plus any penalty and interest. Seller does not make any representation concerning the amount of real estate taxes which will be assessed against the Real Property subsequent to the date of purchase.

With respect to real estate taxes payable in the year of closing, such real estate taxes will be prorated to the date of closing with the Seller paying the taxes attributable for the time frame on and prior to the Closing Date.

SECTION 5. SPECIAL ASSESSMENTS. Seller shall pay at time of Closing all levied special assessments, including the installment of special assessments and payable in the year of Closing and including already levied special assessments payable in installments. Seller shall be responsible for and shall pay for any unlevied special assessments pending as of Closing Date.

SECTION 6. ENVIRONMENTAL CONDITION OF REAL PROPERTY. It is agreed and understood that the Buyer will be inspecting the Real Property and that the Buyer will be purchasing the Real Property in its "AS IS" condition with no warranties or representations by the Sellers as to the condition of the premises or any structures or improvements thereon, except as stated in the Seller's Warranties.

Buyer will have the opportunity to conduct environmental assessments and any other environmental tests that it desires, and will have the opportunity to make itself aware of any Waste or Hazardous Substances on the Real Property and will have the opportunity to make itself aware of any petroleum, natural gas, natural gas liquids, liquefied natural gas, and/or synthetic gas usable for fuel or mixtures thereof on the Real Property.

During the period beginning on the execution of this Agreement and ending on the Due Diligence Date, Buyer, at Buyer's sole cost and expense, may enter upon the Real Property and conduct tests, inspections, surveys and studies (including, without limitation, soil, environmental, physical, mechanical and structural) which Buyer may deem appropriate to determine the suitability of the Real Property for Buyer's intended use. In connection with any entry by Buyer, or its agents, employees or contractors onto the Real Property, Buyer shall give Seller reasonable advance notice of such entry and shall conduct such entry and any inspections in connection therewith so as to reasonably minimize, to the greatest extent reasonably possible, interference with Seller's current business and otherwise in a manner reasonably acceptable to Seller. Without limiting the foregoing, at least 48 hours prior to any entry to perform any on-site testing, Buyer shall give Seller written notice thereof, including the identity of the company or persons who will perform such testing and the proposed scope of the testing. Buyer shall maintain, and shall insure that its contractors maintain, at least one million dollars (\$1,000,000) of public liability and property damage insurance to insure against the liability of Buyer and its agents, employees or contractors, arising out of any entry or inspections of the Real Property pursuant to the provisions hereof, and Buyer shall provide Seller with reasonable evidence of such insurance coverage upon request by Seller. Buyer shall indemnify, defend and hold Seller harmless from and against any costs, damages, liabilities, losses, expenses, liens or claims (including, without limitation, reasonable attorneys' fees) to the extent arising out of or relating to any entry on the Real Property by Buyer, its agents, employees or contractors in the course of performing the inspections, testing or inquiries provided for in this Agreement. The foregoing indemnity shall survive the termination of this Agreement.

BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT IF BUYER DOES NOT

TERMINATE THIS AGREEMENT PRIOR TO 4:00 P.M. CENTRAL TIME ON THE DUE DILIGENCE DATE, THEN EXCEPT AS PROVIDED IN SECTIONS 1.18 AND 12, BUYER WILL BE PURCHASING THE REAL PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS WITH RESPECT TO THE FOLLOWING MATTERS AND THAT BUYER EXCEPT AS STATED IN SECTIONS 1.18 AND 12 IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER, ITS AGENTS, OR BROKERS WITH RESPECT TO THE FOLLOWING MATTERS CONCERNING THE REAL PROPERTY:

- (i) The quality, nature, adequacy and physical condition of the Real Property, including, but not limited to access, landscaping, parking facilities, sewage, and utility systems;
- (ii) The quality, nature, adequacy, and physical condition of soils, geology and any groundwater;
- (iii) The existence, quality, nature, adequacy and physical condition of utilities serving the Real Property;
- (iv) The development potential of the Real Property and the Real Property's use, habitability, merchantability, or fitness, suitability, value or adequacy of the Real Property for any particular purpose;
- (v) The zoning or other legal status of the Real Property or any other public or private restrictions on use of the Real Property;
- (vi) The compliance of the Real Property or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental or quasi-governmental entity or of any other person or entity;
- (vii) The economics of the operation of the Real Property;
- (viii) The environmental condition of the Real Property; and
- (ix) Compliance of the Real Property with the Environmental Laws.
- (x) Whether Waste, Hazardous Substances or Petroleum have been Released on the Real Property.

SECTION 7. GOVERNMENTAL / ZONING APPROVALS. To the extent the Buyer desires to seek governmental approvals for its intended use of the Real Property, the Buyer may apply for such governmental approvals as soon as possible after the date of this Agreement. As a Condition Precedent To Closing by Buyer, the Buyer must obtain governmental approvals by the Governmental / Zoning Approval Date or the Buyer must waive this contingency.

SECTION 8. SURVEY AND PHASE I ENVIRONMENTAL ASSESSMENT. Buyer may obtain an ALTA Survey of the Real Property. Buyer shall pay 50% of the cost of the survey and Seller shall pay 50% of the cost of the survey.

Buyer may obtain a Phase I Environmental Assessment (Phase I) of the Real Property. Buyer shall pay 50% of the cost of the Phase I Environmental Assessment and Seller shall pay 50% of the cost of the Phase I Environmental Assessment. If the Phase I Environmental Assessment indicates that there are Recognized Environmental Conditions (REC) regarding the Real Property then Buyer may obtain a Phase II Environmental Assessment or a Special Investigation Report and Buyer shall pay 50% of the cost of the Phase II Environmental Assessment or the Special

Investigation Report and Seller shall pay 50% of the Phase II Environmental Assessment or the Special Investigation Report.

SECTION 9. DUE DILIGENCE. Within three (3) business days of full execution and delivery of this Agreement, Seller shall deliver to Buyer reasonably accurate and reasonably complete copies of the following information and documents (Due Diligence Materials):

- a.) A copy of any written contracts (including service contracts), agreements and warranties that will affect the Real Property after the Closing Date.
- b.) Any existing title policy and/or title commitments, abstracts of title or registered property abstracts pertaining to the Real Property.
- c.) Current tax bill, including current or pending assessments for the Real Property.
- d.) A copy of all permits that affect the Real Property.
- e.) A copy of any Phase I and/or Phase II Environmental Reports as well as copies of any environmental permits, reports, logs or data concerning the Real Property in the possession or reasonable control of Seller, if any.
- f.) Any land surveys of the Real Property in possession of the Seller, if any.
- g.) Any notices, letters or other correspondence from the City of Owatonna or Steele County related to zoning changes, development covenants, permitted uses or future plans for the Real Property.
- h.) Any property condition reports, maintenance records, repair and cost records in possession of Seller.
- i.) Any geotechnical reports in possession of Seller.
- j.) Any notices, letters or other correspondence from the State of Minnesota or any of its agencies relating to the environmental condition of the Real Property.
- k.) Any unrecorded leases, licenses or easements affecting the Real Property.

SECTION 10. TITLE DOCUMENTS TO BE FURNISHED BY SELLER. The Seller shall furnish to the Buyer at the Seller's expense the following:

- a.) By June 7, 2021, a title insurance commitment covering the Real Property and appurtenant easements, if any, in either case to include property searches covering bankruptcies, state and federal judgments and tax liens, evidencing the Seller's title to the Real Property. The title insurance commitment shall be obtained from the Title Company.

- b.) Within ten (10) days following the Buyer's receipt of the documents referred to above, the Buyer shall give the Sellers written notice of any objections to the title of the Real Property.
- c.) If any objections are so made, the Seller shall be allowed ninety (90) days after receipt of such written objections to make such title marketable. The Seller further agrees to use all reasonable efforts and to expend such sums as may be reasonably necessary to make said title marketable in the event a defect is disclosed. Pending correction of title, the payments herein required shall be postponed but upon correction of title and within ten (10) days after written notice to the Buyer, the Buyer and the Seller shall perform this Agreement according to its terms.
- d.) If said title is not marketable and is not made so within ninety (90) days from the date of delivery of the written objections thereto as above provided, then Buyer shall have the right (a) to terminate this Agreement upon notice given to Seller or (b) to waive such objections and proceed with such purchase. If title to the Real Property is marketable or is made marketable within said time, and Buyer shall default in any of the agreements herein contained, then and in such case, the Seller may terminate this Agreement, time being of the essence hereof.

For purposes of Sections 1.11 and 13, the Title Approval Date means ten (10) days following Buyers receipt of the documents referenced in this Section 10(a) except that with respect to any objections to title that have been made, the Title Approval Date means the date ninety (90) days after the receipt by Seller of such written objections from Buyer.

SECTION 11. CLOSING DATE AND POSSESSION DATE. Subject to performance by the Buyer of this Agreement, the closing shall occur on the Closing Date. The Seller agrees to deliver possession no later than the Possession Date provided that all conditions of this Agreement have been met. The delivery of all papers, monies and matters relating to the closing shall take place at the Closing Location.

Up to an additional 30 days, Buyer, in its sole discretion, may, in writing, extend and elongate the Title Approval Date, the Due Diligence Date, Governmental / Zoning Approval Date and the Closing Date.

SECTION 12. WARRANTIES. Seller represents and warrants to Buyer all of the Seller's Warranties as defined in this Agreement. The Seller's Warranties shall survive the Closing and shall not merge with the Closing Documents.

Buyer represents and warrants to Seller the Buyer's Warranties as defined in this Agreement. The Buyer's Warranties shall survive the Closing and shall not merge with the Closing Documents.

SECTION 13. CONDITIONS PRECEDENT. The obligations of Buyer to purchase the Real Property are subject to the satisfaction, at or before the Closing Date, of all the Conditions

Precedent to Closing by Buyer. Buyer may waive any or all of the conditions which are included herein for its benefit in whole or in part without prior notice, provided, however, that no such waiver of a condition shall constitute a waiver by Buyer of any of its other rights or remedies, at law or in equity, if Seller shall be in default of any of its representations, covenants, indemnifications, warranties or agreements under this Agreement. If the Conditions Precedent To Closing By Buyer are not satisfied, and if Buyer does not waive such Conditions Precedent To Closing By Buyer, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase agreement.

The obligations of Seller to sell Real Property are subject to the satisfaction, at or before the closing, of all the Conditions Precedent To Closing By Seller. Seller may waive any or all of the conditions which are included herein for their benefit in whole or in part without prior notice, provided, however, that no such waiver of a condition shall constitute a waiver by Seller of any of its other rights or remedies, at law or in equity, if Buyer shall be in default of any of its representations, warranties or agreements under this Agreement. If the Conditions Precedent To Closing By Seller are not satisfied, and if Seller does not waive such Conditions Precedent To Closing By Seller, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase agreement.

The obligations of Buyer to purchase the Real Property are subject to the satisfaction, at or before the Due Diligence Date, of the Environmental / Physical Condition Approval Contingency stated in Sections 1.16(h) and 6. If the Environmental / Physical Condition Approval Contingency is not satisfied, and if Buyer does not waive such Environmental / Physical Condition Approval Contingency, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase agreement. On or before the Due Diligence Date, Buyer must give written notice to Seller as to whether the Environmental / Physical Condition Approval Contingency has satisfied, or whether the Environmental / Physical Condition Approval Contingency has been waived by Buyer.

The obligations of Buyer to purchase the Real Property are subject to the satisfaction, at or before the Governmental / Zoning Approval Date, of the Governmental / Zoning Approval Contingency stated in Sections 1.16(i) and 7. If the Governmental / Zoning Approval Contingency is not satisfied, and if Buyer does not waive such Governmental / Zoning Approval Contingency, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase agreement. On or before the Governmental / Zoning Approval Date, Buyer must give written notice to Seller as to whether the Governmental / Zoning Approval Contingency has satisfied, or whether the Governmental / Zoning Approval Contingency has been waived by Buyer.

The obligations of Buyer to purchase the Real Property are subject to the satisfaction, at or before the Title Approval Date, of the Easement Approval Contingency stated in Section 1.16(f). If the Easement Approval Contingency is not satisfied, and if Buyer does not waive such Easement Approval Contingency, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase

agreement. On or before the Title Approval Date, Buyer must give written notice to Seller as to whether the Easement Approval Contingency has been satisfied, or whether the Easement Approval Contingency has been waived by Buyer.

The obligations of Buyer to purchase the Real Property are subject to the satisfaction, at or before the Due Diligence Date, of the Encroachment Approval Contingency stated in Section 1.16(g). If the Encroachment Approval Contingency is not satisfied, and if Buyer does not waive such Encroachment Approval Contingency, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase agreement. On or before the Due Diligence Date, Buyer must give written notice to Seller as to whether the Encroachment Approval Contingency has been satisfied, or whether the Encroachment Approval Contingency has been waived by Buyer.

The obligations of Buyer to purchase the Real Property are subject to the satisfaction, at or before the Title Approval Date, of the Suitability Approval Contingency stated in Section 1.16(j). If the Suitability Approval Contingency is not satisfied, and if Buyer does not waive such Suitability Approval Contingency, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase agreement. On or before the Title Approval Date, Buyer must give written notice to Seller as to whether the Suitability Approval Contingency has been satisfied, or whether the Suitability Approval Contingency has been waived by Buyer.

SECTION 14. CLOSING DOCUMENTS. Subject to performance by the Buyer, the Seller agrees to execute as necessary and deliver at the Closing Date the Closing Documents to be provided by Seller.

SECTION 15. ASSIGNABILITY OF INTEREST. This Purchase Agreement may not be assigned by the Buyer without Seller's written consent.

SECTION 16. COSTS.

16.1 State Deed Tax. Upon delivery of the Warranty Deed, Seller shall pay the state deed tax due on the Warranty Deed.

16.2 Title Insurance. Buyer intends to obtain a title insurance policy with respect to the Real Property. Buyer shall be obligated to pay for any title insurance premiums. Seller shall pay for the title commitment.

16.3 Closing Fee And Escrow Fees. Any closing fee or escrow fee charged by the title company shall be paid one-half by Seller and one-half by Buyer. Buyer shall pay for the cost of recording the Warranty Deed.

16.4 Survey Costs. Buyer shall pay 50% of the cost of the ALTA Survey and Seller shall pay 50% of the cost of the ALTA Survey.

16.5 Phase I Environmental Assessment Costs. Buyer shall pay 50% of the cost of the Phase I Environmental Assessment. Seller shall pay 50% of the cost of the Phase I Environmental Assessment. Buyer shall pay 50% of the cost of any Phase II Environmental Assessment and 50% of the cost of any Environmental Special Investigation. Seller shall pay 50% of the cost of any Phase II Environmental Assessment and 50% of the cost of any Environmental Special Investigation.

16.6 City Legal Fees. In conjunction with this transaction and in conjunction with the transaction relating to the conveyance by Kurt A. Rechtzigel to the City of the Drainage and Utility Easements under the Purchase Agreement for Drainage and Utility Easements, Kurt Rechtzigel shall reimburse the City the total sum of \$5,000 relating to legal fees for drafting documents, reviewing survey, reviewing title evidence, reviewing environmental assessments and closing of the transactions.

16.7 Time of Payment. The costs required to paid under this Section 16 shall be paid at Closing Date.

SECTION 17. AMENDMENT AND WAIVER. The parties hereto may by mutual written agreement amend this Agreement in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this Agreement or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this Agreement, waive compliance by another with any of the covenants contained in this Agreement, waive performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Agreement. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

SECTION 18. BROKER'S COMMISSION. Buyer and Seller hereby acknowledge that no broker represents the Buyer and no broker represents the Seller. No brokers, finders or the like have been involved with this transaction.

Seller and Buyer hereby agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any such fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorneys' fees.

This Section 18 shall survive the Closing and shall not merge with the Closing Documents.

SECTION 19. Intentionally Omitted.

SECTION 20. TERMINATION; REMEDIES.

20.1 Termination. Notwithstanding any other term or condition in this Agreement to the contrary, this Agreement may be terminated and the transactions contemplated herein may be abandoned prior to Closing as follows:

- a.) by the mutual written consent of Seller and Buyer at any time prior to Closing; or
- b.) by Seller by sending written notice to Buyer in the event of a breach by Buyer of any representation, warranty, or covenant of Buyer made under this Agreement, unless such breach is (i) cured and remedied by Buyer within ten (10) days after receipt of Seller's notice thereof; or (ii) waived by Seller; or
- c.) by Buyer by sending written notice to Seller in the event of a breach by any Seller of any agreement, representation, warranty, or covenant of Seller made under this Agreement, unless such breach is (i) cured and remedied by Seller within ten (10) days after receipt of Buyer's notice thereof; or (ii) waived by Buyer; or
- d.) by Buyer pursuant to Sections 10 and 13; or
- e.) by Seller pursuant to Sections 10 and 13.

20.2 Effect of Termination; Remedies. Solely except as otherwise provided in this Agreement, the rights and remedies of each Buyer and Seller in the event of termination of this Agreement shall be limited as follows notwithstanding any other legal or equitable provisions or principles applicable thereto but for this Section 20.2:

- a.) If Seller is entitled to terminate this Agreement, Seller may terminate this Agreement by a written notice to Buyer, which shall constitute the sole and exclusive remedy of Seller. Except as otherwise provided in the preceding sentence, Seller shall not be entitled to any other right or remedy.
- b.) If Buyer is entitled to terminate this Agreement, Buyer may terminate this Agreement by a written notice to Seller, which shall constitute the sole and exclusive remedy of Buyer. Except as otherwise provided in the preceding sentence, Buyer shall not be entitled to any other right or remedy.

SECTION 21. MISCELLANEOUS.

21.1 Condemnation. The risk of loss from condemnation or a threat thereof shall remain on Seller until Closing. If prior to Closing any portion of the Real Property is condemned under the power of eminent domain, is the subject of threatened condemnation, or is conveyed to a condemning authority in lieu of condemnation, Seller shall notify Buyer in writing of the threat, condemnation or conveyance within five (5) days of its occurrence. Buyer shall, within ten (10) days of the notice, have the option of (a) proceeding with Closing and receiving the award of condemnation payment (or an assignment thereof, if the same is not received at Closing); or (b)

terminating this Agreement.

21.2 Entire Agreement; Modification; Effect to Prior Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated herein and shall not be modified or amended except by an instrument in writing signed by or on behalf of the parties hereto.

21.3 Successors and Assigns. Neither this Agreement nor any of its rights, interests or obligations hereunder shall be assigned or delegated by any party hereto (whether by operation of law or otherwise) without the prior written consent of other non-assigning (or non-delegating) party or parties, and any attempt to make any such assignment or delegation without such consent shall be null and void.

21.4 Notices. All notices, requests, demands and other communications hereunder shall be in writing and deemed to be duly given, (a) when delivered by hand, with a record of receipt, (b) the fourth day after mailing, if mailed by certified or registered mail, return receipt requested with postage prepaid, (c) the day delivered by a nationally recognized overnight courier, with a record of receipt, or (d) the day of transmission, with confirmation of receipt, if delivered by facsimile or electronic mail during regular business hours (which regular business hours shall be 9:00 am – 5:00 pm, Monday through Friday excluding office holidays, at the office where received), or the day after transmission, with confirmation of receipt, if delivered by facsimile or electronic mail after regular business hours, to the parties at the following addresses (or to such other address as a party may have specified by the notice given to the other party pursuant to this provision):

If to Buyer:	Kurt A. Rechtzigel 1407 – 80th Street E. Inver Grove Heights, MN 55077
--------------	--

If to Seller:	City of Inver Grove Heights 8150 Barbara Avenue Inver Grove Heights, MN 55077
---------------	---

21.5 Damage Prior to Closing. In the event of any destruction or damage to the Real Property by fire, wind, flood, storms, or other acts of God, either Seller or Buyer, at its sole option, may terminate this Agreement without further cost or expenses to either Party.

21.6 Extension; Waiver. At any time prior to the Closing Deadline, the parties hereto may by mutual agreement set forth in a written instrument signed on behalf of the parties, to the extent legally allowed, (i) extend the time described in this Agreement for the performance of any of the obligations or other acts of the parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, and (iii) waive compliance with any of the agreements or conditions contained herein.

21.7 Counterparts. This Agreement may be executed in any number of counterparts

each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission or other electronic means or transmission (i.e., a "pdf") shall be as effective as delivery of a manually executed counterpart of this Agreement.

21.8 Survival. Notwithstanding Closing or termination of this Agreement for any cause or reason, all terms, conditions, covenants, agreements, representations and warranties made by Seller and/or Buyer in this Agreement that by their terms are to be performed or are applicable to time periods after the date of such Closing, and the respective rights, remedies, duties, and obligations of each Seller and Buyer thereunder shall survive such Closing and shall continue in full force and effect thereafter.

The Seller's Warranties shall survive the Closing and shall not merge with the Closing Documents.

The Buyer's Warranties shall survive the Closing and shall not merge with the Closing Documents.

21.9 Headings. The headings in this Agreement are for convenience only and are not part of this Agreement and do not in any way limit or amplify the terms and provisions hereof. It is understood and agreed that this Agreement has been made following negotiation by the parties and it is, therefore, not to be construed against any party because of draftsmanship.

21.10 Compliance with Land Alteration Permit. The Buyer shall not excavate or grade the Real Property without first obtaining a Land Alteration Permit from the City. The Buyer shall not fill the Real Property with earthen material or extract earthen material from the Real Property without first obtaining a Land Alteration Permit from the City. The Buyer shall comply with the terms and conditions of any Land Alteration Permit issued by the City.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the Effective Date.

SELLER:
CITY OF INVER GROVE HEIGHTS

By: _____
Tom Bartholomew
Its: Mayor

ATTEST:

Rebecca Kiernan, City Clerk

BUYER:

Kurt A. Rechtzigel

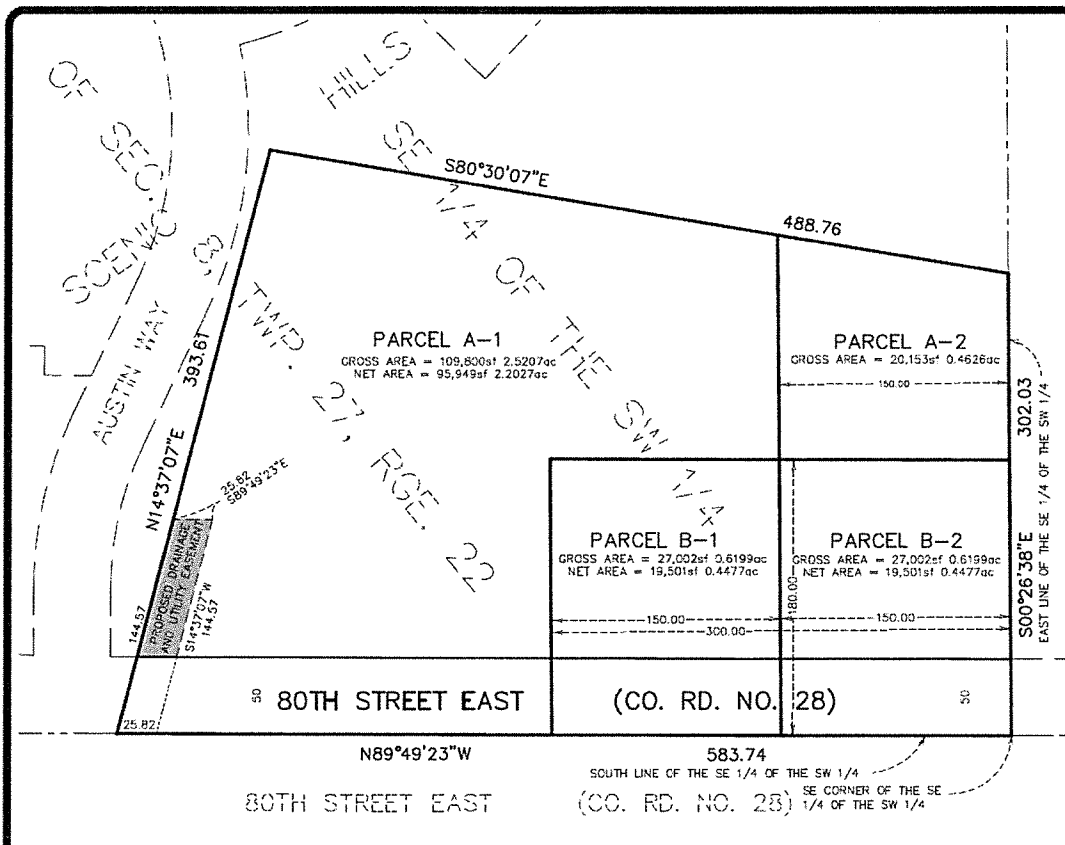
EXHIBIT A
LEGAL DESCRIPTION AND DEPICTION OF REAL PROPERTY

Real Property in the City of Inver Grove Heights, County of Dakota, State of Minnesota, legally described as follows:

PROPOSED DESCRIPTION FOR PARCEL B-1

The west 150.00 feet of the east 300.00 feet of the south 180.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota.

Reserving to the City of Inver Grove Heights and its successors and assigns a permanent non-exclusive easement for the purposes of street, right-of-way, drainage and utilities under, over, across, through and upon the southern 50 feet of the Real Property described above.



PROPOSED DESCRIPTION FOR PARCEL A-1

That part of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, described as follows:

Beginning at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along the south line of said Southeast Quarter of the Southwest Quarter, a distance of 583.74 feet; thence North 14 degrees 37 minutes 07 seconds East, a distance of 393.61 feet; thence South 80 degrees 30 minutes 07 seconds East, a distance of 488.76 feet, to the east line of said Southeast Quarter of the Southwest Quarter; thence South 00 degrees 26 minutes 38 seconds East, along said east line, to the point of beginning.

Except the east 150.00 feet thereof.

And except the west 150.00 feet of the east 300.00 feet of the south 180.00 feet of said Southeast Quarter of the Southwest Quarter.

PROPOSED DESCRIPTION FOR PARCEL A-2

That part of the east 150.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, lying south of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along said south line a distance of 583.74 feet; thence North 14 degrees 37 minutes 07 seconds East, a distance of 393.61 feet, to the point of beginning of the line to be described; thence South 80 degrees 30 minutes 07 seconds East, a distance of 488.76 feet, to the east line of said Southeast Quarter of the Southwest Quarter and there terminating.

Except the south 180.00 feet thereof.

PROPOSED DESCRIPTION FOR PARCEL B-1

The west 150.00 feet of the east 300.00 feet of the south 180.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota.

PROPOSED DESCRIPTION FOR PARCEL B-2

The east 150.00 feet of the south 180.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota.

PROPOSED DRAINAGE AND UTILITY EASEMENT

An easement for drainage and utility purposes lying over, under and across the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, described as follows:

Beginning at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along said south line said Southeast Quarter of the Southwest Quarter, a distance of 583.74 feet, to the point of beginning; thence North 14 degrees 37 minutes 07 seconds East, a distance of 144.57 feet; thence South 89 degrees 49 minutes 23 seconds East, a distance of 25.82 feet; thence South 14 degrees 37 minutes 07 seconds West, a distance of 144.57 feet, to said south line; thence North 89 degrees 49 minutes 23 seconds West, along said south line, a distance of 25.82 feet, to the point of beginning. Except that part thereof lying southerly of the northerly right of way line of 80th Street East.

Sheet
1 of 1

PIONEERengineering
CIVIL ENGINEERS LAND PLANNERS LAND SURVEYORS LANDSCAPE ARCHITECTS
2422 Enterprise Drive
Mendota Heights, MN 55120
(651) 681-1914
Fax: 681-9488
www.pioneereng.com

CadFile:
121029-LOT SPL115.dwg
Date: 3/15/2021
Folder #: 8616
Drawn by: BJM

Description Sketch for:
THE CITY OF INVER GROVE
HEIGHTS

EXHIBIT B
PERMITTED ENCUMBRANCES

1. Reservation of minerals or mineral rights by the State of Minnesota, if any.
2. Recorded utility and drainage easements.
3. Applicable laws, ordinances, and regulations.
4. Reservation to the City of Inver Grove Heights and its successors and assigns a permanent non-exclusive easement for the purposes of street, right-of-way, drainage and utilities under, over, across, through and upon the southern 50 feet of the Real Property described herein.

EXHIBIT C
LEGAL DESCRIPTION OF RECHTZIGEL RETAINED PARCEL

Real property in the City of Inver Grove Heights, County of Dakota, State of Minnesota, legally described as follows:

PROPOSED DESCRIPTION FOR PARCEL A-1

That part of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, described as follows:

Beginning at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along the south line of said Southeast Quarter of the Southwest Quarter, a distance of 583.74 feet; thence North 14 degrees 37 minutes 07 seconds East, a distance of 393.61 feet; thence South 80 degrees 30 minutes 07 seconds East, a distance of 488.76 feet, to the east line of said Southeast Quarter of the Southwest Quarter; thence South 00 degrees 26 minutes 38 seconds East, along said east line, to the point of beginning.

Except the east 150.00 feet thereof.

And except the west 150.00 feet of the east 300.00 feet of the south 180.00 feet of said Southeast Quarter of the Southwest Quarter.

AND

PROPOSED DESCRIPTION FOR PARCEL A-2

That part of the east 150.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, lying south of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along said south line a distance of 583.74 feet; thence North 14 degrees 37 minutes 07 seconds East, a distance of 393.61 feet, to the point of beginning of the line to be described; thence South 80 degrees 30 minutes 07 seconds East, a distance of 488.76 feet, to the east line of said Southeast Quarter of the Southwest Quarter and there terminating.

Except the south 180.00 feet thereof.

EXHIBIT D
LEGAL DESCRIPTION OF CITY RETAINED PARCEL

Real property in the City of Inver Grove Heights, County of Dakota, State of Minnesota, legally described as follows:

PROPOSED DESCRIPTION FOR PARCEL B-2

The east 150.00 feet of the south 180.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota.

PURCHASE AGREEMENT FOR DRAINAGE AND UTILITY EASEMENTS

BY AND BETWEEN

**KURT A. RECHTZIGEL
(SELLER)**

AND

**CITY OF INVER GROVE HEIGHTS
(BUYER)**

(Closing Date: June 18, 2021)

SELLER:

Kurt A. Rechtzigel
1407 – 80th Street E.
Inver Grove Heights, MN 55077

BUYER:

City of Inver Grove Heights
8150 Barbara Avenue
Inver Grove Heights, MN 55077

PURCHASE AGREEMENT FOR DRAINAGE AND UTILITY EASEMENTS

THIS PURCHASE AGREEMENT FOR DRAINAGE AND UTILITY EASEMENTS (Agreement) is made this 14th day of June, 2021, by and between Seller and Buyer as hereafter defined. Subject to the performance by the Buyer of the provisions and conditions hereinafter set forth, Seller in consideration of the Purchase Consideration to be paid as hereinafter provided agrees to sell and convey to Buyer and Buyer agrees to purchase the Easements. Subject to the covenants, warranties, representations and mutual consideration herein contained, the parties hereby agree as follows:

SECTION 1. DEFINITIONS.

1.1 Terms. The following terms, unless elsewhere defined specifically in this Agreement, shall have the following meanings as set forth below.

1.2 Buyer. Buyer shall mean City of Inver Grove Heights, a municipal corporation organized and existing under the laws of the State of Minnesota.

1.3 Seller. Seller shall mean Kurt A. Rechtzigel, a single person, or his successors and assigns.

1.4 Easements. Easements shall mean the Permanent Drainage and Utility Easements attached hereto as Exhibits A and B.

1.5 Intentionally Omitted.

1.6 Title Company. Title Company means DCA Title located at 750 Main Street, Suite 208, Mendota Heights, MN 55120.

1.7 Permitted Encumbrances. Permitted Encumbrances shall mean and comprise the following:

- a.) building and zoning laws, ordinances, state and federal regulations;
- b.) minerals and mineral rights reserved by the State of Minnesota;
- c.) easements, restrictions and reservations of record identified on the attached Exhibit C (subject to Buyer's right pursuant to Section 13 to cancel this Agreement if such easements, restrictions and reservations are not satisfactory and acceptable to Buyer).

1.8 Closing Date. Closing Date shall mean on or before June 18, 2021; or such other date that shall be mutually agreeable to Seller and Buyer.

1.9 Possession Date. Possession Date shall mean Closing Date.

1.10 Due Diligence Date. Due Diligence Date shall mean on or before the Closing Date.

1.11 Title Approval Date. Title Approval Date shall mean the date specified in Section 10 as the Title Approval Date.

1.12 Governmental / Zoning Approval Date. Governmental /Zoning Approval Date shall mean on or before Due Diligence Date.

1.13 Closing Documents. Closing Documents shall mean and comprise the following:

- a.) Exhibits A and B.
- b.) An affidavit by Seller of no judgments, no tax liens and no unrecorded interests.
- c.) Satisfaction of any liens and mortgages on the Easements.
- d.) All other documents affecting title to and possession of the Easements and necessary to transfer or assign the same to Buyer.
- e.) An affidavit by Seller that there has been no labor or materials furnished for which mechanic liens can be filed with respect to any labor or materials ordered by Seller.
- f.) A “bring down certificate” by Seller certifying that the warranties and representations of Seller contained in this Agreement shall be true in all respects at and as of the Closing Date as though such representations, warranties, covenants and agreements were made at and of the Closing Date.
- g.) Any certificate required by Minnesota Statutes with respect to any above-ground storage tanks located on the Easements, if such tanks exist.
- h.) A Well Disclosure Certificate, if a water well exists and a Sewage Treatment System Disclosure, if applicable.
- i.) FIRPTA Affidavit. An affidavit of Seller certifying that Seller is not a “foreign person”, “foreign partnership”, foreign trust”, “foreign estate” or “disregarded entity” as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended.
- j.) Seller’s Affidavit. A standard owner's affidavit (ALTA form) from Seller which may be reasonably required by Title Company to issue an owner's policy of title insurance with respect to the Easements with the so-called “standard exceptions” deleted.
- k.) Settlement Statement. A settlement statement with respect to this transaction.

- l.) Title Policy. An ALTA Owner's Policy of Title Insurance, the premium for which shall be paid by Buyer.
- m.) General Deliveries. All other documents reasonably determined by Title Company to be necessary to transfer the Easements to Buyer and to evidence that Seller (a) has satisfied all indebtedness with respect thereto, (b) has obtained such termination statements or releases from such secured creditors as may be necessary to ensure that the Easements are subject to no liens or encumbrances, (c) has obtained all consents from third parties necessary to effect the terms of this Agreement, including, without limitation, the consents of all parties holding an interest in the Easements, (d) has provided such other documents as are reasonably determined by Title Company to be necessary to issue policies of title insurance to Buyer with respect to the Easements with the so-called "standard exceptions" deleted, and (e) has duly authorized the transactions contemplated hereby.

1.14 Closing Location. Closing Location shall mean the business offices of the title insurance company (Title Company) referenced in Section 10.

1.15 Conditions Precedent To Closing By Seller. Conditions Precedent To Closing By Seller shall mean the following:

- a.) Accuracy of Representations. The representations, warranties, covenants and agreements of Buyer contained in this Agreement or in any written statement memorandum or exhibit that shall be delivered pursuant to this Agreement shall be true in all respects at and as of the Closing Date as though such representations, warranties, covenants and agreements were made at and of the Closing Date.
- b.) Performance. The Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing Date.
- c.) Absence of Litigation. No action or proceeding by or before any court or other governmental body shall have been instituted or threatened pertaining to any transaction contemplated by this Agreement or its consummation or the transfer or sale of the Easements.
- d.) Approval of Documents. Other than documents the forms of which are specified in Exhibits hereto, the form and substance of all certificates, instruments, opinions and other documents delivered by one party to another under this Agreement shall be satisfactory in all reasonable respect to the party to receive the document and its counsel.

1.16 Conditions Precedent To Closing By Buyer. Conditions Precedent To Closing By Buyer shall mean the following:

- a.) Accuracy of Representations. The representations, warranties, covenants and agreements of Seller contained in this Agreement or in any written statement memorandum or exhibit that shall be delivered pursuant to this Agreement shall be true in all respects at and as of the Closing Date as though such representations, warranties, covenants and agreements were made at and of the Closing Date.
- b.) Performance. Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing Date.
- c.) Absence of Litigation. As of the Closing Date, no action or proceeding by or before any court or other governmental body shall have been instituted or threatened pertaining to any transaction contemplated by this Agreement or its consummation or the transfer or sale of the Easements.
- d.) Approval of Documents. Other than documents the forms of which are specified in Exhibits hereto, the form and substance of all certificates, instruments, opinions and other documents delivered by one party to another under this Agreement shall be satisfactory in all reasonable respect to the party to receive the document and its counsel.
- e.) Acceptance of Marketable Title. On or before the Title Approval Date, the Buyer has approved the status of the marketability of title with respect to the Easements and the Buyer has waived any objections to the status of the marketability of title or the Seller has removed or cured any objections made by Buyer as to the status of the marketability of title.
- f.) Easement Approval Contingency. On or before the Title Approval Date, the Buyer has accepted the easements shown on the Title Commitment and listed within the Permitted Encumbrances or has waived any objections to the easements listed within the Permitted Encumbrances or on the Title Commitment.
- g.) Encroachment Approval Contingency. On or before the Due Diligence Date, the Buyer has accepted and approved the encroachments shown by any survey of the Easements or otherwise visually identifiable on the Easements or the Buyer has waived any objection to the encroachment.
- h.) Environmental / Physical Condition Approval Contingency. On or before the Due Diligence Date, Buyer has inspected the Easements and has determined in the sole judgment of the Buyer that the environmental condition of the Easements is acceptable to Buyer and suitable for Buyer's intended use.
- i.) Governmental / Zoning Approval Contingency. On or before the Governmental / Zoning Approval Date, the Buyer, at its own expense, has satisfied itself that the zoning of the Easements is adequate for Buyer's intended use and Buyer has obtained whatever governmental approvals the Buyer deems necessary or advisable

for the Buyer's intended use of the Easements; or on or before the Governmental / Zoning Approval Date, the Buyer has waived its right to obtain government approvals.

- j.) Suitability Approval Contingency. On before the Due Diligence Date, the Buyer, in its sole discretion, shall determine whether the Easements are suitable for the intended use to be made by the Buyer.
- k.) Intentionally omitted.
- l.) Intentionally omitted.
- m.) Consistency with Comprehensive Plan. A Condition Precedent to Closing is that pursuant to Minnesota Statutes § 462.356, Subd. 2 the Planning Commission of the City of Inver Grove Heights issues a report concerning whether the acquisition of the Easements is consistent with the Comprehensive Plan of the City.

1.17 Purchase Consideration. The Purchase Consideration for the Easements means that the Buyer grants and conveys to the Seller that certain property identified and legally described in the Purchase Agreement between Kurt A. Rechtzigel (as Buyer) and City of Inver Grove Heights (as Seller) of even date herewith for that portion of the following tax parcel located in the City of Inver Grove Heights, County of Dakota, State of Minnesota, identified as Dakota County Tax No. 20-00800-51-020, which portion of land is legally described in the Purchase Agreement between Kurt A. Rechtzigel (as Buyer) and City of Inver Grove Heights (as Seller). The City shall retain fee title to the City Retained Parcel described on Exhibit E.

1.18 Seller's Warranties. Seller's Warranties shall mean and comprise the following:

Seller represents and warrants to Buyer that:

- a.) Authority. Seller is a single person. Seller has all requisite power and authority to own, use and sell the Easements.

Seller has the right, power, legal capacity and authority to enter into and perform the Seller's obligations under this Agreement, and no approvals or consents of any persons or entities are necessary. The execution and delivery of this Agreement does not and the consummation of the transactions contemplated hereby will not violate any indenture, mortgage, lease, deed of trust, agreement, arrangement, license, order, judgment or decree.

- b.) No Default. Seller is not a party to or bound by any mortgage, lien, lease, agreement, instrument, order, judgment or decree which would prohibit the execution or performance of this Agreement by Seller or prohibit any of the transactions provided for in this Agreement.
- c.) Title. At Closing Date, Seller will have good and marketable title pursuant to the

laws of the State of Minnesota to the Easements to be conveyed hereunder. At Closing Date, the Easements will not be subject to a contract or other agreement of sale or subject to security interests, mortgages, encumbrances, liens (including income, personal property and other tax liens) or off-sets, claims, reductions or charges of any kind or character.

- d.) Litigation. There is no suit, action, arbitration or legal, administrative or other proceeding or governmental investigation pending or, to the best knowledge of Seller, threatened, against or affecting Seller with respect to the Easements.
- e.) Full Disclosure. None of the representations and warranties made by Seller or made in any exhibit hereto, certificate or memorandum furnished or to be furnished by them, or on their behalf, contains or will contain any untrue statement of material fact or omit any material fact the omission of which would be misleading.
- f.) No Condemnation Notice. Seller has not received any notice of condemnation proceedings against the whole or any part of the Easements.
- g.) No Waste. To Seller's best knowledge there is not any Waste, Release of Waste or Release of Petroleum on the Easements.
- h.) No Violation of Environmental Laws. To Seller's best knowledge, the Easements are not in violation of any Environmental Laws.
- i.) No Boundary Disputes. To Seller's best knowledge, there are no boundary disputes relating to the Easements.
- j.) No Unrecorded Agreements. There are no unrecorded agreements, covenants, easements, leases, rights of first refusal or options to purchase concerning the Easements.

1.19 Buyer's Warranties. Buyer's Warranties shall mean the following:

Buyer represents and warrants to Seller that:

- a.) Authority. Buyer has the right, power, legal capacity and authority to enter into and perform its obligations under this Agreement.
- b.) No Other Approvals Necessary. No approvals or consents of any persons other than Buyer are necessary in connection with it. Buyer has taken all necessary action to authorize the execution of this Agreement and the consummation of the transactions contemplated hereby.

1.20 Hazardous Substance. Hazardous Substance means any of the following:

- a.) Any commercial chemical designated pursuant to the Federal Water Pollution

Control Act, under United States Code, title 33, Section 1321(b)(2)(A);

- b.) Any hazardous air pollutant listed pursuant to the Clean Air Act, under United States Code, title 42, section 7412;
- c.) Any hazardous substance, pollutant or contaminant regulated under the Comprehensive Environmental Response Compensation and Liability Act as amended, 42 U.S.C. 9601 et. seq. (CERCLA); and hazardous substance, pollutant or contaminant regulated under similar Minnesota environmental laws;
- d.) Any hazardous waste under Minnesota laws;
- e.) Pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act, as amended, 7 U.S.C. Section 136 et. seq. (FIFRA);
- f.) Asbestos, polychlorinated biphenyls (PCBs), toxic substances, and other substances regulated under the Toxic Substances Control Act, as amended, 15 U.S.C. section 2601 et. seq. (TSCA);
- g.) Source material, special nuclear material, by product materials, any other radioactive materials or radioactive wastes however produced, regulated under the Atomic Energy Act, as amended, 42 U.S.C. section 2011 et. seq. or the Nuclear Waste Policy Act of 1982, as amended, 42 U.S.C. section 10101 et. seq.;
- h.) Industrial process and pollution control wastes, which are hazardous within the meaning of the Resource Conservation And Recovery Act, as amended 42 U.S.C. Section 6901 et. seq. (RCRA);
- i.) Any hazardous material under the Hazardous Materials Transportation Act, 49 USCS Appx. Section 1801 et. seq.;
- j.) Any hazardous material listed in Code of Federal Regulation Title 49, Section 172.101;
- k.) Any pollutant or contaminant as defined by 42 U.S.C. Section 9601.

1.21 Release. Release means any spilling, leakage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment of any Waste, Hazardous Substance, Petroleum or pollutant or contaminant as defined by 42 U.S.C. Section 9601.

1.22 Petroleum. Petroleum means any of the following:

- a.) gasoline
- b.) fuel oil

- c.) kerosene
- d.) any petroleum distillate
- e.) any petroleum residual
- f.) diesel fuel
- g.) oil
- h.) ethanol.

1.23 Construction Debris. Construction Debris means construction debris as defined by Minn. Stat. § 115A.03.

1.24 Demolition Debris. Demolition Debris means solid waste resulting from the demolition of buildings, roads, and other man-made structures including concrete, brick, bituminous concrete, untreated wood, masonry, glass, trees, rock, and plastic building parts.

1.25 Industrial Solid Waste. Industrial Solid Waste means industrial waste as defined by Minn. Stat. § 115A.03.

1.26 Mixed Municipal Solid Waste. Mixed Municipal Solid Waste means mixed municipal solid waste as defined by Minn. Stat. § 115A.03.

1.27 Solid Waste. Solid Waste means solid waste as defined by Minn. Stat. § 115A.03.

1.28 Hazardous Waste. Hazardous Waste means hazardous waste as defined by Minn. Stat. § 115B.02.

1.29 Pollutants. Pollutants means pollutants as defined by Minn. Stat. § 115B.02.

1.30 Contaminants. Contaminants means contaminants as defined by Minn. Stat. § 115B.02.

1.31 Sewage Sludge. Sewage Sludge means sewage sludge as defined by Minn. Stat. § 115A.03.

1.32 Waste. Waste means, jointly and severally, the following:

- a.) Hazardous Substances
- b.) Hazardous Waste
- c.) Pollutants

- d.) Contaminants
- e.) Construction Debris
- f.) Demolition Debris
- g.) Industrial Solid Waste
- h.) Mixed Municipal Solid Waste
- i.) Solid Waste.
- j.) Sewage Sludge.

1.33 Environmental Laws. "Environmental Laws" shall mean all federal laws and regulations that protect or regulate the environment, including, but not limited to, the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Clean Water Act 33 U.S.C. § 1251 et seq., and the Water Quality Act of 1987; the Federal Insecticide Fungicide, and Rodenticide Act ("FIFRA"), 7 U.S.C. § 136 et seq., the Marine Protection Research, and Sanctuaries Act, 33 U.S.C. § 1401 et seq.; the National Environmental Policy Act, 42 U.S.C. § 4321 et seq.; the Noise Control Act, 42 U.S.C. § 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq. as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. § 3001 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq. as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-To-Know Act, and Radon Gas and Indoor Air Quality research Act; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. § 2601 et seq.; the Atomic Energy Act, 42 U.S.C. § 2011 et seq., and the Nuclear Waste Policy Act of 1982, 42 U.S.C. § 2011 et seq., all as may be amended, with implementing regulations and guidelines.

Environmental Laws shall also include The Minnesota Environmental Response and Liability Act ("MERLA") and state, regional, county, municipal, and other local laws, regulations, and ordinances insofar as they are equivalent or similar to the federal laws recited above or purport to regulate Waste or Petroleum.

1.34 Rechtzigel Retained Parcel. Rechtzigel Retained Parcel shall mean the property owned by Seller and being retained in fee title by Seller that is legally described on Exhibit D attached hereto, subject to the Easements.

1.35 City Retained Parcel. City Retained Parcel shall mean the property owned by the City that is legally described on Exhibit E attached hereto.

SECTION 2. PURCHASE CONSIDERATION AND MANNER AND TIME OF DELIVERY.

Buyer, in consideration of the mutual promises and covenants herein contained, agrees to deliver to the Seller for the Easements the Purchase Consideration in the manner and at the times set forth below:

The Purchase Consideration shall be delivered on the Closing Date in the manner set forth in that certain Purchase Agreement between Kurt A. Rechtzigel (as Buyer) and City of Inver Grove Heights (as Seller) of even date herewith for that portion of the following tax parcel located in the City of Inver Grove Heights, County of Dakota, State of Minnesota, identified as Dakota County Tax No. 20-00800-51-020, which portion of land is legally described in the Purchase Agreement between Kurt A. Rechtzigel (as Buyer) and City of Inver Grove Heights (as Seller).

At Closing Date, Seller shall deliver to Buyer Exhibits A and B.

Such conveyances will be free of all liens, mortgages, pledges and charges.

If the Conditions Precedent referenced in Section 13 are neither met nor waived, then this Agreement shall be cancelled pursuant to Section 13. If the Conditions Precedent referenced in Section 13 are either met or waived, but the Buyer does not close this transaction, then this Agreement shall be cancelled.

The City shall retain fee ownership of the City Retained Parcel.

Kurt A. Rechtzigel shall retain fee ownership of the Rechtzigel Retained Parcel, subject to the Easements.

SECTION 3. FREE OF LIENS. Subject to performance by the Buyer of the Agreement herein, the Seller agrees to execute and deliver the Easements (Exhibits A and B). The Easements shall be free of any lien, mortgage, charge, or lease save and except the Permitted Encumbrances.

SECTION 4. REAL ESTATE TAXES. Seller is responsible for payment of real estate taxes. At Closing, Seller shall pay all real estate taxes payable in the year 2021 for the Rechtzigel Retained Parcel.

SECTION 5. SPECIAL ASSESSMENTS. Seller shall pay at time of Closing all levied special assessments, including the installment of special assessments and payable in the year of Closing and including already levied special assessments payable in installments. Seller shall be responsible for and shall pay for any unlevied special assessments pending as of Closing Date. At Closing, Seller shall pay the deferred special assessment of \$1,744.26 plus interest as referenced in City Resolution No. 16-17 attached hereto as Exhibit F.

SECTION 6. ENVIRONMENTAL CONDITION OF REAL PROPERTY. It is agreed and understood that the Buyer will be inspecting the Easements and that the Buyer will be purchasing the Easements in its "AS IS" condition with no warranties or representations by the Sellers as to the condition of the premises or any structures or improvements thereon, except as stated in the Seller's Warranties.

Buyer will have the opportunity to conduct environmental assessments and any other environmental tests that it desires, and will have the opportunity to make itself aware of any Waste or Hazardous Substances on the Easements and will have the opportunity to make itself aware of any petroleum, natural gas, natural gas liquids, liquefied natural gas, and/or synthetic gas usable for fuel or mixtures thereof on the Easements.

During the period beginning on the execution of this Agreement and ending on the Due Diligence Date, Buyer, at Buyer's sole cost and expense, may enter upon the Easements and conduct tests, inspections, surveys and studies (including, without limitation, soil, environmental, physical, mechanical and structural) which Buyer may deem appropriate to determine the suitability of the Easements for Buyer's intended use. In connection with any entry by Buyer, or its agents, employees or contractors onto the Easements, Buyer shall give Seller reasonable advance notice of such entry and shall conduct such entry and any inspections in connection therewith so as to reasonably minimize, to the greatest extent reasonably possible, interference with Seller's current business and otherwise in a manner reasonably acceptable to Seller. Without limiting the foregoing, at least 48 hours prior to any entry to perform any on-site testing, Buyer shall give Seller written notice thereof, including the identity of the company or persons who will perform such testing and the proposed scope of the testing. Buyer shall maintain, and shall insure that its contractors maintain, at least one million dollars (\$1,000,000) of public liability and property damage insurance to insure against the liability of Buyer and its agents, employees or contractors, arising out of any entry or inspections of the Easements pursuant to the provisions hereof, and Buyer shall provide Seller with reasonable evidence of such insurance coverage upon request by Seller. Buyer shall indemnify, defend and hold Seller harmless from and against any costs, damages, liabilities, losses, expenses, liens or claims (including, without limitation, reasonable attorneys' fees) to the extent arising out of or relating to any entry on the Easements by Buyer, its agents, employees or contractors in the course of performing the inspections, testing or inquiries provided for in this Agreement. The foregoing indemnity shall survive the termination of this Agreement.

BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT IF BUYER DOES NOT TERMINATE THIS AGREEMENT PRIOR TO 4:00 P.M. CENTRAL TIME ON THE DUE DILIGENCE DATE, THEN EXCEPT AS PROVIDED IN SECTIONS 1.18 AND 12, BUYER WILL BE PURCHASING THE EASEMENTS ON AN "AS IS WITH ALL FAULTS" BASIS WITH RESPECT TO THE FOLLOWING MATTERS AND THAT BUYER EXCEPT AS STATED IN SECTIONS 1.18 AND 12 IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER, ITS AGENTS, OR BROKERS WITH RESPECT TO THE FOLLOWING MATTERS CONCERNING THE EASEMENTS:

- (i) The quality, nature, adequacy and physical condition of the Easements;
- (ii) The quality, nature, adequacy, and physical condition of soils, geology and any groundwater;
- (iii) The existence, quality, nature, adequacy and physical condition of utilities serving the Easements;
- (iv) The development potential of the Easements and the Easements use, habitability, merchantability, or fitness, suitability, value or adequacy of the Easements for any particular purpose;

- (v) The zoning or other legal status of the Easements or any other public or private restrictions on use of the Easements;
- (vi) The compliance of the Easements or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental or quasi-governmental entity or of any other person or entity;
- (vii) The economics of the operation of the Easements;
- (viii) The environmental condition of the Easements; and
- (viii) Compliance of the Easements with the Environmental Laws.
- (x) Whether Waste, Hazardous Substances or Petroleum have been Released on the Easements.

SECTION 7. GOVERNMENTAL / ZONING APPROVALS. To the extent the Buyer desires to seek governmental approvals for its intended use of the Easements, the Buyer may apply for such governmental approvals as soon as possible after the date of this Agreement. As a Condition Precedent To Closing by Buyer, the Buyer must obtain governmental approvals by the Governmental / Zoning Approval Date or the Buyer must waive this contingency.

SECTION 8. SURVEY AND PHASE I ENVIRONMENTAL ASSESSMENT. Buyer may obtain an ALTA Survey of the Easements. Buyer shall pay 50% of the cost of the survey and Seller shall pay 50% of the cost of the survey.

Buyer may obtain a Phase I Environmental Assessment (Phase I) of the Easements. Buyer shall pay 50% of the cost of the Phase I Environmental Assessment and Seller shall pay 50% of the cost of the Phase I Environmental Assessment. If the Phase I Environmental Assessment indicates that there are Recognized Environmental Conditions (REC) regarding the Easements then Buyer may obtain a Phase II Environmental Assessment or a Special Investigation Report and Buyer shall pay 50% of the cost of the Phase II Environmental Assessment or the Special Investigation Report and Seller shall pay 50% of the Phase II Environmental Assessment or the Special Investigation Report.

SECTION 9. DUE DILIGENCE. Within three (3) business days of full execution and delivery of this Agreement, Seller shall deliver to Buyer reasonably accurate and reasonably complete copies of the following information and documents (Due Diligence Materials):

- a.) A copy of any written contracts (including service contracts), agreements and warranties that will affect the Easements after the Closing Date.
- b.) Any existing title policy and/or title commitments, abstracts of title or registered property abstracts pertaining to the Easements.
- c.) Current tax bill, including current or pending assessments for the Easements.
- d.) A copy of all permits that affect the Easements.

- e.) A copy of any Phase I and/or Phase II Environmental Reports as well as copies of any environmental permits, reports, logs or data concerning the Easements in the possession or reasonable control of Seller, if any.
- f.) Any land surveys of the Easements in possession of the Seller, if any.
- g.) Any notices, letters or other correspondence from the City or Dakota County related to zoning changes, development covenants, permitted uses or future plans for the Easements.
- h.) Any property condition reports, maintenance records, repair and cost records in possession of Seller.
- i.) Any geotechnical reports in possession of Seller.
- j.) Any notices, letters or other correspondence from the State of Minnesota or any of its agencies relating to the environmental condition of the Easements.
- k.) Any unrecorded leases, licenses or easements affecting the Easements.

SECTION 10. TITLE DOCUMENTS TO BE FURNISHED BY SELLER. The Seller shall furnish to the Buyer at the Seller's expense the following:

- a.) By June 7, 2021, a title insurance commitment covering the Easements and appurtenant easements, if any, in either case to include property searches covering bankruptcies, state and federal judgments and tax liens, evidencing the Seller's title to the Easements. The title insurance commitment shall be obtained from the Title Company.
- b.) Within ten (10) days following the Buyer's receipt of the documents referred to above, the Buyer shall give the Sellers written notice of any objections to the title of the Easements.
- c.) If any objections are so made, the Seller shall be allowed ninety (90) days after receipt of such written objections to make such title marketable. The Seller further agrees to use all reasonable efforts and to expend such sums as may be reasonably necessary to make said title marketable in the event a defect is disclosed. Pending correction of title, the payments herein required shall be postponed but upon correction of title and within ten (10) days after written notice to the Buyer, the Buyer and the Seller shall perform this Agreement according to its terms.
- d.) If said title is not marketable and is not made so within ninety (90) days from the date of delivery of the written objections thereto as above provided, then Buyer shall have the right (a) to terminate this Agreement upon notice given to Seller or (b) to waive such objections and proceed with such purchase. If title to the Easements is marketable or is made marketable within said time, and Buyer shall default in any of

the agreements herein contained, then and in such case, the Seller may terminate this Agreement, time being of the essence hereof.

For purposes of Sections 1.11 and 13, the Title Approval Date means ten (10) days following Buyers receipt of the documents referenced in this Section 10(a) except that with respect to any objections to title that have been made, the Title Approval Date means the date ninety (90) days after the receipt by Seller of such written objections from Buyer.

SECTION 11. CLOSING DATE AND POSSESSION DATE. Subject to performance by the Buyer of this Agreement, the closing shall occur on the Closing Date. The Seller agrees to deliver possession no later than the Possession Date provided that all conditions of this Agreement have been met. The delivery of all papers, monies and matters relating to the closing shall take place at the Closing Location.

Up to an additional 30 days, Buyer, in its sole discretion, may, in writing, extend and elongate the Title Approval Date, the Due Diligence Date, Governmental / Zoning Approval Date and the Closing Date.

SECTION 12. WARRANTIES. Seller represents and warrants to Buyer all of the Seller's Warranties as defined in this Agreement. The Seller's Warranties shall survive the Closing and shall not merge with the Closing Documents.

Buyer represents and warrants to Seller the Buyer's Warranties as defined in this Agreement. The Buyer's Warranties shall survive the Closing and shall not merge with the Closing Documents.

SECTION 13. CONDITIONS PRECEDENT. The obligations of Buyer to purchase the Easements are subject to the satisfaction, at or before the Closing Date, of all the Conditions Precedent to Closing by Buyer. Buyer may waive any or all of the conditions which are included herein for its benefit in whole or in part without prior notice, provided, however, that no such waiver of a condition shall constitute a waiver by Buyer of any of its other rights or remedies, at law or in equity, if Seller shall be in default of any of its representations, covenants, indemnifications, warranties or agreements under this Agreement. If the Conditions Precedent To Closing By Buyer are not satisfied, and if Buyer does not waive such Conditions Precedent To Closing By Buyer, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase agreement.

The obligations of Seller to sell Easements are subject to the satisfaction, at or before the closing, of all the Conditions Precedent To Closing By Seller. Seller may waive any or all of the conditions which are included herein for their benefit in whole or in part without prior notice, provided, however, that no such waiver of a condition shall constitute a waiver by Seller of any of its other rights or remedies, at law or in equity, if Buyer shall be in default of any of its representations, warranties or agreements under this Agreement. If the Conditions Precedent To Closing By Seller are not satisfied, and if Seller does not waive such Conditions Precedent To Closing By Seller, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase agreement.

The obligations of Buyer to purchase the Easements are subject to the satisfaction, at or before the Due Diligence Date, of the Environmental / Physical Condition Approval Contingency stated in Sections 1.16(h) and 6. If the Environmental / Physical Condition Approval Contingency is not satisfied, and if Buyer does not waive such Environmental / Physical Condition Approval Contingency, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase agreement. On or before the Due Diligence Date, Buyer must give written notice to Seller as to whether the Environmental / Physical Condition Approval Contingency has satisfied, or whether the Environmental / Physical Condition Approval Contingency has been waived by Buyer.

The obligations of Buyer to purchase the Easements are subject to the satisfaction, at or before the Governmental / Zoning Approval Date, of the Governmental / Zoning Approval Contingency stated in Sections 1.16(i) and 7. If the Governmental / Zoning Approval Contingency is not satisfied, and if Buyer does not waive such Governmental / Zoning Approval Contingency, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase agreement. On or before the Governmental / Zoning Approval Date, Buyer must give written notice to Seller as to whether the Governmental / Zoning Approval Contingency has satisfied, or whether the Governmental / Zoning Approval Contingency has been waived by Buyer.

The obligations of Buyer to purchase the Easements are subject to the satisfaction, at or before the Title Approval Date, of the Easement Approval Contingency stated in Section 1.16(f). If the Easement Approval Contingency is not satisfied, and if Buyer does not waive such Easement Approval Contingency, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase agreement. On or before the Title Approval Date, Buyer must give written notice to Seller as to whether the Easement Approval Contingency has been satisfied, or whether the Easement Approval Contingency has been waived by Buyer.

The obligations of Buyer to purchase the Easements are subject to the satisfaction, at or before the Due Diligence Date, of the Encroachment Approval Contingency stated in Section 1.16(g). If the Encroachment Approval Contingency is not satisfied, and if Buyer does not waive such Encroachment Approval Contingency, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase agreement. On or before the Due Diligence Date, Buyer must give written notice to Seller as to whether the Encroachment Approval Contingency has been satisfied, or whether the Encroachment Approval Contingency has been waived by Buyer.

The obligations of Buyer to purchase the Easements are subject to the satisfaction, at or before the Title Approval Date, of the Suitability Approval Contingency stated in Section 1.16(j). If the Suitability Approval Contingency is not satisfied, and if Buyer does not waive such Suitability Approval Contingency, then either Buyer or Seller by written notice to the other may cancel this Agreement; if the Agreement is so cancelled, the parties shall execute a cancellation of purchase agreement. On or before the Title Approval Date, Buyer must give written notice to Seller as to whether the Suitability Approval Contingency has been satisfied, or whether the Suitability

Approval Contingency has been waived by Buyer.

SECTION 14. CLOSING DOCUMENTS. Subject to performance by the Buyer, the Seller agrees to execute as necessary and deliver at the Closing Date the Closing Documents to be provided by Seller.

SECTION 15. ASSIGNABILITY OF INTEREST. This Purchase Agreement may not be assigned by the Buyer without Seller's written consent.

SECTION 16. COSTS.

16.1 Intentionally Omitted.

16.2 Title Insurance. Buyer intends to obtain a title insurance policy with respect to the Easements. Buyer shall be obligated to pay for any title insurance premiums. Seller shall pay for the title commitment.

16.3 Closing Fee And Escrow Fees. Any closing fee or escrow fee charged by the title company shall be paid one-half by Seller and one-half by Buyer. Buyer shall pay for the cost of recording the Easements.

16.4 Survey Costs. Buyer shall pay 50% of the cost of the ALTA Survey and Seller shall pay 50% of the cost of the ALTA Survey.

16.5 Phase I Environmental Assessment Costs. Buyer shall pay 50% of the cost of the Phase I Environmental Assessment. Seller shall pay 50% of the cost of the Phase I Environmental Assessment. Buyer shall pay 50% of the cost of any Phase II Environmental Assessment and 50% of the cost of any Environmental Special Investigation. Seller shall pay 50% of the cost of any Phase II Environmental Assessment and 50% of the cost of any Environmental Special Investigation.

16.6 City Legal Fees. In conjunction with this transaction and in conjunction with the transaction relating to the conveyance by the City to Kurt A. Rechtzigel, Kurt Rechtzigel shall reimburse the City the total sum of \$5,000 relating to legal fees for drafting documents, reviewing survey, reviewing title evidence, reviewing environmental assessments and closing of the transactions.

16.7 Time of Payment. The costs required to paid under this Section 16 shall be paid at Closing Date.

SECTION 17. AMENDMENT AND WAIVER. The parties hereto may by mutual written agreement amend this Agreement in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this Agreement or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this Agreement, waive compliance by another with any of the covenants contained in this Agreement, waive performance of any obligations by the

other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Agreement. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

SECTION 18. BROKER'S COMMISSION. Buyer and Seller hereby acknowledge that no broker represents the Buyer and no broker represents the Seller. No brokers, finders or the like have been involved with this transaction.

Seller and Buyer hereby agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any such fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorneys' fees.

This Section 18 shall survive the Closing and shall not merge with the Closing Documents.

SECTION 19. TAX FREE PROPERTY EXCHANGE. At the option of Seller, Seller may choose to be given the Purchase Consideration through a tax-free land exchange or reverse tax-free exchange pursuant to Section 1031 of the Internal Revenue Code of 1986 as amended. In the event the Seller elects the method of payment as a tax-free land exchange, Seller shall pay all expenses relating to arranging the exchange and relating to documentation of the Section 1031 transaction. Buyer makes no warranty and assumes no liability in the event the Internal Revenue Service determines that said exchange is not a tax-free exchange pursuant to Internal Revenue Code Regulations.

SECTION 20. TERMINATION; REMEDIES.

20.1 Termination. Notwithstanding any other term or condition in this Agreement to the contrary, this Agreement may be terminated and the transactions contemplated herein may be abandoned prior to Closing as follows:

- a.) by the mutual written consent of Seller and Buyer at any time prior to Closing; or
- b.) by Seller by sending written notice to Buyer in the event of a breach by Buyer of any representation, warranty, or covenant of Buyer made under this Agreement, unless such breach is (i) cured and remedied by Buyer within ten (10) days after receipt of Seller's notice thereof; or (ii) waived by Seller; or
- c.) by Buyer by sending written notice to Seller in the event of a breach by any Seller of any agreement, representation, warranty, or covenant of Seller made under this Agreement, unless such breach is (i) cured and remedied by Seller within ten (10) days after receipt of Buyer's notice thereof; or (ii) waived by Buyer; or

- d.) by Buyer pursuant to Sections 10 and 13; or
- e.) by Seller pursuant to Sections 10 and 13.

20.2 Effect of Termination; Remedies. Solely except as otherwise provided in this Agreement, the rights and remedies of each Buyer and Seller in the event of termination of this Agreement shall be limited as follows notwithstanding any other legal or equitable provisions or principles applicable thereto but for this Section 20.2:

- a.) If Seller is entitled to terminate this Agreement, Seller may terminate this Agreement by a written notice to Buyer, which shall constitute the sole and exclusive remedy of Seller. Except as otherwise provided in the preceding sentence, Seller shall not be entitled to any other right or remedy.
- b.) If Buyer is entitled to terminate this Agreement, Buyer may terminate this Agreement by a written notice to Seller, which shall constitute the sole and exclusive remedy of Buyer. Except as otherwise provided in the preceding sentence, Buyer shall not be entitled to any other right or remedy.

SECTION 21. MISCELLANEOUS.

21.1 Condemnation. The risk of loss from condemnation or a threat thereof shall remain on Seller until Closing. If prior to Closing any portion of the Easements is condemned under the power of eminent domain, is the subject of threatened condemnation, or is conveyed to a condemning authority in lieu of condemnation, Seller shall notify Buyer in writing of the threat, condemnation or conveyance within five (5) days of its occurrence. Buyer shall, within ten (10) days of the notice, have the option of (a) proceeding with Closing and receiving the award of condemnation payment (or an assignment thereof, if the same is not received at Closing); or (b) terminating this Agreement.

21.2 Entire Agreement; Modification; Effect to Prior Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated herein and shall not be modified or amended except by an instrument in writing signed by or on behalf of the parties hereto.

21.3 Successors and Assigns. Neither this Agreement nor any of its rights, interests or obligations hereunder shall be assigned or delegated by any party hereto (whether by operation of law or otherwise) without the prior written consent of other non-assigning (or non-delegating) party or parties, and any attempt to make any such assignment or delegation without such consent shall be null and void.

21.4 Notices. All notices, requests, demands and other communications hereunder shall be in writing and deemed to be duly given, (a) when delivered by hand, with a record of receipt, (b) the fourth day after mailing, if mailed by certified or registered mail, return receipt requested with postage prepaid, (c) the day delivered by a nationally recognized overnight courier, with a record of receipt, or (d) the day of transmission, with confirmation of receipt, if

delivered by facsimile or electronic transmission during regular business hours (which regular business hours shall be 9:00 am – 5:00 pm, Monday through Friday excluding office holidays, at the office where received), or the day after transmission, with confirmation of receipt, if delivered by facsimile or electronically after regular business hours, to the parties at the following addresses or to such other address as a party may have specified by the notice given to the other party pursuant to this provision):

If to Seller: Kurt A. Rechtzigel
1407 – 80th Street E.
Inver Grove Heights, MN 55077

If to Buyer: City of Inver Grove Heights
8150 Barbara Avenue
Inver Grove Heights, MN 55077

21.5 Damage Prior to Closing. In the event of any destruction or damage to the Easements by fire, wind, flood, storms, or other acts of God, either Seller or Buyer, at its sole option, may terminate this Agreement without further cost or expenses to either Party.

21.6 Extension; Waiver. At any time prior to the Closing Deadline, the parties hereto may by mutual agreement set forth in a written instrument signed on behalf of the parties, to the extent legally allowed, (i) extend the time described in this Agreement for the performance of any of the obligations or other acts of the parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, and (iii) waive compliance with any of the agreements or conditions contained herein.

21.7 Counterparts. This Agreement may be executed in any number of counterparts each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission or other electronic means or transmission (i.e., a “pdf” or “tiff”) shall be as effective as delivery of a manually executed counterpart of this Agreement.

21.8 Survival. Notwithstanding Closing or termination of this Agreement for any cause or reason, all terms, conditions, covenants, agreements, representations and warranties made by Seller and/or Buyer in this Agreement that by their terms are to be performed or are applicable to time periods after the date of such Closing, and the respective rights, remedies, duties, and obligations of each Seller and Buyer thereunder shall survive such Closing and shall continue in full force and effect thereafter.

The Seller’s Warranties shall survive the Closing and shall not merge with the Closing Documents.

The Buyer’s Warranties shall survive the Closing and shall not merge with the Closing Documents.

21.9 Headings. The headings in this Agreement are for convenience only and are not part of this Agreement and do not in any way limit or amplify the terms and provisions hereof. It is understood and agreed that this Agreement has been made following negotiation by the parties and it is, therefore, not to be construed against any party because of draftsmanship.

21.10 Planning Considerations. The references to Parcels A-1, A-2, B-1 and B-2 relate to that certain Description Sketch attached hereto as Exhibit G which depicts the various Parcels.

The City agrees that when Parcels A-1 and B-1 are developed, the City will not require additional easements other than those required by the City Zoning Code and the City Subdivision Code and the City's Northwest Area Standards.

After conveyance of the Drainage and Utility Easement to the City on Parcel A-2, the City will allow the property owner of Parcels A-1 and B-1 to use the Drainage and Utility Easement on Parcel A-2 and to use Parcel B-2 (owned by the City) for grading and storm water management purposes in compliance with the Northwest Area Standards for the development of Parcels A-1 and B-1.

With respect to access by the City to the storm water facilities constructed or to be constructed in Parcel A-2 in conjunction with the development of Parcels A-1 and B-1, the City shall use the maintenance access road on Outlot C, Scenic Hills First Addition or access through the City owned Parcel B-2; provided, however, the property owner of Parcel A-1 and B-1 is responsible for and must construct the access road on Parcel A-2 and the unfinished segment on Outlot C, Scenic Hills First Addition which meets the Northwest Area Standards and which connects the existing access on Outlot C, Scenic Hills First Addition, across Parcel A-1 as necessary, to the proposed stormwater management facilities on Parcel A-2.

The City agrees that when Parcels A-1 and B-1 are developed, the acreage contained in Parcel A-2 (owned by Rechtzigel, subject to the Drainage and Utility Easement in favor of the City) shall be included as part of the density calculation to arrive at the density for Parcels A-1 and B-1.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the Effective Date.

BUYER:
CITY OF INVER GROVE HEIGHTS

By: _____
Tom Bartholomew
Its: Mayor

ATTEST:

Rebecca Kiernan, City Clerk

SELLER:

Kurt A. Rechtzigel

EXHIBIT A
PERMANENT DRAINAGE AND UTILITY EASEMENT (RELATING TO PARCEL A-1)

PERMANENT DRAINAGE AND UTILITY
EASEMENT AGREEMENT,
DAKOTA COUNTY, MINNESOTA

THIS PERMANENT DRAINAGE AND UTILITY EASEMENT AGREEMENT is made, granted and conveyed this 18th day of June, 2021, by and between Kurt A. Rechtzigel, a single person, hereinafter referred to as the “Landowner,” and the City of Inver Grove Heights, a Minnesota municipal corporation, hereinafter referred to as the “City.”

The Landowner owns the real property situated within Dakota County, Minnesota as described on the attached **Exhibit A** (hereinafter “Landowner’s Property”).

The Landowner for the sum of one dollar and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby convey and quitclaim to the City, its successors and assigns, the following:

A **permanent easement for drainage and utility purposes**, including all rights of a “drainage easement” and an “utility easement” as defined by Minn. Stat. § 505.01, subd. 3(b) and 3(j), **and for all such purposes ancillary, incident, or related thereto** (hereinafter “Permanent Easement”) under, over, across, through, and upon that portion of the Landowners’ Property legally described and depicted on **Exhibit B** (hereinafter the “Permanent Easement Area”) attached hereto and incorporated herein by reference.

The Permanent Easement rights granted herein are forever and shall include, but not be limited to, the construction, reconstruction, maintenance, inspection, repair, and replacement of any drainage facilities, stormwater facilities and utilities, underground pipes, conduits, other utilities and mains, and all facilities and improvements ancillary, incident, or related thereto, under, over, across, through and upon the Permanent Easement Area.

EXEMPT FROM STATE DEED TAX

The rights of the City also include the right of the City, its contractors, agents and servants:

- a.) to enter upon the Permanent Easement Area at all reasonable times for the purposes of construction, reconstruction, inspection, repair, replacement, grading, sloping, and restoration relating to the purposes of this Permanent Easement; and

- b.) to maintain the Permanent Easement Area and any City improvements located therein, together with the right to excavate and refill ditches or trenches; and
- c.) to remove from the Permanent Easement Area trees, brush, herbage, aggregate, undergrowth and other obstructions interfering with the location, construction and maintenance of the drainage facilities and utilities; and to deposit earthen material in and upon the Permanent Easement Area; and
- d.) to remove or otherwise dispose of all earth or other material excavated from the Permanent Easement Area as the City may deem appropriate.

Nothing contained herein shall be deemed a waiver by the City of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by the Landowner, his successors or assigns, shall be subject to any governmental immunity defenses of the City and the maximum liability limits provided by Minnesota Statute, Chapter 466.

The Landowner, for himself and his successors and assigns, does hereby warrant to and covenant with the City, its successors and assigns, that he is well seized in fee of the Landowner's Property described on Exhibit A and the Permanent Easement Area described and depicted on Exhibit B and that he has good right to grant and convey the Permanent Easement herein to the City.

This Permanent Drainage and Utility Easement Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

If all of the following three events occur:

1. The sanitary sewer lift station on Outlot B, Scenic Hills First Addition is no longer in use and has been permanently discontinued; and
2. The sanitary sewer line on the Permanent Easement Area that serves the property platted as The Crossings at Inver Woods is no longer in use and has been permanently discontinued; and
3. Any other public improvements placed in the Permanent Easement Area by the City are no longer in use and have been permanently discontinued,

then in such case, upon the written request of Landowner, the City will execute and deliver to Landowner a written release of this Permanent Easement (as defined herein).

IN TESTIMONY WHEREOF, the Landowner and the City have caused this Permanent Drainage and Utility Easement Agreement to be executed as of the day and year first above written.

LANDOWNER:

Kurt A. Rechtzigel

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 18th day of June, 2021, before me a Notary Public within and for said County, personally appeared Kurt A. Rechtzigel, a single person, to me personally known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Notary Public

CITY OF INVER GROVE HEIGHTS:

By: _____
Thomas Bartholomew, Mayor

Attest:

Rebecca Kiernan, City Clerk

(CITY SEAL)

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 14th day of June, 2021, before me a Notary Public within and for said County, personally appeared Thomas Bartholomew and Rebecca Kiernan to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

This instrument was drafted by:
Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, Minnesota 55075
(651) 451-1831

After recording, please return to:
Timothy J. Kuntz
LeVander, Gillen & Miller
633 South Concord Street, Suite 400
South St. Paul, Minnesota 55075
(651) 451-1831

EXHIBIT A
LEGAL DESCRIPTION OF LANDOWNER'S PROPERTY

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, described as follows:

That part of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, described as follows:

Beginning at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along the south line of said Southeast Quarter of the Southwest Quarter, a distance of 583.74 feet; thence North 14 degrees 37 minutes 07 seconds East, a distance of 393.61 feet; thence South 80 degrees 30 minutes 07 seconds East, a distance of 488.76 feet, to the east line of said Southeast Quarter of the Southwest Quarter; thence South 00 degrees 26 minutes 38 seconds East, along said east line, to the point of beginning.

Except the east 150.00 feet thereof.

And except the west 150.00 feet of the east 300.00 feet of the south 180.00 feet of said Southeast Quarter of the Southwest Quarter.

EXHIBIT B
LEGAL DESCRIPTION OF PERMANENT EASEMENT AREA

A permanent easement for drainage and utility purposes under, over, across, through and upon the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, described as follows:

Beginning at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along the south line said Southeast Quarter of the Southwest Quarter, a distance of 583.74 feet, to the point of beginning; thence North 14 degrees 37 minutes 07 seconds East, a distance of 144.57 feet; thence South 89 degrees 49 minutes 23 seconds East, a distance of 25.82 feet; thence South 14 degrees 37 minutes 07 seconds West, a distance of 144.57 feet, to said south line; thence North 89 degrees 49 minutes 23 seconds West, along said south line, a distance of 25.82 feet, to the point of beginning. Except that part thereof lying southerly of the northerly right of way line of 80th Street East.

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EXHIBIT B
PERMANENT DRAINAGE AND UTILITY EASEMENT (RELATING TO PARCEL A-2)

PERMANENT DRAINAGE AND UTILITY
EASEMENT AGREEMENT,
DAKOTA COUNTY, MINNESOTA

THIS PERMANENT DRAINAGE AND UTILITY EASEMENT AGREEMENT is made, granted and conveyed this 18th day of June, 2021, by and between Kurt A. Rechtzigel, a single person, hereinafter referred to as the “Landowner,” and the City of Inver Grove Heights, a Minnesota municipal corporation, hereinafter referred to as the “City.”

The Landowner owns the real property situated within Dakota County, Minnesota as described on the attached **Exhibit A** (hereinafter “Landowner’s Property”).

The Landowner for the sum of one dollar and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby convey and quitclaim to the City, its successors and assigns, the following:

A permanent easement for drainage and utility purposes, including all rights of a “drainage easement” and an “utility easement” as defined by Minn. Stat. § 505.01, subd. 3(b) and 3(j), **and for all such purposes ancillary, incident, or related thereto** (hereinafter “Permanent Easement”) under, over, across, through, and upon that portion of the Landowners’ Property legally described and depicted on **Exhibit B** (hereinafter the “Permanent Easement Area”) attached hereto and incorporated herein by reference.

The Permanent Easement rights granted herein are forever and shall include, but not be limited to, the construction, reconstruction, maintenance, inspection, repair, and replacement of any drainage facilities, stormwater facilities and utilities, underground pipes, conduits, other utilities and mains, and all facilities and improvements ancillary, incident, or related thereto, under, over, across, through and upon the Permanent Easement Area.

EXEMPT FROM STATE DEED TAX

The rights of the City also include the right of the City, its contractors, agents and servants:

- a.) to enter upon the Permanent Easement Area at all reasonable times for the purposes of construction, reconstruction, inspection, repair, replacement, grading, sloping, and restoration relating to the purposes of this Permanent Easement; and

- b.) to maintain the Permanent Easement Area and any City improvements located therein, together with the right to excavate and refill ditches or trenches; and
- c.) to remove from the Permanent Easement Area trees, brush, herbage, aggregate, undergrowth and other obstructions interfering with the location, construction and maintenance of the drainage facilities and utilities; and to deposit earthen material in and upon the Permanent Easement Area; and
- d.) to remove or otherwise dispose of all earth or other material excavated from the Permanent Easement Area as the City may deem appropriate.

Nothing contained herein shall be deemed a waiver by the City of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by the Landowner, his successors or assigns, shall be subject to any governmental immunity defenses of the City and the maximum liability limits provided by Minnesota Statute, Chapter 466.

The Landowner, for himself and his successors and assigns, does hereby warrant to and covenant with the City, its successors and assigns, that he is well seized in fee of the Landowner's Property described on Exhibit A and the Permanent Easement Area described and depicted on Exhibit B and that he has good right to grant and convey the Permanent Easement herein to the City.

This Permanent Drainage and Utility Easement Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN TESTIMONY WHEREOF, the Landowner and the City have caused this Permanent Drainage and Utility Easement Agreement to be executed as of the day and year first above written.

LANDOWNER:

Kurt A. Rechtzigel

STATE OF MINNESOTA)
)
COUNTY OF DAKOTA) ss.

On this 18th day of June, 2021, before me a Notary Public within and for said County, personally appeared Kurt A. Rechtzigel, a single person, to me personally known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Notary Public

CITY OF INVER GROVE HEIGHTS:

By: _____
Thomas Bartholomew, Mayor

Attest:

Rebecca Kiernan, City Clerk

(CITY SEAL)

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 14th day of June, 2021, before me a Notary Public within and for said County, personally appeared Thomas Bartholomew and Rebecca Kiernan to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

This instrument was drafted by:

Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, Minnesota 55075
(651) 451-1831

After recording, please return to:

Timothy J. Kuntz
LeVander, Gillen & Miller
633 South Concord Street, Suite 400
South St. Paul, Minnesota 55075
(651) 451-1831

EXHIBIT A
LEGAL DESCRIPTION OF LANDOWNER'S PROPERTY

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, described as follows:

That part of the east 150.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, lying south of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along said south line a distance of 583.74 feet; thence North 14 degrees 37 minutes 07 seconds East, a distance of 393.61 feet, to the point of beginning of the line to be described; thence South 80 degrees 30 minutes 07 seconds East, a distance of 488.76 feet, to the east line of said Southeast Quarter of the Southwest Quarter and there terminating.

Except the south 180.00 feet thereof.

EXHIBIT B
LEGAL DESCRIPTION OF PERMANENT EASEMENT AREA

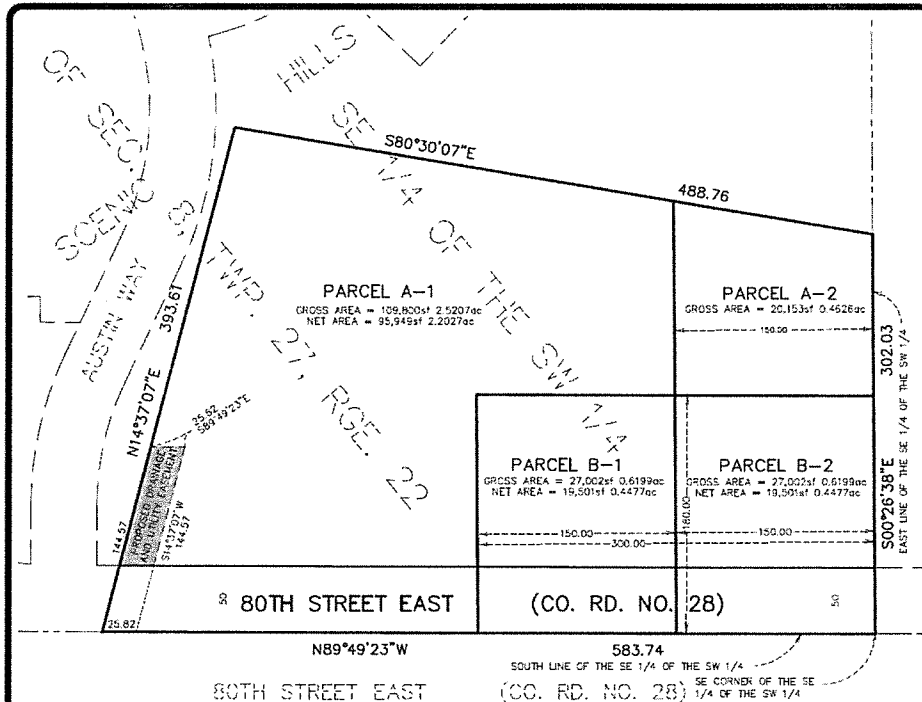
A permanent easement for drainage and utility purposes under, over, across, through and upon the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, described as follows:

That part of the east 150.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, lying south of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along said south line a distance of 583.74 feet; thence North 14 degrees 37 minutes 07 seconds East, a distance of 393.61 feet, to the point of beginning of the line to be described; thence South 80 degrees 30 minutes 07 seconds East, a distance of 488.76 feet, to the east line of said Southeast Quarter of the Southwest Quarter and there terminating.

Except the south 180.00 feet thereof.

EXHIBIT B (CONTINUED)
DEPICTION OF PERMANENT EASEMENT AREA



PROPOSED DESCRIPTION FOR PARCEL A-1

That part of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, described as follows:

Beginning at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along the south line of said Southeast Quarter of the Southwest Quarter, a distance of 583.74 feet; thence North 14 degrees 37 minutes 07 seconds East, a distance of 393.61 feet; thence South 80 degrees 30 minutes 07 seconds East, a distance of 488.76 feet; to the east line of said Southeast Quarter of the Southwest Quarter; thence South 00 degrees 28 minutes 38 seconds East, along said east line, to the point of beginning.

Except the east 150.00 feet thereof.

And except the west 150.00 feet of the east 300.00 feet of the south 180.00 feet of said Southeast Quarter of the Southwest Quarter.

PROPOSED DESCRIPTION FOR PARCEL A-2

That part of the east 150.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, lying south of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along said south line a distance of 583.74 feet; thence North 14 degrees 37 minutes 07 seconds East, a distance of 393.61 feet; to the point of beginning of the line to be described; thence South 80 degrees 30 minutes 07 seconds East, a distance of 488.76 feet, to the east line of said Southeast Quarter of the Southwest Quarter and there terminating.

Except the south 180.00 feet thereof.

PROPOSED DESCRIPTION FOR PARCEL B-1

The west 150.00 feet of the east 300.00 feet of the south 180.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota.

PROPOSED DESCRIPTION FOR PARCEL B-2

The east 150.00 feet of the south 180.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota.

PROPOSED DRAINAGE AND UTILITY EASEMENT

An easement for drainage and utility purposes lying over, under and across the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, described as follows:

Beginning at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along the south line of said Southeast Quarter of the Southwest Quarter, a distance of 583.74 feet; to the point of beginning; thence North 14 degrees 37 minutes 07 seconds East, a distance of 144.57 feet; thence South 89 degrees 49 minutes 23 seconds East, a distance of 25.82 feet; thence South 14 degrees 37 minutes 07 seconds West, a distance of 144.57 feet, to said south line; thence North 89 degrees 49 minutes 23 seconds West, along said south line, a distance of 25.82 feet, to the point of beginning. Except that part thereof lying southerly of the northerly right of way line of 80th Street East.

Sheet
1 of 1

PIONEERengineering
 CIVIL ENGINEERS LAND PLANNERS LAND SURVEYORS LANDSCAPE ARCHITECTS
 2422 Enterprise Drive
 Mendota Heights, MN 55120
 (651) 681-1914
 Fax: (651) 491-8535
 www.pioneereng.com

CadFile:
 1210294.DOT SPL115.dwg
 Date:
 3/15/2021
 Folder #: 8616
 Drawn by: BJM

Description Sketch for:
THE CITY OF INVER GROVE
HEIGHTS

EXHIBIT C
PERMITTED ENCUMBRANCES

1. Reservation of minerals or mineral rights by the State of Minnesota, if any;
2. Recorded utility and drainage easements; and
3. Applicable laws, ordinances, and regulations.

EXHIBIT D
RECHTZIGEL RETAINED PARCEL

Real property in the City of Inver Grove Heights, County of Dakota, State of Minnesota, legally described as follows:

PROPOSED DESCRIPTION FOR PARCEL A-1

That part of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, described as follows:

Beginning at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along the south line of said Southeast Quarter of the Southwest Quarter, a distance of 583.74 feet; thence North 14 degrees 37 minutes 07 seconds East, a distance of 393.61 feet; thence South 80 degrees 30 minutes 07 seconds East, a distance of 488.76 feet, to the east line of said Southeast Quarter of the Southwest Quarter; thence South 00 degrees 26 minutes 38 seconds East, along said east line, to the point of beginning.

Except the east 150.00 feet thereof.

And except the west 150.00 feet of the east 300.00 feet of the south 180.00 feet of said Southeast Quarter of the Southwest Quarter.

AND

PROPOSED DESCRIPTION FOR PARCEL A-2

That part of the east 150.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, lying south of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along said south line a distance of 583.74 feet; thence North 14 degrees 37 minutes 07 seconds East, a distance of 393.61 feet, to the point of beginning of the line to be described; thence South 80 degrees 30 minutes 07 seconds East, a distance of 488.76 feet, to the east line of said Southeast Quarter of the Southwest Quarter and there terminating.

Except the south 180.00 feet thereof.

EXHIBIT E
CITY RETAINED PARCEL

Real property in the City of Inver Grove Heights, County of Dakota, State of Minnesota, legally described as follows:

PROPOSED DESCRIPTION FOR PARCEL B-2

The east 150.00 feet of the south 180.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota.

EXHIBIT F
DEFERRED SPECIAL ASSESSMENT RESOLUTION

Receipt # 420362

RES 346.00

Return to:
LEONARD GILLEN &
MILLER
233 S CONCORD ST #450
SOUTH ST PAUL, MN 55105

3114318



Recorded on: 2/12/2016 11:46 AM
By: STG, Deputy

Office of the County Recorder
Dakota County, Minnesota
Joel T. Beckman, County Recorder

CERTIFICATION

STATE OF MINNESOTA
COUNTY OF DAKOTA
CITY OF INVER GROVE HEIGHTS

The undersigned, City Clerk of the City of Inver Grove Heights, Dakota County, Minnesota, hereby certifies that the attached is a true and correct copy of Resolution No. 16-17 adopted by the City Council of the City of Inver Grove Heights at a lawful meeting duly called and held on January 25, 2016 at which a quorum was present and acting throughout, and of the original on file in the office of the City Clerk, City of Inver Grove Heights, Dakota County, Minnesota

Michelle Tesser, City Clerk

(S E A L)

Dated: February 2, 2016

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 16-17

**RESOLUTION AND CERTIFICATE PURSUANT TO
MINNESOTA STATUTES § 429.061, SUBD. 2,
MEMORIALIZING DEFERMENT OF SPECIAL ASSESSMENT
BY THE CITY OF INVER GROVE HEIGHTS FOR PROPERTY
OWNED BY KURT A. RECHTZIGEL**

WHEREAS, Kurt A. Rechtzigel, a single person, owns certain real property situated in the City of Inver Grove Heights, County of Dakota, State of Minnesota, addressed as 1407 80th Street E., Inver Grove Heights, MN 55077, and identified as Dakota County Property Tax Parcel Number 20-00800-51-012 and legally described as shown in Exhibit A attached hereto (the "Property").

WHEREAS, on July 28, 2008 the City of Inver Grove Heights (hereinafter referred to as the "City") ordered City Project No. 2009-01 – Trunk Highway 3 and 80th Street /Amana Trail (CSAH 28) Intersection Improvements (the "Project") by way of Resolution No. 08-176.

WHEREAS, the Project included construction of a roundabout at the location of Trunk Highway 3 and future 80th Street / Amana Trail and improvements to Trunk Highway 3 north and south of the intersection.

WHEREAS, the area of the Project improvements was Amana Trail from 230 feet west of South Robert Trail to South Robert Trail, South Robert Trail from 90 feet south of 80th Street East to 618 feet north of Amana Trail and 80th Street East from South Robert Trail to 56 feet east of South Robert Trail.

WHEREAS, construction of the Project is complete. The total cost for the Project improvements is \$1,422,207.59. The total amount to be specially assessed for the Project is \$547,741.52.

WHEREAS, on January 25, 2016 by Resolution No. ~~664~~ the City levied a \$1,744.26 principal special assessment against the Property for the benefit received from the Project, together with interest at the rate of 4.8%.

WHEREAS, the Property has the possibility to be platted, subdivided and further improved.

WHEREAS, the City has determined to defer \$1,744.26 of the total principal special assessment of \$1,744.26, together with a deferment of interest, pursuant to the terms of the deferral described below.

WHEREAS, Minnesota Statutes § 429.061, Subd. 2, provides a procedure whereby a city may levy special assessments against benefited property, but defer payment of certain amounts of special assessments because the Property is unimproved and can be further platted, subdivided and improved.

WHEREAS, Minnesota Statutes § 429.061, Subd. 2 specifically provides that if special assessments have been deferred, then the City shall record with the county recorder a certificate containing the legal description of the affected property and the amount of the deferred special assessment.

NOW THEREFORE, the City Council of Inver Grove Heights does hereby resolve, certify and memorialize for recording the following:

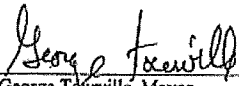
1. Upon due notice and after hearing, on January 25, 2016, the City Council, acting pursuant to Minnesota Statutes Chapter 429, levied a special assessment for the City's Project No. 2009-01 – Trunk Highway 3 and 80th Street /Amana Trail (CSAH 28) Intersection Improvements, in the original principal amount of \$1,744.26 against benefited property, addressed as 1407 80th Street E., Inver Grove Heights, MN 55077 and identified as Dakota County Property Tax Parcel Number 20-00800-51-012 and legally described in Exhibit A, which is attached hereto and made a part hereof (herein referred to as the "Property").
2. The Council determines that the Property is unimproved within the meaning of Minn. Stat. § 429.061, Subd. 2 and that the assessments are subject to the deferral.
3. Contemporaneous with the special assessment levy of \$1,744.26, the City Council does hereby defer payment of \$1,744.26 of the principal special assessment, together with interest, pursuant to the following terms and conditions:
 - a. The principal amount of \$1,744.26 is hereby deferred. This deferred amount shall not accrue interest during the deferral period.
 - b. The deferment shall cease upon the occurrence of any of the following events or dates, whichever occurs first:

- i. The Property is platted and a final plat is recorded; or
 - ii. The Property is subdivided within the meaning of Minn. Stat. § 462.352, Subd. 12 provided, however, the term subdivision shall not include any parcels that are created by way of any of the following future transfers from the current owner of the Property as of the date of this Resolution and Certificate:
 - Transfers during the life of the current owner to any family members of the current owner;
 - Transfers during the life of the current owner to any trust created by the current owner or to any trust controlled by the current owner or to any trust for the benefit of any family members of the current owner;
 - Transfers upon death of the current owner to any family members of the current owner;
 - Transfers upon death of the current owner to any trust for the benefit of any family members of the current owner; or
 - iii. The date of January 1, 2040 is reached.
4. If the deferment ceases because the Property either (i) has been platted and a final plat has been recorded or (ii) has been subdivided within the meaning of Minn. Stat. § 462.352, Subd. 12, the deferred amount shall become payable and shall be collected pursuant to the following terms and conditions:
- a. The principal amount previously deferred shall begin to accrue interest at the rate of 4.8% from January 1 of the year following the date the deferment ceased. The interest rate shall be 4.8% on the unpaid principal balance.
 - b. The principal amount previously deferred shall be payable in five (5) equal annual principal installments beginning in the calendar year following the date the deferment ceased.
 - c. The principal installments, together with accrued interest on the unpaid principal balance, shall be due and payable with real estate taxes over five (5) calendar years. The first calendar year for payment shall be the calendar year that follows the year when the deferment ceased.
5. If the deferment ceases because the date of January 1, 2040 has been reached, the deferred amount shall become payable and shall be collected pursuant to the following terms and conditions:
- a. The principal amount previously deferred shall begin to accrue interest at the rate of 4.8% from January 1, 2040. The interest rate shall be 4.8% on the unpaid principal balance.

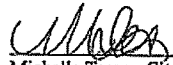
- b. The principal amount previously deferred shall be payable in five (5) equal annual principal installments beginning in 2040.
- c. The principal installments, together with accrued interest on the unpaid principal balance, shall be due and payable with real estate taxes over five (5) calendar years. The first calendar year for payment shall be 2040.

Pursuant to Minnesota Statutes § 429.061, Subd. 2, this Resolution and Certificate shall be recorded with the Dakota County Recorder.

Passed this 25th day of January, 2016.


George Tourville, Mayor

Attest:


Michelle Tesser, City Clerk

This instrument was drafted by:

Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
651-451-1831

After recording, please return to:

Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
651-451-1831

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

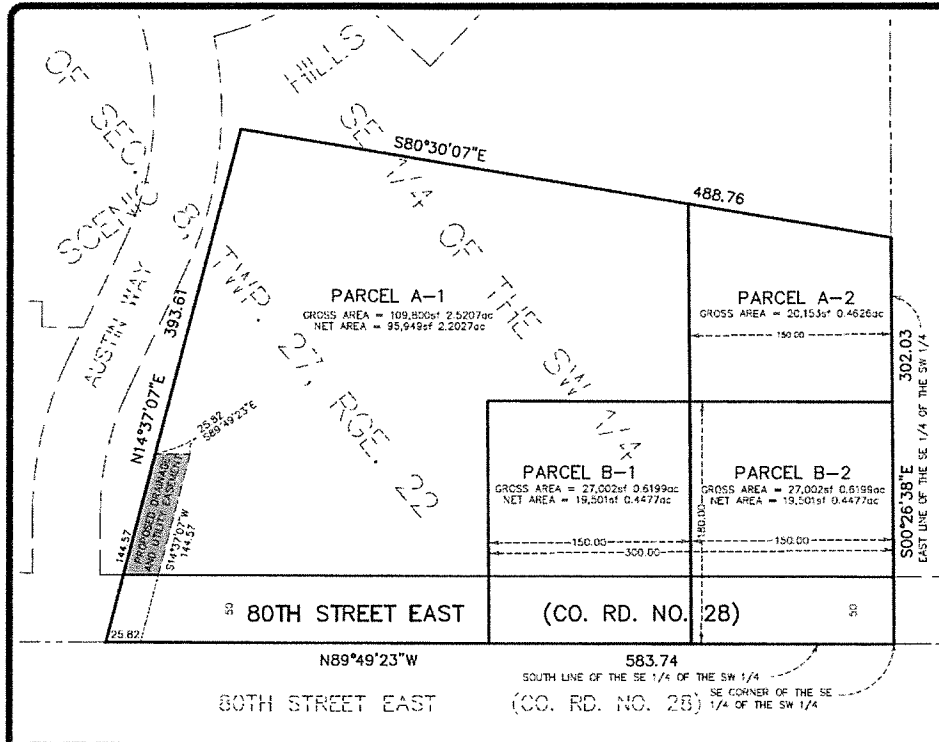
Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota,
described as follows:

That part of the Southeast Quarter of the Southwest Quarter, Section 8,
Township 27 North, Range 22 West, Dakota County, Minnesota,
described as follows: Beginning at a point on the south line of said
Southeast Quarter of the Southwest Quarter, said point being 300 feet west
of the southeast corner of said Southeast Quarter of the Southwest
Quarter; thence South 89 degrees 08 minutes 46 seconds West (assumed
bearing) along said south line 283.72 feet; thence North 13 degrees 35
minutes 16 seconds East, 393.61 feet; thence South 81 degrees 31 minutes
58 seconds East, 493.69 feet more or less to the east line of said Southeast
Quarter of the Southwest Quarter; thence South 0 degrees 32 minutes 48
seconds East along said east line to a point on the north line of the south
180 feet of said Southeast Quarter of the Southwest Quarter; thence South
89 degrees 08 minutes 56 seconds West along the north line of the south
180 feet of said Southeast Quarter of the Southwest Quarter to a point on
the west line of the east 300 feet of said Southeast Quarter of the
Southwest Quarter; thence South 0 degrees 32 minutes 48 seconds East to
the point of beginning.

pt. SESW
8-27-22
⑦ H

EXHIBIT G

DESCRIPTION SKETCH



PROPOSED DESCRIPTION FOR PARCEL A-1

That part of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, described as follows:

Beginning at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along the south line of said Southeast Quarter of the Southwest Quarter, a distance of 583.74 feet; thence North 14 degrees 37 minutes 07 seconds East, a distance of 303.61 feet; thence South 80 degrees 30 minutes 07 seconds East, a distance of 488.76 feet, to the point of beginning.

Except the east 150.00 feet thereof.

And except the west 150.00 feet of the east 300.00 feet of the south 180.00 feet of said Southeast Quarter of the Southwest Quarter.

PROPOSED DESCRIPTION FOR PARCEL A-2

That part of the east 150.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, lying south of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along said south line a distance of 583.74 feet; thence North 14 degrees 37 minutes 07 seconds East, a distance of 303.61 feet, to the point of beginning of the line to be described; thence South 80 degrees 30 minutes 07 seconds East, a distance of 488.76 feet, to the east line of said Southeast Quarter of the Southwest Quarter and there terminating.

Except the south 180.00 feet thereof.

PROPOSED DESCRIPTION FOR PARCEL B-1

The west 150.00 feet of the east 300.00 feet of the south 180.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota.

PROPOSED DESCRIPTION FOR PARCEL B-2

The east 150.00 feet of the south 180.00 feet of the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota.

PROPOSED DRAINAGE AND UTILITY EASEMENT

An easement for drainage and utility purposes lying over, under and across the Southeast Quarter of the Southwest Quarter of Section 8, Township 27, Range 22, Dakota County, Minnesota, described as follows:

Beginning at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence on an assumed bearing of North 89 degrees 49 minutes 23 seconds West, along the south line said Southeast Quarter of the Southwest Quarter, a distance of 583.74 feet, to the point of beginning; thence North 14 degrees 37 minutes 07 seconds East, a distance of 144.57 feet; thence South 89 degrees 49 minutes 23 seconds East, a distance of 25.82 feet; thence South 14 degrees 37 minutes 07 seconds West, a distance of 144.57 feet, to said south line; thence North 89 degrees 49 minutes 23 seconds West, along said south line, a distance of 25.82 feet, to the point of beginning. Except that part thereof lying south of the northerly right of way line of 80th Street East.

Sheet
1 of 1

PIONEERengineering
CIVIL ENGINEERS LAND PLANNERS LAND SURVEYORS LANDSCAPE ARCHITECTS
2422 Enterprise Drive
Mendota Heights, MN 55120
(651) 681-1914
Fax: (651) 681-1988
www.pioneereng.com

Cadfile:
1210294.01 SPLITS.dwg
Date: 3/15/2021
Folder #: 8616
Drawn by: BJM

Description Sketch for:
THE CITY OF INVER GROVE
HEIGHTS

**Request for Council Action****TITLE:** Joshua and Elizabeth Schmidt - Case No. 21-31Z

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	X
Item Type:	Regular Agenda	Amount included in current budget	
Contact:	Heather Botten 651-450-2569	Budget amendment requested	
Prepared by:	Heather Botten	FTE included in current complement	
Reviewed by:		New FTE requested - N/A	
		Other	

PURPOSE/ACTION REQUESTED:

Consider a Rezoning of the property from R-1C, single-family residential to R-3A, multi-family residential for the parcel located at 4046 66th Street.

- Requires a 3/5th's vote.
- 60-day deadline: June 18, 2021 (first 60 days)

SUMMARY:

The applicant's property is 1.06 acres in size and zoned R-1C, single-family residential. There is an existing home and detached garage on the property. The existing house, built in 1960, was constructed with the option to be used as a tri-plex. The owners are in the process of selling the property. To make the property more marketable the owners are requesting a rezoning of the property so a future owner could obtain a rental license to operate a tri-plex on the property. If the rezoning is successful, a conditional use permit would also be required for a home with three dwelling units. This subsequent process would provide public review and comment.

There are no changes proposed to the existing home or property at this time.

A rezoning to R-3A would be consistent with the Comprehensive Plan designation of Low Density Residential, allowing up to 4 units an acre. The surrounding uses are a school to the south, R-2 two-family residential to the west and single family to the north and east. Staff believes the proposed lower density multi-family zoning would be compatible with the existing, established uses in the neighborhood. The proposed R-3A zoning would also be consistent with the comp plan designation and the existing home on the site.

RECOMMENDATION:

Planning Staff: Based on the existing comprehensive plan designation and development patterns in the area, staff is recommending approval of the rezoning request.

Planning Commission: At the June 1, 2021 public hearing the applicant was present. No neighbors called in to the meeting to testify. The Planning Commission recommended approval of the proposed rezoning request (8-0).

Attachments: Rezoning Ordinance
Planning Report
Neighbor comments

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

ORDINANCE NO. ____

**AN ORDINANCE AMENDING TITLE 10, CHAPTER 4 (ZONING MAP) OF THE
INVER GROVE HEIGHTS CITY CODE**

CASE NO. 21-31Z
(Schmidt)

The City Council of Inver Grove Heights ordains as follows:

SECTION I. Ordinance No. 1190 adopted July 27, 2009, entitled, "AN ORDINANCE ADOPTING THE RECODIFICATION OF THE INVER GROVE HEIGHTS CITY CODE INCLUDING THE CITY ZONING ORDINANCE, is hereby amended to rezone the following described property located within the City of Inver Grove Heights from R-1C, single-family residential to R-3A, Multiple-family residential to wit:

Property located at 4046 66th Street, Inver Grove Heights, legally described as:

The South 14 feet of the North 284 feet of the East 180 feet of the West 360 feet of the South Half of the Northwest Quarter of the Southwest Quarter of Section 2, Township 27, Range 22, Dakota County, Minnesota.

And

The North 270 feet of the East 180 feet of the West 360 feet of the South Half of the Northwest Quarter of the Southwest Quarter of Section 2, Township 27, Range 22, Dakota County, Minnesota.

SECTION II. The Zoning Map of the City of Inver Grove Heights referred to and described in said Ordinance No. 1190 as that certain map entitled "Inver Grove Heights Zoning Map, June 24, 2002", together with all amendments thereto, hereinafter referred to as the "zoning map", shall not be republished to show the aforesaid rezoning, but the Clerk shall appropriately mark the said zoning map on file in the Clerk's Office for the purpose of indicating the rezoning hereinabove provided for in

Ordinance No. _____
Page 2

this ordinance and all of the notations, references and other information shown thereon are hereby incorporated by reference and made a part of this ordinance.

SECTION III. This Ordinance shall be in full force and effect from and after its publication according to law.

Enacted and ordained into an Ordinance this 14th day of June, 2021.

Ayes:
Nays:

Thomas Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk



PLANNING REPORT

CASE NO: CASE NO. 21-31Z

APPLICANT & PROPERTY OWNER: Joshua and Elizabeth Schmidt

REQUEST: Rezoning

HEARING DATE: June 1, 2021

LOCATION: 4046 66th Street

COMPREHENSIVE PLAN: LDR, Low Density Residential

ZONING: R-1C, single-family residential

REVIEWING DIVISIONS: Planning

PREPARED BY: Heather Botten
Associate Planner

BACKGROUND

The property is 1.06 acres in size and currently zoned R-1C, single-family residential. There is an existing home and detached garage on the site. The house was built in 1960; the home has been constructed with the option to be used as a tri-plex. Over time the property has been utilized as a single-family home and a multi-family home. The owners are in the process of selling the property. To make the property more marketable the owners are requesting a rezoning of the property so a future owner could obtain a rental license to allow for the legal operation of a tri-plex on the property. There are no changes proposed to the existing home or site at this time.

A rezoning to R-3A would be consistent with the Comprehensive Plan designation of the property which is Low Density Residential, allowing up to 4 units an acre.

If the rezoning is approved, a conditional use permit would then be required as the code states: *A conditional use permit shall be required for each multiple dwelling or apartment house consisting of three (3) or more dwelling units. Conditional use permits and other permits shall not be unreasonably withheld by the city if all requirements of this article and other city regulations are met.* This subsequent process provides for public review and comment on the actual site plan and use of the property.

SURROUNDING USES

The subject property is surrounded by:

North: Single family home; zoned R-1C; guided LDR

East: Single family home; zoned R-1C; guided LDR

South: School; zoned P, Institutional; guided P/I, Public/Institutional

West: Residential; zoned R-2, two-family; guided LDR

EVALUATION OF REQUEST

The subject parcel is currently guided LDR, Low Density Residential. As stated in the Comprehensive Plan:

"The low-density residential category encompasses traditional "urban" density development in Inver Grove Heights. LDR includes lots or parcels ranging from 1 unit per acre to 4 units per net acre. Substantial portions of the low-density residential area are anticipated to develop at a density of two-three units per net acre. Housing types in the low-density residential category include single-family detached homes, twin units and lower density, townhome style developments. In all cases, low-density residential development will be served by public water and sanitary sewer systems."

If a landowner ever wanted to develop the parcel with a density greater than 4 units an acre a comprehensive plan amendment would be required.

Rezoning

The City Code, Title 10-3-5 states that a rezoning request must be "in the best interest of the physical development of the City" in order to be approved. This suggests that the request should be reviewed against such factors as infrastructure availability; compatibility with existing land uses in the neighborhood; and consistency with the Comprehensive Plan.

The applicant is proposing a rezoning to R-3A, Multiple Family Residential. The R-3A residential district is established for multi-family dwellings in three (3) and four (4) unit buildings with densities ranging up to six (6) dwelling units per acre in areas which are provided with full urban services.

The existing structure could be utilized as a tri-plex on the one-acre parcel, complying with the R-3A guidelines. As mentioned above, the rezoning is consistent with the comprehensive plan. If the density on the property were to exceed 4 units an acre, a comprehensive plan amendment would be required.

Infrastructure is in place to accommodate a multi-family zoning on this parcel. The surrounding uses are a school to the south, R-2 two-family residential to the west and single family to the north and east. Staff believes the proposed lower density multi-family zoning would be compatible with the existing, established uses in the neighborhood. The zoning would also be consistent with the existing land use designation and the existing home on the site.

ALTERNATIVES

The Planning Commission has the following alternatives available for the proposed request:

A. Approval If the Planning Commission finds the application acceptable, the Commission should make the following recommendation:

- Approval of the **Rezoning** of the parcel from R-1C, single family residential to R-3A, Multi-family residential with the following notation:
 1. A conditional use permit shall be approved prior to the issuance of a rental license and the use of the existing structure as a tri-plex.

B. Denial If the Planning Commission does not favor the request, a recommendation of denial should be forwarded to the City Council. With a recommendation of denial, findings or the basis for the denial should be given.

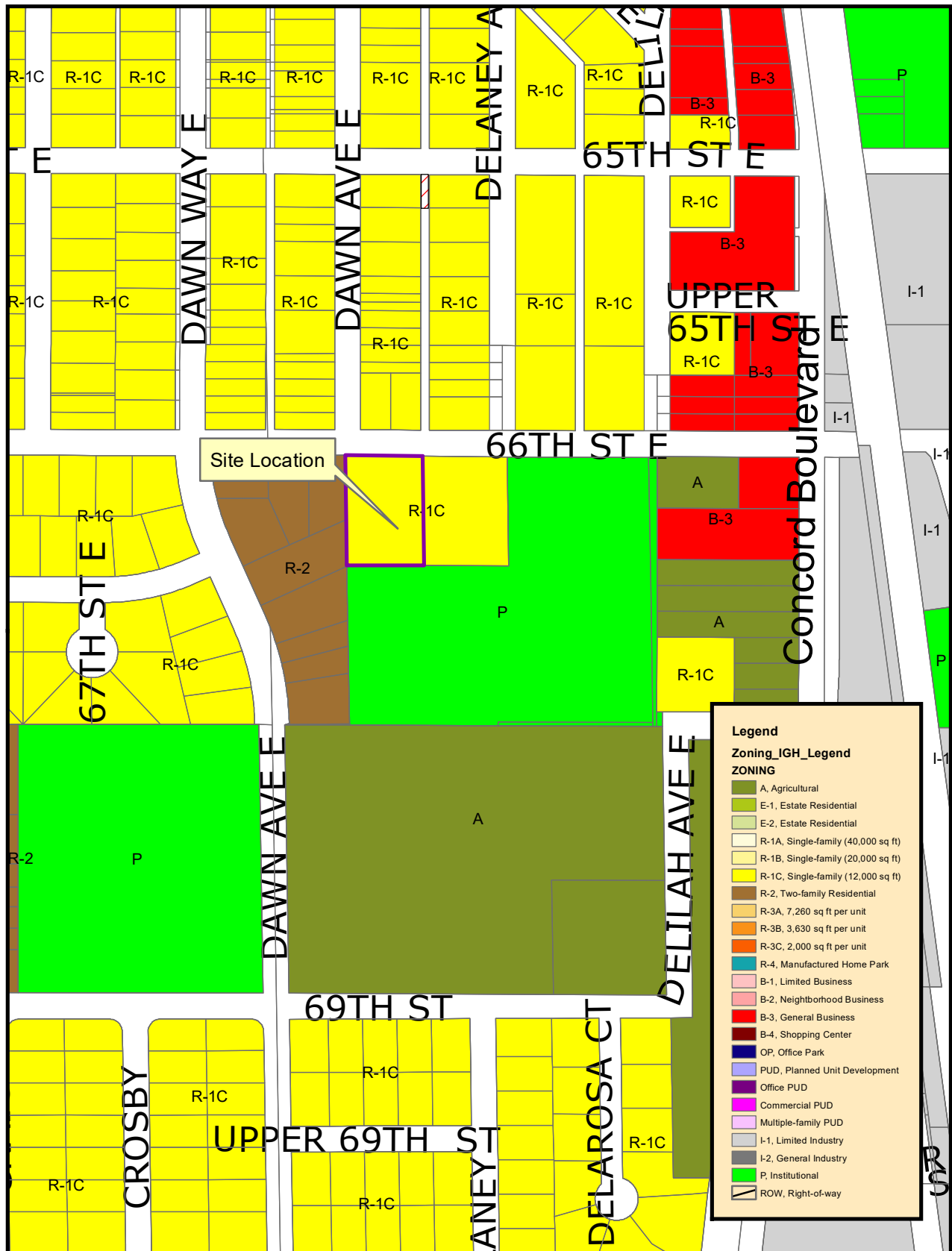
RECOMMENDATION

Based on the information in the preceding report and the condition listed in Alternative A, staff is recommending approval of the request as presented.

Attachments: Location map
Applicant narrative and background information
Comments from neighbors



4046 66th Street Case No. 21-31Z



THIS DRAWING IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS ONE. THIS DRAWING IS A COMPILED RECORDS, INFORMATION AND DATA LOCATED IN VARIOUS CITY, COUNTY AND STATE OFFICES AND OTHER SOURCES AND IS TO BE USED FOR REFERENCE PURPOSES ONLY. THE CITY OF INVER GROVE HEIGHTS IS NOT RESPONSIBLE FOR ANY INACCURACIES HEREIN CONTAINED

Map produced by the City of Inver Grove Heights GIS Dept.
Copyright© City of Inver Grove Heights 2020



Exhibit A
Zoning and Location Map

Map not to scale

Narrative:

Dear Inver Grove Heights Planning Commission and City Council,

Thank you for hearing our proposal for the consideration of a rezoning of the plat 4046 66th St E.

My husband, Joshua, purchased 4046 66th in the summer of 2018 and had been utilizing it as an owner occupied rental up until March of 2020. At the time of purchase, he was informed that a rezoning would not be necessary to maintain this property for use as a rental. However, upon a discussion in November of 2020 with city employee Nicole Cook, we were informed that the city would be requiring a rental license for this property and, in order to obtain the rental license and continue to rent out multiple units to non-related persons, we would need to apply for a rezoning of the plat from R-1 single family to R-3A multifamily.

In this vein, we would like to apply for a rezoning of this plat from the current R-1 to an updated R-3A zoning so that the building on premise, a 3 unit multi-family home, can be legally rented.

Our thesis regarding the rezoning is this:

We believe, as the original owners have attested, the original construction and purpose of this building is a multi-family home; a variety of city leaders have been aware that this has been a multi-family home from its inception; and that the building has existed for the purpose of a multi-family home and in this form prior to the city's codification of multi-family properties. We also propose that this building not only meets the current city code but is also in line with the city's compressive 2040 plan.

In this narrative, you will find our evidence to back up the belief that this building has always been intended for multi-family use and that there is just cause to rezone to property accordingly. You will find statements from two of the previous owners who can confirm the construction of the property as a multi-family building occurred prior to the city's establishment of ordinances pertaining to multi-family zoning. And, you will find our research into the factual basis regarding the property's conformity to the existing standards put forth by the city and future plans as outlined in the city's comprehensive plan.

In discussing our intent to rezone the plat, we reached out to Tracy Sproatt and her older brother Tony Kamish, the former owners and children of the original builder of the house on the property. We asked them for their testimony on the condition of the house from the time it was first built up until when they sold it in 2018 so as to help in validating our claims that the house, while on a single family lot, has always been a multi-family building. We also hoped to dispel the notion put forth by some members of city staff in conversations with interested parties in the property that we, the current owners, had illegally added units to the building as we purchased it in this condition.

Please find below the letters written by Tracy and Tony:

Friday, April 16, 2021

To whom it may concern,

I am writing to say that the structure and intent of the home I grew up in on 4046 66th St E in Inver Grove Heights has never changed. I moved into the home in 1972 with my 2 older brothers when my mother married Derral Kamish who lived there with his son (my step brother) Tony Kamish.

Derral (Sonny) was a single dad raising a boy. He built that property from the ground up. Because he was a single dad, he built the 2nd floor with 2 separate apartments with the intention of renting out both units. Until of course everything changed when he met my mother (Corrine), married and move all of us into the house. I remember for years the only way to go downstairs was to go out side and down the steps and come in the front door. (Yes, even in the winter)

I am 55 years old and although the house has transformed in many areas over the years, the upstairs never changed. The 2 separate apartments each have 2 legal beds, 1 bath, kitchen, living room and 2 separate entrances into each apartment. Sonny (Derral) designed the home to be a triplex, we just happen to live in it as a single family for obvious reasons (think "Brady Bunch"). In fact, the city of IGH listed the property as a triplex. Not sure how far that dated back but I see now that it has recently been changed to a single family. Not sure who unilaterally made that decision...

Sonny (Derral) would be happy to see that the structure he built from the ground up is finally being used in the way he always intended it to be.

Everyone knew the Kamish family including government and city officials who are still around and could verify this to be true. If you want a list you have my email and phone number is below.

I am available anytime,

Respectfully,

Tracy L. Sproatt
(651) 271-1126
Woodbury, MN

Friday, April 16, 2021

I started living with my dad in the house about 1969. At that time him and I lived in the first floor just the two of us. It was his intention to live on the first floor and rent out the top two apartments. The top two apartments were already built by the time I started living with him. But life happens. My dad met and then married Corrine. Corrine had three kids of her own and they made the decision to live and stay in this big house because it was large enough for the whole family. Still it was always his intention to rent the top out in the future when the kids left.

From the very beginning it was always designed to be two apartments upstairs. So as far as the date timing of when the apartments upstairs were built I would say mid-60s. Right around when Inver Grove Village and Inver Grove Township merged. In the early 70s when my dad got married to Corrine us boys, me and my step brothers, were already living upstairs and we would have to go out there with that one door on the west side of the house exit there go outside and go downstairs in the front door for dinner. It's always been three units but we just lived in it as one family.

Let me know if you need anything else

Tony Kamish
tonykamish@yahoo.com

The property's history and intent for use:

City code pertaining to zoning ordinances, their intent and purpose appears to have been formally codified on November 8th, 2004¹. Based off of the testimony by both Tracy and Tony, the building's established use and multi-family construction had been completed well before this date, with the earliest use as separated apartments being documented during the early 70's by the Kamish family.

The Kamish siblings also testified and felt it important to mention a number of former city leaders, including former mayors Atkins, Grannis, and Tourville, had visited the property and been aware of its construction and use without issue and felt that this was materially relevant as the use was established with city leaders prior to the zoning codification. Consequently implying that the property had essentially been subject to ordinances effected by the city after the use of the building had been established.

Dakota County property records had this plat listed as a multifamily plat until sometime in the last year.

In the late 2010's, the building was sold and used as an owner-occupied rental property with the three units (bottom main unit and two upper apartments) being continuously occupied by unrelated individuals until early 2020 when the property was fully rented to non-related tenants.

In November of 2020, we received a notice regarding a breach of city ordinances that we had committed by my husband and I in renting it out. Due to the current eviction moratorium in place in the state of Minnesota, it took us several months to end the tenancy of our previous renters. Including an emergency eviction that we had to serve to a nuisance tenant due to multiple issues involving Inver Grove Heights law enforcement.

The property has been empty since approximately January of 2021 and is currently listed for sale.

Our goal is to have the plat rezoned so we can have the intended property use and the zoning match up and to formally register it as a multi-family property with the city and the county. Our hope is that this opens the door for potential buyers to apply for a rental license with the city or, as we have encountered a number of times in our process to sell this property, allowing a multi-generational family to legally occupy this building. Per the city's code enforcement team, current city code prevents a multi-generational family from utilizing more than a singular unit on the property.

As stated in our opening statements, we have reason to believe that the property meets the current standards for an R-3A property and that no major changes or exceptions would be necessary to rezone this plat. Please find below our evidence to this end:

¹ City Code, Inver Grove Heights. "10-1-1: TITLE; PURPOSE; INTERPRETATION." *American Legal Publishing Corporation*, 8 Nov. 2004, codelibrary.amlegal.com/codes/invergrovehtsmn/latest/invergrovehts_mn/0-0-0-5990.

Taken from Chapter 9, Article C in the city's ordinances,

Minimum Standards²:

Lot area	7,260 square feet per unit
Lot width	100 feet
Front yard setback	30 feet
Side yard setback	20 feet
Rear yard setback	30 feet
Height (maximum)	35 feet or by CUP
Building coverage (maximum)	20 percent
Impervious surface (maximum)	40 percent

In our estimation and our research, we have found that the plat itself is generally conforming to the city's zoning ordinances pertaining to R-3A in that:

The existing lot's width is over 165 feet, exceeding the minimum requirement of 100 feet.

The side setback is approximately 22.5 feet to the east and more than 90 feet to the west, exceeding the minimum requirement of 20 feet outlined in the city code.

The backyard setback is approximately 175 feet, exceeding the minimum 30 feet required by the city.

The lot is approximately 1.06 acres or 46,173.6 square feet. Buildings on the property equate to a total square footage of approximately 4800 square feet. Making the total building coverage on the lot approximately 10.5%, falling below the city's maximum allowable building coverage ratio.

The total impervious surface square footage, including the pool, is approximately 13,500 square feet. This totals to approximately 30% of the lot, falling below the city's maximum allowable impervious surface ratio.

Additionally, neighboring lots to the west are presently zoned R-2, some of which are utilized for twin homes and some for single family houses. While this lot would be a standalone R-3A, and there are not many R-3A lots within the city of Inver Grove Heights, the use would not be unconventional for the neighborhood.

² "10-9C-1: R-3A MULTIPLE-FAMILY RESIDENTIAL DISTRICT:" *American Legal Publishing Corporation*, 8 Nov. 2004, codelibrary.amlegal.com/codes/invergrovehtsmn/latest/invergrovehts_mn/0-0-0-7036.

Looking forward into the future, the City 2040 Comprehensive Plan states, “substantial portions of the low-density residential area are anticipated to develop at a density of two to three units per net acre,” Which this housing achieves by offering three independent units on a little more than an acre of land. And, barring any significant changes to city code regarding lot requirements, this property stands to continue to meet the minimum standards outlined by the city for the foreseeable future.

Per the Comprehensive Plan, “in September 2013, the Dakota County Community Development Agency completed a Needs Assessment for all of Dakota County. [...] The report findings indicate that demand is now outpacing supply in some housing categories, most notably apartment rentals.”³ The housing market is said to be at its most competitive point in decades with scarcity in both single family homes and apartment rentals present, “vacancy rate in Dakota County has declined since 2010 to just 4.8%, creating a challenging market for renters.”⁴ While the addition of 3 units to the city’s total rental unit number is fractional, it will make a difference for 3 families looking for housing in the city of Inver Grove Heights.

In the city’s own summary of its plan for the next 20 years, “the City’s goal is to preserve an even balance of housing with approximately 50% single family detached and 50% multi-family attached housing.”⁵ While also noting it is necessary for the city to “maintain quality housing by promoting ongoing maintenance of owner occupied and rental housing units through code compliance, homeowner education, financial incentives, and providing technical resources,”⁶ such as a simplified path to rezoning land tracts that meet or could meet the existing ordinances, and, offering the flexibility to “adjust zoning regulations to allow for a mix of single family, duplex, and triplex units within existing neighborhoods and new developments.”⁷

³ City of, Inver Grove Heights. “Inver Grove Heights 2040 Comprehensive Plan.” *Inver Grove Heights Comprehensive Plan*, Inver Grove Heights, 28 Oct. 2019, www.ighmn.gov/DocumentCenter/View/8284/IGH-2040-Comp-Plan.

4-74

⁴ City of, Inver Grove Heights. “Inver Grove Heights 2040 Comprehensive Plan.” *Inver Grove Heights Comprehensive Plan*, Inver Grove Heights, 28 Oct. 2019, www.ighmn.gov/DocumentCenter/View/8284/IGH-2040-Comp-Plan.

4-78

⁵ City of, Inver Grove Heights. “Inver Grove Heights 2040 Comprehensive Plan.” *Inver Grove Heights Comprehensive Plan*, Inver Grove Heights, 28 Oct. 2019, www.ighmn.gov/DocumentCenter/View/8284/IGH-2040-Comp-Plan.

4-84

⁶ City of, Inver Grove Heights. “Inver Grove Heights 2040 Comprehensive Plan.” *Inver Grove Heights Comprehensive Plan*, Inver Grove Heights, 28 Oct. 2019, www.ighmn.gov/DocumentCenter/View/8284/IGH-2040-Comp-Plan.

4-85

⁷ City of, Inver Grove Heights. “Inver Grove Heights 2040 Comprehensive Plan.” *Inver Grove Heights Comprehensive Plan*, Inver Grove Heights, 28 Oct. 2019, www.ighmn.gov/DocumentCenter/View/8284/IGH-2040-Comp-Plan.

4-86

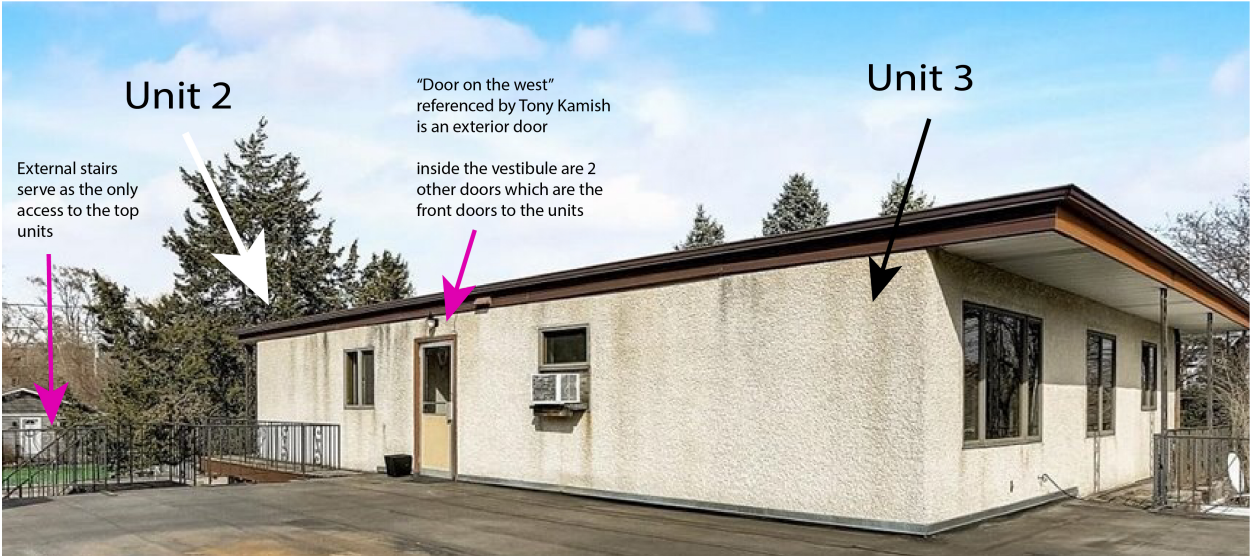
Friday, April 16, 2021

In summary, we have reason to believe this property has existed this way since it was originally constructed, with the knowledge and acceptance by previous city leaders, and prior to the codification of multi-family buildings. However, we are not asking to be grandfathered into the city code but rather contend that the property should be rezoned to reflect the original purpose and construction to conform with more recently enacted city requirements as it meets those requirements spot on. We maintain the notion that the existing building provides a number of opportunities for potential renters in Inver Grove Heights and rises to meet the city's future plans in its conformity. We also assert that, per the city's own plan, both the planning commission and the city council should view this property as an opportunity to further the existing comprehensive plan by allowing for a rezoning of the property from single family to multi-family.

We thank you for your time and your consideration.

Respectfully,

Elizabeth Anderson Schmidt
612-840-6248







From: [SCOTT Campbell](#)
To: [Kim Fox](#)
Subject: 66th St. re-zoning proposal
Date: Tuesday, May 25, 2021 8:05:33 AM

The letter I received said remarks made by 5-31 would be provided to the Planning commission. I have lived here for over 30 years and I have concerns about another re-zoning proposal on 66th Street. 66th is really one of two 'main' entrances to this neighborhood and is a pretty busy road. It did not take very long before I realized I would need to fence my property.

Though not an "Inver Grove school there still is a school there! I would not support and would be extremely disappointed to see something in this neighborhood beyond the duplexes that are here now! I'm aware there are buildings by the airport bigger than this but they are easily accessed from other streets. I do not know the specifics but I just wanted to voice an opinion that bigger units would be inconsistent with a family dynamic enjoyed here! Thank You.

Scott Campbell

3990 66th St. E

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From: [HOWARD DEHAAN](#)
To: [Kim Fox](#)
Subject: Case no. 21-312
Date: Thursday, May 27, 2021 10:11:20 AM

We are very against the possibility of having this zoned as a multi-family. There were multiple families living there at the same time in the past year. There were so many calls to law enforcement I could not begin to count! Domestic abuse calls, drugs being used and made among many other issues. This was a single family residence for the 38 years I have been here. Let's just leave well enough alone. There are also a lot of grandchildren in the area as well as children. Let's not expose them to the things that have happened lately because of that dwelling!

Sincerely,
Howard DeHaan
6580 Dawn Ave E.

Sent from my iPad

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From: [Matthew Jaques](#)
To: [Kim Fox](#)
Subject: Rezoning of 4046 66th St
Date: Monday, May 24, 2021 12:25:20 PM

Hi Kim.

My name is Matt Jaques and I am the homeowner of 4060 66th St E, which is the property located directly to the east of the property referenced in the subject. I am emailing in regards to the hearing for the rezoning of 4046 66th st for my recommendations to the planning commission.

- I would first like to submit that the property lines be surveyed for that property. There is an old driveway that was most likely shared by both properties at some point in time. I believe my property line runs directly through the middle of this driveway. I have brought a driveway in from the street as approved by the planning commission and the shared driveway should no longer be used by me.
- Secondly, I would like to submit a recommendation that a privacy fence be installed on the property line. With this property being re-zoned for multi-family housing, I believe the it would alleviate any property crossing issues in the future. This may, however, cause the shared driveway to be unusable by the tenants at that property.

Thank you and the city planning commission for your time and consideration for these requests.

Sincerely,
Matt Jaques

Matt Jaques • Sr. Systems Engineer
mjaques@vivint.com • P: 651.757.7444

vivint.com
2854 Highway 55 Suite # 200 Eagan, MN 55121



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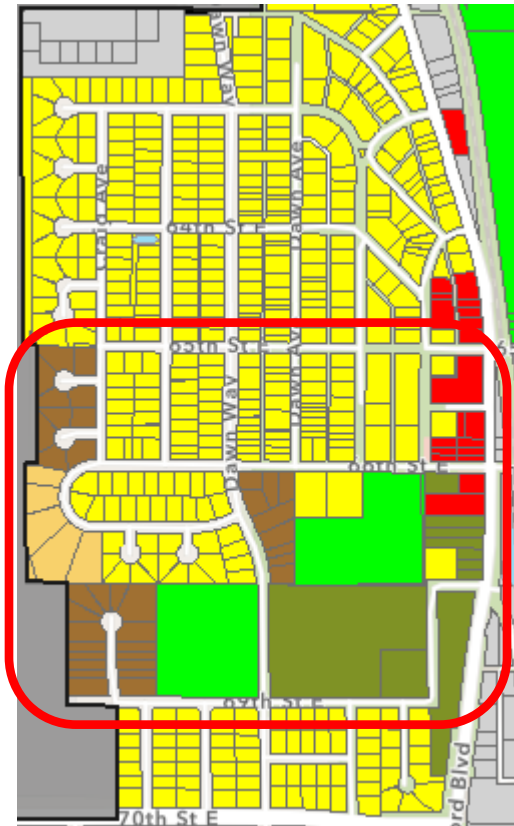
Dear Inver Grove Heights Planning Commission and City Council,

This letter is in regard to the rezoning of plat 4046 66th Street E., Inver Grove Heights. It is my understanding that the plat is currently zoned R-1 (single family home) and the property owners want to rezone it to R-3A (3-unit multi-family home).

I object to rezoning this property because the neighborhood already has several 2-family and multi-family housing areas that are currently rentals.

In addition, it was noted in the letter from Joshua and Elizabeth Schmidt - CASE NO. 21-31Z that 'the City's goal is to preserve an even balance of housing with approximately 50% single family detached and 50% multi-family attached housing.' In my opinion, our neighborhood is already saturated with multi-family home dwellings compared to other areas in Inver Grove Heights.

Lastly, this unit has never been used as a multi-family house. Over my 23 years of living in this neighborhood, the house has always been a signal family home.



I appreciate your consideration to this matter,

Regards,

Carie and Craig Mathison

6724 Dawn Way E., Inver Grove Heights, MN 55076

651-283-8618

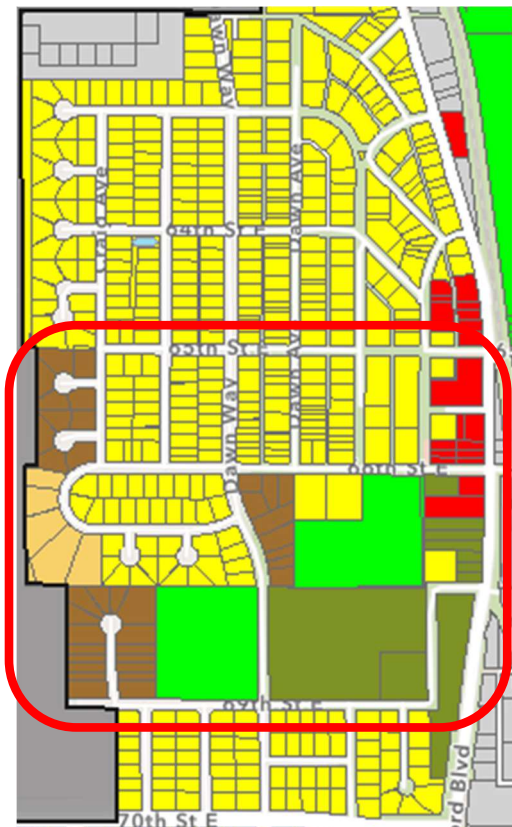
Re: Request for rezoning of property located at 4046 66th Street E., identified as PID No:20-00200-50-031 Case No. 21-31Z

Dear Inver Grove Heights Planning Commission and City Council,

Thank you for listening to public comments in determining whether to proceed or not with rezoning of the subject property from R1-C, single-family residential to R-3A, multi-family residential.

As a property owner, living in this neighborhood for over 30 years, within 350 feet of subject property, I am opposed to the rezoning of the property at 4046 66th Street to multi-family in the midst of long-time, single family residents. The subject property has always been a single-family home, owner-occupied by Sonny and Corrine Kamish while they were alive, until sold in 2018. The property was utilized as multi-family rental 2018-2020, causing various disturbances in the neighborhood. A zoning change at this location will have a negative impact for the entire neighborhood.

In addition, it is noted in the letter from Joshua and Elizabeth Schmidt - CASE NO. 21-31Z that the City's goal is to preserve an even balance of housing with approximately 50% single family detached and 50% multi-family attached housing." The neighborhood already has several 2-family / multi-family housing areas so it appears this neighborhood already has a fair share of multi-family dwellings compared to other areas in Inver Grove Heights.



Thank you for considering the position of nearby IGH residents, impacted by rezoning, as you evaluate this request.

Regards,

Sharon Lencowski
4000 66th Street
5/28/2021

Re: Request for rezoning of property located at 4046 66th Street E., identified as PID No:20-00200-50-031 Case No. 21-31Z

Dear Inver Grove Heights Planning Commission and City Council,

Thank you for listening to public comments to determine whether to proceed or not with rezoning of the subject property from R1-C, single-family residential to R-3A, multi-family residential.

As a property owner, living in this neighborhood for 50 years, within 350 feet of subject property, I object to the rezoning of the property at 4046 66th Street to multi-family residential. The subject property has always been an owner-occupied residence by Sonny and Corrine, while they were alive, until sold in 2018. Referencing activities associated with this location between 2018 and 2020, a zoning change would be detrimental for this neighborhood. The property was utilized as multi-family rentals from 2018-2020 and the police were there many many times.

In addition, it is noted in the letter from Joshua and Elizabeth Schmidt - CASE NO. 21-31Z that the City's goal is to preserve an even balance of housing with approximately 50% single family detached and 50% multi-family attached housing." It appears this area already has a fair share of multi-family dwellings compared to other areas in Inver Grove Heights.



Your consideration for the position of nearby IGH residents, impacted by this rezoning, is greatly appreciated.

Regards,

Don Lencowski
4055 66th Street
5/28/2021

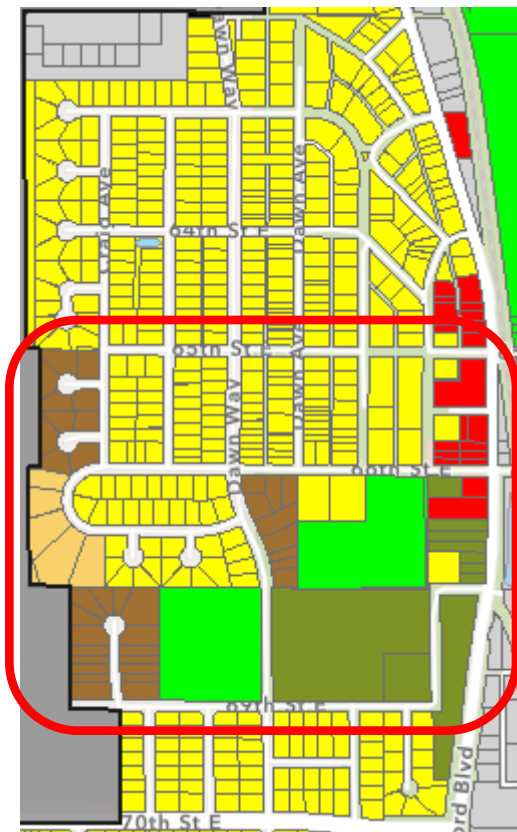
Dear Inver Grove Heights Planning Commission and City Council,

This letter is in regard to the rezoning of plat 4046 66th Street E., Inver Grove Heights. It is my understanding that the plat is currently zoned R-1 (single family home) and the property owners want to rezone it to R-3A (3-unit multi-family home).

I object to rezoning this property because I currently do daycare in my home. The traffic on the hill is already excessive without adding more families living here. The neighborhood already has several 2-family and multi-family housing areas that are currently rentals.

In addition, it was noted in the letter from Joshua and Elizabeth Schmidt - CASE NO. 21-31Z that 'the City's goal is to preserve an even balance of housing with approximately 50% single family detached and 50% multi-family attached housing.' In my opinion, our neighborhood is already saturated with multi-family dwellings compared to other areas in Inver Grove Heights.

Lastly, this unit has never been used as a multi-family house. Over my 36 years of living in this neighborhood, the house has always been a signal family home.



I appreciate your consideration to this matter,

Kind regards,

Lora Flugstad

4095 66th St. E.

651-455-4575

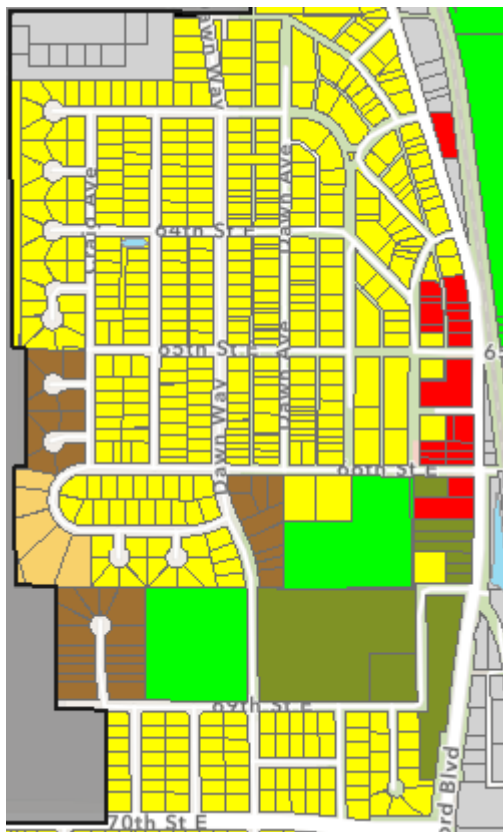
Dear Inver Grove Heights Planning Commission and City Council,

This letter is in regard to the rezoning of plat 4046 66th Street E., Inver Grove Heights. It is my understanding that the plat is currently zoned R-1 (single family home) and the property owners want to rezone it to R-3A (3-unit multi-family home).

I object to rezoning this property because the neighborhood already has several 2-family and multi-family housing areas that are currently rentals.

In addition, it was noted in the letter from Joshua and Elizabeth Schmidt - CASE NO. 21-312 that 'the City's goal is to preserve an even balance of housing with approximately 50% single family detached and 50% multi-family attached housing.' In my opinion, our neighborhood is already saturated with multi-family dwellings compared to other areas in Inver Grove Heights.

Lastly, this unit has never been used as a multi-family house. Over my 36 years of living in this neighborhood, the house has always been a signal family home and always should remain a single family home.

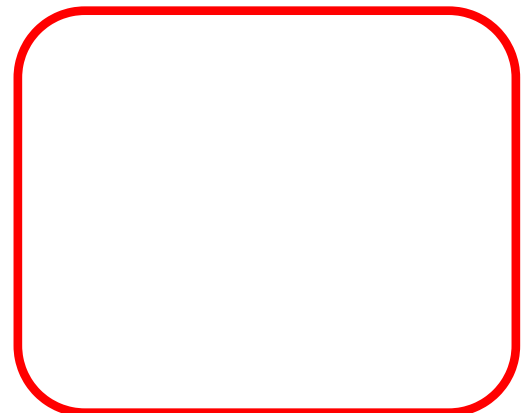


I appreciate your consideration to this matter,

Regards,

Christina and Troy Sumner Jr.

4095 66th St. E



From: [Mary Worm](#)
To: [Kim Fox](#)
Subject: Rezoning of 4046 66th st e
Date: Sunday, May 30, 2021 10:06:21 AM

To whom it may concern

I live at 4025 66th st e, directly across from the proposed rezoning property. My concern is the closeness of this property to the school. Since it was purchased and used as a multi person rental we noticed many visits by the police department.

I have viewed unsafe driving, and racing cars and trucks from said property. This is of concern due to the closeness to the school. As our neighbors have stated we all ready have several multi person units in our neighborhood.

Thank you for your concern in this matter.

Mary Worm

651-387-2853

Sent from my iPhone

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From: [Sharon](#)
To: [Kim Fox](#)
Subject: Case No. 21-31Z - Scheduled for Planning Commission June 1, 2021
Date: Friday, May 28, 2021 11:45:45 AM
Attachments: [CityNotice.pdf](#)
[DLRezoning.pdf](#)

Hi Kim,

See attached comments regarding request for rezoning at 4046 66th Street.

Please send confirmation this is received in time for Planning Commission Meeting Tuesday, June 1.

Thank you,
Don/sl

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

**Request for Council Action****TITLE: KAYAK PROPERTIES**

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	
Item Type:	Regular Agenda	Amount included in current budget	
Contact:	Allan Hunting 651-450-2554	Budget amendment requested	
Prepared by:	Allan Hunting	FTE included in current complement	
Reviewed by:		New FTE requested - N/A	
		Other	

PURPOSE/ACTION REQUESTED:

Consider an Ordinance rezoning the property from R-1A, Single Family Residential District to R-1C, Single Family Residential District.

- Requires a 3/5th's vote.
- 60-day deadline: June 18, 2021 (first 60 days)

SUMMARY

The applicant would like to subdivide the parcel to create two new lots for development. There is an existing home on the site and that would remain on one lot and then two new lots would be subdivided. The property is 71,291 square feet in size or 1.63 acres. In order to subdivide the parcel, a rezoning to R-1C would be required. The parcel is currently zoned R-1A which requires a 40,000 square foot minimum lot size. The R-1C district requires a 12,000 square foot minimum lot size.

ANALYSIS

- Density of lots would still meet LDR comp plan density.
- Proposed lots would be approximately 21,000 square feet in size. Lots would be larger than existing lots to the south.
- Rezoning would be consistent with surrounding area.

RECOMMENDATION:

Planning Staff: Recommends approval of the rezoning as proposed.

Planning Commission: Also recommended approval of the rezoning as requested (9-0).

Attachments: Rezoning Ordinance
Planning Commission Recommendation
Planning Report

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

ORDINANCE NO. _____

**AN ORDINANCE AMENDING TITLE 10, CHAPTER 4 (ZONING MAP) OF THE
INVER GROVE HEIGHTS CITY CODE**

CASE NO. 21-30Z
(Kayak Properties)

The City Council of Inver Grove Heights ordains as follows:

SECTION I. Ordinance No. 1190 adopted July 27, 2009, entitled, "AN ORDINANCE ADOPTING THE RECODIFICATION OF THE INVER GROVE HEIGHTS CITY CODE INCLUDING THE CITY ZONING ORDINANCE, is hereby amended to rezone the following described property located within the City of Inver Grove Heights from R-1A, Single Family Residential District to R-1C, Single Family Residential District to wit:

The East 264.00 feet of the Wests 889.00 feet of the North 330.00 feet of the Northeast Quarter of Section 9, Township 27, Range 22, Dakota County, Minnesota.

SECTION II. The Zoning Map of the City of Inver Grove Heights referred to and described in said Ordinance No. 1190 as that certain map entitled "Inver Grove Heights Zoning Map, June 24, 2002", together with all amendments thereto, hereinafter referred to as the "zoning map", shall not be republished to show the aforesaid rezoning, but the Clerk shall appropriately mark the said zoning map on file in the Clerk's Office for the purpose of indicating the rezoning hereinabove provided for in this ordinance and all of the notations, references and other information shown thereon are hereby incorporated by reference and made a part of this ordinance.

SECTION III. This Ordinance shall be in full force and effect from and after its

Ordinance No. _____
Page 2

publication according to law.

Enacted and ordained into an Ordinance this 14th day of June, 2021.

Ayes:

Nays:

Thomas Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk

**RECOMMENDATION TO
CITY OF INVER GROVE HEIGHTS**

TO: Mayor and City Council of Inver Grove Heights

FROM: Planning Commission

DATE: May 18, 2021

SUBJECT: **KAYAK PROPERTIES - CASE NO. 21-30Z**

Reading of Notice

Commissioner Simon read the public hearing notice to consider the request for a rezoning of the property from R-1A, single-family residential to R-1C, single-family residential, for the property located at 2644 70th Street. 35 notices were mailed.

Presentation of Request

Allan Hunting, City Planner, explained the request as detailed in the report. He advised that the applicant would like to subdivide the existing parcel and create two new lots. The property is 1.63 acres in size. To subdivide the parcel, a rezoning to R-1C would be required. The property is currently zoned R-1A which requires a 40,000 square foot minimum lot size. The R-1C district requires a 12,000 square foot minimum lot size. If the rezoning is successful, an application for a preliminary and final plat would be required. The proposed subdivision would be consistent with the comprehensive plan designation which allows 1-4 units per acre. The current zoning of R-1A, which has a minimum lot size of 40,000 square feet, was set up for homes that at the time were not connected to sewer or water. With city utilities now available to this area, all lots would need to be connected to city sewer and water. The one lot would be created around the existing house and two lots would be created and would access Bovey Avenue. The proposed lots would range in size from 21,000-25,000 square feet. The lots abutting this property to the south are roughly 12,000 square feet in size. Staff received two emails; one was included in the packet and the other was emailed to commissioners yesterday. Staff recommends approval of the request.

Chair Niemioja noted that commissioners actually received emails from three residents (Skradski, Krumrie, and Borscheid/Habeck).

Opening of Public Hearing

Mr. Hunting advised that the applicant was having some difficulty logging into the virtual meeting.

Commissioner Clancy asked for clarification of future utility connection requirements.

Mr. Hunting replied that if the lots were created, they would have to install sewer and water stubs to the property lines for each of the lots.

Chair Niemioja asked for clarification that all the proposed lots would be over 21,000 square feet in size.

Mr. Hunting replied in the affirmative.

Terry Buchanan, 3495 Northdale Blvd, Suite 200, Minneapolis, advised he was available to answer any questions.

Chair Niemioja asked the applicant if he read and understood the report.

Mr. Buchanan replied in the affirmative.

James Hartman, 7055 Blake Path, stated he lived behind the subject property and was concerned about his existing drainage problem. He advised that he contacted the City Engineer about this issue about a month ago.

Chair Niemioja asked staff if they were aware of this existing issue.

Mr. Hunting replied he was not, but that engineering was likely working on that independent of this rezoning request.

Chair Niemioja asked if all the water issues would be approved by the engineering staff when the final subdivision plat was reviewed.

Mr. Hunting was unsure how the engineering review of this plat would affect what appears to be current drainage issues.

Mr. Buchanan stated that the final grade usually needs to get approved by the city after the house is built.

Chair Niemioja asked Mr. Hartman if that provided clarification.

Mr. Hartman replied it did not. He thought a plan would be discussed tonight for his drainage problem.

Chair Niemioja advised that unfortunately commissioners did not have the information being requested for matters relating directly to Mr. Hartman's property, but the applicant would have to manage the water properly from the proposed lots.

Commissioner Simon asked if the applicant would need to come in with a preliminary and final plat for the new lots and, if so, would the water issues be addressed at that time.

Mr. Buchanan replied that their plan was to sell the lots. The builders would have to get the final grade approved by the city to ensure the lot drainage flows properly.

Mr. Hartman asked if he would incur any expense with his drainage issue.

Chair Niemioja stated that the commission did not have any report on a drainage issue on Mr. Hartman's property related to this matter on the subject property. Any additional water coming onto Mr. Hartman's property from the subject properties would be dealt with in conjunction with the plat application.

Mr. Hunting stated any complaints to the City Engineer on a current drainage problem would be handled separately from the subdivision plat. Engineering does review the grading and stormwater management for any house being constructed to make sure it does not have a negative impact on neighboring properties.

Mr. Buchanan stated the elevation of the lot would provide several possibilities as far as moving dirt or directing drainage to the street. It is currently elevated from the street, there is no lowland, and it is currently being cut and maintained.

Mr. Hartman asked who owned the subject property.

Mr. Buchanan replied that he did.

Mr. Hartman asked if he bought it from the prior owner.

Mr. Buchanan replied in the affirmative.

Mr. Hartman asked about this lot being park property.

Mr. Buchanan replied that he did not know about any park property.

Mr. Hartman replied that he was told that this was park property.

Mr. Hunting replied that there was no park property in this vicinity on the south side of 70th Street.

Mr. Hartman advised that the prior owner told him that he had not paid taxes on the property because after he passed away the property would become City Park property.

Mr. Hunting clarified that it would not go to the City of IGH. The City never acquired this property, it has always been in private ownership, and he could not speak to what the previous owner was telling neighbors.

Mr. Hartman replied that the previous owner was paying less than half the taxes he should have been paying on the property.

Chair Niemioja replied that they could not resolve that issue here as it was not relevant to the request, and they did not know the history of the property.

Chair Niemioja closed the public hearing.

Planning Commission Recommendation

Motion by Commissioner Simon, second by Commissioner Weber, to approve the request for a rezoning of the property from R-1A, single-family residential to R-1C, single-family residential, for the property located at 2644 70th Street, with the conditions listed in the report.

Motion carried (9/0). This item goes to the City Council on June 14, 2021.

Motion by Commissioner Robertson, second by Commissioner Weber, to accept the additional two emails not included in the original report into the public record.

Motion carried (9/0).



PLANNING REPORT

CASE NO: 21-30Z

APPLICANT: Kayak Properties

PROPERTY OWNER: Kayak Properties, Inc.

REQUEST: Rezoning from R-1A to R-1C

HEARING DATE: May 18, 2021

LOCATION: 2644 70th Street

COMPREHENSIVE PLAN: LDR, Low Density Residential

ZONING: R-1A

REVIEWING DIVISIONS: Planning
Engineering

PREPARED BY: Allan Hunting
City Planner

BACKGROUND

The applicant would like to subdivide the parcel to create two new lots for development. There is an existing home on the site and that would remain on one lot and then two new lots would be subdivided. The property is 71,291 square feet in size or 1.63 acres. In order to subdivide the parcel, a rezoning to R-1C would be required. The parcel is currently zoned R-1A which requires a 40,000 square foot minimum lot size. The R-1C district requires a 12,000 square foot minimum lot size.

If the rezoning is successful, an application for a preliminary and final plat will be required before development can occur. This subsequent process provides for public review and comment on the actual site plan.

SURROUNDING USES

The subject property is surrounded by:

North Single family, park; zoned R-1C, Park; guided LDR, Public Open Space.
East Church, single family; zoned P, R-1C; guided Institutional, LDR
West Single family; zoned R-1A; guided LDR
South Single family; zoned R-1C; guided LDR

EVALUATION OF REQUEST

The subject parcel is currently guided Low Density Residential.

LDR is defined in the 2040 Comprehensive Plan as follows:

"The low-density residential category encompasses traditional "urban" density development in Inver Grove Heights. LDR includes lots or parcels ranging from 1 unit per acre to 4 units per net acre. Substantial portions of the low-density residential area are anticipated to develop at a density of two-three units per net acre. Housing types in the low-density residential category include single-family detached homes, twin units and lower density, townhome style developments. In all cases, low-density residential development will be served by public water and sanitary sewer systems."

This area of the city is located within what is referred to in the 2040 Comp Plan as the Established Development Areas. The Comprehensive Plan lists Established Development Area Policies:

1. Allow infill development in a manner that protects the character of existing residential neighborhoods.
2. Maintain a circulation system that connects neighborhood areas while emphasizing a system of collector roadways to accommodate vehicular movements.
3. Provide a broad range of housing opportunities.
4. Ensure that new development areas are compatible in size and scale with existing, adjacent neighborhoods.
5. Provide appropriate buffers to allow density transitions and to accommodate a range of housing types.
6. Promote programs and adopt and enforce codes that encourage the maintenance of the existing housing stock.
7. Encourage rehabilitation of deteriorating housing stock.
8. Conduct long term planning to ensure existing neighborhood infrastructure is well maintained and reliable.
9. Disperse affordable housing throughout the area rather than creating concentrations in specific locations.
10. Reflect the history and character of existing residential neighborhoods in future infill development within those neighborhoods.
11. Provide commercial services that are convenient to neighborhoods.
12. Work closely with the school districts within the City to ensure that local school facilities are properly maintained, sustainable and serve as gathering spaces for neighborhoods.
13. Continually monitor the vitality and viability of existing commercial nodes and encourage the integration of supporting residential uses where necessary.
14. The city will continue to support the R-4 Mobile Home Park Zoning District that was established for mobile home park developments.

Rezoning.

The purpose of the R-1 zoning districts is established for existing and future one-family detached dwelling areas which are provided with full urban services. The R-1A district has a larger lot size because this district was used for single family homes that were not connected to city sewer and water most likely because it was not available when the homes were built. The house on the subject lot was built in 1956, but the home on the lot to the west was built in 1895. There are three lots abutting 70th Street, either side of the house built in 1895. The 1895 home was most likely part of an old farmstead and the lots either side were probably created later at the same time before sewer and water were available. According to city utility records, the subject house is connected to sewer but not water even though city water is available. With city sewer and water available to this area, the lots would no longer need to maintain a larger lot size and maintain the current zoning of R-1A.

In 1965, this lot as well as the other two next to it along 70th were zoned A, Agricultural. The middle lot was rezoned to E-1 in 1985. The subject lot was rezoned to R-1C some time in the early 1990's. All the lots were changed to R-1A probably in 2002.

The single family lots immediate to the south have lot sizes of 12,089 square feet, with the corner lot at 13,075 square feet. The anticipated lot size of the proposed three lots would be at least 21,000 square feet.

ALTERNATIVES

The Planning Commission has the following alternatives available for the proposed request:

A. Approval If the Planning Commission finds the application acceptable, the Commission should make the following recommendation:

- Approving the Rezoning of the parcel from R-1A to R-1C with the following notations:
 1. A preliminary and final plat application will be required to subdivide the property into the three anticipated lots.
 2. All development shall comply with the comments made in the City Engineer review memo dated April 28, 2021.

B. Denial If the Planning Commission does not favor the request, a recommendation of denial should be forwarded to the City Council. With a recommendation of denial, findings or the basis for the denial should be given.

RECOMMENDATION

Staff would recommend approval of the rezoning as requested.

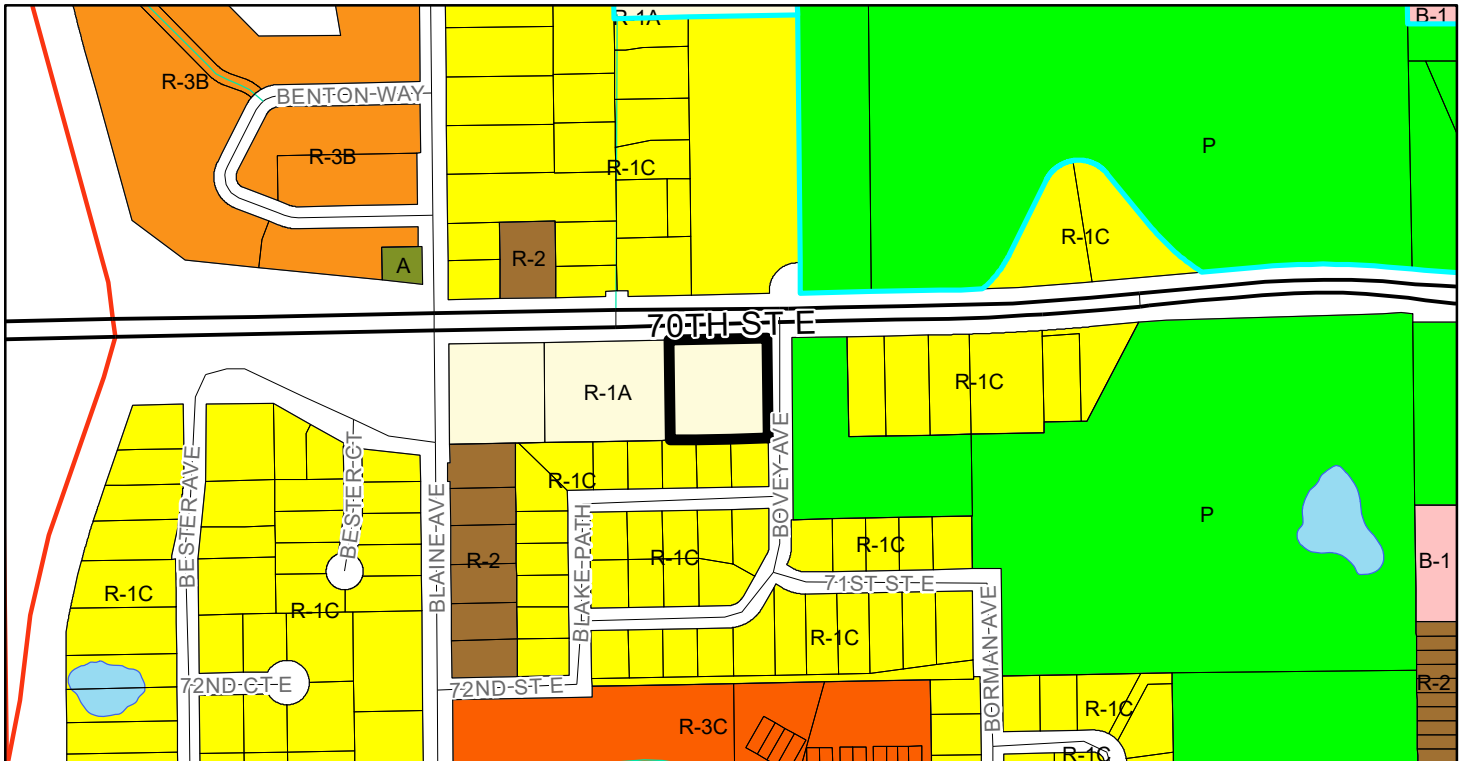
Attachments: Location Map
Existing and proposed zoning map
Concept plan of subdivision
Letter from Resident

Location Map

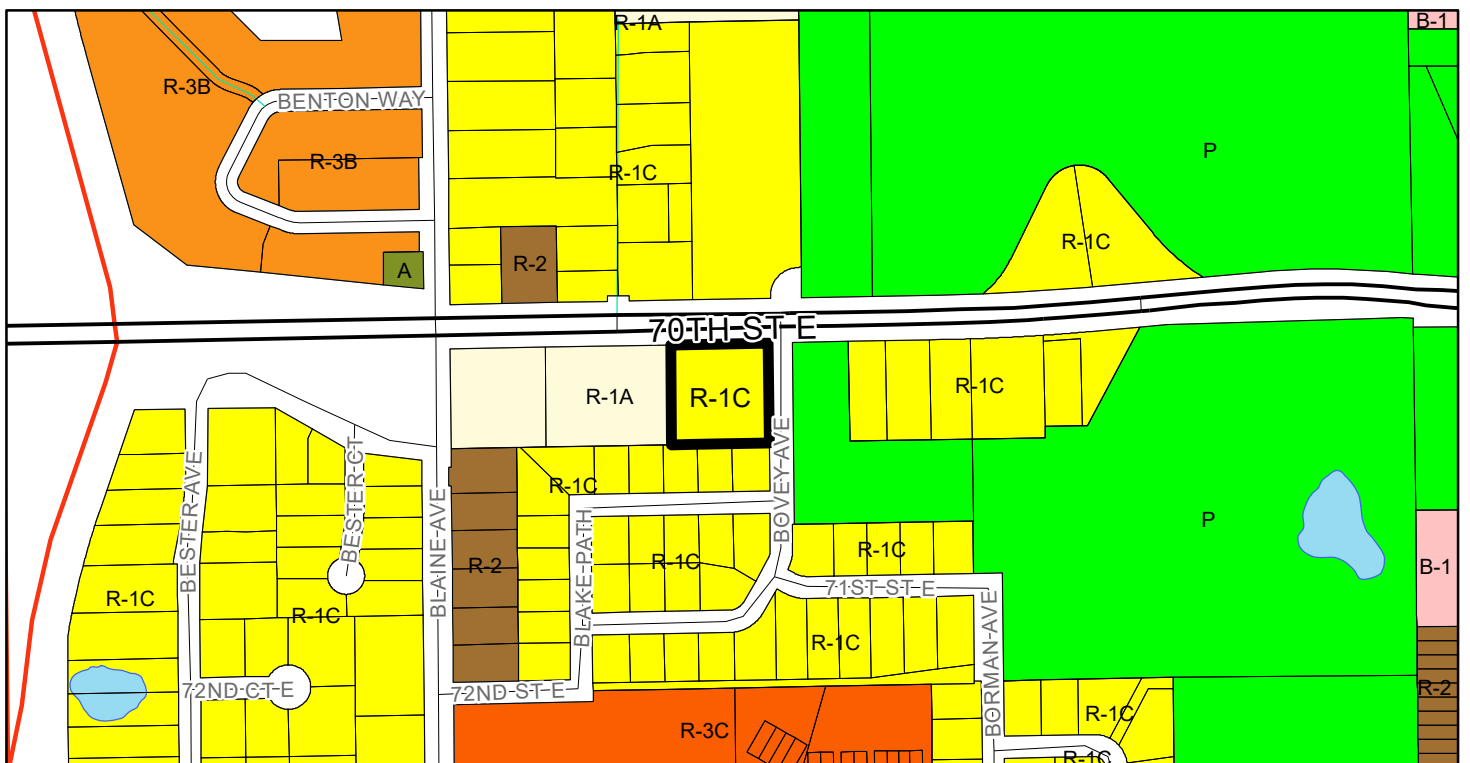
Case No. 21-30Z



Existing Zoning



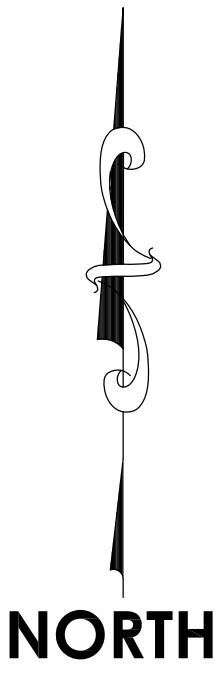
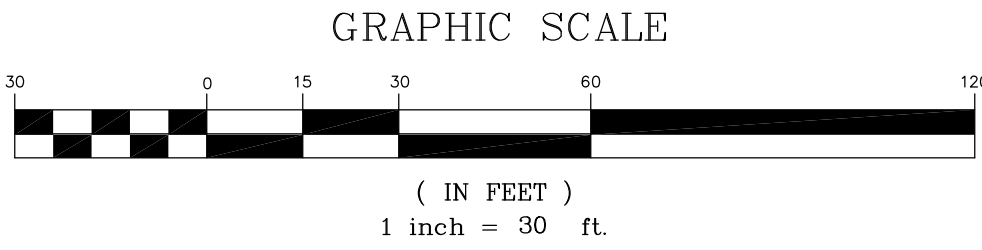
Proposed Zoning



BOUNDARY & TOPOGRAPHIC SURVEY

~for~ Buchanan

Address: #2644 - 70th Street East, Inver Grove Heights, MN 55076
(SHOWING CONCEPT PLAN OVERLAY)



BENCHMARK

BASIS FOR ELEVATION: NAVD 88 (VIA REAL TIME GPS MEASUREMENTS UTILIZING MINNESOTA DEPARTMENT OF TRANSPORTATION VRS NETWORK)

LEGEND

- DENOTES IRON MONUMENT FOUND
- DENOTES IRON MONUMENT SET
- DENOTES UTILITY BOX
- ⊗ DENOTES SANITARY SEWER MANHOLE
- DENOTES CATCH BASIN
- ⊗ DENOTES GATE VALVE
- ⊗ DENOTES FIRE HYDRANT
- - - DENOTES EXISTING CONTOUR
- - - DENOTES OVERHEAD WIRE
- ⊗ DENOTES RETAINING WALL

LEGAL DESCRIPTION

THE EAST 264.00 FEET OF THE WEST 889.00 FEET OF THE NORTH 330.00 FEET OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 27, RANGE 22, DAKOTA COUNTY, MINNESOTA.

LEGAL PER REVIEW OF COUNTY TAX RECORDS, NO TITLEWORK FURNISHED TO SURVEYOR, SEE NOTES.

Overall property Area = 87,124± sq.ft. (2.00 acres)
Overall property Area less Road (North 60') = 71,283 sq.ft. (1.64 acres)

CONTOUR NOTE:

- Contours shown hereon from <http://arcgis.dnr.state.mn.us/maps/mntopo>. Spot checks were made and topography was adjusted to best match field observed elevations.

ZONING & SETBACK INFORMATION

- PROPERTY ZONED R1-A
- FUTURE COMPREHENSIVE PLAN 2040 ZONING MAP SHOWS PROPERTY AS "LOW DENSITY RESIDENTIAL"
- PROPERTY IS PROPOSED TO BE REZONED TO: R-1C
- SETBACKS BUILDING
 - FRONT = 30'
 - INTERIOR = 10'
 - REAR = 30'
 - MAXIMUM HEIGHT = 35'
- MINIMUM LOT WIDTH = 85'
- MINIMUM LOT WIDTH (CORNER) = 100'
- MINIMUM LOT AREA = 12,000 SQ.FT.
- MINIMUM LOT AREA (CORNER) = 12,500 SQ.FT.

NOTES

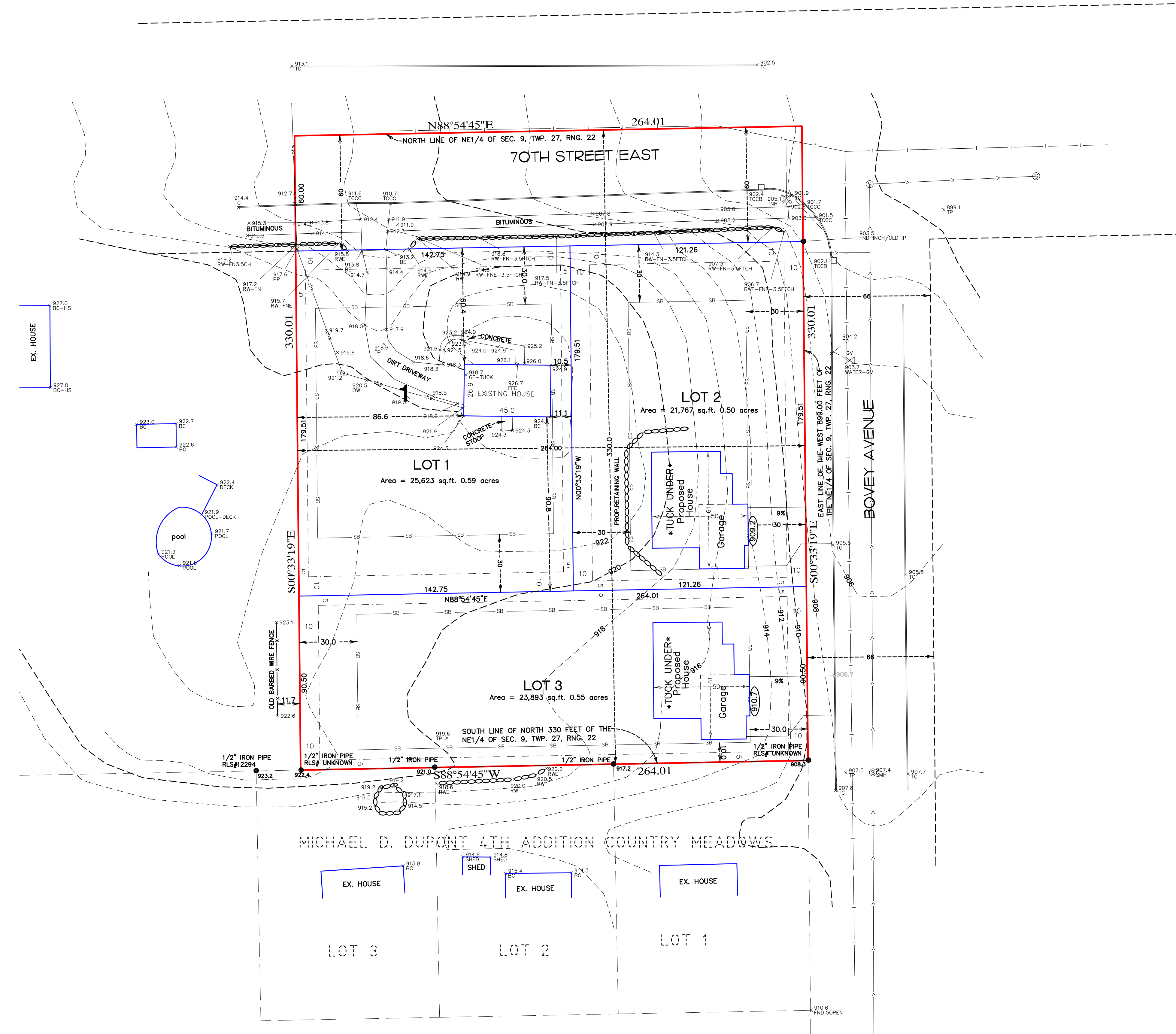
- 2 foot Contour Interval
- Field survey completed on 02/25/21'.
- Bearing's shown are on assumed datum.
- This survey was prepared without the benefit of titlework. Easement, appurtenances and encumbrances may exist in addition to those shown hereon. This survey is subject to revision upon receipt of a title insurance commitment or attorneys title opinion.

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Registered Land Surveyor under the laws of the State of Minnesota.

REL. 03/31/21

ERIC R. VICKARYOUS

Date: _____ Reg. No. 44125



May 11, 2021

Planning Commission
City of Inver Grove Heights
8150 Barbara Ave
Inver Grove Heights, MN
55077

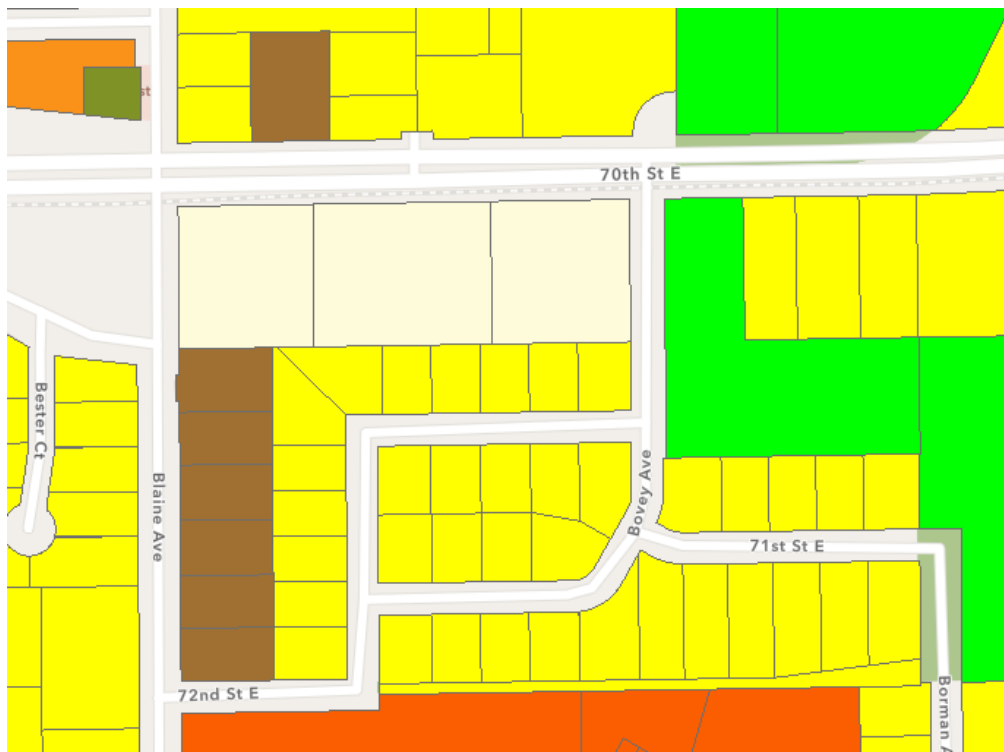
Regarding: KAYAK PROPERTIES - CASE NO. 21-30Z

Location: Property located at 2644 70th Street E., Identified as PID No: 20-00900-02-010

I, John Skradski live at 2582 70th Street E., Inver Grove Heights, MN and live next to 2644 70th Street E., Inver Grove Heights, MN

I oppose the rezoning of 2644 70th Street E., Inver Grove Heights, MN from a R-1A (40,000 sq. ft.) to a R-1C (12,000/12,500 sq. ft.) for the applicant KAYAK PROPERTIES. This company is located in Coon Rapids, MN and has no interest in the City of Inver Grove Heights other than making a profit off of an existing large lot by splitting it up into smaller parcels.

As shown on the City of Inver Grove Heights, Zoning and Land Use Map below, the parcels from Blaine Ave to Bovey Ave, 7050 Blaine Ave, 2582 70th Street E & 2644 70th Street E were kept as large parcels when the City of Inver Grove Heights updated their Zoning and Land Use Map. The intent at that time was to simplify the Zoning and Land Use Map by not having mixed matched clusters of properties in the city.



The property at 2644 70th Street E does not meet the requirements of the City of Inver Grove Heights, Zoning and Land Use definition of a R-1C -- for the property is not connected to the City of Inver Grove Heights domestic water service.

R-1C: The **R-1C Residential District** is established for existing and future one-family detached dwelling areas which are **provided with full urban services**, with a minimum lot size of 12,000 square feet.

I encourage the Planning Commission Board to deny the request to rezone the property at 2644 70th Street E., thereby keeping the 3 parcels adjoining 70th Street E as R-1A (40,000) large lots.

Thank you for your consideration,

John Skradski
2582 70th Street E
Inver Grove Heights, MN
55076
scradegy@gmail.com

**Request for Council Action****TITLE:** Rachel Development - Case No. 21-29PAZ

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	X
Item Type:	Regular Agenda	Amount included in current budget	
Contact:	Heather Botten 651-450-2569	Budget amendment requested	
Prepared by:	Heather Botten	FTE included in current complement	
Reviewed by:		New FTE requested - N/A	
		Other	

PURPOSE/ACTION REQUESTED: Consider the following for property located at 7855 Cahill Ave.;

1. A Resolution relating to a Comprehensive Plan Amendment to change the land use designation from CC, Community Commercial to MDR, Medium Density Residential.
 - Requires a 4/5th's vote.
2. An Ordinance to change the zoning from B-3, General Business District to R-3C, Multiple Family Residential District.
 - Requires a 3/5th's vote.
 - 60-day deadline: June 15, 2021 (first 60 days)

SUMMARY:

The property is currently zoned B-3, General Business and guided for Community Commercial. The applicant is requesting a comprehensive plan amendment and rezoning to change the land use and zoning to a designation that allows for a multiple family development. The applicant would like to develop a 40-unit senior assisted living and memory care facility on the property. If the rezoning and comprehensive plan amendment requests are successful, then a conditional use permit would be required for site plan review.

The applicant is requesting to change the land use designation of the parcel to MDR, Medium Density Residential, which allows for densities 8-12 units an acre. The concept plan shows a 40-unit multiple family building on 3.8 acres, the equivalent of 10.5 units per acre. The applicant is also requesting a rezoning of the property to R-3C, multiple-family. The R-3C district allows for multi-family dwellings with more than 7 units per building. The proposed 40-unit project would include one single level facility.

The property is surrounded by commercial to the south and east, city park to the west, and single family residential to the north. Multiple family housing is typically developed along collector roads and is compatible with the commercial uses in this district. The proposed zoning and land use do not appear to be out of the character for the surrounding areas and is a good transitional use between the single-family home to the north and the commercial development to the south.

RECOMMENDATION:

Planning Staff: Based on existing development patterns in the area, staff is supportive of the rezoning and comprehensive plan amendment and recommends approval of the request.

Planning Commission: At the May 18, 2021 public hearing, the applicant and team were present. No neighbors testified at the hearing. The Planning Commission recommended approval of the rezoning and comprehensive plan amendment (9-0).

Attachments: Comprehensive Plan Amendment Resolution
Rezoning Ordinance
Planning Report

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION APPROVING A COMPREHENSIVE PLAN MAP AMENDMENT TO CHANGE
THE LAND USE DESIGNATION FROM CC, COMMUNITY COMMERCIAL TO MDR, MEDIUM
DENSITY RESIDENTIAL FOR THE PARCEL LOCATED AT 7855 CAHILL AVENUE**

**CASE NO. 21-29PAZ
(Rachel Development)**

WHEREAS, an application has been submitted for property legally described as;

Lot 1, Krechs Valley View, according to the recorded plat, Dakota County, Minnesota

WHEREAS, an amendment to change boundaries of any district may be granted by the City Council on an affirmative vote of 3/5ths of the Council as per City Code and Minnesota Statute 462.355;

WHEREAS, the City of Inver Grove Heights Planning Commission reviewed the request on May 18, 2021, in accordance with City Code and Minnesota Statute 462.355;

WHEREAS, the change to the Comprehensive Plan Land Use Plan was found by the City Council to be consistent with the existing and proposed uses in the area;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, that the Comprehensive Plan Map Amendment is hereby approved subject to the following conditions:

1. The Metropolitan Council shall not require any significant modifications to the comprehensive plan amendment.
2. The Metropolitan Council shall not make a finding that the comprehensive plan amendment has a substantial impact or contain a substantial departure from any metropolitan systems plan.

3. The amendment shall not become effective until a development plan has been approved by the City Council.

Adopted by the City Council of Inver Grove Heights on this 14th day of June, 2021.

Ayes:

Nays:

ATTEST:

Thomas Bartholomew, Mayor

Rebecca Kiernan, City Clerk

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

ORDINANCE NO. _____

**AN ORDINANCE AMENDING TITLE 10, CHAPTER 4 (ZONING MAP) OF THE
INVER GROVE HEIGHTS CITY CODE**

CASE NO. 21-29PAZ
(Rachel Development)

The City Council of Inver Grove Heights ordains as follows:

SECTION I. Ordinance No. 1190 adopted July 27, 2009, entitled, "AN ORDINANCE ADOPTING THE RECODIFICATION OF THE INVER GROVE HEIGHTS CITY CODE INCLUDING THE CITY ZONING ORDINANCE, is hereby amended to rezone the following described property located within the City of Inver Grove Heights from B-3, General Business to R-3C, Multiple-family residential to wit:

Property address 7855 Cahill Avenue, Inver Grove Heights, legally identified as:

Lot 1, Krechs Valley View

SECTION II. The Zoning Map of the City of Inver Grove Heights referred to and described in said Ordinance No. 1190 as that certain map entitled "Inver Grove Heights Zoning Map, June 24, 2002", together with all amendments thereto, hereinafter referred to as the "zoning map", shall not be republished to show the aforesaid rezoning, but the Clerk shall appropriately mark the said zoning map on file in the Clerk's Office for the purpose of indicating the rezoning hereinabove provided for in this ordinance and all of the notations, references and other information shown thereon are hereby incorporated by reference and made a part of this ordinance.

SECTION III. This Ordinance shall be in full force and effect from and after its publication according to law.

Enacted and ordained into an Ordinance this 14th day of June, 2021.

Ayes:

Nays:

Thomas Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk



PLANNING REPORT

CASE NO: 21-29PAZ

APPLICANT: Rachel Development

PROPERTY OWNER: KTTN, LLC

REQUEST: Comprehensive Plan Amendment and Rezoning

HEARING DATE: May 18, 2021

LOCATION: 7855 Cahill Avenue

COMPREHENSIVE PLAN: CC, Community Commercial

ZONING: B-3, General Business

REVIEWING DIVISIONS: Planning

PREPARED BY: Heather Botten
Associate Planner

BACKGROUND

The applicant would like to develop a 40-unit senior assisted living and memory care facility on the property. The property is 3.81 acres in size and zoned B-3, General Business. A comprehensive plan amendment and rezoning are needed to change the land use and zoning designation to allow for a multiple family residential development.

If the comprehensive plan amendment and rezoning are successful, an application for a conditional use permit will be required before development can occur. This subsequent process provides for public review and comment on the actual site plan.

SURROUNDING USES

The subject property is surrounded by:

North: Single family home; zoned R-1C; guided LDR

East: Commercial; zoned B-3/PUD; guided CC, Community Commercial

South: Commercial; zoned B-3; guided CC

West: South Valley Park; zoned P; guided Public Open Space

EVALUATION OF REQUEST

The subject parcel is currently guided CC, Community Commercial. As stated in the Comprehensive Plan:

Community commercial areas include lots or parcels that contain retail sales and services located along community collector and arterial roadways that serve the community. Community commercial areas differ from neighborhood commercial areas in that they are more intensive and are designed to attract customers from a wider trade area. As such, the goods and services that are available in community commercial areas are broader in scope such as restaurants, private recreational facilities, professional service offices, small-scale printing, etc.

The property received approval for a 3-story climate-controlled storage building in 2020. This project fell through and the new potential buyers are looking at a multi-family residential development. The applicant is proposing to change the land use designation of the parcel to MDR, Medium Density Residential to be consistent with the type and density of the proposed project. The concept plan shows a 40-unit building on 3.8 acres, with an overall density of 10.5 units per acre.

Medium density residential accommodates somewhat higher residential densities ranging from 8 to 12 dwelling units per net acre. Uses in this classification include higher density townhome developments and apartments, all with full public utility service.

The area of the city this parcel is located within is referred to in the 2040 Comp Plan as the Established Development Areas. Established areas represent portions of the community which are mostly built out. Policy directions focus on preservation and maintenance of existing neighborhoods. Some of the Established Development Area Policies include:

- Allow infill development in a manner that protects the character of existing residential neighborhoods.
- Provide a broad range of housing opportunities.
- Ensure that new development areas are compatible in size and scale with existing, adjacent neighborhoods.
- Provide appropriate buffers to allow density transitions and to accommodate a range of housing types.
- Conduct long term planning to ensure existing neighborhood infrastructure is well maintained and reliable.
- Continually monitor the vitality and viability of existing commercial nodes and encourage the integration of supporting residential uses where necessary.

The property to the north is guided single family and the properties to the south and east are guided and developed as commercial/service uses. The property to the west is park property. Multiple family housing is typically developed along collector roads and are compatible next to commercial uses. The proposed land use designation does not appear to be out of

character for the surrounding area and a good transitional use between the single family to the north and the commercial development to the south.

Rezoning

The City Code, Title 10-3-5 states that a rezoning request must be "in the best interest of the physical development of the City" in order to be approved. This suggests that the request should be reviewed against such factors as infrastructure availability; compatibility with existing land uses in the neighborhood; and consistency with the Comprehensive Plan.

The applicant is proposing a rezoning to R-3C, Multiple Family Residential. The R-3C district is established for multi-family dwellings with more than seven units per building and densities greater than twelve (12) dwelling units per acre. The proposed project would include one, 40-unit, single level assisted living and memory care facility.

Infrastructure is in place to accommodate a multi-family development on this parcel. The surrounding uses are commercial to the south and east, park to the west and single family residential to the north. The proposed multi-family zoning would be compatible with the existing, established uses in the neighborhood. The zoning would also be consistent with the proposed land use designation and with the multi-family project proposed.

ALTERNATIVES

The Planning Commission has the following alternatives available for the proposed request:

A. Approval If the Planning Commission finds the application acceptable, the Commission should make the following recommendation:

- Approval of the **Comprehensive Plan Amendment** from CC, Community Commercial to MDR, Medium Density Residential subject to the following conditions:
 1. The Metropolitan Council shall not require any significant modifications to the comprehensive plan amendment.
 2. The Metropolitan Council shall not make a finding that the comprehensive plan amendment has a substantial impact or contain a substantial departure from any metropolitan systems plan.
- Approval of the **Rezoning** of the parcel from B-3, General Business to R-3C, Multi-family residential.

B. Denial If the Planning Commission does not favor the request, a recommendation of denial should be forwarded to the City Council. With a recommendation of denial, findings or the basis for the denial should be given.

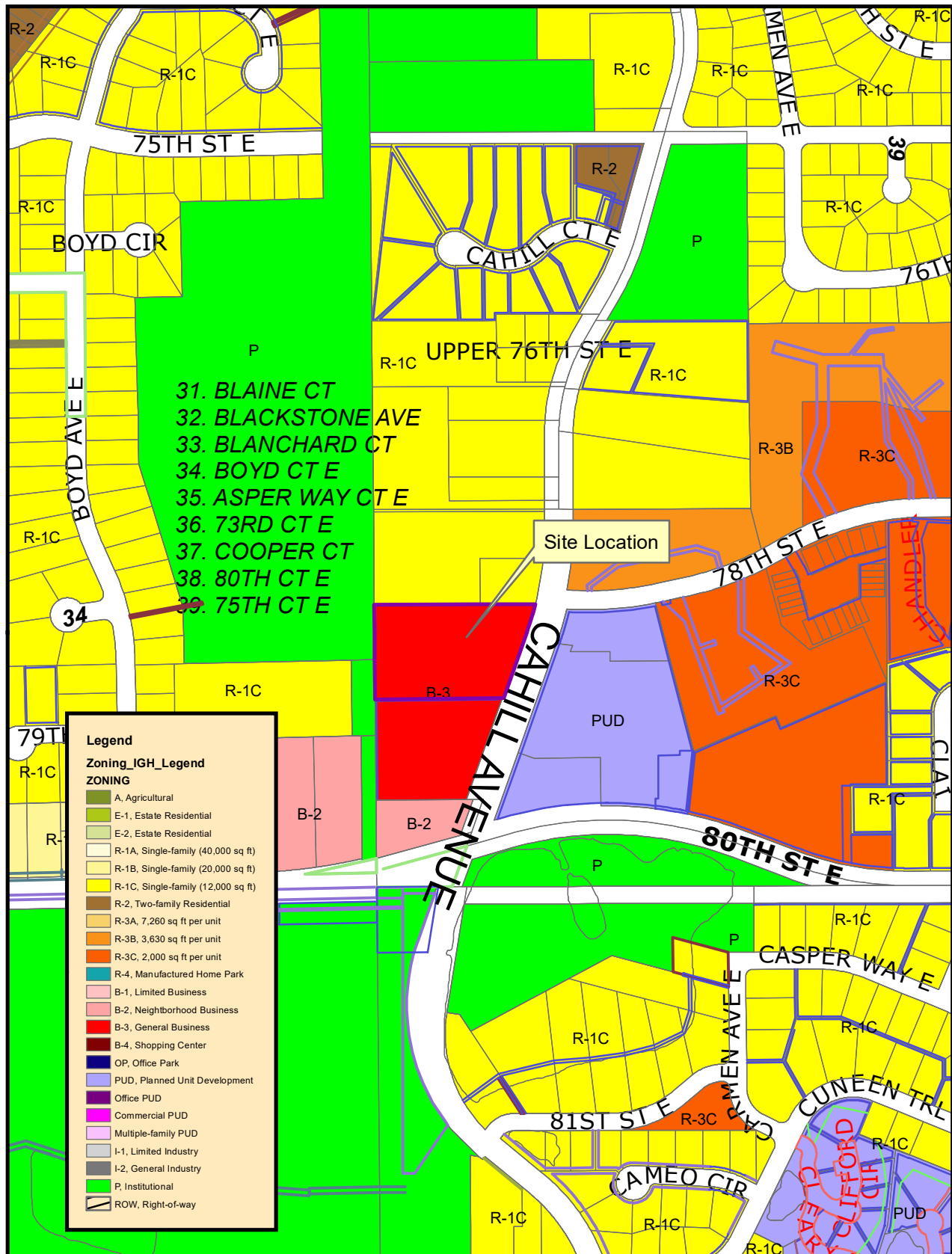
RECOMMENDATION

Based on the information in the preceding report and the conditions and approvals listed in Alternative A, staff is recommending approval of the request as presented.

Attachments: Location map
Applicant narrative
Concept plan of development
Conceptual building elevation



7855 Cahill Avenue Case No. 21-29PAZ



THIS DRAWING IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS ONE. THIS DRAWING IS A COMPILATION OF RECORDS, INFORMATION AND DATA LOCATED IN VARIOUS CITY, COUNTY AND STATE OFFICES AND OTHER SOURCES AND IS TO BE USED FOR REFERENCE PURPOSES ONLY. THE CITY OF INVER GROVE HEIGHTS IS NOT RESPONSIBLE FOR ANY INACCURACIES HEREIN CONTAINED.

Map produced by the City of Inver Grove Heights GIS Dept.
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Exhibit A
Zoning and Location Map

Map not to scale



Mr. Allan Hunting
City Planner
8150 Barbara Avenue
Inver Grove Heights, MN 55077

RE: Applications for Comprehensive Plan Amendment and Rezone

Mr. Hunting,

Vincent Development in partnership with Rachel Development are pleased to submit this request for your consideration of the following: Comprehensive Plan Amendment and Rezone of 7855 Cahill Ave. Currently the site is guided for Neighborhood Commercial on the 2040 Comprehensive Plan and zoned B-3 commercial. We are requesting a Comprehensive Plan amendment to High Density Residential and a rezone to R-3C Multi-Family to accommodate the intended use.

Our proposed project is a High Quality 40-unit Senior Assisted Living and Memory Care facility. Our design is a better alternative for people who require higher acuity care and is the ideal size for residents and their families who can no longer be supported in a private home. There is no universal acuity scale, so we created a model of a community that is deliberate to our residents needs with nurse staffing ratios and levels of care that meet each unique resident's complex care plan.

Vincent Development along with Rachel Development will be the project manager and owner of the building. Our ownership group collectively owns over 1,000 units of Senior Housing throughout the Metro and hold those high value assets with no intention of selling. Lifesprk Senior Living, recipient of Home Care Association of America's Top 5 Caregiver of the Year Award in 2020, will operate the property and be a partner in the ownership of the building.

This project will address undeveloped and underused property in the city of Inver Grove Heights by providing 40 high quality assisted living and memory care units that are greatly needed in the community. With our building design and layout having a more residential feel we will create a much-needed buffer between the single-family housing to the North of our site and the Commercial buildings to the South. In considering the site layout we have aligned our entrance with the access to Cub Foods to create good traffic flow on Cahill Ave. Our building will not generate much traffic as the residents will not own or operate vehicles themselves, leaving employees and visitors as the primary source of vehicles traveling to and from the site.

We will construct a single level, wood-framed, slab-on-grade structure with 4:12 pitched roof. Patient rooms will have 9' ceilings while the common corridors and entry areas will feature a vaulted look. The exterior will blend a mix of cultured stone and shake style siding with additional decorative trim and board and batten siding for the gables.

Building amenities include full commercial kitchen with meal plans and community dining rooms for all patients. We will have scheduled wellness programming and activities, wireless internet access, beauty



salon and feature housekeeping services. The entire building will have a patient monitoring system, with controlled access for the memory care wing as well as secure entry into the building. There are several lounge areas and activity centers with a community patio and walking paths around the front of the building. The memory care wing will include a secure patio and garden.

All the units are 380sf, Studio style, with full bathroom and ADA compliant shower, including grab bars with optional hand-held shower head and emergency pull cord. Each unit has a wall mounted response alert system and 24-hour monitored emergency response system. All units are wired for cable and internet and include window treatments. Assisted living and Memory Care units will include a countertop microwave, sink, small refrigerator, and personal dining area. The unit mix consists of 16 memory care and 24 assisted living.

We are excited to create a long-lasting asset for the community and provide excellent care for the seniors needing assistance in Inver Grove Heights and the surrounding areas. Thank you for considering our applications and we look forward to working with the City on this development.

Regards,
Vincent Development, LLC



Aaron Maciej
Managing Partner

**Request for Council Action****TITLE:** M/I HOMES OF MINNEAPOLIS/ST. PAUL

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	
Item Type:	Regular Agenda	Amount included in current budget	
Contact:	Allan Hunting 651-450-2554	Budget amendment requested	
Prepared by:	Allan Hunting	FTE included in current complement	
Reviewed by:		New FTE requested - N/A	
		Other	

PURPOSE/ACTION REQUESTED:

Consider the following for the plat of South Grove Townhomes;

1. A Resolution relating to a Final Plat and Final PUD Development Plan, Development Contract and eight related agreements for Phase 1 of the plat to be known as South Grove Townhomes
 - Requires a 3/5th's vote.
 - 60-day deadline: July 24, 2021 (Second 60 days)
2. A Resolution Establishing Parking Restrictions within the South Grove Townhomes Subdivision.
 - Requires a 3/5th's vote.

SUMMARY:

Applicant is proposing to develop phase 1 of the project consisting of 36 townhome units and all 10 single family lots. The stormwater management system for the project would be constructed with the first phase.

ANALYSIS

- Plans are consistent with the preliminary plans. No changes have been made to the design layout.
- Whole site would be mass graded, public streets installed and majority of storm water system constructed with first phase.
- Engineering and its consultants have reviewed the final grading and storm water management plans and are satisfied they comply with all city standards.
- Development Contract and related agreements address the requirements needed before building permits can be issued.

- There are two public streets within the South Grove Townhomes subdivision. Both streets are 28 feet in width. Parking is restricted on one side of streets 28 feet in width. No parking signs are placed on the side of public streets that maximize parking. Public Works and Public Safety have reviewed the subdivision plans and agree with the proposed sign placement. Once streets are constructed, no parking signs will be placed on the south side of 76th Lane East and the East side of Cloman Way within the South Grove Townhomes subdivision.
- City Project No. 2021-11 - Trunk Storm Sewer Extension for Landlocked Basin JP-1 is a Developer-installed public improvement order by Council on May 10, 2021. The developer will install a City 27-inch trunk storm pipe from Clayton Avenue to the Oaks Townhomes to connect regional basin JP-1 to the existing storm sewer system which treats and conveys stormwater to the Mississippi River. The City is responsible for total project costs, estimated at \$162,200 for design and construction. The final costs will be negotiated by City Staff with the South Grove Townhomes developer, MI Homes, based on private bids and invoices received. The project will be funded by the pavement management fund.

RECOMMENDATION:

Planning Staff: Recommends approval of the final plat/PUD plans and development contract as proposed.

Engineering Staff: Recommends approval of the parking restrictions resolution.

Attachments: Final Plat, Final PUD and Agreements Resolution
 Resolution Establishing Parking Restrictions within the South Grove Townhomes
 Subdivision
 Final Plat
 Final PUD Plan
 Grading Plan (2 sheets)
 Planning Report
 Development Contract
 Storm Water Facilities Maintenance Agreement
 Retaining Wall Maintenance Agreement
 PUD Acknowledgement
 Street Light Agreement
 Temporary Drainage and Utility Easement for Outlot E
 Warranty deed for Outlot A
 Release of easement agreement
 Map of parking restrictions

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. _____

**A RESOLUTION APPROVING THE FINAL PLAT, FINAL PUD DEVELOPMENT PLAN,
DEVELOPMENT CONTRACT, STORM WATER FACILITIES MAINTENANCE AGREEMENT
AND RELATED AGREEMENTS FOR THE PLAT OF SOUTH GROVE TOWNHOMES**

**CASE NO. 21-26PUD
(M/I Homes)**

WHEREAS, a Final Plat and Final PUD Development Plan application has been submitted to the City for property legally described as;

The West ten (10) acres of the North one-half (N 1/2) of the South Two-Thirds (S 2/3) of the North one-half (N 1/2) of the Southeast one-quarter (SE 1/4), Section Ten (10), Township Twenty-seven (27), Range Twenty- two (22), Inver Grove Township, Dakota County, Minnesota.

WHEREAS, a public hearing concerning the Preliminary Plat was held before the Inver Grove Heights Planning Commission in accordance with Minnesota Statutes, Section 462.357, Subdivision 3 on February 16, 2021;

WHEREAS, the final plat application satisfies the conditions of preliminary plat approval and conforms to all applicable zoning and subdivision regulations (City Code Sections 10-13A and 11-1) and other standards applied by the City in the platting of property;

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS that, the Final Plat and Final PUD Development Plan of Canvas of Inver Grove Heights, Development Contract, Storm Water Facilities Maintenance Agreement, and related agreements are hereby approved subject to the following conditions:

1. The project shall be developed in substantial conformance with the following plans on file with the Planning Department except as may be modified by the conditions below:

Final Plat

Grading and Erosion Control plan set (14 sheets) dated 5/18/21

Utility and Street Construction Plan set (30 sheets) dated 5/18/21

***List of approved plans and date of plans shall be identified in the development contract.**

2. All plans are subject to the review and approval of the City Engineer including comments from city consultants reviewing the plans prior to work commencing on the site.
3. Prior to any work commencing on the site, the developer shall enter into a development contract with the City. The development contract will address all other preliminary conditions of approval relating to other agreements required, park dedication, and other pertinent specific performance standards for this phase of the PUD.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL, that the Mayor and Deputy Clerk are hereby authorized and directed to record a certified copy of this Resolution at the Dakota County Recorder's Office.

Passed this 14th day of June, 2021.

AYES:

NAYS:

Thomas Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION RELATING TO PARKING RESTRICTIONS WITHIN THE SOUTH GROVE
TOWNHOMES SUBDIVISION**

RESOLUTION NO. _____

WHEREAS, this resolution was passed this 14th day of June 2021 by the City of Inver Grove Heights in Dakota County, Minnesota. The municipal corporation shall hereinafter be called the "City",
WITNESSETH:

WHEREAS, parking is to be restricted in a new subdivision to one side of a 28-foot wide street;
and

WHEREAS, the proposed 28-foot-wide streets in the South Grove Townhomes subdivision must meet City Policy on parking restrictions; and

WHEREAS, Public Works Department and the Public Safety Departments staff has reviewed and concur with proposed parking restrictions; and

WHEREAS, City Code Title 6, Chapter 3, and Minnesota State Statute 169.04 does authorize "Regulatory and Warning Sign Placement"; and

WHEREAS, Minnesota Statutes, Chapter 169.04, has been adopted by the City Council of Inver Grove Heights by reference as part of said City Code; and

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the City shall ban the parking of motor vehicles on the south side of 76th Lane East and the East side of Cloman Way.

- (1) All such signs, upon placements, shall be in full force and effect under the Laws of the State of Minnesota, Chapter 169.04, and the Highway Traffic Regulation Act.

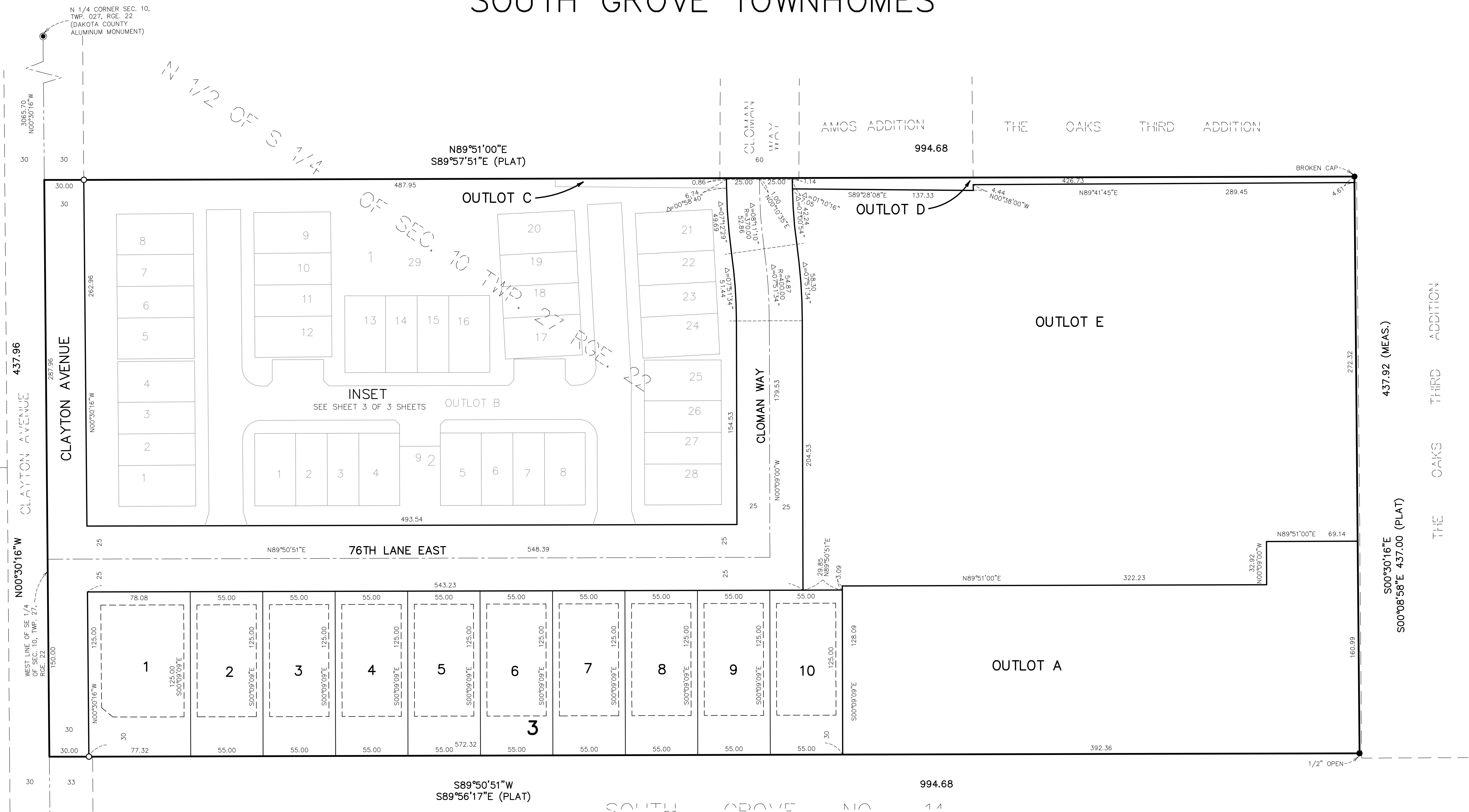
Adopted by the City Council of the City of Inver Grove Heights this 14th day of June 2021.

Tom Bartholomew, Mayor

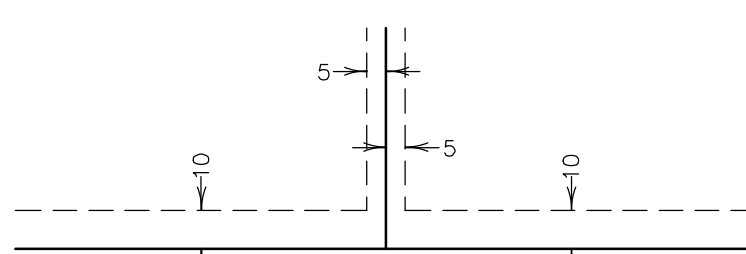
ATTEST:

Rebecca Kiernan, City Clerk

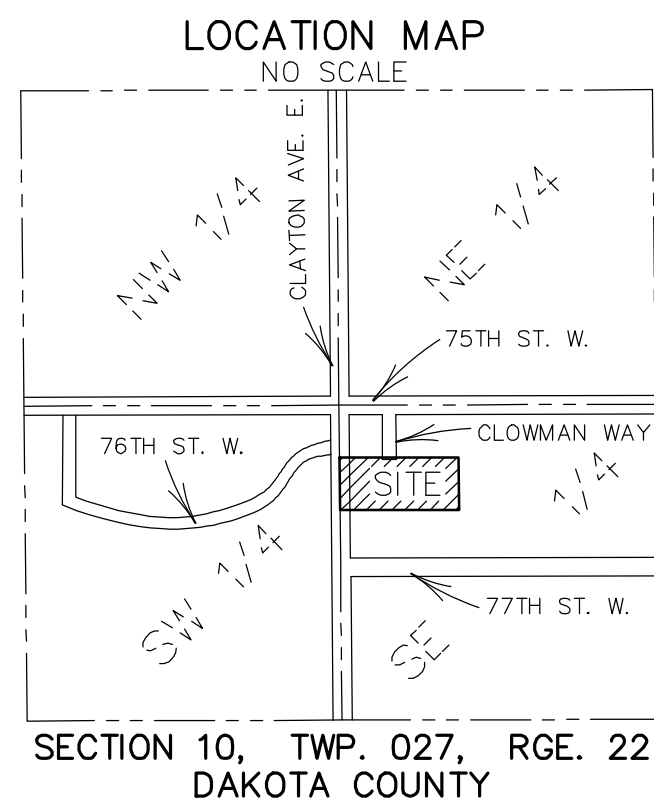
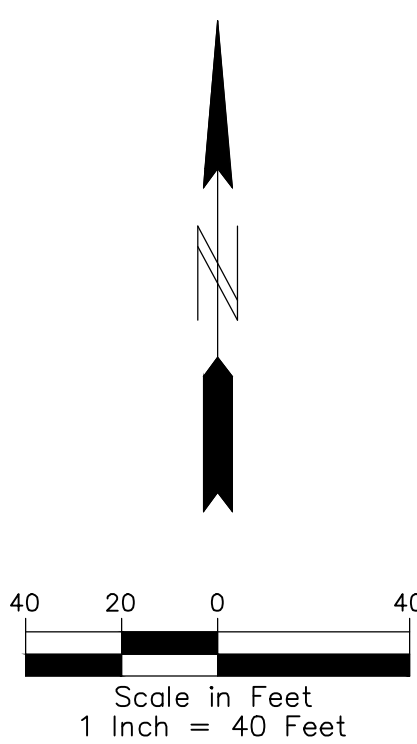
SOUTH GROVE TOWNHOMES



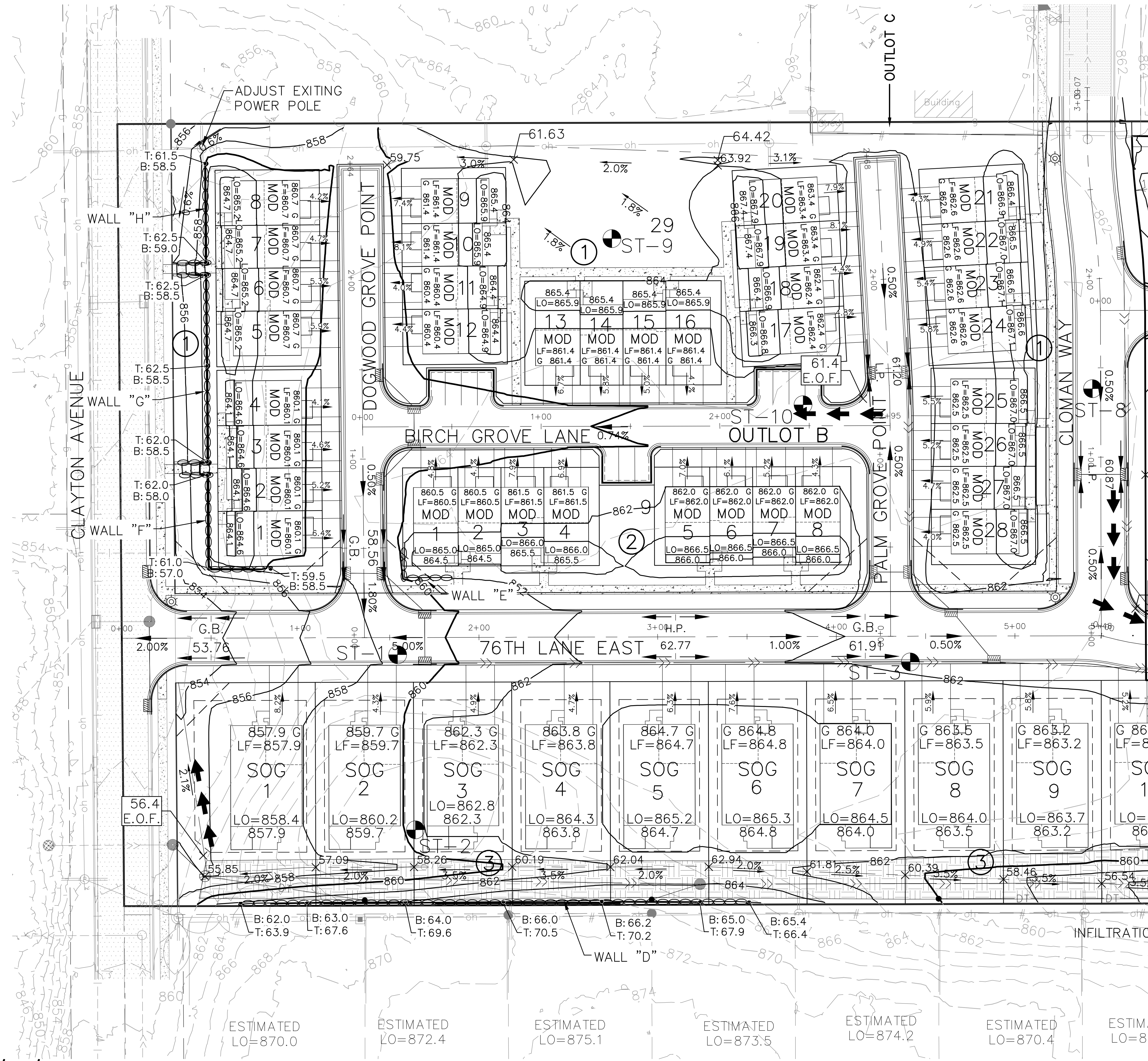
DRAINAGE AND UTILITY EASEMENTS
FOR BLOCK 3 ARE SHOWN THUS:



Being 5 feet in width, and adjoining lot lines
unless otherwise indicated, and 10 feet in width
and adjoining right of way and rear lot lines
unless otherwise indicated on the plat.



- THE ORIENTATION OF THIS BEARING SYSTEM IS BASED ON
THE WEST LINE OF THE SE 1/4 OF SEC. 10, TWP. 027,
RGE. 22, WHICH IS ASSUMED TO HAVE A BEARING OF
NORTH 00°30'16" WEST.
- DENOTES FOUND DAKOTA COUNTY MONUMENT
 - DENOTES FOUND 1/2 INCH IRON MONUMENT
MARKED BY LICENSE NUMBER 42299 UNLESS
OTHERWISE NOTED.
 - DENOTES 1/2 INCH BY 14 INCH IRON PIPE
MONUMENT SET AND MARKED BY LICENSE NUMBER
42299, OR WILL BE SET IN ACCORDANCE WITH MS
SECTION 505.021, SUBD. 10.
- (MEAS.) DENOTES MEASURED BEARING/ DISTANCE
(PLAT) DENOTES PLATS OF THE OAKS THIRD ADDITION
AND SOUTH GROVE NO. 14



EXISTING ZONING: PUBLIC INSTITUTIONAL DISTRICT

PROPOSED ZONING REQUIREMENTS PUD:

PROPOSED LAND USE: MEDIUM DENSITY RESIDENTIAL

NEIGHBORHOOD COLLECTOR STREET ROW: 55'

SETBACKS ARE TO FOUNDATION

CLAYTON AVE SETBACK FRONT: 25'
CLAYTON AVE SETBACK REAR: 25'
PERIMETER SETBACK: 25'

SINGLE FAMILY:
LOT AREA: 6,875 SF
WIDTH: 55'
FRONT SETBACK: 22'
SIDE INTERIOR SETBACK: 7.5'
REAR SETBACK: 30'

URBAN ROW TOWNHOMES:
FRONT SETBACK TO INTERNAL ROW: 15'
REAR SETBACK TO PRIVATE DRIVE: 22'
SETBACK BETWEEN BUILDINGS: 14' FOUNDATION TO FOUNDATION (12' ON SECOND STOREY)

SETBACK TO PARKING: 7.5'

TOWNHOMES:
FRONT SETBACK TO PRIVATE DRIVE: 22'
REAR SETBACK: 25'
SETBACK BETWEEN BUILDINGS: 15'

LOW FLOOR = HWL+2'
LOWEST OPENING = EOF+1'

SITE DATA:

GROSS AREA: 10.0 ACRES
TOTAL SINGLE FAMILY UNITS: 10
TOTAL URBAN ROW TOWNHOMES: 70
GROSS DENSITY: 8.0 UNITS/ACRE

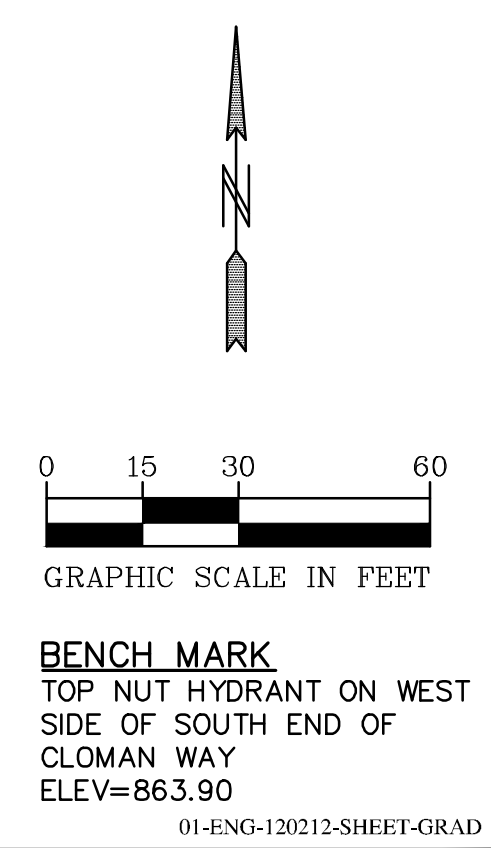
LEGEND

3:1 SLOPES SHALL BE AMENDED WITH A MINIMUM OF 2.5 INCHES OF COMPOST ROTOTILLED TO A DEPTH OF 8 INCHES AND REINFORCED WITH EROSION CONTROL BLANKET WITH NATURAL NETTING AND STITCHING

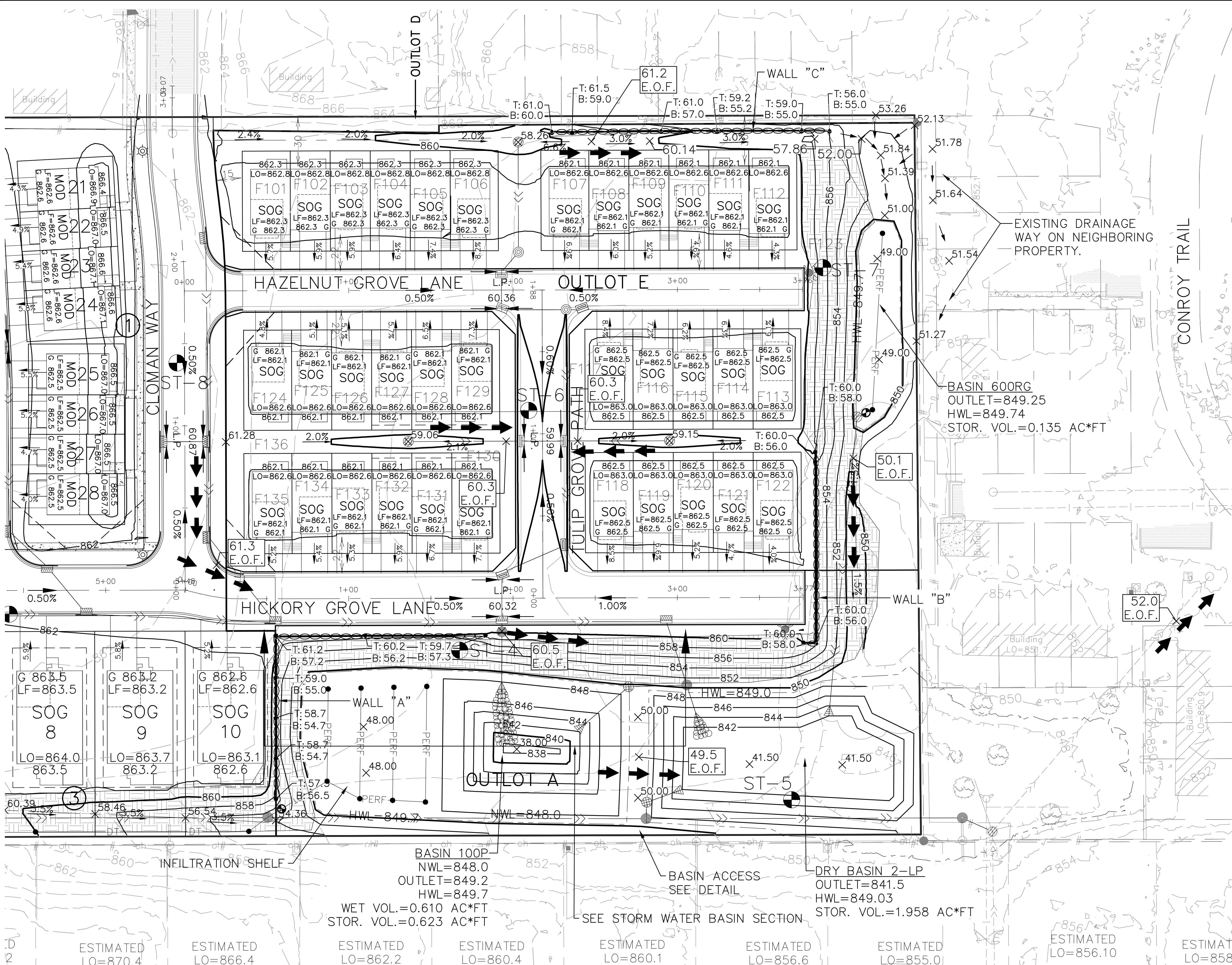
SEE SHEET 3.1 FOR EROSION CONTROL MEASURES.

GRADING QUANTITIES

TOTAL CUT ORIGINAL TO FINISH = 26,064 CY
TOTAL FILL ORIGINAL TO FINISH = 30,552 CY
*NOTE NUMBERS DO NOT REFLECT SHRINKAGE, HOLD DOWNS OR SUBGRADE CORRECTION



SEE SHEET 2.1



EXISTING ZONING: PUBLIC INSTITUTIONAL DISTRICT

PROPOSED ZONING REQUIREMENTS PUD:

PROPOSED LAND USE: MEDIUM DENSITY RESIDENTIAL

NEIGHBORHOOD COLLECTOR STREET ROW: 55'

SETBACKS ARE TO FOUNDATION

CLAYTON AVE SETBACK FRONT: 25'
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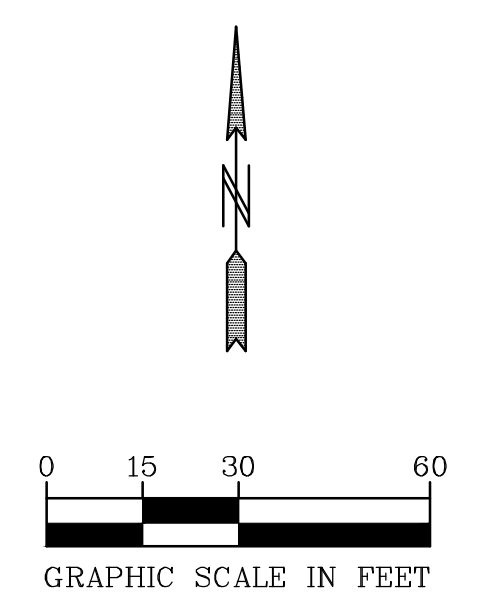
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GRADING QUANTITIES
TOTAL CUT ORIGINAL TO FINISH = 26,064 CY
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BENCH MARK
TOP NUT HYDRANT ON WEST SIDE OF SOUTH END OF CLOMAN WAY
ELEV=863.90



PLANNING REPORT

CASE NO.: 21-26PUD

APPLICANT: M/I Homes

PROPERTY OWNER: Independent School District 199

REQUEST: Final Plat and Final PUD Development Plan

LOCATION: Clayton Avenue between 76th and 77th Streets

HEARING DATE: May 4, 2021

COMPREHENSIVE PLAN: MDR, Medium Density Residential

ZONING: R-1C and R-3B/PUD

REVIEWING DIVISIONS: Planning
Engineering

PREPARED BY: Allan Hunting
City Planner

BACKGROUND

An application has submitted for the final plat and final development plan for phase 1 of South Grove Townhomes. Phase 1 consists of developing the western portion of the site. This would include constructing the public streets of 76th Lane East and Cloman Way and 36 townhome units and all 10 of the single family lots. The stormwater management system for the project would be constructed with the first phase. Phase 2 would consist of the 34 townhome units east of Cloman Way.

The City Council approved the preliminary plat and development plans on February 16, 2021.

EVALUATION OF THE REQUEST

The final plan review is limited to a review of the plans against the preliminary plat conditions of approval for compliance. The review will address each of the 10 conditions. A copy of the resolution approving the preliminary plans, including the conditions is attached.

Condition #1 relating to consistency with preliminary plans. The submitted final plans are consistent with the preliminary plans approved by Council. No changes have been made to the layout.

Condition #2 relating to plans approved with specific setbacks. The intent of the condition is to show a record of what was approved for flexibility with the PUD. The Final PUD site plan includes the approved setback table, building coverage and impervious surface coverage calculations.

Condition #3 relating to approval of the final grading, drainage and erosion control plans. The Engineering Department had worked out the main issues during the preliminary review. There will continue to be some final adjustments to the final plans before they are approved by the City Engineer for construction.

Condition #4 relating to drainage and utility easements provided on the plat. The plat provides for easements over the main drainage areas and outlots/common lots in townhome section. Perimeter easements are shown around the single family lots. If any additional easements are needed, The City Engineer will comment in their review memo which is part of the necessary approvals by the City Engineer.

Condition #5 relating to park dedication. Park dedication will consist of a cash contribution due at time of final plat release.

Condition #6 relating to review of plans by the Fire Marshal. The Fire Marshal reviewed the plans on April 9 with no concerns regarding the project.

Condition #7 relating to executing a storm water facilities maintenance agreement. Staff will work with the applicant to provide the above document as well as an improvement agreement. These documents will be approved by the City Council along with the final plans.

Condition #8 relating to preserving the required open space. The applicant has prepared a conservation easement over the open space, so it is recognized and preserved. The PUD ordinance does allow the area to be maintained and mowed and does not have to be in an undisturbed state. This will become part of the improvement agreement packet.

Condition # 9 relating to acknowledgement of PUD zoning. This condition was drafted by the City Attorney to indicate an acknowledgement will be recorded with the County for each development indicating the zoning and regulations placed on the property. It puts on record for any future landowners that there are special regulations on the property. This same type of notification is used in the Northwest Area developments.

Condition #10 relating to entering into a development contract. A meeting with the developer will be set up prior to council review to address obligations to be covered in the developer agreement. A development contract will be drafted and reviewed by the City Council during their review of the final plan set.

ALTERNATIVES

A. Approval. If the Planning Commission finds the proposed Final plat and Final PUD development plans for phase 1 of South Grove Townhomes acceptable, a recommendation of approval should be made subject to the following conditions:

1. The project shall be developed in substantial conformance with the following plans on file with the Planning Department except as may be modified by the conditions below:

Final Plat	
Final PUD Site Plan	dated 4/5/21
Grading and Erosion Control Plan Set and Landscape Plan (11 sheets)	dated 4/5/21
Utility & Street Construction Plan Set (27 sheets)	dated 4/5/21

***The final list of approved plans and date of plans shall be identified in the development contract.**

2. All plans are subject to the review and approval of the City Engineer including comments from city consultants reviewing the plans prior to work commencing on the site.

3. Prior to any work commencing on the site, the developer shall enter into a development contract with the City. The development contract will address all other preliminary conditions of approval relating to other agreements required, park dedication, and other pertinent specific performance standards for this phase of the PUD.

B. Denial. If the Planning Commission does not find the application to be acceptable, a recommendation of denial should be made. Specific findings supporting a basis for denial must be stated by the Commission if such a recommendation is made.

RECOMMENDATION

Based on this review, the Planning Division and Engineering recommends approval of the final plat and PUD development plans for phase 1 of South Grove Townhomes subject to the conditions stated above.

ATTACHMENTS:

Location Map
Preliminary PUD conditions of approval
Final Plat
Final Site Plan
Grading Plan Set
Landscape Plan
Resident E-mail

DEVELOPMENT CONTRACT
FOR PLAT OF
SOUTH GROVE TOWNHOMES

INDEX TO CITY OF INVER GROVE HEIGHTS
DEVELOPMENT CONTRACT

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- 1.16 Developer Public Improvements
- 1.17 Developer Default
- 1.18 Force Majeure

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EXHIBIT A	Legal Description of Plat
EXHIBIT B	List of Development Plans
EXHIBIT C	Developer Improvements
EXHIBIT D	City Improvements
EXHIBIT E	Miscellaneous Requirements And Conditions Imposed By The City
EXHIBIT F	Escrow Calculation for Developer Improvements

CITY OF INVER GROVE HEIGHTS
DEVELOPMENT CONTRACT
FOR PLAT OF SOUTH GROVE TOWNHOMES

THIS DEVELOPMENT CONTRACT is made and entered into on the 14th day of June, 2021, by and between the CITY OF INVER GROVE HEIGHTS, a Minnesota municipal corporation, (hereinafter called the CITY), and the DEVELOPER and OWNER identified herein.

RECITALS:

WHEREAS, the DEVELOPER has applied to the CITY for approval of the PLAT;

WHEREAS, the DEVELOPER has applied to the CITY for approval of the DEVELOPMENT PLANS associated with the PLAT;

WHEREAS, in conjunction with the granting of these approvals, the CITY requires the installation and/or availability of public streets, public utilities (sewer and water), storm sewer improvements, storm water improvements and vegetation associated with storm water improvements; and

WHEREAS, under authority granted to it, including Minnesota Statutes Chapters 412, 429, and 462, the COUNCIL has agreed to approve the PLAT and DEVELOPMENT PLANS on the following conditions:

1. That the DEVELOPER enter into this DEVELOPMENT CONTRACT, which contract defines the work which the DEVELOPER undertakes to complete; and
2. The DEVELOPER shall provide an irrevocable letter of credit or cash deposit, in the amount and with conditions satisfactory to the CITY, providing for the actual construction and installation of such improvements within the period specified by the CITY.

WHEREAS, the DEVELOPER has filed four (4) complete sets of the DEVELOPMENT PLANS with the CITY and provided an electronic plan set compatible with the CITY's AUTOCAD and GIS systems (See Section 8.6 (12));

WHEREAS, the DEVELOPMENT PLANS have been prepared by a registered professional engineer and have been submitted to and approved by the DIRECTOR OF PWD and COUNCIL.

NOW, THEREFORE, subject to the terms and conditions of this DEVELOPMENT CONTRACT and in reliance upon the representations, warranties and covenants of the parties herein contained, the CITY and DEVELOPER agree as follows:

ARTICLE 1
DEFINITIONS

1.1 TERMS. The following terms, unless elsewhere defined specifically in the DEVELOPMENT CONTRACT, shall have the following meanings as set forth below.

1.2 CITY. "CITY" means the City of Inver Grove Heights, a Minnesota municipal corporation.

1.3 DEVELOPER. "DEVELOPER" means M/I Homes of Minneapolis/St. Paul, LLC, a Delaware limited liability company, and its successors and assigns.

1.4 PLAT. "PLAT" means the plat of South Grove Townhomes, comprising the real property located in Inver Grove Heights, Dakota County, Minnesota and legally described on the attached Exhibit A.

1.5 DEVELOPMENT PLANS. "DEVELOPMENT PLANS" means all the plans, drawings, specifications and surveys identified on the attached Exhibit B, and hereby incorporated by reference and made a part of this DEVELOPMENT CONTRACT.

1.6 DEVELOPMENT CONTRACT. "DEVELOPMENT CONTRACT" means this contract by and among the CITY and DEVELOPER.

1.7 COUNCIL. "COUNCIL" means the Council of the City of Inver Grove Heights.

1.8 PWD. "PWD" means the Public Works Department of the City of Inver Grove Heights.

1.9 DIRECTOR OF PWD. "DIRECTOR OF PWD" means the Director of the Public Works Department of the City of Inver Grove Heights and his delegates.

1.10 COUNTY. "COUNTY" means Dakota County, Minnesota.

1.11 OTHER REGULATORY AGENCIES. "OTHER REGULATORY AGENCIES" means and includes, individually and collectively, the following:

- a.) Minnesota Department of Transportation
- b.) Dakota County (COUNTY)
- c.) Dakota County Highway Department
- d.) Water Management Organization

- e.) Metropolitan Council
- f.) any other regulatory or governmental agency or entity affected by, or having jurisdiction over the DEVELOPER IMPROVEMENTS
- g.) Minnesota Pollution Control Agency (MPCA)

1.12 UTILITY COMPANIES. "UTILITY COMPANIES" means and includes, jointly and severally, the following:

- a.) utility companies, including electric, gas and cable;
- b.) pipeline companies.

1.13 PRIOR EASEMENT HOLDERS. "PRIOR EASEMENT HOLDERS" means and includes, jointly and severally, all holders of any easements or other property interests which existed prior to the grant or dedication of any public easements transferred by the PLAT or transferred pursuant to this DEVELOPMENT CONTRACT.

1.14 DEVELOPER IMPROVEMENTS. "DEVELOPER IMPROVEMENTS" means and includes, individually and collectively, all the improvements identified on the attached Exhibit C.

1.15 CITY IMPROVEMENTS. "CITY IMPROVEMENTS" means and includes, individually and collectively, all the improvements identified on the attached Exhibit D.

1.16 DEVELOPER PUBLIC IMPROVEMENTS. "DEVELOPER PUBLIC IMPROVEMENTS" means and includes, individually and collectively, all the improvements identified on the attached Exhibit C that are further labeled "public". DEVELOPER PUBLIC IMPROVEMENTS are improvements to be constructed by the DEVELOPER within public right-of-way or public easements and which are to be approved and later accepted by the CITY. DEVELOPER PUBLIC IMPROVEMENTS are part of DEVELOPER IMPROVEMENTS.

1.17 DEVELOPER DEFAULT. "DEVELOPER DEFAULT" means and includes, jointly and severally, any of the following or any combination thereof:

- a.) failure by the DEVELOPER to timely pay the CITY any money required to be paid under the DEVELOPMENT CONTRACT;
- b.) subject to Force Majeure (as defined in Section 1.18), failure by the DEVELOPER to timely construct the DEVELOPER IMPROVEMENTS according to the DEVELOPMENT PLANS.

- c.) subject to Force Majeure (as defined in Section 1.18), failure by the DEVELOPER to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this DEVELOPMENT CONTRACT;
- d.) breach of the DEVELOPER WARRANTIES.

1.18 FORCE MAJEURE. "FORCE MAJEURE" means acts of God, including, but not limited to floods, ice storms, blizzards, tornadoes, landslides, lightning and earthquakes (but not including reasonably anticipated weather conditions for the geographic area); riots; insurrections; labor strikes; unavailability of materials; war or civil disorder affecting the performance of work; blockades; power or other utility failures; and fires or explosions.

1.19 DEVELOPER WARRANTIES. "DEVELOPER WARRANTIES" means that the DEVELOPER hereby warrants and represents the following:

- A. **AUTHORITY.** DEVELOPER has the unconditional right, power, legal capacity and authority to enter into and perform its obligations under this DEVELOPMENT CONTRACT.
- B. **NO DEFAULT.** DEVELOPER is not in default under any lease, contract or agreement to which it is a party or by which it is bound which would affect performance under this DEVELOPMENT CONTRACT. DEVELOPER is not a party to or bound by any mortgage, lien, lease, agreement, instrument, order, judgment or decree which would prohibit the execution or performance of this DEVELOPMENT CONTRACT by DEVELOPER or prohibit any of the transactions provided for in this DEVELOPMENT CONTRACT.
- C. **PRESENT COMPLIANCE WITH LAWS.** DEVELOPER has complied with and is not in violation of applicable federal, state or local statutes, laws, and regulations including, without limitation, permits and licenses, and any applicable environmental or other law, or regulation affecting the PLAT and the DEVELOPMENT PLANS and the DEVELOPER IMPROVEMENTS; and DEVELOPER is not aware of any pending or threatened claim of any such violation.
- D. **CONTINUING COMPLIANCE WITH LAWS.** DEVELOPER will comply with all applicable federal, state and local statutes, laws and regulations including, without limitation, permits and licenses and any applicable zoning, environmental or other law, ordinance or regulation affecting the PLAT and the DEVELOPMENT PLANS and the DEVELOPER IMPROVEMENTS.
- E. **NO LITIGATION.** There is no suit, action, arbitration or legal, administrative or other proceeding or governmental investigation pending, or threatened against or

affecting DEVELOPER with respect to the PLAT or the DEVELOPMENT PLANS or the DEVELOPER IMPROVEMENTS. DEVELOPER is not in default with respect to any order, writ, injunction or decree of any federal, state, local or foreign court, department, agency or instrumentality.

- F. **FULL DISCLOSURE.** None of the representations and warranties made by DEVELOPER or made in any exhibit hereto or memorandum or writing furnished or to be furnished by DEVELOPER or on its behalf contains or will contain any untrue statement of material fact or omit any material fact the omission of which would be misleading.
- G. **PLAT COMPLIANCE.** To DEVELOPER'S best knowledge, the PLAT and the DEVELOPMENT PLANS comply with all CITY, COUNTY, MPCA, metropolitan, state and federal laws and regulations, including but not limited to environmental regulations.
- H. **WARRANTY ON DEVELOPER IMPROVEMENTS AND EROSION CONTROL.** The DEVELOPER warrants all DEVELOPER IMPROVEMENTS and erosion control required to be performed by it under this DEVELOPMENT CONTRACT against defective material and faulty workmanship for a period of two (2) years after its completion and approval and acceptance by the CITY. With respect to matters covered by the warranty, the DEVELOPER, at its own expense, shall be solely responsible for performing repair work required by the CITY within thirty (30) days of notification or if not reasonably curable within thirty (30) days, such additional reasonable period of time to effect the cure.
- All trees, grass, sod and vegetation shall be warranted to be alive, of good quality, and disease free for one year after planting. Any replacements shall be similarly warranted for one year from the time of planting.
- The warranty period for street, water main, sanitary sewer, drainage, storm water facilities and erosion control improvements shall be for two (2) years after completion and acceptance by the City; the warranty for the street, water main, sanitary sewer, drainage, storm water facilities and erosion control improvements shall also include the obligation of the DEVELOPER to repair and correct any damage to or deficiency with respect to such improvements.
- I. **OBTAINING PERMITS.** The DEVELOPER shall obtain in a timely manner and pay for all required permits, licenses and approvals, and shall meet, in a timely manner, all requirements of all applicable CITY, COUNTY, MPCA, MNDOT, local, state and federal laws and regulations which must be obtained or met before the DEVELOPER IMPROVEMENTS may be lawfully constructed.
- J. **FEE TITLE.** OWNER owns fee title to the property within the PLAT.

1.20 CITY WARRANTIES. “CITY WARRANTIES” means that the CITY hereby warrants and represents as follows:

- A. ORGANIZATION.** CITY is a municipal corporation duly incorporated and validly existing in good standing the laws of the State of Minnesota.
- B. AUTHORITY.** CITY has the right, power, legal capacity and authority to enter into and perform its obligations under this DEVELOPMENT CONTRACT.

1.21 FORMAL NOTICE. "FORMAL NOTICE" means notices given by one party to the other if in writing and if and when delivered or tendered either in person or by depositing it in the United States mail in a sealed envelope, by certified mail, return receipt requested, with postage and postal charges prepaid, addressed as follows:

If to CITY:	City of Inver Grove Heights Attention: City Administrator Inver Grove Heights City Hall 8150 Barbara Avenue Inver Grove Heights, MN 55077
If to DEVELOPER or OWNER:	M/I Homes of Minneapolis/St. Paul, LLC 5354 Parkdale Drive, Suite 100 St. Louis Park, MN 55416

or to such other address as the party addressed shall have previously designated by notice given in accordance with this Section. Notices shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed as provided above, provided, that a notice not given as above shall, if it is in writing, be deemed given if and when actually received by a party.

1.22 OWNER. “OWNER” means M/I Homes of Minneapolis/St. Paul, LLC, a Delaware limited liability company, and its successors and assigns.

ARTICLE 2 **PLAT APPROVAL**

2.1. PLAT APPROVAL. Subject to the terms and conditions of this DEVELOPMENT CONTRACT, the CITY hereby approves the recording of the PLAT. The DEVELOPMENT PLANS are hereby approved by the CITY.

2.2 PLAT DENSITY. The parties mutually acknowledge that it is the intention to develop the entire PLAT in accord with the approved zoning.

2.3 RECORDING OF PLAT. The DEVELOPER shall record the PLAT and this

DEVELOPMENT CONTRACT with the COUNTY Recorder within thirty (30) days of release of the PLAT to the DEVELOPER for recording. No building permits shall be issued unless the DEVELOPER shows evidence to the CITY that the PLAT and this DEVELOPMENT CONTRACT have been recorded with the COUNTY Recorder.

ARTICLE 3

CITY IMPROVEMENTS

3.1 CITY IMPROVEMENTS. The CITY is not undertaking any CITY IMPROVEMENTS with respect to the PLAT except as stated on Exhibit D.

ARTICLE 4

DEVELOPER IMPROVEMENTS

4.1 DEVELOPER IMPROVEMENTS. The DEVELOPER shall install, at its own cost, the DEVELOPER IMPROVEMENTS in accordance with the DEVELOPMENT PLANS and in accordance with the City Engineer Memo's on file with the CITY Engineer (referenced in Exhibit B of this DEVELOPMENT CONTRACT). The DEVELOPER shall be responsible for the cost of installing any gas, electric, telephone, cable, and other private utilities.

The DEVELOPER IMPROVEMENTS shall be completed by the respective dates shown on Exhibit C, except for delays due to FORCE MAJEURE and, otherwise, as completion dates are extended by subsequent written action of the DIRECTOR OF PWD. Failure of the CITY to promptly take action to enforce this DEVELOPMENT CONTRACT after expiration of time by which the DEVELOPER IMPROVEMENTS are to be completed shall not waive or release any rights of the CITY; the CITY may take action at any time thereafter, and the terms of this contract shall be deemed to be automatically extended until such time as the DEVELOPER IMPROVEMENTS are completed in accordance with the DEVELOPMENT PLANS.

4.2 GROUND MATERIAL. The DEVELOPER shall ensure that adequate and suitable ground material shall exist in the areas of DEVELOPER PUBLIC IMPROVEMENTS and shall guarantee the removal, replacement or repair of substandard or unstable material in accordance with the DEVELOPMENT PLANS. The cost of said removal, replacement or repair is the responsibility of the DEVELOPER.

4.3 GRADING/DRAINAGE PLAN AND EASEMENTS. The DEVELOPER shall construct drainage facilities adequate to serve the PLAT in accordance with the DEVELOPMENT PLANS. The DEVELOPER agrees that the PLAT and DEVELOPMENT PLANS depicted all necessary easements for the preservation of the drainage system, for drainage basins and for utility service. All such easements required by the CITY shall be on the PLAT or in writing, in recordable form, and on the standard easement form of the CITY, and on such other terms and conditions as the CITY shall determine; such easements shall be delivered to the CITY contemporaneously with execution of this DEVELOPMENT CONTRACT. The grading of the site shall be completed in conformance with the DEVELOPMENT PLANS. In the event that the DEVELOPER fails to

complete the grading of the site in conformance with the DEVELOPMENT PLANS by the date stipulated in Exhibit C, the CITY may declare the DEVELOPER in default pursuant to Article 13.

4.4 STREET SIGNS. The DEVELOPER shall be financially responsible for the installation of street identification signs and non-mechanical and non-electrical traffic control signs. Street signs will be in conformance with the names as indicated on the PLAT and pursuant to CITY standards. The actual number and location of signs to be installed shall be determined by the CITY and actual installation shall be performed by CITY authorized personnel.

4.5 BOULEVARD AND AREA RESTORATION. The DEVELOPER shall seed or lay cultured sod in all boulevards to the extent depicted in the DEVELOPMENT PLANS within 14 days of the completion of street related improvements and restore all other areas disturbed by the development grading operation in accordance with the approved erosion control plan, over the entire PLAT. Upon request of the PWD, the DEVELOPER shall remove the silt fences after grading and construction have occurred.

DEVELOPER shall be responsible for installing marker posts at reasonable locations to define the boundary of the outlots. The markers provide identification for future land owners to know boundaries of the outlots. The final DEVELOPMENT PLANS must show the location of the marker posts. CITY will provide and install sign panels labeled "Protected Area" at the cost of DEVELOPER.

4.6 EROSION CONTROL. The DEVELOPER shall provide and follow a plan for erosion control and pond maintenance in accord with the Best Management Practices (BMP) as delineated in the Minnesota Pollution Control Agency handbook titled Water Quality in Urban Areas. Such plan has been detailed on the DEVELOPMENT PLANS. The DEVELOPER shall install and maintain such erosion control structures as appear necessary under the DEVELOPMENT PLANS or become necessary subsequent thereto. The DEVELOPER shall be responsible for all damage caused as the result of grading and excavation within the PLAT including, but not limited to, restoration of existing control structures and clean-up of public right-of-way, until all lots are final graded and improvements are completed. As a portion of the erosion control plan, the DEVELOPER shall re-seed or sod any disturbed areas in accordance with the DEVELOPMENT PLANS. The CITY reserves the right to perform any necessary erosion control or restoration as required, if these requirements are not complied with after FORMAL NOTICE by the CITY as stated in Article 13. The DEVELOPER shall be financially responsible for payment for this extra work.

DEVELOPER shall also comply with the erosion control requirements referenced in Exhibit E.

ARTICLE 5

PARK CONTRIBUTION REQUIREMENTS

5.1 PARK CONTRIBUTION. The DEVELOPER shall comply with the park contribution requirements as defined in the City Code by meeting the obligation stated in Exhibit E.

ARTICLE 6 **OTHER PERMITS**

6.1 PERMITS. The DEVELOPER shall obtain all necessary approvals, permits and licenses from the CITY, the OTHER REGULATORY AGENCIES, the UTILITY COMPANIES, and the PRIOR EASEMENT HOLDERS. Major design requirements of any such entities shall be determined prior to completion and incorporated into the DEVELOPMENT PLANS. All costs incurred to obtain said approvals, permits and licenses, and also all fines or penalties levied by any agency due to the failure of the DEVELOPER to obtain or comply with conditions of such approvals, permits and licenses, shall be paid by the DEVELOPER. The DEVELOPER shall defend and hold the CITY harmless from any action initiated by the OTHER REGULATORY AGENCIES, the UTILITY COMPANIES and the PRIOR EASEMENT HOLDERS resulting from such failures of the DEVELOPER.

ARTICLE 7 **OTHER DEVELOPMENT REQUIREMENTS**

7.1 MISCELLANEOUS REQUIREMENTS. Any additional requirements to approval of the PLAT and DEVELOPMENT PLANS as specified by the COUNCIL are incorporated herein, as set forth in Exhibit E.

ARTICLE 8 **DEVELOPER PUBLIC IMPROVEMENTS**

8.1 APPROVAL OF CONTRACTORS AND ENGINEER. Any contractor or engineer preparing plans and specifications selected by the DEVELOPER to design, construct or install any DEVELOPER PUBLIC IMPROVEMENTS must be approved in writing by the DIRECTOR OF PWD, which approval shall not be unreasonably withheld, delayed or conditioned.

8.2 CONSTRUCTION. The construction, installation, materials and equipment related to DEVELOPER PUBLIC IMPROVEMENTS shall be in accord with the DEVELOPMENT PLANS. The DEVELOPER shall cause the contractors to furnish the PWD a written schedule of proposed operations, subcontractors and material suppliers, at least five (5) days prior to commencement of construction work. The DEVELOPER shall notify the CITY in writing, coordinate and hold a pre-construction conference with all affected parties at least three (3) days prior to starting construction of any DEVELOPER PUBLIC IMPROVEMENTS.

8.3 INSPECTION. The PWD or its designated representative shall periodically inspect the DEVELOPER PUBLIC IMPROVEMENTS installed by the DEVELOPER, its contractors, subcontractors or agents. The DEVELOPER shall notify the PWD two (2) working days prior to the commencement of the laying of utility lines, subgrade preparation, the laying of gravel base for street construction or any other improvement work which shall be subsequently buried or covered to allow the CITY an opportunity to inspect such improvement work. Upon receipt of said notice, the

City shall have a reasonable time, not to be less than two (2) working days, to inspect the improvements. Failure to notify the CITY to allow it to inspect said work shall result in the CITY's right pursuant to Article 14 to withhold the release of any portion of the escrow amount resulting from work being performed without the opportunity for adequate CITY inspection.

8.4 FAITHFUL PERFORMANCE OF CONSTRUCTION CONTRACTS. The DEVELOPER shall fully and faithfully comply with all terms of any and all contracts entered into by the DEVELOPER for the installation and construction of all of the DEVELOPER PUBLIC IMPROVEMENTS; and the DEVELOPER shall obtain lien waivers. Within thirty (30) days after FORMAL NOTICE, or if not reasonably curable within thirty (30) days, then within such additionally reasonable time to effect the cure, the DEVELOPER shall repair or replace, as directed by the CITY and at the DEVELOPER's sole cost and expense, any work or materials relating to DEVELOPER PUBLIC IMPROVEMENTS that within the warranty periods of Sections 1.20(H) become defective or damaged in the reasonable opinion of the CITY.

8.5 CITY ACCEPTANCE. The DEVELOPER shall give FORMAL NOTICE to the CITY within thirty (30) days once DEVELOPER PUBLIC IMPROVEMENTS have been completed in accord with this DEVELOPMENT CONTRACT and the DEVELOPMENT PLANS. The CITY shall then inspect the DEVELOPER PUBLIC IMPROVEMENTS and notify the DEVELOPER of any DEVELOPER PUBLIC IMPROVEMENTS that do not so conform. Upon compliance with this DEVELOPMENT CONTRACT and the DEVELOPMENT PLANS, the DEVELOPER PUBLIC IMPROVEMENTS shall become the property of the CITY upon FORMAL NOTICE of acceptance by the CITY. After acceptance, the DEVELOPER PUBLIC IMPROVEMENTS become the property of the CITY, and the DEVELOPER shall have no responsibility with respect to maintenance of the DEVELOPER PUBLIC IMPROVEMENTS except as provided in Sections 1.19 and 10.1 and except as provided in the following agreements:

- Storm Water Facilities Maintenance Agreement
- Street Light Agreement
- Retaining Wall Maintenance Agreement for Lot 1, Block 3, South Grove Townhomes
- Retaining Wall Maintenance Agreement for Lot 2, Block 3, South Grove Townhomes
- Retaining Wall Maintenance Agreement for Lot 3, Block 3, South Grove Townhomes
- Retaining Wall Maintenance Agreement for Lot 4, Block 3, South Grove Townhomes
- Retaining Wall Maintenance Agreement for Lot 5, Block 3, South Grove Townhomes
- Retaining Wall Maintenance Agreement for Lot 6, Block 3, South Grove Townhomes
- Grant of Open Space Easement

If the Developer Public Improvements do not conform, FORMAL NOTICE shall be given to the DEVELOPER of the need for repair or replacement or, in its discretion, the CITY may proceed under Article 13.

8.6 ENGINEERING SUBMITTALS / AS BUILT INFORMATION. One (1) copy (in AUTOCAD format), of the detailed record plan "as built" drawings of the DEVELOPER PUBLIC IMPROVEMENTS shall be provided by the DEVELOPER in accord with

CITY standards no later than 90 days after completion and acceptance of the DEVELOPER PUBLIC IMPROVEMENTS by the CITY, unless otherwise approved in writing by the PWD. If the record plans are not provided to the CITY within the 90 days, the CITY may have the work done and pay for it with the DEVELOPER'S sureties. In addition, final quantity tabulations shall be required, which must include the following items on the record plans:

1. Two ties to all curb boxes and gate valves.
2. All hydrant gate valves tied back to the hydrant.
3. All ties shall be 100 feet or less.
4. Top nut elevation of all hydrants.
5. Rim and invert elevations on all manholes and catch basins.
6. Apron invert elevations on all flared end structures and storm sewer stubs.
7. Invert elevations on all sanitary and water service stubs.
8. Two ties to all sewer and water service locations.
9. Main line stationing for all sanitary sewer wyes and water main corporations.
10. As built grading plan containing spot elevations taken throughout the development to verify the development is graded in accordance with the approved grading plan with extra shots to verify swale elevations and locations. In pond areas, enough shots must be taken on the pond bottom, side slopes and grade breaks to verify the volume of each pond. The as-built must also verify emergency overflow elevations and locations. This as-built plan shall be Certified as to general conformance with the City Approved grading plan by a Registered Engineer or Registered Land Surveyor and submitted in an electronic format (see item 12).
11. Copy of final plat shall be submitted in an electronic format and must be on the Dakota County coordinates system. Compatible formats are emailed AUTOCAD .DWG or .DXF. Final plat drawings shall also be scanned, stored and emailed as images in .TIFF or .PDF.
12. Final as-built information shall be submitted in an electronic format and must be on the Dakota County coordinates system. Compatible formats are emailed AUTOCAD .DWG or .DXF. As-built drawings shall also be scanned, stored and emailed as images in .TIFF or .PDF. All as-built drawings must be the approved plans modified to reflect as-built conditions Note: All corrected lines, grades and

elevations shall have a line drawn through the original text and the new information placed nearby; the original information or text shall not be erased.

13. Records identifying which parcels have in home pressure reducing valves to meet MDH requirements when the static water pressure exceeds 80psi.
14. GPS coordinates on all stormwater facilities and related appurtenances such as valves.
15. Final as-built information shall be submitted in an Esri compliant Geodatabase format compatible with the City's Geographic Information System (GIS). An Esri compliant Geodatabase template will be made available by the CITY which will specify all features and critical attributes required. All features submitted must be located within $\pm 0.5'$ horizontal and be topologically correct on the Dakota County coordinates system. All features and critical attributes must be complete and consistent with submitted as-built plans. The as-built submittal must follow the geodatabase template provided by the CITY for acceptance.

ARTICLE 9

RESPONSIBILITY FOR COSTS

9.1 DEVELOPER IMPROVEMENT COSTS. The DEVELOPER shall pay for the DEVELOPER IMPROVEMENTS; that is, all costs of persons doing work or furnishing skills, tools, machinery or materials, or insurance premiums or equipment or supplies and all just claims for the same; and the CITY shall be under no obligation to pay the contractor or any subcontractor any sum whatsoever on account thereof, whether or not the CITY shall have approved the contract or subcontract.

9.2 CITY MISCELLANEOUS EXPENSES. The DEVELOPER shall reimburse the CITY for all reasonable engineering, administrative, legal and other expenses incurred or to be incurred by the CITY in connection with this DEVELOPMENT CONTRACT, and PLAT approval and acceptance and authorization of improvements. Such expenses shall be itemized on reasonably detailed invoices describing services, rates, time, person performing the services and the date of such expenses and shall be billed at normal CITY rates therefore. Bills not paid within thirty (30) days shall accrue interest at the rate of eight percent per year.

To keep track of expenses the DEVELOPER from time to time may request that the CITY provide an update on the current status of expenses. The CITY shall use reasonable efforts to respond to the DEVELOPER's requests and inquiries in this regard and provide a list of expenses that have been incurred for the time period ending 30 days prior to the DEVELOPER's request.

9.3 ENFORCEMENT COSTS. The DEVELOPER shall pay the CITY for costs incurred in the enforcement of this DEVELOPMENT CONTRACT, including reasonable engineering and reasonable attorneys' fees.

9.4 TIME OF PAYMENT. The DEVELOPER shall pay all bills from the CITY within thirty (30) days after billing. Bills not paid within thirty (30) days shall bear interest at the rate of 8% per year.

ARTICLE 10 **DEVELOPER WARRANTIES**

10.1 STATEMENT OF DEVELOPER WARRANTIES. The DEVELOPER hereby makes and states the DEVELOPER WARRANTIES.

ARTICLE 11 **CITY WARRANTIES**

11.1 STATEMENT OF CITY WARRANTIES. The CITY hereby makes and states the CITY WARRANTIES.

ARTICLE 12 **INDEMNIFICATION OF CITY**

12.1 INDEMNIFICATION OF CITY. Provided the CITY is not in DEFAULT under the DEVELOPMENT CONTRACT with respect to the particular matter causing the claim, loss or damage, DEVELOPER shall indemnify, defend and hold the CITY, its COUNCIL, agents, employees, attorneys and representatives harmless against and in respect of any and all claims, demands, actions, suits, proceedings, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties and reasonable attorneys' fees, that the CITY incurs or suffers, which arise out of, result from or relate to:

- a.) breach by the DEVELOPER of the DEVELOPER WARRANTIES;
- b.) if commenced, failure of the DEVELOPER to timely construct the DEVELOPER IMPROVEMENTS according to the DEVELOPMENT PLANS;
- c.) failure by the DEVELOPER to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this DEVELOPMENT CONTRACT;
- d.) failure by the DEVELOPER to pay contractors, subcontractors, laborers, or materialmen;
- e.) failure by the DEVELOPER to pay for materials;

- f.) approval by the CITY of the PLAT;
- g.) approval by the CITY of the DEVELOPMENT PLANS;
- h.) failure to obtain the necessary permits and authorizations to construct the DEVELOPER IMPROVEMENTS;
- i.) if commenced, construction of the DEVELOPER IMPROVEMENTS;
- j.) delays in construction of the DEVELOPER IMPROVEMENTS;
- k.) all costs and liabilities arising because building permits were issued prior to the completion and acceptance of the DEVELOPER IMPROVEMENTS.

Notwithstanding anything contained in this Section 12.1 above, the DEVELOPER shall not be obligated to indemnify or defend the CITY from and against claims based on any negligence or willful misconduct by the CITY, its employees, agents or contractors, or the failure of the CITY to act in accordance with CITY ordinances and other applicable laws.

12.2 NOTICE. Within a reasonable period of time after the CITY's receipt of actual notice of any matter giving rise to a right of payment against the CITY pursuant to Section 12.1, the CITY shall give the FORMAL NOTICE in reasonable detail to the DEVELOPER. The DEVELOPER shall not be obligated to make any payment to the CITY for any such claim until the passage of thirty (30) days from the date of its receipt of FORMAL NOTICE from the CITY, during which time the DEVELOPER shall have the right to cure or remedy the event leading to such claim, or if not reasonably curable within thirty (30) days, such additional reasonable period of time to effect the cure.

12.3 DEFENSE OF CLAIM. Provided the CITY is not in DEFAULT under the DEVELOPMENT CONTRACT with respect to the particular matter causing the claim or demand, with respect to claims or demands asserted against the CITY by a third party of the nature covered by Sections 12.1 and 12.2 above, and provided that the CITY gives FORMAL NOTICE thereof, the DEVELOPER will, at its sole expense, provide for the defense thereof with counsel of its own selection but approved by the CITY in its reasonable discretion; the DEVELOPER will pay all costs and expenses including reasonable attorneys' fees incurred in so defending against such claims, provided that the CITY shall at all times also have the right to fully participate in the defense at the CITY's expense. If the DEVELOPER fails to defend, the CITY shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter, for the account of and at the risk of the DEVELOPER.

ARTICLE 13

CITY REMEDIES UPON DEVELOPER DEFAULT

13.1 CITY REMEDIES. If a DEVELOPER DEFAULT occurs, that is not caused by FORCE MAJEURE, the CITY shall give the DEVELOPER FORMAL NOTICE of the DEVELOPER DEFAULT and the DEVELOPER shall have thirty (30) days to cure the DEVELOPER DEFAULT or if not reasonably curable within thirty (30) days, such additional reasonable period of time to effect the cure. If the DEVELOPER, after FORMAL NOTICE to it by the CITY, does not cure the DEVELOPER DEFAULT within thirty (30) days, or such other reasonable time, then the CITY may avail itself of any remedy afforded by law and any of the following remedies:

- a.) the CITY may specifically enforce this DEVELOPMENT CONTRACT;
- b.) the CITY may suspend any work, improvement or obligation to be performed by the CITY to the extent reasonably related to the DEVELOPER DEFAULT;
- c.) the CITY may collect on the irrevocable letter of credit or cash deposit pursuant to Article 14 or Article 15 hereof to the extent reasonably necessary to cure the DEVELOPER DEFAULT;
- d.) the CITY may suspend or deny building and occupancy permits for buildings within the PLAT to the extent reasonably related to the DEVELOPER DEFAULT;
- e.) the CITY may, at its sole option, perform the work or improvements to be performed by the DEVELOPER, in which case the DEVELOPER shall within thirty (30) days after written billing by the CITY reimburse the CITY for any reasonable costs and expenses incurred by the CITY. In the alternative, the CITY may in whole or in part, specially assess any of the costs and expenses incurred by the CITY; and the DEVELOPER hereby waives any and all procedural and substantive objections to the installation and construction of the work and improvements and the special assessment resulting therefrom; including, but not limited to, notice and hearing requirement and any claim that the special assessments exceed benefit to the PLAT. The DEVELOPER hereby waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081.

13.2 NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER. In the event any agreement contained in this DEVELOPMENT CONTRACT is breached by the DEVELOPER and thereafter waived in writing by the CITY, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder. All waivers by the CITY must be in writing.

13.3 NO REMEDY EXCLUSIVE. No remedy herein conferred upon or reserved to the CITY shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the DEVELOPMENT CONTRACT or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the CITY to exercise any remedy reserved to it, it shall not be necessary to give notice, other than the FORMAL NOTICE.

13.4 EMERGENCY. Notwithstanding the requirement contained in Section 13.1 hereof relating to FORMAL NOTICE to the DEVELOPER in case of a DEVELOPER DEFAULT and notwithstanding the requirement contained in Section 13.1 hereof relating to giving the DEVELOPER a thirty (30) day period to cure the DEVELOPER DEFAULT, in the event of an emergency resulting from a DEVELOPER DEFAULT presenting an immediate threat to health or safety or presenting an immediate threat that will likely result in property damage unless immediately addressed as reasonably determined by the DWP, the CITY may perform the work or improvement to be performed by the DEVELOPER without giving any notice or FORMAL NOTICE to the DEVELOPER and without giving the DEVELOPER the thirty (30) day period to cure the DEVELOPER DEFAULT. In such case, the DEVELOPER shall within thirty (30) days after written billing by the CITY reimburse the CITY for any and all costs incurred by the CITY. In the alternative, the CITY may, in whole or in part, specially assess the costs and expenses incurred by the CITY; and the DEVELOPER hereby waives any and all procedural and substantive objections to the installation and construction of the work and improvements and the special assessments resulting therefrom; including, but not limited to, notice and hearing requirements and any claim that the special assessments exceed benefit to the PLAT. The DEVELOPER hereby waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081.

ARTICLE 14 **ESCROW DEPOSIT**

14.1 ESCROW REQUIREMENT. Prior to the CITY allowing the PLAT to be recorded and prior to the DEVELOPER beginning construction of the DEVELOPER IMPROVEMENTS and prior to obtaining any building permits, the DEVELOPER shall deposit with the City an irrevocable letter of credit, cash deposit or other security acceptable to the City for the amount stated in Exhibit F.

All cost estimates shall be acceptable to the DIRECTOR OF PWD. The total escrow amount was calculated as shown on the attached Exhibit F. The bank and form of the irrevocable letter of credit, or cash deposit shall be subject to approval by the City Finance Director and City Attorney and shall continue to be in full force and effect until released by the CITY. The irrevocable letter of credit shall be for a term ending December 31, 2023. In the alternative, the letter of credit may be for a one year term provided it is automatically renewable for successive one

year periods from the present or any future expiration dates with a final expiration date of not earlier than December 31, 2023, and further provided that the irrevocable letter of credit states that at least sixty (60) days prior to the expiration date the bank will notify the CITY if the bank elects not to renew for an additional period. The irrevocable letter of credit shall secure compliance by the DEVELOPER with the terms of this Agreement. The CITY may draw down on the irrevocable letter of credit or cash deposit, without any further notice than that provided in Section 13.1 relating to a DEVELOPER DEFAULT, for any of the following reasons:

- a.) a DEVELOPER DEFAULT; or
- b.) upon the CITY receiving notice that the irrevocable letter of credit will be allowed to lapse without renewal or replacement before December 31, 2023.

The CITY shall use the letter of credit proceeds or cash deposit proceeds to reimburse the CITY for its costs and to cause the DEVELOPER IMPROVEMENTS listed on Exhibit C to be constructed to the extent practicable; if the DIRECTOR OF PWD determines that such DEVELOPER IMPROVEMENTS listed on Exhibit C have been constructed and after retaining 10% of the proceeds for later distribution pursuant to Section 14.2, the remaining proceeds shall be distributed to the DEVELOPER.

With CITY approval, the irrevocable letter of credit or cash deposit may be reduced pursuant to Section 14.2 from time to time as financial obligations are paid.

14.2 ESCROW RELEASE AND ESCROW INCREASE; DEVELOPER IMPROVEMENTS. Periodically, upon the DEVELOPER'S written request and upon completion by the DEVELOPER and acceptance by the CITY of any specific DEVELOPER IMPROVEMENTS, ninety percent (90%) of that portion of the irrevocable letter of credit, or cash deposit covering those specific completed improvements only shall be released. The final ten percent (10%) of that portion of the irrevocable letter of credit, or cash deposit, for those specific completed improvements shall be held until acceptance by the CITY and expiration of the warranty period under Section 1.19(H) hereof; in the alternative, the DEVELOPER may post a bond satisfactory to the CITY with respect to the final ten percent (10%).

If it is determined by the CITY that the DEVELOPMENT PLANS were not strictly adhered to, or that work was done without CITY inspection, the CITY may require, as a condition of acceptance, that the DEVELOPER post an irrevocable letter of credit, or cash deposit equal to 125% of the estimated amount necessary to correct the deficiency or to protect against deficiencies arising therefrom which letter of credit or cash deposit may be issued either in the name of the DEVELOPER or its general contractor. The additional irrevocable letter of credit, or cash deposit, shall remain in force for such time as the CITY deems necessary, not to exceed five (5) years. In the event that work, which is concealed, was done without permitting CITY inspection, then the CITY may, in the alternative, require the concealed condition to be exposed for inspection purposes.

ARTICLE 15
MISCELLANEOUS

15.1 CITY'S DUTIES. The terms of this DEVELOPMENT CONTRACT shall not be considered an affirmative duty upon the CITY to complete any DEVELOPER IMPROVEMENTS, if the DEVELOPER fails to complete the DEVELOPER IMPROVEMENTS.

15.2 ADDITIONAL IMPROVEMENTS. If the DEVELOPER requests the CITY to construct the DEVELOPER PUBLIC IMPROVEMENTS, the CITY at its option, may install and construct the DEVELOPER PUBLIC IMPROVEMENTS. In such case, the CITY, at its option, may specially assess the cost wholly or in part therefore under Minnesota Statutes Chapter 429, or, so long as the CITY shall have given DEVELOPER at least ten (10) days written notice thereof, may draw the irrevocable letter of credit or cash deposit. If the CITY specially assesses the cost of any portion thereof and if the amount assessed is in an amount no more than agreed to in writing by the DEVELOPER prior to commencement of the DEVELOPER PUBLIC IMPROVEMENTS, then the DEVELOPER hereby waives any and all procedural and substantive objections to the installation of the improvements and the special assessments, including, but not limited to, notice and hearing requirements and any claim that the special assessments exceed the benefit to the PLAT. The DEVELOPER waives any appeal rights otherwise available pursuant to Minnesota Statute § 429.081. The DEVELOPER acknowledges that the benefit from the improvements equal or exceed the amount of the special assessments.

15.3 NO THIRD PARTY RECOURSE. Third parties shall have no recourse against the CITY or DEVELOPER under this DEVELOPMENT CONTRACT.

15.4 VALIDITY. If any portion, section, subsection, sentence, clause, section or phrase of this DEVELOPMENT CONTRACT is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this DEVELOPMENT CONTRACT.

15.5 RECORDING. The DEVELOPMENT CONTRACT and PLAT shall be recorded with the COUNTY Recorder and the DEVELOPER shall provide and execute any and all documents necessary to implement the recording. The CITY shall provide to DEVELOPER, upon written request therefore, releases of lots within the PLAT from the lien of this DEVELOPMENT CONTRACT as to lots for which the CITY has issued occupancy permits to or for the third party home purchasers.

15.6 BINDING AGREEMENT. The parties mutually recognize and agree that all terms and conditions of this recordable DEVELOPMENT CONTRACT shall run with the land in the PLAT, and shall be binding upon the successors and assigns of the DEVELOPER. This DEVELOPMENT CONTRACT shall also run with and be binding upon any after acquired interest of the DEVELOPER in the land made the subject of the PLAT.

15.7 CONTRACT ASSIGNMENT. The DEVELOPER may not assign this DEVELOPMENT CONTRACT without the written permission of the COUNCIL. The

DEVELOPER's obligations hereunder shall continue in full force and effect, even if the DEVELOPER sells one or more lots, the entire PLAT, or any part of it.

15.8 AMENDMENT AND WAIVER. The parties hereto may by mutual written agreement amend this DEVELOPMENT CONTRACT in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this DEVELOPMENT CONTRACT or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this DEVELOPMENT CONTRACT, waive compliance by another with any of the covenants contained in this DEVELOPMENT CONTRACT, waive performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this DEVELOPMENT CONTRACT. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this DEVELOPMENT CONTRACT shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

15.9 GOVERNING LAW. This DEVELOPMENT CONTRACT shall be governed by and construed in accordance with the laws of the State of Minnesota.

15.10 COUNTERPARTS. This DEVELOPMENT CONTRACT may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

15.11 HEADINGS. The subject headings of the sections and subsections of this DEVELOPMENT CONTRACT are included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions.

15.12 INCONSISTENCY. If the DEVELOPMENT PLANS are inconsistent with the words of this DEVELOPMENT CONTRACT, then the DEVELOPMENT PLANS shall prevail.

15.13 ACCESS. The DEVELOPER hereby grants to the CITY, its agents, employees, officers, and contractors a license to enter the PLAT to perform all inspections deemed appropriate by the CITY during the installation of DEVELOPER IMPROVEMENTS. The DEVELOPER hereby grants to the CITY, its agents, employees, officers, and contractors a license to enter the PLAT to complete DEVELOPER PUBLIC IMPROVEMENTS if the DEVELOPER fails to cure the DEVELOPER DEFAULT as required by this DEVELOPMENT CONTRACT.

CITY hereby grants to DEVELOPER, its agents, employees, officers, and contractors a license to enter Outlot A, South Grove Townhomes to perform construction of DEVELOPER IMPROVEMENTS pursuant to this DEVELOPMENT CONTRACT.

IN WITNESS WHEREOF, the parties have executed this DEVELOPMENT CONTRACT.

CITY OF INVER GROVE HEIGHTS

By: _____
Tom Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk

(CITY SEAL)

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 14th day of June, 2021, before me a Notary Public within and for said County, personally appeared Tom Bartholomew and Rebecca Kiernan, to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was sealed on behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

**DEVELOPER AND OWNER:
M/I HOMES OF MINNEAPOLIS/ST. PAUL, LLC**

By: _____
Gary M. White
Its: President

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

On this _____ day of June, 2021, before me a Notary Public within and for said County, personally appeared Gary M. White, to me personally known, who being by me duly sworn, did say that he is the President of M/I Homes of Minneapolis/St. Paul, LLC, a Delaware limited liability company, and that the foregoing instrument was executed on behalf of M/I Homes of Minneapolis/St. Paul, LLC by authority of the Board of Governors of M/I Homes of Minneapolis/St. Paul, LLC and said Gary M. White acknowledged said instrument to be the free act and deed of M/I Homes of Minneapolis/St. Paul, LLC.

Notary Public

This Instrument Was Drafted By:

Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

**After Recording, Please Return This
Instrument To:**

Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

EXHIBIT A
LEGAL DESCRIPTION
OF PLAT OF SOUTH GROVE TOWNHOMES

Real property situated in the City of Inver Grove Heights, County of Dakota, State of Minnesota, legally described as:

Lots 1 through 29, Block 1, South Grove Townhomes, Dakota County, Minnesota

Lots 1 through 9, Block 2, South Grove Townhomes, Dakota County, Minnesota

Lots 1 through 10, Block 3, South Grove Townhomes, Dakota County, Minnesota

Outlots A, B, C, D and E, South Grove Townhomes, Dakota County, Minnesota

according to the plat thereof on file and of record in the office of the Dakota County Recorder, State of Minnesota.

EXHIBIT B
LIST OF DEVELOPMENT PLANS

PLAN	FINAL DATE OF PLAN PREPARATION	PREPARED BY
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The above-listed Development Plans were approved by the City Enineeer on June ____, 2021.

The Development Plans also include compliance by the Developer with those conditions set forth in the following correspondences relating to the plat of South Grove Townhomes (the “City Engineer Memos”):

1. Memo to Assistant City Engineer from barr Engineering dated April 21, 2021.
2. Memo to City Planner from Assistant City Engineer dated May 13, 2021.

The City Engineer Memos are on file with the City.

The Development Plans also include modifications of the above referenced Development Plans as approved from time to time by the City Engineer.

EXHIBIT C
DEVELOPER IMPROVEMENTS

The items checked with an "X" below are the DEVELOPER IMPROVEMENTS. The items checked with "PUBLIC" below are those DEVELOPER IMPROVEMENTS that are DEVELOPER-PUBLIC IMPROVEMENTS.

<u>CHECKED</u>	<u>COMPLETION DATE</u>	<u>IMPROVEMENT</u>
X	prior to obtaining a building permit or December 31, 2021 whichever occurs first	general site grading, drainage and erosion control
X PUBLIC	prior to obtaining a building permit or December 31, 2021, whichever occurs first	utilities (sanitary sewer and water lateral and trunk lines)
X	prior to obtaining a building permit or December 31, 2021, whichever occurs first	sanitary sewer and water service lines
X PUBLIC	prior to obtaining a building permit or December 31, 2021, whichever occurs first	gravel base for public streets
X PUBLIC	prior to obtaining a building permit or December 31, 2021, whichever occurs first	Storm Water Facilities constructed to a functional level approved by the City Engineer
X PUBLIC	prior to obtaining a certificate of occupancy or December 31, 2021, whichever occurs first	base bituminous for public streets and street lights
X PUBLIC	prior to obtaining a certificate of occupancy or December 31, 2021, whichever occurs first	Storm Water Facilities completed

X	prior to obtaining a certificate of occupancy or December 31, 2021, whichever occurs first	Retaining walls
X	prior to issuing certificate of occupancy for the individual subject lot	lot landscaping **
X PUBLIC	See Section 4.4	street signage
X PUBLIC	prior to obtaining a certificate of occupancy or December 31, 2021, whichever occurs first	final wear course of bituminous for public streets

The CITY's Director of Public Works may extend the dates contained in this Exhibit C.

** Lot landscaping must be completed prior to issuance of a certificate of occupancy for the individual subject lot; provided, however, if the request for the certificate of occupancy is made in the months of October through April and if all other requirements for the certificate of occupancy except landscaping have been met, then the CITY will issue a temporary certificate of occupancy and the DEVELOPER is required to complete the landscaping no later than the following June 15th.

EXHIBIT D
CITY IMPROVEMENTS

The CITY is not required to construct any CITY IMPROVEMENTS.

EXHIBIT E
MISCELLANEOUS REQUIREMENTS AND CONDITIONS
IMPOSED BY THE CITY

- 1.) **CONDITIONS TO BE SATISFIED BEFORE CITY RELEASES PLAT TO BE RECORDED.** Before the CITY releases the PLAT for recording with Dakota County, all of the following conditions must be satisfied:
- a.) DEVELOPER must execute this DEVELOPMENT CONTRACT.
 - b.) DEVELOPER must provide cash deposit for the Engineering Escrow Amount provided in Exhibit F of this DEVELOPMENT CONTRACT.
 - c.) DEVELOPER must provide the irrevocable letter of credit or cash deposit for the amount stated in Exhibit F of this DEVELOPMENT CONTRACT.
 - d.) DEVELOPER must provide to the CITY the sealcoating payment of \$_____ with regard to the public streets in the DEVELOPER IMPROVEMENTS as required under Section 7 of Exhibit E.
 - e.) DEVELOPER must fully pay the CITY for all planning, engineering review and legal fees that have been incurred up to the date of this DEVELOPMENT CONTRACT. DEVELOPER must further escrow with the CITY an amount reasonably determined by the CITY for future planning and engineering review fees and for reasonable legal fees, all at normal CITY rates therefore, except for such fees as may already otherwise be taken into account in the calculations or engineering inspection escrow made a part of Exhibit F.
 - f.) DEVELOPER must provide title evidence in the form of a title insurance policy that shows that the DEVELOPER owns the property within the PLAT.
 - g.) DEVELOPER must execute and deliver the documents listed in paragraph 13 of this Exhibit E. The form of the documents shall be subject to the approval of the City Attorney.
 - h.) DEVELOPER must pay the park dedication fee referenced in paragraph 5 of this Exhibit E.
 - i.) DEVELOPER shall obtain all required permits including any NPDES Construction Storm Waer Permit, Public Watermain Extension Permit, Public Sanitary Sewer Main Extension Permit, DCSWCD and State Agency Wetland Determination and MnDOT Drainage Permit.
- 2.) **BUILDING PERMITS FOR LOTS.** Prior to December 31, 2021, or prior to issuance

of a building permit for any lot in the PLAT, whichever occurs first, the following conditions must be met in accordance with the DEVELOPMENT PLANS:

- a.) All the conditions in paragraph 1 of this Exhibit E have been met.
 - b.) The PLAT is recorded with the Dakota County Recorder.
 - c.) The DEVELOPMENT CONTRACT and all of the documents listed in paragraph 13 of this Exhibit E have been recorded and the DEVELOPER has provided evidence to the CITY of such recording.
 - d.) The Storm Water Facilities must be constructed to a functional level reasonably approved by the City Engineer.
 - e.) General site, grading, drainage and erosion control must be completed.
 - f.) Utilities must be installed.
 - g.) Sanitary sewer and water service lines must be installed.
 - h.) Gravel base for the public streets must be installed.
 - i.) The DEVELOPER must show evidence that the lots within the PLAT (except for Outlots A and E) have been added to the homeowner association documents required by paragraph 12 of this Exhibit E.
 - j.) Retaining walls shall be constructed.
- 3.) **CERTIFICATE OF OCCUPANCY.** Prior to December 31, 2021, or prior to the issuance of any certificate of occupancy for any lot in the PLAT, whichever occurs first, the following conditions must be satisfied in accordance with the DEVELOPMENT PLANS:
- a.) All the conditions listed in paragraphs 1 and 2 of this Exhibit E must be satisfied.
 - b.) Base course bituminous for the public streets and the street lights must be installed.
 - c.) The Storm Water Facilities must be completed and approved by the City Engineer.
 - d.) Lot landscaping must be completed for the individual lot affected by the landscaping; provided, however, if the request for the certificate of occupancy is made in the months of October through May and if all other requirements for the certificate of occupancy, except landscaping, have been met, then the CITY shall issue the temporary certificate of occupancy and the DEVELOPER is then required to complete the landscaping no later than the following June 30th.

The final wear course of bituminous for the streets must be installed by December 31,

2021; however, the final wear course of bituminous for the streets may be required to be installed earlier or later as approved by the City Engineer.

- 4.) **CLEAN UP OF CONSTRUCTION DEBRIS ON STREETS AND ADJOINING PROPERTY.** The escrow amount stated on Exhibit F includes an appropriate amount as determined by the Director of Public Works to assure that the DEVELOPER removes any construction debris from streets adjoining the PLAT and from private properties that adjoin the PLAT. During the construction and other improvements within the PLAT, the DEVELOPER is responsible for removing any construction debris (including roofing materials, paper wrappings, construction material and other waste products resulting from construction) that may be blown from the construction site into adjoining private properties or into CITY streets or that may fall from delivery trucks onto adjoining private properties or CITY streets. Further, during construction, the DEVELOPER must clear the CITY streets of any dirt or other earthen material that may fall onto the CITY streets from the delivery trucks that are being used in the excavation and grading of the site.
- 5.) **PARK CONTRIBUTION FEE.** The park contribution fee is based on a per lot amount of \$2,850, multiplied by the number of lots in the PLAT. There are ___ lots and as a result, the park contribution is \$ (lots multiplied by \$2,850 per unit). The park contribution fee of \$ must be paid before the CITY signs the PLAT.
- 6.) **NORTHWEST AREA UTILITY PLAT CONNECTION FEES FOR UNITS BEING PLATTED.** There are no Northwest Area Utility Plat Connection Fee owed for the PLAT.
- 7.) **PAYMENT FOR SEALCOATING.** The CITY agrees to sealcoat the public street bituminous pavement within the PLAT to protect and enhance the lifespan of the public streets. The sealcoating will be completed by the CITY approximately three (3) years after the installation of the final wear course of bituminous pavement. The CITY will perform the work associated with the sealcoating. The DEVELOPER shall pay the CITY the amount of \$ for the work.

The amount of \$ is due and payable by the DEVELOPER to the CITY at the time the PLAT is executed by the CITY. The CITY will complete the work associated with the sealcoating approximately three (3) years after the installation of the final wear course of bituminous pavement for the public streets. The DEVELOPER agrees that the sealcoating benefits the PLAT.

- 8.) **TREE PRESERVATION.** All tree preservation requirements and conditions in connection with the PLAT imposed by the CITY COUNCIL as part of plat approval must be met by the DEVELOPER.
- 9.) **STREET LIGHTING.** DEVELOPER at its own expense shall install street lights at the locations shown on the approved street plan. The location and number of street lights will be determined by the local electric company. DEVELOPER shall enter into a Street Light Agreement for the PLAT.

DEVELOPER shall pay for the energy costs for all the street lights in the PLAT for the first three years after installation. Thereafter, the energy costs for the street lights shall be paid by the owners of the buildable lots within the PLAT.

- 10.) **LOT EROSION CONTROL REQUIREMENTS.** Any construction of residences on the lots within the PLAT shall comply with the following (Erosion Control Forms):

- a. Erosion Control for Residential Lots dated February 2015 and identified as Plate No. EC-01;
- b. Silt Fence dated April 2011 and identified as Plate No. EC-02;
- c. Rock Construction Entrance dated April 2011 and identified as Plate No. EC-03;
- d. Storm Sewer Inlet Protection dated April 2011 and identified as Plate No. EC-04;
- e. Sediment Log Installation dated March 2015 and identified as Plate No. EC-07.

The Erosion Control Forms are on file with the CITY. The DEVELOPER must make the builder aware of the above identified Erosion Control Forms and must provide a copy of the above-described Erosion Control Forms to the builder. The builder must execute the Notice of Erosion Control Requirement for Construction (on file with the CITY) when a building permit is obtained.

- 11.) **CONVEYANCE OF OUTLOTS:** At the time the PLAT is recorded, OWNER shall convey or cause to be conveyed to the CITY the following Outlot:

- Outlot A, South Grove Townhomes

Conveyance of the Outlot shall be by Warranty Deed. Outlot A, South Grove Townhomes shall be free and clear of any mortgages and liens. OWNER shall pay the real estate taxes for such Outlot for the year in which the Outlot is conveyed to the CITY.

At the time the PLAT is recorded, OWNER shall convey or cause to be conveyed to the Association the following Outlots:

- Outlots B, C and D, South Grove Townhomes

Conveyance of the Outlots shall be by Warranty Deed. Outlots B, C and D, South Grove Townhomes shall be free and clear of any mortgages and liens. OWNER shall pay the real estate taxes for such Outlots for the year in which the Outlots are conveyed to the CITY.

Outlot E, South Grove Townhomes will remain in ownership of the OWNER for a future replatting and construction of townhomes.

- 12.) **HOMEOWNERS ASSOCIATION.** A condition of approval of building permit is that the DEVELOPER add all of the lots within the PLAT to the Homeowners Association, except for Outlot A, South Grove Townhomes which will be conveyed to and owned by the CITY and except for Outlot E, South Grove Townhomes, which will be retained by the OWNER

for future re-platting. The documents prepared by the DEVELOPER in connection with the addition of the lots within the plat of South Grove Townhomes to the Homeowners Association must be approved by the CITY prior to the issuance of a building permit for any home in the PLAT, which approval shall not unreasonably be withheld, delayed or conditioned.

13.) **AGREEMENTS.** The DEVELOPER and OWNER must comply with the requirements contained in the agreements set forth below:

- a. OWNER must execute this DEVELOPMENT CONTRACT for the PLAT.

The above-listed agreement must be executed at the time the PLAT is recorded and must be recorded with the PLAT.

- b. By Warranty Deed, OWNER must convey Outlot A, South Grove Townhomes to the CITY at the time the PLAT is recorded.

- c. OWNER must execute a Storm Water Facilities Maintenance Agreement relating to the PLAT.

The above-listed agreement must be executed at the time the PLAT is recorded and must be recorded with the PLAT.

- d. OWNER must execute a Street Light Agreement for the PLAT.

The above-listed agreement must be executed at the time the PLAT is recorded and must be recorded with the PLAT.

- e. OWNER must obtain approval from the CITY and must record the homeowner association documents referenced in this Exhibit E.

- f. OWNER must execute the following Retaining Wall Maintenance Agreements for the PLAT:

- Lot 1, Block 3, South Grove Townhomes
- Lot 2, Block 3, South Grove Townhomes
- Lot 3, Block 3, South Grove Townhomes
- Lot 4, Block 3, South Grove Townhomes
- Lot 5, Block 3, South Grove Townhomes
- Lot 6, Block 3, South Grove Townhomes

The above-listed agreements must be executed at the time the PLAT is recorded and must be recorded with the PLAT.

- g. OWNER must execute a Temporary Drainage and Utility Easement for Outlot E, South Grove Townhomes that will expire upon the re-platting of Outlot E, South Grove Townhomes.

The above-listed agreement must be executed at the time the PLAT is recorded and must be recorded with the PLAT.

- h. OWNER must execute a PUD Zoning Acknowledgement Agreement.

The above-listed agreement must be executed at the time the PLAT is recorded and must be recorded with the PLAT.

- i. OWNER must prepare an Access Easement with the adjoining property owned by the Oaks Townhomes.

The City Attorney shall approve the Access Easement prepared by the OWNER and the Access Easement shall be recorded by OWNER. OWNER shall provide evidence to the CITY that the Access Easement has been recorded. The recording shall occur prior to issuance of a certificate of occupancy; provided, however, the City Engineer may waive this provision if the Oaks Townhomes refuse to accept the Access Easement.

- j. OWNER must prepare and provide a Grant of Open Space Easement for the plat of South Grove Townhomes.

The City Attorney shall approve the Grant of Open Space Easement prepared by the OWNER and the Easement shall be recorded with the PLAT.

- k. The CITY shall prepare and execute a Release of the *Easement Agreement* entered into by and between School District No. 199 and the Village of Inver Grove Heights on September 10, 1969 and recorded on April 1, 1971, as Dakota County Document No. 382264.

The Release document shall be recorded with the PLAT.

The agreements and documents listed in this paragraph 13 must be recorded prior to any mortgage relating to any lots in the PLAT.

- 14.) **MONUMENT AT ENTRYWAY.** If DEVELOPER constructs a monument and associated landscaping at the entryway to the PLAT that is located within the right-of-way, the CITY shall grant a permit to the DEVELOPER with the responsibilities for maintenance outlined in the permit. The Homeowners Association shall maintain the monument and associated landscaping. If the Homeowners Association fails to maintain the monument and associated landscaping per the terms of the permit issued by the

CITY, then the CITY may revoke the permit and the Homeowners Association at its cost shall remove the monument and associated landscaping as directed by the CITY. The monument and associated landscaping shall not adversely impact the sight triangles. DEVELOPER shall follow the CITY height restrictions.

- 16.) **MODEL HOMES / SALES HOMES.** If DEVELOPER intends to construct model homes on certain lots within the PLAT, the lots must first be approved by the City Planner, the Chief Building Official and the Public Works Department. Before use of the model homes by the public, the DEVELOPER shall install a gravel drive for access to the lots and the gravel drive shall be inspected and approved by the CITY Fire Marshall. The model homes shall not be occupied for residential use and shall only be used as display models until the other requirements of this DEVELOPMENT CONTRACT relating to certificate of occupancy are fulfilled.
- 17.) **OUTLOT MARKER POSTS.** DEVELOPER shall be responsible for installing marker posts at reasonable locations to define the boundary of the outlots. The markers provide identification for future land owners to know boundaries of the outlots. The final PUD plans must show the location of the marker posts. CITY will provide and install sign panels labeled “Protected Area” at the cost of DEVELOPER.
- 18.) **CONSENT REQUIREMENTS.** DEVELOPER agrees that the following elements of the Planned Unit Development within the PLAT shall not be altered, changed or removed from the DEVELOPMENT PLANS without first obtaining the following consents:

Site Plan Element	Consent Required By
Building Location	City Council
Driveways	Planning Department
Landscaping	Planning Department
Location of Utilities	Engineering Department
Location of Natural Area/Open Space	City Council

- 19.) **DEDICATION OF RIGHT-OF-WAY.** DEVELOPER shall dedicate the right-of-way for Clayton Avenue, Cloman Way and 76th Lane East as shown on the PLAT.
- 20.) **TREE REPLACEMENT SHORTAGE.** DEVELOPER must comply with the tree reforestation requirements and meet the CITY’s tree preservation and street tree requirements.
- 21.) **RETAINING WALL REQUIRMENTS.** If any of the lots in the PLAT are to have retaining walls, then prior to the CITY issuing a building permit for any individual lot in the PLAT, all retaining wall permits must be issued by the CITY. Prior to the CITY granting a temporary certificate of occupancy or a final certificate of occupancy for any individual lot in the PLAT that is to have a retaining wall, the retaining wall permit must be complete, wall certification must be received and accepted by the Chief Building

Official, grading associated with the retaining wall must be accepted by the City Engineer and the retaining wall record drawing must be received and accepted by the CITY.

- 22.) **REIMBURSEMENT FOR TRUNK STORM SEWER.** As part of the DEVELOPMENT PLANS, DEVELOPER is installing trunk storm sewer to serve the PLAT as well as an area outside of the PLAT. The CITY agrees and recognizes that the installation of the trunk storm sewer creates a benefit for areas outside the PLAT. As a result, the CITY will grant a credit to the DEVELOPER. The DEVELOPER has provided the cost information and any bids, invoices or other data relevant to the installation of the trunk storm sewer. The Director of the PWD has reasonably computed the credit. The credit for the trunk storm sewer is in the amount of \$ _____. This amount shall be reimbursed to DEVELOPER upon completion of the trunk storm sewer and acceptance of the trunk storm sewer by the CITY. The reimbursement amount shall also include reimbursement by the CITY to the OWNER for reasonable engineering costs incurred by the OWNER.
- 23.) **EXISTING SIDEWALK.** The segment of existing sidewalk running in a north/south direction from 77th Street to the Oaks Townhomes open space shall remain for potential pedestrian use. The portion of existing sidewalk running in an east/west direction in the Oaks Townhomes open space may be removed with the storm sewer and not replaced.
- 24.) **TURF ESTABLISHMENT.** The letter of credit required by Exhibit F contains a line item for turf establishment. This line item was computed on the basis of \$1,250 for each of the ten single family lots. The DEVELOPER has the responsibility to establish turf on each of the single family lots to the reasonable satisfaction of the City Engineer. When such lots are compliant with the turf establishment requirement, the DEVELOPER shall notify the CITY of the addresses of such lots and the CITY shall then inspect such lots to determine whether turf establishment has been obtained. If lots are compliant with the turf establishment requirement, the CITY will reduce the letter of credit on the basis of \$1,250 per compliant lot. Where compliance has not been achieved, the letter of credit shall remain in place on the basis of \$1,250 for each of the non-compliant lots.

EXHIBIT F
ESCROW CALCULATION
FOR DEVELOPER IMPROVEMENTS

1.)	Site Grading, Drainage & Erosion Control	\$
2.)	Sewer and Water	\$
3.)	Storm Water Facilities	\$
4.)	Public Streets	\$
5.)	Street Lights	\$
6.)	Construction debris clean up	\$
7.)	Certified As-Builts	\$
8.)	Landscaping	\$
9.)	Retaining Walls	\$
	SUBTOTAL	\$
	Multiplied by	x <u>1.25</u>
	SUBTOTAL	\$
	Turf Establishment	\$12,500
	TOTAL ESCROW:	\$

EXHIBIT F
ESCROW CALCULATION
(Continued)

In addition to the Escrow Amount for Developer Improvements set forth above, the Developer shall also deposit the following amounts in cash with the City (hereafter “**Engineering Escrow Amount**”) contemporaneously with execution of this Development Contract:

- \$ City fees for inspection and engineering services (lots x \$____ per lot)
- \$ Sealcoating
- \$ Storm water model update
- \$ Barr Engineering storm water review
- \$ **TOTAL (DEVELOPER responsibility)**

The Engineering Escrow Amount shall be used to pay the City for engineering inspection, attorney’s expenses, staff review time, assurance for sediment/erosion control compliance and maintenance requirements at the City’s standard rates charged for such tasks.

Subject to the following paragraphs, upon satisfactory completion of the Developer Improvements, the City shall return to the Developer any remaining portion of the Engineering Escrow Amount not otherwise previously charged the Developer.

Twenty five percent (25%) of this Engineering Escrow Amount shall be retained by the City (hereafter referred to as Escrow Retainage) and this Escrow Retainage shall be available to the City to pay for deficiencies and problems related to grading, drainage, erosion and sediment control in the PLAT in the event such problems and deficiencies arise prior to all the vegetation being established to the sole satisfaction of the City. The City may use the Escrow Retainage to correct any such deficiencies or problems or to protect against further deficiencies or problems.

The City shall return to the Developer any remaining Escrow Retainage when all the following events have occurred:

- a.) all of the vegetation has been established, to the sole satisfaction of the City.

To the extent the engineering inspection charges or the amount needed to correct the deficiencies and problems relating to grading, drainage, erosion and sediment control exceed the initially deposited \$_____ Engineering Escrow Amount, the Developer is responsible for payment of such excess within thirty (30) days after billing by the City.

EXHIBIT E
ESCROW CALCULATION
(Continued)

Vegetation Escrow Amount

Also, \$2,500 of the deposited Engineering Escrow Amount shall remain in the Engineering Escrow to be used by the City to ensure the vegetation installed within and around the storm water facilities is maintained and established for a 3-year period from the date of satisfactory installation (hereafter “Vegetation Escrow Amount”). The Vegetation Escrow Amount shall be available to the City to pay for deficiencies and problems related to the vegetation installed within and around the storm water facilities in the PLAT in the event such problems and deficiencies arise during the 3-year period.

After the 3-year period has expired and upon approval by the City Engineer, the City shall return to the Developer any of the remaining Vegetation Escrow Amount.

To the extent the amount needed to correct the deficiencies and problems relating to the vegetation within and around the storm water facilities exceeds the initially retained \$2,500 Vegetation Escrow Amount, the Developer is responsible for payment of such excess within thirty (30) days after billing by the City.

**STORM WATER FACILITIES MAINTENANCE AGREEMENT RELATING TO THE
PLAT OF SOUTH GROVE TOWNHOMES,
DAKOTA COUNTY, MINNESOTA**

THIS STORM WATER FACILITIES MAINTENANCE AGREEMENT RELATING TO THE PLAT OF SOUTH GROVE TOWNHOMES (Agreement) is made, entered into and effective this 14th day of June, 2021, by and between the City of Inver Grove Heights, a Minnesota municipal corporation (hereafter referred to as City) and M/I Homes of Minneapolis/St. Paul, LLC, a limited liability company organized under the laws of the State of Delaware (hereafter referred to as Landowner and Responsible Owner) and South Grove Townhome Association, Inc., a Minnesota non-profit corporation (hereafter referred to as Association). Subject to the terms and conditions hereafter stated and based on the representations, warranties, covenants, agreements and recitals of the parties herein contained, the parties do hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Terms. The following terms, unless elsewhere specifically defined herein, shall have the following meanings as set forth below.

1.2 City. City means the City of Inver Grove Heights, a Minnesota municipal corporation.

1.3 Landowner. Landowner means M/I Homes of Minneapolis/St. Paul, LLC, a Delaware limited liability company, and its successors and assigns.

1.4 Association. Association means South Grove Townhome Association, Inc., a Minnesota non-profit corporation and its successors and assigns.

1.5 Storm Water Facilities. Storm Water Facilities means each and all of the following, individually and collectively located now or in the future on the plat of South Grove Townhomes or on any re-plat of Outlot E, South Grove Townhomes:

Any existing or future storm water infiltration sediment basins, dry basins, inlets, draintile, pipes, drainage areas, conduits, culverts, ditches and catch basins lying within the plat of South Grove Townhomes.

1.6 Responsible Party. Responsible Party means the following:

- a. From the date hereof through December 31, 2021, the Responsible Party is Landowner and its successors and assigns.
- b. From and after January 1, 2022, the Responsible Party is the Association and its successors and assigns.

1.7 Residential Lots. Residential Lots means individually and collectively all of the lots described on the attached **Exhibit A**.

1.8 Residential Owners. Residential Owners means the fee title owners of the Residential Lots.

1.9 Stormwater Facility Plan. “Stormwater Facility Plan” means collectively the following:

- The _____ plan prepared by Pioneer Engineering dated June __, 2021 and approved by the City Engineer on June __, 2021.
- The Operations and Maintenance Plan attached as Exhibit B approved by the City Engineer and any amendments relating thereto approved by the City.

The Storm Water Facility Plan also includes modifications of the Stormwater Facility Plan as approved from time to time by the City Engineer.

1.12 NWA Stormwater Manual. “NWA Stormwater Manual” means the Inver Grove Heights Northwest Area Stormwater Manual prepared by Emmons & Olivier Resources dated July 2006, and as adopted by the City of Inver Grove Heights and codified in Section 10-13J-5 (H) of the Inver Grove Heights City Code, as amended from time to time by amendment of general applicability.

1.13 Development Contract. “Development Contract” means that certain contract between Landowner and City dated June 14, 2021.

ARTICLE 2 **RECITALS**

Recital No. 1. Landowner owns the Residential Lots, except for Outlot A, South Grove Townhomes. The City owns Outlot A, South Grove Townhomes. Landowner owns Outlot E, South Grove Townhomes. Any buildable lots in any re-plat of Outlot E, South Grove Townhomes shall be considered Residential Lots for purposes of this Agreement.

Recital No. 2. The Storm Water Facilities benefit and will serve the Residential Lots.

When Outlot E, South Grove Townhomes is re-platted, the buildable lots within the re-plat will be subject to the covenants, obligations, restrictions and easements that govern the Association and the fee owners of such buildable lots within the re-plat of Outlot E, South Grove Townhomes will be members of the Association.

Recital No. 3. Landowner will be conveying or cause to be conveyed Outlot A, South Grove Townhomes to the City.

Recital No. 4. The City is willing to allow the plat of South Grove Townhomes to be recorded if Landowner complies with the requirements contained in Exhibit E of the Development Contract, of even date herewith between the City and Landowner, and if Landowner and the Association execute this Storm Water Facilities Maintenance Agreement.

Recital No. 5. The Residential Owners will be members of the Association.

Recital No. 6. By this Agreement the parties seek to:

- a.) impose upon the Responsible Party the responsibility of maintaining the Storm Water Facilities, notwithstanding the fact that the Storm Water Facilities may exist within easements dedicated or granted to the City and the public; and
- b.) provide a mechanism where the City may charge-back to the Residential Lots any maintenance work that the City performs with respect to the Storm Water Facilities in the event the Responsible Party fails to perform its obligations to maintain the Storm Water Facilities.

Recital No. 7. Because Landowner currently owns all the Residential Lots, Landowner is currently the only Residential Owner.

ARTICLE 3 **RESPONSIBILITY FOR MAINTENANCE**

3.1 Construction of Stormwater Facilities. Landowner agrees that the Stormwater Facilities shall be constructed and installed in accordance with the Stormwater Facility Plan at the sole expense of Landowner at a location and in a configuration as approved by the City pursuant to the Development Contract.

3.2 Operation and Maintenance of Stormwater Facilities. Responsible Party is obligated at its expense to perpetually operate and maintain the Stormwater Facilities in accordance with the Standard of Maintenance set forth in Section 3.4 hereof. The Responsible Party shall not modify, alter, remove, eliminate or obstruct the Stormwater Facilities for as long as the Stormwater Facilities exist. The Responsible Party shall not modify, alter, remove, eliminate or obstruct the Stormwater Facilities without the advance written consent of the City. The Responsible Party shall also ensure that the Stormwater Facilities always remain in compliance with the Stormwater Facility Plan. The responsibility of the Responsible Party for maintaining the Stormwater Facilities exists even though the event or omission which caused the need for maintenance of the Stormwater Facilities may arise on property outside of the plat of South Grove Townhomes.

3.3 Maintenance of Storm Sewer & Water Quality Structure by City. Responsible Party is not obligated to maintain the following storm water related structures within the plat of South Grove Townhomes:

- a. Storm sewer system from 76th and Cloman Way
- b. The trunk storm sewer that crosses Outlot A on the south side of Outlot A
- c. Water quality structure (cyclone) located adjacent to Clayton Avenue

The City, not the Responsible Owner, is obligated to maintain the storm water related structures identified above in this Section 3.3.

3.4 Standard of Maintenance. The Responsible Party must meet the Standard of Maintenance set forth in this Section 3.4.

The Standard of Maintenance shall comply with all of the following:

- a.) The Standard of Maintenance shall comply with the standards contained in Title 9, Chapter 5 of the Inver Grove Heights City Code (as amended from time to time, by amendment of general applicability);
- b.) The Standard of Maintenance shall comply with the stormwater maintenance standards and bio-retention standards and requirements as set forth in the **NWA Stormwater Manual** (as amended from time to time, by amendment of general applicability). The NWA Stormwater Manual is on file with the City's Director of Public Works;
- c.) The Standard of Maintenance shall comply with the City approved Operations & Maintenance Plan hereafter referenced;
- d.) The Standard of Maintenance shall comply with the Watershed Management Plan of the Watershed Management Organization for the Watershed District within which the plat of South Grove Townhomes is located.
- e.) The Standard of Maintenance shall include but not be limited to each of the following:
 - i. The Responsible Party shall monitor the Stormwater Facilities and shall as soon as possible correct any malfunction or deficiency in the operation of such structure so as to ensure that the structure operates in conformance with the design parameters.
 - ii. Responsible Party must comply with Section IV of the NWA Stormwater Manual which outlines the requirements for the operations and maintenance of Long Term Best Management Practices (BMP's) for stormwater facilities. The City has prepared an Operations & Maintenance Plan to show how the Responsible Party must operate and maintain Long Term Best Management Practices for the Storm Water Facilities attached hereto as **Exhibit B**. The Operations & Maintenance

Plan attached hereto as Exhibit B has been approved by the City. The Responsible Party and the successors and assigns thereof shall be responsible for following the Operations & Maintenance Plan. The Operations & Maintenance Plan shall be on file with the City's Director of Public Works.

- iii. The Operations & Maintenance Plan shall contain the following information:
 - a. Detailed inspection requirements;
 - b. Inspection and maintenance schedules;
 - c. Contact information for the Responsible Party;
 - d. As built plans of the Stormwater Facilities;
 - e. A letter of compliance from the designer after construction of the Stormwater Facilities is completed;
 - f. The requirement for an annual report to the City to demonstrate that post construction maintenance is being accomplished per the Operations & Maintenance Plan;
 - g. The GPS coordinates for the Stormwater Facilities shall be provided to the City after construction is completed. Stormwater Facilities smaller than 200 square feet can be located with one GPS coordinate. Stormwater Facilities larger than 200 square feet shall have outlet coordinates and the corners of the Stormwater Facilities located by GPS. The GPS readings shall be provided to the City before the Stormwater Facilities are covered.

If the Stormwater Facility Plan is inconsistent with the Standard of Maintenance or if components within the Standard of Maintenance are inconsistent with other components within the Standard of Maintenance, then that provision, term or component which imposes a greater and more demanding obligation shall prevail.

On December 31 of each year, the Responsible Party shall submit to the City an annual report that identifies all of the tests, inspections, corrective measures and other activities conducted by the Responsible Party under the Operations & Maintenance Plan for the preceding year. The annual report shall also identify any conditions of non-compliance with the Standard of Maintenance during the preceding year and the annual report shall address how the conditions of non-compliance were cured. The annual report shall also include the information shown on the form attached hereto as **Exhibit C**.

3.5 Notice of Non-Compliance with Section 3.2 and 3.4; Cure Period. If the City's Director of Public Works ("DPW") determines, at his reasonable discretion, that the Responsible Party has not complied with the Standard of Maintenance, the DPW shall provide written notice to the Responsible Party of such failure to comply with the Standard of Maintenance. This notice shall specify that the Responsible Party will have thirty (30) days to comply with the Standard of Maintenance, unless thirty (30) days is not practicable for the Responsible Party to cure the default, in which case the Responsible Party shall be given a

reasonable time, as reasonably determined by the DPW, to cure the default provided the Responsible Party has commenced a suitable cure within the initial thirty (30) days. Notwithstanding the requirement contained in this Section relating to written notice and opportunity of the Responsible Party to comply with the Standard of Maintenance, in the event of an emergency as reasonably determined by the DPW, the City may perform the work to be performed by the Responsible Party without giving any notice to the Responsible Party Maintenance. If the City performs emergency service work, the Responsible Party and the City shall follow those procedures set forth in Sections 3.6 and 3.7 with respect to the billing, collection and/or tax certification of such costs.

3.6 Payment of Costs Incurred by City. If the Responsible Party fails to comply with the Standard of Maintenance within thirty (30) days after delivery of the written notice, or in the case of an emergency situation as reasonably determined by the DPW, the City may perform those tasks necessary for compliance and the City shall have the right of access to the areas where the Stormwater Facilities are located to perform such work. The City shall charge all costs incurred by the City to perform the tasks necessary for compliance to the Responsible Party.

The amount of costs charged by the City to the Responsible Party shall be the usual and customary amounts charged by the City given the task, work, or improvement performed by the City to ensure compliance with the Standard of Maintenance. The Responsible Party shall make payment directly to the City within thirty (30) days after invoicing (“Due Date”) by the City. Bills not paid by the Due Date shall incur the standard penalty and interest established by the City for utility billings within the City.

3.7 Certification of Costs Payable With Taxes; Special Assessments. If payment is not made under Section 3.6 by the Responsible Party, the City may certify to Dakota County the amounts due as payable to the Residential Lots in the next calendar year; such certifications may be made under Minnesota Statutes, Chapter 444 in a manner similar to certifications for unpaid utility bills. The amount due shall be allocated equally among the Residential Lots. The Responsible Party and the Residential Owners waive any and all procedural and substantive objections to the imposition of such usual and customary charges on the Residential Lots.

Further, as an alternate means of collection, if the written billing is not paid by the Responsible Party, the City, without notice and without hearing, may specially assess the Residential Lots for the costs and expenses incurred by the City. The Responsible Party and the Residential Owners hereby waive any and all procedural and substantive objections to special assessments for the maintenance costs including, but not limited to, notice and hearing requirements and any claims that the charges or special assessments exceed the benefit to the Residential Lots. The Responsible Party and Residential Owners waive any appeal rights otherwise available pursuant to Minnesota Statutes § 429.081. The Responsible Party and Residential Owners acknowledge that the benefit from the performance of maintenance tasks by the City to ensure compliance with the Standard of Maintenance equals or exceeds the amount of the charges and assessments for the maintenance costs that are being imposed hereunder upon the Residential Lots.

3.8 Obligation For Maintenance Notwithstanding Public Easement. The Responsible Party agrees that its obligations relating to maintenance of the Stormwater Facilities

exist notwithstanding the fact that the Stormwater Facilities may be located in whole or in part within public easements.

The City hereby grants to the Responsible Party a right and license to enter public easements and public road rights-of-way for the purpose of performing the maintenance obligations relating to the Stormwater Facilities for the duration of the performance of the maintenance.

Landowner and Association hereby grant to the City a right and license to access and enter the lands on which the Storm Water Facilities exist for the purpose of performing maintenance of the Storm Water Facilities for the duration of the performance of the maintenance.

The City hereby grants to the Association a right and license to access and enter Outlot A, South Grove Townhomes for the purpose of performing maintenance of the Storm Water Facilities for the duration of the performance of the maintenance.

3.9 Indemnification of City. Responsible Party shall indemnify, defend and hold the City, its council, agents, employees, attorneys and representatives harmless against and in respect of any and all claims, demands, actions, suits, proceedings, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties and attorneys' fees, that the City incurs or suffers, which arise out of, result from or relate to:

- a.) failure by the Responsible Party to observe or perform any covenant, conditions, obligation or agreement on their part to be observed or performed under this Agreement and failure to cure the same within any applicable cure period;
- b.) failure by the Responsible Party to pay contractors, subcontractors, laborers, or material men;
- c.) failure by the Responsible Party to pay for any materials that may be used by the Responsible Party to maintain the Stormwater Facilities; and
- d.) any act or negligence of the Responsible Party, its agents, employees or contractors in connection with construction of the Stormwater Facilities.

3.10 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it, it shall not be necessary to give notice, other than the notice, if any, required by this Agreement.

ARTICLE 4
CITY'S COVENANTS

4.1 Approval of Development Plans. The City agrees that if Landowner and Association execute this Stormwater Facilities Maintenance Agreement and if the other conditions set forth in the Development Contract between Landowner and City are met, the City will approve the Development Plans as defined in the Development Contract for the plat of South Grove Townhomes.

ARTICLE 5
MISCELLANEOUS

5.1 Binding Agreement. The parties mutually recognize and agree that all terms and conditions of this recordable Agreement shall run with the Residential Lots and Outlot E, South Grove Townhomes, Dakota County, Minnesota and shall be binding upon the parties and the successors and assigns of the parties to this Agreement. This Agreement shall also be binding on and apply to any title, right and interest of Landowner in the Residential Lots acquired by Landowner after the execution date of this Agreement or after the recording date of this Agreement.

5.2 Amendment and Waiver. The parties hereto may by mutual written agreement amend this Agreement in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this Agreement or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this Agreement, waive compliance by another with any of the covenants contained in this Agreement, waive performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Agreement. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

5.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

5.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

5.5 Consent. Landowner, City and Association consent to the recording of this Agreement.

5.6 Notice. Notice shall means notices given by one party to the other if in writing and if and when delivered or tendered either in person or by depositing it in the United States mail in a sealed envelope, by certified mail, return receipt requested, with postage and postal charges prepaid, addressed as follows:

If to City: City of Inver Grove Heights
 Attention: City Administrator
 8150 Barbara Avenue
 Inver Grove Heights, MN 55077

If to Landowner: M/I Homes of Minneapolis/St. Paul, LLC
 5354 Parkdale Drive, Suite 100
 St. Louis Park, MN 55416

If to Association: South Grove Townhome Association
 Attention: John Rask
 5354 Parkdale Drive, Suite 100
 St. Louis Park, MN 55416

or to such other address as the party addressed shall have previously designated by notice given in accordance with this Section. Notices shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed as provided above, provided, that a notice not given as above shall, if it is in writing, be deemed given if and when actually received by a party.

ARTICLE 6
INCORPORATION OF BUILDABLE LOTS IN OUTLOT E,
SOUTH GROVE TOWNHOMES INTO ASSOCIATION

6.1 Incorporation of Buildable Lots in Outlot E, South Grove Townhomes into Association. Landowner, as the fee title owner of Outlot E, South Grove Townhomes, and the other parties hereto agree as follows:

1. Any storm water infiltration sediment basins, dry basins, inlets, draintile, pipes, drainage areas, conduits, culverts, ditches and catch basins located on any buildable lot or outlot in any re-plat of Outlot E, South Grove Townhomes shall be deemed to be included within the definition of Storm Water Facilities.
2. Any buildable lot in any re-plat of Outlot E, South Grove Townhomes shall be deemed a Residential Lot.
3. When Outlot E, South Grove Townhomes is re-platted, the buildable lots within the re-plat shall become a part of the Association and the parties shall execute any necessary instruments to make the fee owners of such lots members of the Association and to subject the lots to the covenants, obligations, restrictions and easements that govern the Association.

[the remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF Landowner, Association and City have entered into this Stormwater Facilities Maintenance Agreement on the day and year first stated above.

CITY OF INVER GROVE HEIGHTS

By: _____
Tom Bartholomew
Its: Mayor

ATTEST:

Rebecca Kiernan, City Clerk

(CITY SEAL)

STATE OF MINNESOTA)
)
COUNTY OF DAKOTA) ss.

On this 14th day of June, 2021, before me a Notary Public within and for said County, personally appeared Tom Bartholomew and Rebecca Kiernan to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was sealed on behalf of said municipality by authority of its City Council and said City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

LANDOWNER:
M/I HOMES OF MINNEAPOLIS/ST. PAUL, LLC

By: _____
Gary M. White
Its: President

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

On this _____ day of June, 2021, before me a Notary Public within and for said County, personally appeared Gary M. White, to me personally known, who being by me duly sworn, did say that he is the President of M/I Homes of Minneapolis/St. Paul, LLC, a Delaware limited liability company, and that the foregoing instrument was executed on behalf of M/I Homes of Minneapolis/St. Paul, LLC by authority of the Board of Governors of M/I Homes of Minneapolis/St. Paul, LLC and said Gary M. White acknowledged said instrument to be the free act and deed of M/I Homes of Minneapolis/St. Paul, LLC.

Notary Public

**ASSOCIATION:
SOUTH GROVE TOWNHOME ASSOCIATION, INC.**

By: _____
John Rask
Its President

STATE OF MINNESOTA)
)
COUNTY OF _____) ss.

On this _____ day of June, 2021, before me a Notary Public within and for said County, personally appeared John Rask, to me personally known, who being by me duly sworn, did say that he is the President of South Grove Townhome Association, Inc., a Minnesota non-profit corporation, and that the foregoing instrument was executed on behalf of South Grove Townhome Association, Inc. by authority of the Board of Directors of said non-profit corporation and said John Rask acknowledged said instrument to be the free act and deed of South Grove Townhomes Association, Inc.

Notary Public

THIS INSTRUMENT DRAFTED BY:

Timothy J. Kuntz
LeVander, Gillen, & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

**AFTER RECORDING PLEASE
RETURN TO:**

Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

EXHIBIT A
LEGAL DESCRIPTION OF RESIDENTIAL LOTS

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, legally described as follows:

Lots 1 through 28, Block 1, South Grove Townhomes, Dakota County, Minnesota

Lots 1 through 8, Block 2, South Grove Townhomes, Dakota County, Minnesota

according to the plat thereof on file and of record in the office of the Dakota County Recorder, State of Minnesota.

****Further, any buildable lots in any re-plat of Outlot E, South Grove Townhomes shall be considered Residential Lots for purposes of this Agreement. To the extent Outlot E, South Grove Townhomes is re-platted, each of the buildable lots within the re-platted property shall become a Residential Lot.**

EXHIBIT B
OPERATIONS & MAINTENANCE PLAN

MAINTENANCE PLAN

Maintenance of the Storm Water Facilities shall be performed as outlined in Table 1.1 below to ensure healthy and functioning Storm Water Facilities conforming to the intent of the original design parameters. Maintenance shall be completed annually by September 10th. An annual inspection report shall be submitted to the City Engineering Division by December 31 of each year to demonstrate that post-construction maintenance is being accomplished per this Operations and Maintenance plan.

TABLE 1.1 – MAINTENANCE ACTIVITIES

Maintenance Activity	Frequency	Procedure	Maintenance Done By
1. Sediment, trash and debris removal from inlet, outlets, pipes and structures.	Annually in spring and fall as needed.	Remove trash and/or debris. Pruning and weeding, mow filter strip	Responsible Owner
2. Sediment, trash and debris removal swales	Annually in spring and fall as needed.	Remove sediment and restore swales to capacity	Responsible Owner
3. Erosion repair and vegetation replacement.	Annually in spring and fall as needed.	Repair eroded areas and re-seed, re-sod, re-plant and mulch as necessary and remove dry, dead or severely diseased vegetation	Responsible Owner
4. Mulch replacement	Every 2 to 3 years or as needed to maintain 3" to 4" depth	If applicable, add shredded hardwood mulch	Responsible Owner
5. Watering	As needed	Provide 1 inch of water when plants show signs of stress	Responsible Owner
6. Vegetation replacement and weeding	Annually in spring and fall	Replace dead vegetation and remove evasive or unwanted plants	Responsible Owner
7. Clean/fix structural components	As needed per inspection	Dependent on the type of damage; repair components per manufacturer's recommendations	Responsible Owner
8. Replacement of infiltration basin	Infiltration basin failure.	The owner shall notify the City and make repairs within 60 days, unless otherwise approved by the City Engineer.	Responsible Owner

EXHIBIT C
ANNUAL INSPECTION FORM

CITY OF INVER GROVE HEIGHTS NPDES INSPECTION PROGRAM					
STRUCTURE ID:		INSPECTION DATE/TIME:		INSPECTOR(S):	
LOCATION:				POND ID:	
EASEMENT					
ACCESSIBLE	Y	N			
STRUCTURES IN ESMT.	Y	N	DESCRIPTION		
TREES IN ESMT.	Y	N	LARGEST DIAMETER (INCHES)		
STRUCTURE	FES	PIPE	CB	SPCD	OTHER
ATTRIBUTES	TRASH GUARD		WEIR	SURGE BASIN	OTHER NONE
CONDITION*	ACCEPTABLE		MINOR MAINTENANCE	MAJOR MAINTENANCE	INACCESSIBLE
END SECTION EROSION	Y	N			
FLOW CONDITION	FLOW PRESENT		NO FLOW	SUBMERGED	
COMMENTS					
VEGETATION/DEBRIS					
WEEDS, ETC.		BRUSH, TREES, ETC.		GARBAGE/DEBRIS	NONE
RESTRICTING FLOW	Y	N			
COMMENTS					
SEDIMENT					
CONDITION**	NONE		MINOR MAINTENANCE	MAJOR MAINTENANCE	
COMMENTS					
RIP RAP					
PRESENT:		Y	N		
CONDITION**	OK		MINOR MAINTENANCE	MAJOR MAINTENANCE	
COMMENTS					
ILLICIT DISCHARGE					
DATE OF LAST RAINFALL EVENT:					
ODOR	Y	N	COMMENTS:		
COLOR	Y	N	COMMENTS:		
FLOATABLES IN DISCHARGES	Y	N	COMMENTS:		
STAINS/DEPOSITS IN STRUCT.	Y	N	COMMENTS:		
MAINTENANCE PERFORMED:					
SIGNED:				DATE:	

* Minor Maintenance: i.e. regROUT joint, repair trash guard; Major Maintenance: structure separating(ed) from pipe

** Minor Maintenance: repair can be done by City crews, Major Maintenance: heavy equip. is needed

NOTE: There will be a separate Retaining Wall Maintenance Agreement for Lots 1 through 6, Block 3, South Grove Townhomes; this Agreement for Lot 1, Block 3, South Grove Townhomes is the template that will be used for the other five lots.

RETAINING WALL MAINTENANCE AGREEMENT RELATING TO
LOT 1, BLOCK 3, SOUTH GROVE TOWNHOMES,
DAKOTA COUNTY, MINNESOTA

THIS RETAINING WALL MAINTENANCE AGREEMENT RELATING TO LOT 1, BLOCK 3, SOUTH GROVE TOWNHOMES (hereafter referred to as “Agreement”) is made, entered into and effective this 14th day of June, 2021, by and between the City of Inver Grove Heights, a Minnesota municipal corporation (hereafter referred to as “City”) and M/I Homes of Minneapolis/St. Paul, LLC, a Delaware limited liability company (hereafter referred to as “Landowner”). Subject to the terms and conditions hereafter stated and based on the representations, warranties, covenants, agreements and recitals of the parties herein contained, the parties do hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Terms. The following terms, unless elsewhere specifically defined herein, shall have the following meanings as set forth below.

1.2 City. “City” means the City of Inver Grove Heights, a Minnesota municipal corporation.

1.3 Landowner. “Landowner” means M/I Homes of Minneapolis/St. Paul, LLC, a Delaware limited liability company, and its successors and assigns.

1.4 Retaining Wall Facilities. “Retaining Wall Facilities” means each and all of the following, individually and collectively, to the extent located within the Retaining Wall Lots:

The retaining wall structure, retaining wall foundation, retaining wall anchors, retaining wall fencing and retaining wall drainage collection appurtenances lying within the Retaining Wall Lot.

1.5 Retaining Wall Construction Plan. “Retaining Wall Construction Plan” means the Grading Plan dated June ____, 2021 prepared by Pioneer Engineering and approved by the City Engineer on June ____, 2021. The Retaining Wall Construction Plan is on file with the City.

1.6 Responsible Party. “Responsible Party” means the fee owner of the Landowner Property, and its successors and assigns.

1.7 Landowner Property. Landowner Property means the real property legally described on the attached **Exhibit A**.

1.8 Residential Owner. Residential Owner means the fee title owner of the Landowner Property.

1.9 Retaining Wall Lot. Retaining Wall Lot means the lot identified on **Exhibit B** attached hereto.

1.10 Retaining Wall Lot Owner. Retaining Wall Lot Owner means the fee title owners of the Retaining Wall Lot.

1.11 Maintenance Standards. “Maintenance Standards” means the Standards of Maintenance as defined in Article 3, Section 3.3 of this Agreement.

1.12 DPW. “DPW” means the City’s Director of Public Works.

ARTICLE 2 **RECITALS**

Recital No. 1. Landowner will construct the Retaining Wall Facilities on the Retaining Wall Lot pursuant to the Retaining Wall Construction Plan.

Recital No. 2. Landowner owns the Landowner Property. Landowner owns the Retaining Wall Lot.

Recital No. 3. The Landowner is benefitted and served by the Retaining Wall Facilities.

Recital No. 4. The City is willing to allow the plat of South Grove Townhomes to be recorded if Landowner complies with the requirements contained in Exhibit E of the Development Contract, of even date herewith between the City and Landowner, and if Landowner (as a Residential Owner and a Responsible Party under this Agreement) executes this Agreement.

Recital No. 5. By this Agreement the parties seek to:

- a.) impose upon the Responsible Party the responsibility of maintaining the Retaining Wall Facilities consistent with the Maintenance Standards, notwithstanding the fact that the Retaining Wall Facilities may exist within easements dedicated or granted to the City and the public; and
- b.) provide a mechanism where the City may charge-back to the Responsible Party any maintenance work that the City performs with respect to the Retaining Wall

Facilities in the event the Responsible Party fails to perform its obligations to maintain the Retaining Wall Facilities consistent with the Maintenance Standards.

ARTICLE 3

RESPONSIBILITY FOR MAINTENANCE

3.1 Construction of Retaining Wall Facilities. Landowner agrees that by December 31, 2021, or by a date reasonably set by the City's Director of Public Works, the Retaining Wall Facilities shall be constructed and installed in accordance with the Retaining Wall Construction Plan at the sole expense of Landowner, subject to delays due to force majeure.

3.2 Maintenance of Retaining Wall Facilities. The Responsible Party is obligated at its expense to perpetually maintain the Retaining Wall Facilities in accordance with the Standard of Maintenance set forth in Section 3.3 hereof. The Standard of Maintenance shall also apply to any modification, alternation or relocation of the Retaining Wall Facilities. The Responsible Party shall also ensure that the Retaining Wall Facilities always remain fit for the use intended, structurally sound and otherwise in compliance with the professional engineering retaining wall designs as reflected in the Retaining Wall Construction Plan and in industry standards (as amended from time to time). The responsibility of the Responsible Party for maintaining the Retaining Wall Facilities on the Retaining Wall Lot exists even though the event or omission which caused the need for maintenance of the Retaining Wall Facilities may arise on property outside of the Retaining Wall Lot.

3.3 Standard of Maintenance. The Standard of Maintenance for the Retaining Wall Facilities shall comply with the minimum standards of the Minnesota State Building Code and any applicable provisions of the Inver Grove Heights City Code (as amended from time to time, by amendment of general applicability). In addition, the Standard of Maintenance shall keep the Retaining Wall Facilities in reasonable conformance with the original professional engineering retaining wall designs reflected in the Retaining Wall Construction Plan and in industry standards (as amended from time to time), and the Standard of Maintenance shall include the same standards that the City's Director of Public Works utilizes for similar retaining wall systems that the City maintains, as those standards are from time to time amended. The Retaining Wall Construction Plan is on file with the City.

3.4 Notice of Non-Compliance with Section 3.1; Cure Period. If the City's Director of Public Works ("DPW") determines, at his reasonable discretion, that the Responsible Party has not complied with Sections 3.2 and 3.3 hereof, the DPW shall provide written notice to the Responsible Party of such failure to comply with Sections 3.2 and 3.3. This notice shall specify that the Responsible Party will have thirty (30) days to comply with Sections 3.2 and 3.3, unless thirty (30) days is not practicable for the Responsible Party to cure the default, in which case the Responsible Party shall be given a reasonable time, as reasonably determined by the DPW, to cure the default provided the Responsible Party has commenced construction of the Retaining Wall Facilities within the initial thirty (30) days. Notwithstanding the requirement contained in this Section relating to written notice and opportunity of the Responsible Party to comply with Sections 3.2 and 3.3, in the event of an emergency as reasonably determined by the DWP, the City may perform the work to be performed by the Responsible Party without giving any notice to the Responsible Party and without giving the Responsible Party thirty (30) days to comply with Sections 3.2 and 3.3. If the City performs emergency construction work, the

Responsible Party shall be obligated to repay the City the costs incurred to perform the emergency construction work, and the City shall follow those procedures set forth in Sections 3.5 and 3.6 with respect to the billing, collection and/or tax certification of such costs.

3.5 Payment of Costs Incurred by City. If the Responsible Party fails to comply with Sections 3.2 and 3.3 within thirty (30) days after delivery of the written notice, or in the case of an emergency situation as reasonably determined by the DPW, the City may perform those tasks necessary for compliance with Sections 3.2 and 3.3 and the City shall have the right of access to the areas where the Retaining Wall Facilities are to be located to perform such construction work. The City shall charge all costs incurred by the City to perform the tasks necessary for compliance with Sections 3.2 and 3.3 to the Responsible Party.

The amount of costs charged by the City to the Responsible Party shall be the usual and customary amounts charged by the City given the task, work, construction or improvement performed by the City to ensure compliance with Sections 3.2 and 3.3. The Responsible Party shall make payment directly to the City within thirty (30) days after invoicing (“Due Date”) by the City. Bills not paid by the Due Date shall incur the standard penalty and interest established by the City for utility billings within the City.

3.6 Certification of Costs Payable With Taxes; Special Assessments. If payment is not made under Section 3.5 by the Responsible Party, the City may certify to Dakota County the amounts due as payable with the real estate taxes for the Landowner Property in the next calendar year; such certifications may be made under Minnesota Statutes, Chapter 444 in a manner similar to certifications for unpaid utility bills. The amount due shall be allocated equally among the Landowner Property. The Responsible Party waives any and all procedural and substantive objections to the imposition of such usual and customary charges on the Landowner Property.

Further, as an alternate means of collection, if the written billing is not paid by the Responsible Party, the City, without notice and without hearing, may specially assess the Landowner Property for the costs and expenses incurred by the City. The Responsible Party hereby waives any and all procedural and substantive objections to special assessments for such costs including, but not limited to, notice and hearing requirements and any claims that the charges or special assessments exceed the benefit to the Landowner Property. The Responsible Party waives any appeal rights otherwise available pursuant to Minnesota Statute § 429.081. The Responsible Party acknowledges that the benefit from the performance of the tasks by the City to ensure compliance with Sections 3.2 and 3.3 equals or exceeds the amount of the charges and assessments for compliance with Sections 3.2 and 3.3 that are being imposed hereunder upon the Landowner Property .

3.7 Obligation For Maintenance Notwithstanding Public Easement. The Responsible Party agrees that its obligations relating to maintenance of the Retaining Wall Facilities exist notwithstanding the fact that the Retaining Wall Facilities may be located in whole or in part within public easements that are owned by the City.

3.8 Indemnification of City. Responsible Party shall indemnify, defend and hold the City, its council, agents, employees, attorneys and representatives harmless against and in respect of any and all claims, demands, actions, suits, proceedings, losses, costs, expenses, obligations,

liabilities, damages, recoveries, and deficiencies, including interest, penalties and reasonable attorneys' fees, that the City incurs or suffers, which arise out of, result from or relate to:

- a.) failure by the Responsible Party to observe or perform any covenant, conditions, obligation or agreement on their part to be observed or performed under this Agreement and failure to cure the same within the applicable cure period;
- b.) failure by the Responsible Party to pay contractors, subcontractors, laborers, or materialmen;
- c.) failure by the Responsible Party to pay for any materials that may be used by the Responsible Party to maintain the Retaining Wall Facilities;
- d.) any act or negligence by the Responsible Party, its agents, employees or contractors in connection with construction of the Retaining Wall Facilities.

3.9 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it, it shall not be necessary to give notice, other than the notice, if any, required by this Agreement.

ARTICLE 4 **CITY'S COVENANTS**

4.1 Compliance with Development Contract. The City agrees that if Landowner executes this Retaining Wall Maintenance Agreement and if Landowner complies with the other conditions contained in the Development Contract between the City and Landowner of even date herewith, then the City will allow Landowner to begin the Developer Improvements identified in the Development Contract for the plat of South Grove Townhomes.

ARTICLE 5 **MISCELLANEOUS**

5.1 Binding Agreement. The parties mutually recognize and agree that all terms and conditions of this recordable Agreement shall run with the Retaining Wall Lot and shall run with the Landowner Property and shall be binding upon the parties and the successors and assigns of the parties. This Agreement shall also be binding on and apply to any title, right and interest of the Landowner in the Landowner Property acquired by Landowner after the execution date of this Agreement or after the recording date of this Agreement.

5.2 Amendment and Waiver. The parties hereto may by mutual written agreement amend this Agreement in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in

this Agreement or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this Agreement, waive compliance by another with any of the covenants contained in this Agreement, waive performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Agreement. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

5.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

5.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

5.5 Notice. Notice shall mean notices given by one party to the other if in writing and if and when delivered or tendered either in person or by depositing it in the United States mail in a sealed envelope, by certified mail, return receipt requested, with postage and postal charges prepaid, addressed as follows:

If to City: City of Inver Grove Heights
Attention: City Administrator
8150 Barbara Avenue
Inver Grove Heights, MN 55077

If to Landowner: M/I Homes of Minneapolis/St. Paul, LLC
5354 Parkdale Drive, Suite 100
St. Louis Park, MN 55416

or to such other address as the party addressed shall have previously designated by notice given in accordance with this Section. Notices shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed as provided above, provided, that a notice not given as above shall, if it is in writing, be deemed given if and when actually received by a party.

ARTICLE 6
ENCROACHMENT OF RETAINING WALL FACILITIES
WITHIN CITY EASEMENT

6.1 Definitions. For purposes of this Article 6, the following terms shall have the following meanings:

- a. **City Easement.** “City Easement” means the following easement located on the Subject Land:

The permanent drainage and utility easements located on Lot 1, Block 3, South Grove Townhomes, dedicated to the City on the recorded plat of

South Grove Townhomes, Dakota County, Minnesota.

- b. **City Easement Improvements.** “City Easement Improvements” means all existing and future street, boulevard and sidewalk improvements and all existing and future sanitary sewer, municipal water and storm water pipes, conduits, culverts, ditches, ponds, catch basins, water collection mechanisms, drainage facilities, maintenance access routes and other utility appurtenances lying within the City Easement now or in the future.
- c. **City Right-of-Way Costs.** “City Right-of-Way Costs” means all costs incurred by the City, (whether performed by the City or its agents or contractors), for the inspection of and access to and repair, maintenance, replacement, and expansion of the City’s Easement Improvements located in the City Easements and the placement of additional City Easement Improvements in the City Easements. City Right-of-Way Costs, include, without limitation: excavation costs, labor costs, costs of removing fill, costs of re-burying the City Easement Improvements, re-compacting the soils over the City Easement Improvements, restoring the City Easements, and all engineering and attorneys’ fees incurred in connection therewith. City Right-of-Way Costs also include the costs of temporarily removing the Retaining Wall Facilities and subsequently replacing the Retaining Wall Facilities in the City Easements, if such costs have not already been paid by the Responsible Party.
- d. **Pre-Encroachment Costs.** “Pre-Encroachment Costs” means a reasonable estimate by the City of the costs the City would have incurred for City Right-of-Way Costs if the Retaining Wall Facilities did not exist.
- e. **Cost Differential.** “Cost Differential” means the difference between the Pre-Encroachment Costs and the City Right-of-Way Costs caused by the Retaining Wall Facilities. The City’s reasonable determination of the amount of the Cost Differential shall be binding on the Responsible Party. The City’s reasonable determination shall be appropriately supported by cost estimates obtained from independent contractors or engineers.

6.2 Recitals.

- i. The City Easement is on the Retaining Wall Lot. The City owns the City Easement. The City Easement Improvements are within the City Easement and future City Easement Improvements may be located within the City Easement.
- ii. Responsible Party has requested permission from the City to construct the Retaining Wall Facilities within the City Easement.
- iii. The Retaining Wall Facilities benefit and serve the Residential Owner and the Landowner Property.
- iv. Subject to the terms of this Agreement, the City is willing to allow the Retaining Wall Facilities to be constructed within the City Easement if the following conditions are met:

- a.) The Responsible Party agrees to pay the City any Cost Differential relating to inspections, access, repair, maintenance and replacement of the existing City Easement Improvements and the placement of any future City Easement Improvements in the City Easement.
- b.) The City has the right to temporarily remove the Retaining Wall Facilities from the City Easement in the event the City has need to access the area where the Retaining Wall Facilities exist in order for the City to inspect, repair, maintain, and replace the existing City Easement Improvements or construct future City Easement Improvements in the City Easement.
- c.) The City has the right to modify the Retaining Wall Facilities if the Retaining Wall Facilities materially interfere with the City Easement Improvements.

6.3 City Not Responsible for Retaining Wall Facilities. Nothing contained herein shall be deemed an assumption by the City of any responsibility for construction, maintenance, replacement or repair of the Retaining Wall Facilities.

6.4 Continuing Right to City Easements. Nothing contained herein shall be deemed a waiver or abandonment or transfer of the right, title and interest that the City holds to the City Easements.

6.5 Subordinate Position of Retaining Wall Facilities. The Retaining Wall Facilities in the City Easements are subordinate to the rights of the City in the City Easements and in the City Easement Improvements.

6.6 Risk of Loss. The Responsible Party understands and agrees that the Retaining Wall Facilities within the City Easements may be adversely affected by use of the City Easements. The parties agree that the City is not responsible for such events; the City shall have no liability to the Responsible Party for such events. The Responsible Party assumes the risk of installing the Retaining Wall Facilities in the City Easements.

6.7 Cost of Relocating Retaining Wall Facilities.

Upon thirty (30) days advance written notice from the City to the Responsible Party, the Responsible Party, within thirty (30) days after such notice, shall temporarily remove and subsequently replace the Retaining Wall Facilities in the City Easement in order for the City to gain access to the City Easement Improvements for the purpose of inspecting, repairing, maintaining, or replacing the City Easement Improvements or adding future City Easement Improvements.

If the Responsible Party does not perform such work within such 30 day period, the City may temporarily remove and subsequently replace the Retaining Wall Facilities in the City Easement in order for the City to gain access to the City Easement Improvements for the purpose of inspecting, repairing, maintaining, or replacing the City Easement Improvements or adding future City Easement Improvements.

Once the City's costs and expenses for such tasks have been determined by the City, the City shall send an invoice for such costs and expenses to the Responsible Party. The Responsible Party must pay the invoice within thirty (30) days after the date of the invoice. Such costs and expenses include, but are not limited to, costs charged the City by third parties such as contractors as well as the costs for City personnel that may have performed the work. Bills not paid shall incur the standard penalty and interest established by the City for utility billings within the City. The amount of costs charged by the City shall be the usual and customary amounts charged by the City for such tasks.

6.8 Cost Differential. If a Cost Differential occurs relating to the access to or inspection, maintenance, repair or replacement of the City Easement Improvements or relating to construction of new City Easement Improvements in the future, then the Landowner shall pay the Cost Differential to the City. The Responsible Party must make payment for the Cost Differential within 30 days after the City has sent a written invoice for the Cost Differential to the Responsible Party.

6.9 Modifications to Retaining Wall Facilities. If in the future the City reasonably determines that the Retaining Wall Facilities interfere with access for inspection or with repair, maintenance, reconstruction, or replacement of City Easement Improvements, then upon thirty (30) days advance written notice by the City to the Responsible Party, the Responsible Party shall, within thirty (30) days after such notice, make such modifications to the Retaining Wall Facilities. Such modifications may include, but are not limited to, reconfiguration, removal and relocation of the Retaining Wall Facilities.

If the Responsible Party does not perform such work within such 30 day period and if the City reasonably determines that the Retaining Wall Facilities interfere with access for inspection or with repair, maintenance, reconstruction, or replacement of City Easement Improvements, then the City may make such modifications to the Retaining Wall Facilities. Such modifications may include, but are not limited to, reconfiguration, removal and relocation of the Retaining Wall Facilities.

Once the City's costs and expenses have been determined by the City for such modification tasks, the City shall send an invoice for such costs and expenses to the Responsible Party. The Responsible Party must pay the invoice within thirty (30) days after the date of the invoice. Such costs and expenses include, but are not limited to, costs charged the City by third parties such as contractors as well as the costs for City personnel that may have performed the work relating to the modifications. The amount of costs charged by the City shall be the usual and customary amounts charged by the City for such tasks.

6.10 Remedies. If the Responsible Party fails to perform its obligations under Article 6 of this Agreement, then the City may avail itself of any remedy afforded by law or in equity and any of the following non-exclusive remedies:

- a.) The City may specifically enforce this Agreement.
- b.) If the Responsible Party fails to make payments under Section 6.7, 6.8 and 6.9, then the City may certify to Dakota County the amounts due as payable with the

real estate taxes for the Landowner Property in the next calendar year; such certifications may be made under Minnesota Statutes, Chapter 444 in a manner similar to certifications for unpaid utility bills. The amount due shall be allocated equally among the Landowner Property. The Residential Owner waives any and all procedural and substantive objections to the imposition of such usual and customary charges on the Landowner Property.

Further, as an alternate means of collection, if the written billing is not paid by the Responsible Party, the City, without notice and without hearing, may specially assess the Landowner Property for the costs and expenses incurred by the City. The Residential Owner hereby waives any and all procedural and substantive objections to special assessments for the costs including, but not limited to, notice and hearing requirements and any claims that the charges or special assessments exceed the benefit to the Landowner Property. The Residential Owner waives any appeal rights otherwise available pursuant to Minnesota Statutes § 429.081. The Residential Owner acknowledges that the benefit from the performance of tasks by the City equals or exceeds the amount of the charges and assessments for the costs that are being imposed hereunder upon the Landowner Property.

No remedy herein conferred upon or reserved to the City shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

6.11 City Duties. Nothing contained in this Article 6 of this Agreement shall be considered an affirmative duty upon the City to perform the Responsible Party obligations contained in Article 6 if the Responsible Party does not perform such obligations.

[the remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF Landowner and the City have entered into this Retaining Wall Maintenance Agreement on the day and year first stated above.

CITY OF INVER GROVE HEIGHTS

By: _____
Tom Bartholomew
Its: Mayor

ATTEST:

Rebecca Kiernan, City Clerk

(CITY SEAL)

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 14th day of June, 2021, before me a Notary Public within and for said County, personally appeared Tom Bartholomew and Rebecca Kiernan to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was sealed on behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

LANDOWNER:
M/I HOMES OF MINNEAPOLIS/ST. PAUL, LLC

By: _____
 Gary M. White
 Its: President

STATE OF MINNESOTA)
) SS.
COUNTY OF)

On this ____ day of June, 2021, before me a Notary Public within and for said County, personally appeared Gary M. White, to me personally known, who being by me duly sworn, did say that he is the President of M/I Homes of Minneapolis/St. Paul, LLC, a Delaware limited liability company, and that the foregoing instrument was executed on behalf of M/I Homes of Minneapolis/St. Paul, LLC by authority of the Board of Governors of M/I Homes of Minneapolis/St. Paul, LLC and said Gary M. White acknowledged said instrument to be the free act and deed of M/I Homes of Minneapolis/St. Paul, LLC.

Notary Public

THIS INSTRUMENT DRAFTED BY:

Timothy J. Kuntz
LeVander, Gillen, & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

**AFTER RECORDING PLEASE
RETURN TO:**

Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

EXHIBIT A
LEGAL DESCRIPTION OF RESIDENTIAL LOTS

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, legally described as follows:

Lot 1, Block 3, South Grove Townhomes, Dakota County, Minnesota.

EXHIBIT B
RETAINING WALL LOT

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, legally described as follows:

Lot 1, Block 3, South Grove Townhomes, Dakota County, Minnesota.

PUD ZONING ACKNOWLEDGMENT AGREEMENT
FOR THE PLAT OF SOUTH GROVE TOWNHOMES,
DAKOTA COUNTY, MINNESOTA

THIS PUD ZONING ACKNOWLEDGMENT AGREEMENT (Agreement) is made this 14th day of June, 2021, between M/I Homes of Minneapolis/St. Paul, LLC, a Delaware limited liability company (herein referred to as "Landowner") and the City of Inver Grove Heights, a municipal corporation organized under the laws of the State of Minnesota (hereinafter referred to as the "City").

WHEREAS, Landowner, for itself, its successors and assigns, does covenant with the City, its successors and assigns, that it is well seized in fee of the lands and premises described in Exhibit A.

NOW THEREFORE, the parties hereto state, acknowledge and agree that the property described on Exhibit A is subject to the terms and conditions of the City Ordinances relating to Planned Unit Developments, and subject to the Planned Unit Development Plans that have been approved by the City on June 14, 2021, listed on the attached Exhibit B (the Development Plans) and subject to any amendments thereto duly adopted by the City from time to time. To the extent there is any inconsistency between the approved Development Plans and the City Ordinance relating to Planned Unit Developments, the Development Plans shall supersede.

This Agreement shall be binding upon the parties hereto and any successors and assigns, and all subsequent parties who obtain an ownership, contract, leasehold, or any other interest in the property, and shall inure to the benefit of the parties hereto any successors, assigns, or transferees, and shall run with the land described on the attached Exhibit A.

The parties further acknowledge and agree that at Landowner's expense this Agreement shall be filed with the Dakota County Recorder's office against the property described in Exhibit A.

[the remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, Landowner and the City of Inver Grove Heights have caused this PUD Zoning Acknowledgement Agreement to be executed as of the day and year first above written.

CITY OF INVER GROVE HEIGHTS

By: _____
Tom Bartholomew
Its: Mayor

ATTEST:

Rebecca Kiernan, City Clerk

(CITY SEAL)

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 14th day of June, 2021, before me a Notary Public within and for said County, personally appeared Tom Bartholomew and Rebecca Kiernan to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

**LANDOWNER:
M/I HOMES OF MINNEAPOLIS/ST. PAUL, LLC**

By: _____
Gary M. White
Its: President

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

On this _____ day of June, 2021, before me a Notary Public within and for said County, personally appeared Gary M. White, to me personally known, who being by me duly sworn, did say that he is the President of M/I Homes of Minneapolis/St. Paul, LLC, a Delaware limited liability company, and that the foregoing instrument was executed on behalf of M/I Homes of Minneapolis/St. Paul, LLC by authority of the Board of Governors of M/I Homes of Minneapolis/St. Paul, LLC and said Gary M. White acknowledged said instrument to be the free act and deed of M/I Homes of Minneapolis/St. Paul, LLC.

Notary Public

This Instrument Was Drafted By:

Timothy J. Kuntz
LeVander, Gillen, & Miller, P.A.
633 South Concord Street
South St. Paul, MN 55075
(651) 451-1831

**After Recording Return This
Instrument To:**

Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street
South St. Paul, MN 55075
(651) 451-1831

EXHIBIT A
LEGAL DESCRIPTION

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, legally described as follows:

Lots 1 through 29, Block 1, South Grove Townhomes, Dakota County, Minnesota

Lots 1 through 9, Block 2, South Grove Townhomes, Dakota County, Minnesota

Lots 1 through 10, Block 3, South Grove Townhomes, Dakota County, Minnesota

Outlots A, B, C, D and E, South Grove Townhomes, Dakota County, Minnesota

according to the plat thereof on file and of record in the office of the Dakota County Recorder, State of Minnesota.

EXHIBIT B
LIST OF APPROVED PUD DEVELOPMENT PLANS

RESIDENTIAL STREET LIGHT AGREEMENT FOR
PLAT OF SOUTH GROVE TOWNHOMES,
DAKOTA COUNTY, MINNESOTA

THIS RESIDENTIAL STREET LIGHT AGREEMENT FOR PLAT OF SOUTH GROVE TOWNHOMES (Agreement) is made this 14th day of June, 2021, by and between M/I Homes of Minneapolis/St. Paul, LLC, a limited liability company organized under the laws of the State of Delaware, hereinafter referred to as “Landowner” and the City of Inver Grove Heights, a municipal corporation organized under the laws of the State of Minnesota, hereinafter referred to as the “City”. Based on the recitals, covenants, agreements, warranties and representations hereafter made and for and in good and valuable consideration received by the parties, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby declare, state and agree:

ARTICLE 1
TERMS

1.1 Terms. The following terms, unless elsewhere specifically defined herein, shall have the following meanings as set forth below.

1.2 City. “City” means the City of Inver Grove Heights, a Minnesota municipal corporation.

1.3 Landowner. “Landowner” means M/I Homes of Minneapolis/St. Paul, LLC, a limited liability company organized under the laws of the State of Delaware, the current fee title owner of the Residential Lots, and its successors and assigns.

1.4 Residential Lots. “Residential Lots” means the lots described on the attached **Exhibit A**. The Residential Lots are located in the City of Inver Grove Heights, Dakota County, Minnesota within the recorded plat of South Grove Townhomes.

1.5 Residential Owners. Residential Owners means the fee title owners of the Residential Lots.

1.6 Street Lights. Street Lights means all the existing and future street lights installed on the public right-of-way adjoining and serving the plat of South Grove Townhomes and installed within the plat of South Grove Townhomes.

ARTICLE 2 **RESIDENTIAL OWNER OBLIGATIONS**

2.1 Street Light Plan Must Be Approved. Landowner agrees that a Street Light Plan shall be approved by the Director of Public Works before the installation of any Street Lights. The current Street Light Plan shall show the design, type, size and location of all Street Lights to be located within and along the public right-of-way in the plat of South Grove Townhomes.

2.2 Installation of Street Lights. Landowner, at its own expense, shall install the Street Lights as provided in the Street Light Plan for South Grove Townhomes. The Street Lights for South Grove Townhomes shall be installed no later than the time that the public streets within the plat of South Grove Townhomes are constructed.

2.3 Payment of Energy Costs for First Three Years. Before recording of the plat of South Grove Townhomes, Landowner shall prepay the City for the energy costs of the Street Lights for the three (3) calendar years of 2022, 2023 and 2024 by paying the City the amount of \$150.00 per Street Light per year.

2.4 Responsibility of Residential Owners. Beginning with calendar year 2025, and continuing thereafter, the Residential Owners shall be responsible for payment of the maintenance, repair, replacement and energy costs of the Street Lights.

The City will invoice such Residential Owners on a quarterly basis; such invoice will be shown as part of the utility billing that is sent quarterly to the Residential Owners. The total cost for maintenance, repair, replacement and energy expenses for the Street Lights shall be evenly allocated among the Residential Lots.

The Residential Owners shall make payment directly to the City within thirty (30) days after the sending of the invoice. If payment is not made, the City may certify to Dakota County the amounts due as payable with real estate taxes in the next calendar year for the Residential Lot owned by the Residential Owner who has not paid the City; the parties agree that such certifications may be made under Minnesota Statutes, Chapter 444 in a manner similar to certifications for unpaid utility bills.

The Residential Owners and their successors and assigns thereof waive any and all procedural and substantive objections to the imposition of such charges on the respective Residential Lots. Further, the Residential Owners and their successors and assigns thereof hereby waive any and all procedural and substantive objections to special assessments for the costs of the Street Lights including, but not limited to, notice and hearing requirements and any claims that the charges or special assessments exceed the benefit to the Residential Lots. The Residential Owners and their successors and assigns waive any appeal rights otherwise available

pursuant to Minnesota Statutes § 429.081. The Residential Owners and their successors and assigns acknowledge that the benefit from the Street Lights equal or exceed the amount of the charges and assessments for the maintenance, repair, replacement and energy costs that are being imposed under this Agreement.

The Residential Owners agree that the standard of maintenance shall conform to the same standards that the City's Director of Public Works utilizes for other street lights that the City maintains, as those standards are from time to time amended.

The Residential Owners agree that the obligation to pay for the maintenance of the Street Lights exists notwithstanding the fact that the Street Lights may lie within the public road right-of-way in the plat of Canvas at Inver Grove Heights.

2.5 Warranty of Ownership. Landowner currently owns all the Residential Lots.

ARTICLE 3 **CITY'S COVENANTS**

3.1 Allowing Plat To Be Recorded. The City agrees that if the conditions set forth in the Development Contract between the parties of even date herewith are met, the City will allow the plat of South Grove Townhomes to be recorded with the Dakota County Recorder. One requirement in the Development Contract is that the Landowner enter into this Residential Street Light Agreement. By execution of this Agreement, that condition has been met.

ARTICLE 4 **MISCELLANEOUS**

4.1 No Third Party Recourse. Third parties shall have no recourse against the City under this Agreement.

4.2 Recording. Landowner shall record this Agreement with the Dakota County Recorder after the plat of South Grove Townhomes is recorded, and Landowner shall present evidence to the City that this Agreement has been recorded.

4.3 Binding Agreement. The parties mutually recognize and agree that all terms and conditions of this recordable Agreement shall run with the Residential Lots and shall be binding upon the parties and the heirs, successors, administrators and assigns of the parties. This Agreement shall also be binding on and apply to any title, right and interest of Landowner in the Residential Lots acquired by Landowner after the execution date of this Agreement or after the recording date of this Agreement.

4.4 Amendment And Waiver. The parties hereto may by mutual written agreement amend this Agreement in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this Agreement or in any document delivered pursuant hereto which inaccuracies

would otherwise constitute a breach of this Agreement, waive compliance by another with any of the covenants contained in this Agreement and performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Agreement.

Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

4.5 Governing Law. This Agreement shall be governed by and construed in accord with the laws of the State of Minnesota.

4.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

4.7 Headings. The subject headings of the sections in this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

[the remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, Landowner and City have executed this Residential Street Light Agreement as of the day and year aforementioned.

CITY OF INVER GROVE HEIGHTS

By: _____
Tom Bartholomew
Its: Mayor

ATTEST:

Rebecca Kiernan, City Clerk

(CITY SEAL)

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 14th day of June, 2021, before me a Notary Public within and for said County, personally appeared Tom Bartholomew and Rebecca Kiernan to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was sealed on behalf of said municipality by authority of its City Council and said City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

**LANDOWNER:
M/I HOMES OF MINNEAPOLIS/ST. PAUL, LLC**

By: _____
Gary M. White
Its: President

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

On this _____ day of June, 2021, before me a Notary Public within and for said County, personally appeared Gary M. White, to me personally known, who being by me duly sworn, did say that he is the President of M/I Homes of Minneapolis/St. Paul, LLC, a Delaware limited liability company, and that the foregoing instrument was executed on behalf of M/I Homes of Minneapolis/St. Paul, LLC by authority of the Board of Governors of M/I Homes of Minneapolis/St. Paul, LLC and said Gary M. White acknowledged said instrument to be the free act and deed of M/I Homes of Minneapolis/St. Paul, LLC.

Notary Public

This instrument was drafted by:
Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, Minnesota 55075
(651)451-1831

After recording, please return to:
Timothy J. Kuntz
LeVander, Gillen & Miller
633 South Concord Street, Suite 400
South St. Paul, Minnesota 55075
(651)451-1831

EXHIBIT A
LEGAL DESCRIPTION OF RESIDENTIAL LOTS

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, legally described as follows:

Lots 1 through 29, Block 1, South Grove Townhomes, Dakota County, Minnesota

Lots 1 through 9, Block 2, South Grove Townhomes, Dakota County, Minnesota

Lots 1 through 10, Block 3, South Grove Townhomes, Dakota County, Minnesota

Residential Lots include all buildable lots contained in any re-plat of Outlot E, South Grove Townhomes, Dakota County, Minnesota.

TEMPORARY UTILITY AND DRAINAGE EASEMENT
FOR OUTLOT E, SOUTH GROVE TOWNHOMES,
DAKOTA COUNTY, MINNESOTA

THIS TEMPORARY UTILITY AND DRAINAGE EASEMENT FOR OUTLOT E, SOUTH GROVE TOWNHOMES (Easement) is made, granted and conveyed this 14th day of June, 2021, between M/I Homes of Minneapolis/St. Paul, LLC, a limited liability company organized under the laws of the State of Delaware (hereinafter referred to as “Landowner”) and the City of Inver Grove Heights, a municipal corporation organized under the laws of the State of Minnesota (hereinafter referred to as the “City”).

The Landowner owns the real property situated within Dakota County, Minnesota as described on the attached **Exhibit A** (hereinafter “**Landowner’s Property**”).

The Landowner, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant and convey unto the City, its successors and assigns, forever the following:

A temporary easement for utilities, drainage, sanitary sewer, water mains, drainage facilities and any utilities, underground pipes, culverts, conduits, other utilities and mains and for purposes and uses incident and related thereto, including, without limitation, the construction, maintenance, repair and replacement of utilities, drainage, sanitary sewer, water mains, drainage facilities and any utilities, underground pipes, culverts, conduits, other utilities and mains (hereinafter “**Temporary Easement**”) under, over, across, through and upon that real property legally described on **Exhibit B** (hereinafter the “**Temporary Easement Area**”) attached hereto and incorporated herein by reference.

The Temporary Easement rights granted herein are forever and shall include, but not be limited to, the construction, maintenance, repair and replacement of any utilities, drainage, sanitary sewer, water mains, drainage facilities and any utilities, underground pipes, culverts, conduits, other utilities and mains, and all facilities and improvements ancillary, incident or related thereto, under, over, across, through and upon the Temporary Easement Area.

The Temporary Easement rights further include, but are not limited to, the right of ingress and egress over the Temporary Easement Area to access the Temporary Easement for the purposes of construction, maintenance, repair and replacement of any utilities, drainage, sanitary sewer, water mains, drainage facilities and any utilities, underground pipes, culverts, conduits, other utilities and mains, and all facilities and improvements ancillary, incident or related thereto.

The rights of the City also include the right of the City, its contractors, agents and servants:

- a.) to enter upon the Temporary Easement Area at all reasonable times for the purposes of construction, reconstruction, inspection, repair, replacement, grading, sloping, and restoration relating to the purposes of this Easement; and
- b.) to maintain the Temporary Easement Area, any City improvements and any underground pipes, conduits, or mains, together with the right to excavate and refill ditches or trenches for the location of such pipes, conduits or mains; and
- c.) to remove from the Temporary Easement Area trees, brush, herbage, aggregate, undergrowth and other obstructions interfering with the location, construction and maintenance of the pipes, conduits, or mains and to deposit earthen material in and upon the Temporary Easement Area; and
- d.) to remove or otherwise dispose of all earth or other material excavated from the Temporary Easement Area as the City may deem appropriate.

The City shall not be responsible for any costs, expenses, damages, demands, obligations, penalties, attorneys' fees and losses resulting from any claims, actions, suits, or proceedings based upon a release or threat of release of any hazardous substances, petroleum, pollutants, and contaminants which may have existed on, or which relate to, the Temporary Easement Area or the Landowner's Property prior to the date hereof.

Nothing contained herein shall be deemed a waiver by the City of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by Landowner, itself or its successors or assigns shall be subject to any governmental immunity defenses of the City and the maximum liability limits provided by Minnesota Statute, Chapter 466.

The Landowner, for itself and its successors and assigns, does hereby warrant to and covenant with the City, its successors and assigns, that it is well seized in fee of the Landowner's Property described on Exhibit A and the Temporary Easement Area described on Exhibit B and that it has good right to grant and convey the Temporary Easement herein to the City.

This Easement shall expire and be of no force and effect from and after the recording of any re-plat of Outlot E, South Grove Townhomes, Dakota County, Minnesota.

[the remainder of this page has been intentionally left blank]

IN TESTIMONY WHEREOF, the Landowner and the City have caused this Easement to be executed as of the day and year first above written.

CITY OF INVER GROVE HEIGHTS

By: _____
Tom Bartholomew
Its: Mayor

ATTEST:

Rebecca Kiernan, City Clerk

(CITY SEAL)

STATE OF MINNESOTA)
)
COUNTY OF DAKOTA) ss.

On this 14th day of June, 2021, before me a Notary Public within and for said County, personally appeared Tom Bartholomew and Rebecca Kiernan, to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was sealed on behalf of said municipality by authority of its City Council and said City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

**LANDOWNER:
M/I HOMES OF MINNEAPOLIS/ST. PAUL, LLC**

By: _____
Gary M. White
Its: President

STATE OF MINNESOTA)
)
COUNTY OF _____) ss.

On this _____ day of June, 2021, before me a Notary Public within and for said County, personally appeared Gary M. White, to me personally known, who being by me duly sworn, did say that he is the President of M/I Homes of Minneapolis/St. Paul, LLC, a Delaware limited liability company, and that the foregoing instrument was executed on behalf of M/I Homes of Minneapolis/St. Paul, LLC by authority of the Board of Governors of M/I Homes of Minneapolis/St. Paul, LLC and said Gary M. White acknowledged said instrument to be the free act and deed of M/I Homes of Minneapolis/St. Paul, LLC.

Notary Public

This instrument was drafted by:
Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, Minnesota 55075
(651)451-1831

After recording, please return to:
Timothy J. Kuntz
LeVander, Gillen & Miller
633 South Concord Street, Suite 400
South St. Paul, Minnesota 55075
(651)451-1831

EXHIBIT A
LEGAL DESCRIPTION OF LANDOWNER'S PROPERTY

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, described as follows:

Outlot E, South Grove Townhomes, Dakota County, Minnesota.

EXHIBIT B
LEGAL DESCRIPTION OF TEMPORARY EASEMENT AREA

A temporary easement for utilities, drainage, sanitary sewer, water mains, drainage facilities and any utilities, underground pipes, culverts, conduits, other utilities and mains lying over, under and across all of Outlot E, South Grove Townhomes, according to the recorded plat thereof, on file in the office of the County Recorder, Dakota County, Minnesota.

WARRANTY DEED

Corporation, Partnership or Limited Liability Company
to Corporation, Partnership or Limited Liability Company

DEED TAX DUE: \$ 1.65

Date: June 14, 2021

FOR VALUABLE CONSIDERATION, M/I Homes of Minneapolis/St. Paul, LLC, a limited liability company organized under the laws of the State of Delaware, ("Grantor") hereby conveys and warrants to City of Inver Grove Heights, a municipal corporation under the laws of Minnesota, ("Grantee") real property in Dakota County, Minnesota, legally described as follows:

Outlot A, South Grove Townhomes, according to the plat thereof on file and of record in the office of the County Recorder, Dakota County, Minnesota.

total consideration for this transfer is less than \$3,000.00.

together with all hereditaments and appurtenances belonging thereto, subject to the following exceptions: easements and restrictions of record, if any.

Check box if applicable:

- ☒ The Seller certifies that the Seller does not know of any wells on the described real property.
- ☐ A well disclosure certificate accompanies this document.
- ☐ I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

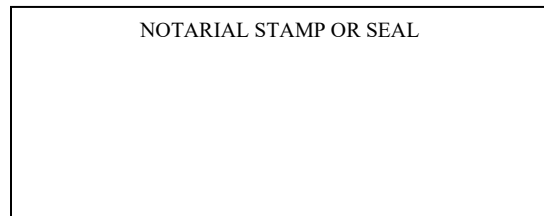
Grantor:

M/I Homes of Minneapolis/St. Paul, LLC

By: _____
Gary M. White

STATE OF MINNESOTA)
)
COUNTY OF _____) ss.

On this _____ day of June, 2021, before me a Notary Public within and for said County, personally appeared Gary M. White, to me personally known, who being by me duly sworn, did say that he is the President of M/I Homes of Minneapolis/St. Paul, LLC, a Delaware limited liability company, and that the foregoing instrument was executed on behalf of M/I Homes of Minneapolis/St. Paul, LLC by authority of the Board of Governors of M/I Homes of Minneapolis/St. Paul, LLC and said Gary M. White acknowledged said instrument to be the free act and deed of M/I Homes of Minneapolis/St. Paul, LLC.



SIGNATURE OF NOTARIAL OFFICER

Title (and Rank): Notary Public
My commission expires: _____

Check here if part or all of the land is Registered (Torrens) ☐

Tax Statements for real property described in this instrument
should be sent to: (include name and address of Grantee)

City of Inver Grove Heights
ATTN: Finance Director
8150 Barbara Avenue
Inver Grove Heights, MN 55077

This Instrument Was Drafted By
And After Recording Should Be
Returned To:
Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
Ph: 651-451-1831 / Fax: 651-450-7384
#58993

RELEASE OF EASEMENT AGREEMENT RECORDED AS
DAKOTA COUNTY DOCUMENT NO. 382264

This RELEASE OF EASEMENT AGREEMENT RECORDED AS DAKOTA COUNTY DOCUMENT NO. 382264 (“Release”) is executed and delivered as of the 14th day of June, 2021, by the City of Inver Grove Heights, a Minnesota municipal corporation (the “City”).

Subject to the terms and conditions hereafter stated and based on the representations, warranties, covenants, agreements and recitals herein contained, the City recites as follows:

RECITALS:

WHEREAS, an *Easement Agreement* was entered into by and between School District No. 199 and the Village of Inver Grove Heights on September 10, 1969 and recorded on April 1, 1971, as Dakota County Document No. 382264 (the “Easement”). The property subject to the Easement is located in the City of Inver Grove Heights, Dakota County, Minnesota and is legally described on Exhibit A attached hereto (the “Property”).

WHEREAS, the Easement granted to the Village of Inver Grove Heights a permanent easement and right-of-way for watermain purposes over a portion of the Property.

WHEREAS, the Property is now being conveyed by School District No. 199 and will be platted as South Grove Townhomes.

WHEREAS, the City has confirmed that all utilities have been removed from the easement area as described in the Easement and that the Easement is no longer needed by the City and may be released from the Property.

WHEREAS, any new easements that will be required by the City will be dedicated on the plat of South Grove Townhomes.

NOW, THEREFORE, the City hereby confirms and releases the following:

1. The recorded *Easement Agreement* entered into by and between School District No. 199 and the Village of Inver Grove Heights on September 10, 1969 and recorded on April 1, 1971, as Dakota County Document No. 382264 is hereby released.
2. The City hereby releases the Property from the recorded Easement.
3. This Release may be recorded with the Dakota County Recorder.

[the remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, the undersigned has executed this Release as of the day and year first above written.

CITY OF INVER GROVE HEIGHTS

By: _____
Tom Bartholomew, Mayor

Attest: _____
Rebecca Kiernan, City Clerk

(CITY SEAL)

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 14th day of June, 2021, before me a Notary Public within and for said County, personally appeared Tom Bartholomew and Rebecca Kiernan to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

THIS INSTRUMENT DRAFTED BY:

Timothy J. Kuntz
LeVander, Gillen, & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

**AFTER RECORDING PLEASE
RETURN TO:**

Timothy J. Kuntz
LeVander, Gillen & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

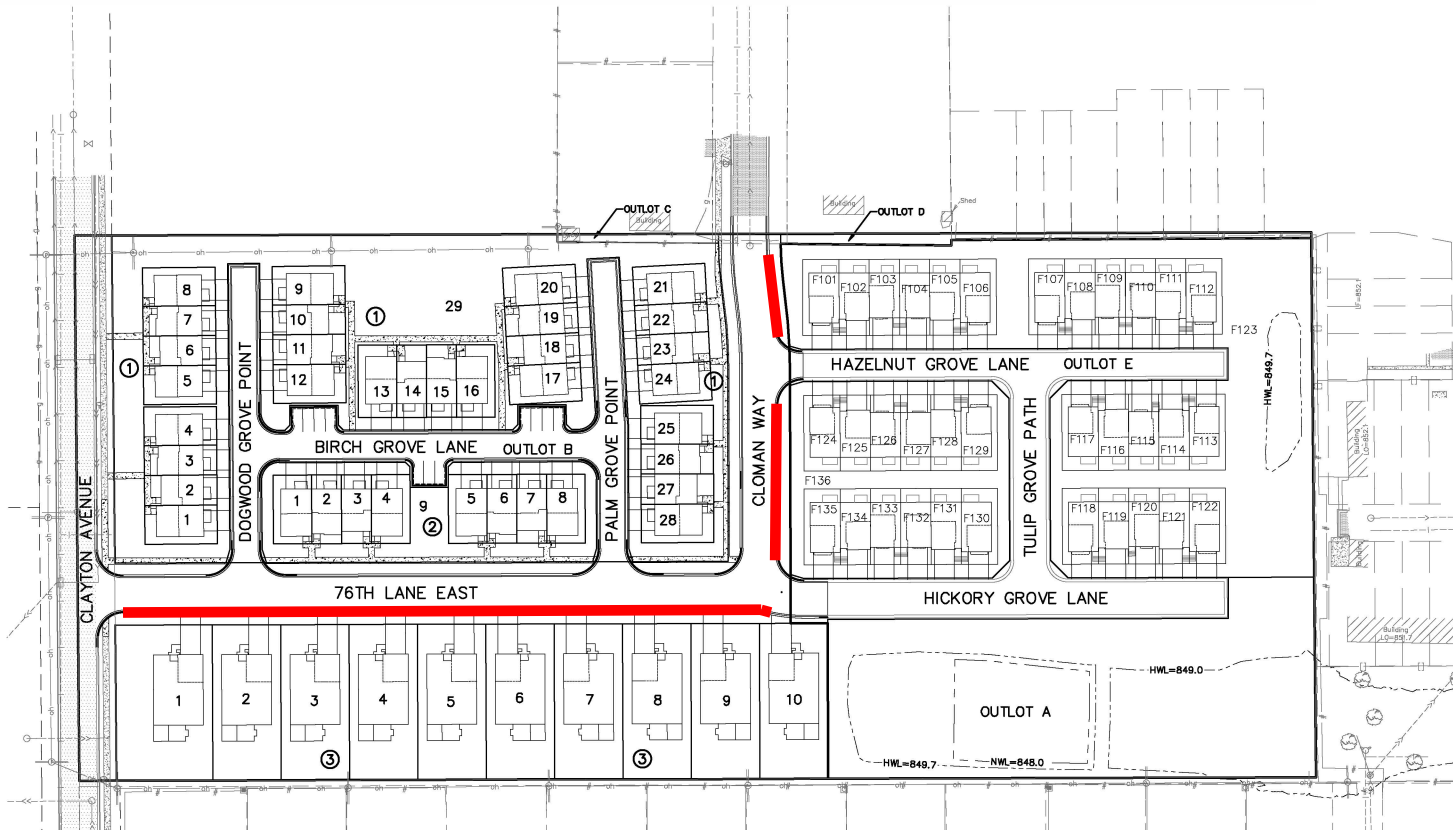
EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

Real property located in the City of Inver Grove Heights, County of Dakota, State of Minnesota legally described as follows:

The West ten (10) acres of the North one-half (N $\frac{1}{2}$) of the South Two-Thirds (S $\frac{2}{3}$) of the North one-half (N $\frac{1}{2}$) of the Southeast one-quarter (SE $\frac{1}{4}$), Section Ten (10), Township Twenty-seven (27), Range Twenty-two (22), Inver Grove Township, Dakota County, Minnesota.

Abstract Property

SOUTH GROVE TOWNHOMES INVER GROVE HEIGHTS, MINNESOTA



**Request for Council Action****TITLE:** City of Inver Grove Heights - accessory structures - Case No. 21-24ZA

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	X
Item Type:	Regular Agenda	Amount included in current budget	
Contact:	Heather Botten 651-450-2569	Budget amendment requested	
Prepared by:	Heather Botten	FTE included in current complement	
Reviewed by:		New FTE requested - N/A	
		Other	

PURPOSE/ACTION REQUESTED: Consider the Third Reading of an Ordinance Amendment to allow a larger detached accessory structure on residential lots 3.4 - 5.0 acres in size.

- Requires a 3/5th's vote.
- 60-day deadline: N/A

SUMMARY:

The City Council approved the first reading of the ordinance amendment on May 10, 2021 and the second reading on May 24, 2021, with the recommendation that a ratio system be used to allow a larger accessory building on residential lots 3.4 - 5 acres in size. The City Attorney reviewed the ordinance and made a few minor, non-substantive changes for clarification purposes, the final version is attached.

Currently, the zoning code has the following requirements for the maximum size of detached accessory structures in the A and E-1 zoning districts:

- Lots less than 2.5 acres are allowed one detached structure up to 1,000 gross square feet.
- Lots 2.5 acres or greater, but less than 5 acres are allowed one detached structure up to 1,600 gross square feet.
- Lots greater than 5 acres in size are allowed two detached accessory buildings up to 2,400 gross square feet.

The proposed ordinance amendment allows a structure larger than 1,600 square feet if the lot is closer to the 5 acre lot size. The maximum detached accessory structure size allowed in the city is 2,400 gross square feet. If we take the maximum 2,400 square feet and divide by 5 acres that equals 480 square feet per acre ($2,400 / 5 = 480$).

Using this rational to determine the maximum size allowed for an accessory structure, a 4.1 acre lot would be allowed an accessory structure up to 1,968 square feet in size (4.1×480) instead of the current 1,600 square foot maximum. This ratio system would benefit lot owners that had a lot 3.4 – 5 acres in size. Lots 2.5 - 3.3 acres in size would benefit more from the existing ordinance and would still be allowed a 1,600 gross square foot structure (ie. $3.3 \times 480 = 1,584$). Lots 5 acres or greater would still be allowed a detached accessory structure up to 2,400 gross square feet.

RECOMMENDATION:

Planning Staff: Recommends approval of the third and final reading amending City Code 10-15-18.C, Accessory Structures and 10-7-2B and 10-8A-2.B Bulk Standards.

Attachments: Draft Ordinance Language –3rd Reading

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

ORDINANCE NO. _____

**AN ORDINANCE AMENDING INVER GROVE HEIGHTS CITY CODE,
TITLE 10, CHAPTER 15, SECTION 18.C, ACCESSORY STRUCTURES, TITLE 10,
CHAPTER 7, SECTION 2.B BULK STANDARDS AND TITLE 10, CHAPTER 8A,
SECTION 2.B BULK STANDARDS RELATED TO THE MAXIMUM SIZE OF
PERMITTED ACCESSORY STRUCTURES**

THE CITY COUNCIL OF THE CITY OF INVER GROVE HEIGHTS ORDAINS AS FOLLOWS:

Section One. Amendment. Title 10, Chapter 15 Section 18(C), **ACCESSORY STRUCTURES**, of the Inver Grove Heights City Code is hereby amended as follows. The ~~struck-out~~ text shows the deleted wording and the underlined text shows the language added to the code:

C. On lots of 2.5 acres or more, but less than ~~five (5)~~ 3.4 acres in size, which are located in an A or E-1 zoning district, detached accessory structures to single-family residential uses shall not exceed a gross floor area of one thousand six hundred (1,600) square feet. On lots 3.4 acres in size up to five (5) acres in size, which are located in an A or E-1 zoning district, detached accessory structures to single-family residential uses shall not exceed a gross floor area equal to the lot size (in acres) multiplied by 480. The gross floor area figure may exclude any usable attic space or loft space. The total number of all detached accessory structures on lots of 2.5 acres or more, but less than five (5) acres in size in the A or E-1 zoning district, shall be limited to one.

Section Two. Amendment. Title 10, Chapter 7, Section 2(B) of the Inver Grove Heights City Code is hereby amended as follows. The ~~struck-out~~ text shows the deleted wording and the underlined text shows the language added to the code:

B. Accessory Structure Standards:

Maximum size:	
Lot size $\geq$ 5 acres	2,400 gross square feet
<u>Lot size 3.4 acres - 5 acres</u>	<u>Lot size (in acres) multiplied (x) by 480 = maximum gross square feet</u>
<u>Lot size 2.5 - 3.3 acres</u>	<u>1,600 gross square feet</u>
Lot size $<$ 5 <u>2.5</u> acres	<u>1,000 gross square feet</u>

Section Three. Amendment. Title 10, Chapter 8A, Section 2(B) of the Inver Grove Heights City Code is hereby amended as follows. The ~~struck-out~~ text shows the deleted wording and the underlined text shows the language added to the code:

B. Accessory Structure Standards:

Maximum size:	
Lot size $\geq$ 5 acres	2,400 gross square feet
Lot size 3.4 acres - 5 acres	Lot size (in acres) multiplied (x) by 480 = maximum gross square feet
Lot size 2.5 - 3.3 acres	1,600 gross square feet
Lot size $<$ 2.5 acres	1,000 gross square feet

Section Four. Effective Date. This Ordinance shall be in full force and effect upon its passage and publication as provided by law.

Passed in regular session of the City Council on the ____ day of _____, 2021.

CITY OF INVER GROVE HEIGHTS

By: _____
Thomas Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk

**Request for Council Action**

TITLE: Consider Second Reading of an Ordinance Amending Inver Grove Heights City Code Title 5, Chapter 4 Adding Section Related to Temporary Harboring and Keeping of Goats for Prescribed Grazing by Permit.

		Fiscal/FTE Impact	Mark all that apply
Meeting Date:	June 14, 2021	None	
Item Type:	Regular Meeting	Amount included in current budget	
Contact:	Ally Sutherland, 651-604-8511	Budget amendment requested	
Prepared by:	Ally Sutherland	FTE included in current complement	
Reviewed by:	Allan Hunting	New FTE requested - N/A	
		Other	

PURPOSE/ACTION REQUESTED

Consider second reading of an ordinance amending Inver Grove Heights City Code Title 5, Chapter 4 Adding Section related to temporary harboring and keeping of goats for prescribed grazing by permit.

BACKGROUND

The City Council held and approved the first reading of the ordinance at the May 24, 2021 City Council Meeting with suggested changes. The City Council suggested staff research the following parameters further:

1. Consider allowing temporary structures. Staff have updated the ordinance to state temporary structures may be allowed during the duration of the permit subject to staff review. Structures are not a common industry practice but may occasionally be used for wind brakes or during winter months.
2. Permit duration. There have been no changes made to the maximum duration of the permit. Staff recommend not extending the duration for larger properties until it is determined there is a need to do so based on future permit requests. Other methods, such as increasing the number of goats rented for the project, may be a more preferable option for the property owner and/or neighbors instead of prolonging the duration of the project. Properties zoned Agricultural and E-1 (minimum 2.5-acre rural residential lots) are excluded from this ordinance and may keep goats as farm animals per existing zoning code.
3. Protection of goats. Electric fencing is the main predator deterrent used by goat rental companies and is required by the current draft ordinance. Goats are also known to use their horns for protection if needed. No changes have been made to the ordinance related to this question.

RECOMMENDATION

Planning Staff: The ordinance proposed for the second reading reflects City Council's direction from the May 24, 2021 City Council meeting, Planning Commission's direction from the April 20, 2021 Planning Commission meeting, and staff recommendations. All changes to the ordinance for the second reading are noted in red.

ATTACHMENTS

Draft Ordinance
Matrix of Ordinance Parameters

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

ORDINANCE NO. _____

**AN ORDINANCE AMENDING INVER GROVE HEIGHTS CITY CODE, TITLE 5, CHAPTER 4
RELATED TO TEMPORARY HARBORING AND KEEPING OF GOATS FOR PRESCRIBED
GRAZING BY PERMIT.**

THE CITY COUNCIL OF THE CITY OF INVER GROVE HEIGHTS ORDAINS AS FOLLOWS:

Section One. Amendment. Section 5-4-1 of the Inver Grove Heights City Code is hereby amended to include the following definitions:

"Goat" means an animal in the subspecies of *Capra aegagrus hircus*.

"Grazing" means goats eating vegetation.

"Prescribed Grazing" means the temporary use of goats as a landscape management technique to control the growth of invasive and noxious vegetation at a specific location and for a defined length of time. For the purpose of this definition, goats used for prescribed grazing are not considered pets or farm animals.

"Prescribed Grazing Permit" means a permit issued by the City that allows prescribed grazing within City limits.

Section Two. Amendment. Title 5, Chapter 4 of the Inver Grove Heights City Code is hereby amended to add Section 15 as follows:

5-4-15: TEMPORARY HARBORING AND KEEPING OF GOATS FOR PRESCRIBED GRAZING BY PERMIT

1. *Purpose.* The purpose of this Section is to establish conditions under which the temporary and periodic use of a limited number of goats for invasive and noxious vegetation control is permitted and to establish the requirements for doing so in order to protect the environment and the health, safety, and welfare of the general population.
2. *Prescribed Goat Grazing Permit Required.* Except in the E-1 and A Zoning Districts, no goat may be kept, maintained or harbored on property in any other zoning district except pursuant to an approved goat grazing permit. A permit may be granted only for:
 - a. A parcel or lot of record that is 0.5 acres or more in size; or
 - b. A prescribed grazing area located on more than one parcel or lot provided the grazing areas on each parcel or lot are contiguous and an aggregate of 0.5 acres or more in size.
3. *Application for Permit.* Applications shall include the following information:
 - a. A completed application form and payment of the application fee.

- b. A detailed site plan of the premises on which prescribed grazing is sought to occur, including the location and the dimensions of the proposed grazing area, a list of the vegetation existing on the site and sought to be controlled by the prescribed grazing.
 - c. The full name and address of the following persons:
 - 1. The owner(s) of the premises on which prescribed goat grazing is sought to occur; and
 - 2. The owner of the goat(s)
 - d. The street address of the premises on which prescribed grazing is sought to occur and for which the permit would apply.
 - e. The number of goats to be kept on the premises under the permit, not to exceed two (2) goats per every one-tenth (0.10) acre of the prescribed grazing area.
 - f. A list of person(s) responsible for managing and monitoring the goats, including their full name, address, and 24-hour contact information.
 - g. The type of fencing to be used for the required enclosure.
 - h. Date the temporary fence will be installed.
 - i. Date the goats will be located on the premises.
 - j. Proof of required insurance.
 - k. A statement certifying whether the property's homeowners' association rules, if any, prohibit the keeping of goats on the property for which the permit is sought.
 - l. The signatures of the owner(s) of the premises where the prescribed grazing will occur and the owners of the goats to be used for prescriptive grazing.
 - m. Any other required information.
4. *Granting or Denying Issuance of Permit.* The City Clerk may grant a permit under this Section provided the application demonstrates compliance with the requirements of this section. The City Clerk may deny a permit hereunder for any of the following reasons:
- a. The application is incomplete or contains false, fraudulent or deceptive statements.
 - b. The applicant does not or has not complied with one or more of the provisions of this Section.
 - c. The premises for which the permit is sought, including, but not limited to, the proposed grazing area, is not in compliance with any provisions of this subdivision, other City Code provisions or state laws relating to zoning, health, fire, building or safety.
 - d. The owner of the goats has violated any provision hereunder, or on more than two prior occasions, the owner's goats have been found running at large within the City.
 - e. Denial of a permit may be appealed to the City Council.
5. *Notification Process.* Upon receipt of a completed application, the City shall send a notice to property owners of lots adjacent to the property receiving the temporary permit.
6. *Duration of permit.* Prescribed grazing shall not be permitted for more than thirty (30) consecutive days. No more than two (2) prescribed grazing permits may be issued within one (1) calendar year for the same property. There shall be a

minimum of thirty (30) days between the expiration of the first permit issued and the second permit issued in a twelve (12) month period.

7. *Conditions of Permit.* The keeping of goats is permitted pursuant to a permit granted under this Section, subject to the following conditions:
- a. *Transferability of permit.* A permit issued hereunder shall be nontransferable and shall be solely for the property and provider of goats listed on the permit.
 - b. *Liability insurance.* The owner of the goat(s) shall have and maintain insurance coverage for claims arising from prescribed grazing in the amount of \$1,000,000 per occurrence and \$2,000,000 general aggregate and shall provide to the City proof of the required insurance coverage prior to issuance of the permit. The owner of the goat(s) shall be responsible for any damage caused by goats used for prescribed grazing purposes.
 - c. *Monitoring:* The goat owner must have staff available to respond to any emergency complaints or concerns at all times of day or night.
 - d. *Right of Entry for Inspection:* The premises for which a permit is issued shall, at all reasonable times, be open to inspection by city staff to ensure determine compliance with the terms of the prescriptive grazing permit.
 - e. *Number of goats permitted.* No more than two (2) goats per every one-tenth (0.10) acre of the prescribed grazing area shall be permitted.
 - f. *Proper enclosures:* The prescribed grazing area shall be fully and securely enclosed with proper enclosures, and fully maintained for the duration of the prescribed grazing permit. Fencing must be designed to prevent escape by goats and to protect the goats from the intrusion of other predatory animals. All sides of the enclosure(s) shall be of sufficient height and the bottom of the enclosures shall be constructed or secured in a manner as to prevent the goats from escaping over or under the enclosure(s). It is a violation of the permit for any goat to be allowed to run at large during the duration of this permit. An enclosure shall meet the following requirements:
 - (a) *Permanent enclosures:* Fences and structures constructed to enclose prescribed grazing goats, but intended to remain at the expiration of the prescribed grazing activity, shall comply with the regulations for the zoning district in which they are located.
 - (b) *Temporary enclosures.*
 1. Temporary fencing and structures for the sole purpose of enclosing goats used for prescribed grazing shall be allowed for the duration of the prescribed grazing permit. All temporary fencing or structures shall be removed within seven (7) days of the removal of the goats from the premises as required under the permit.
 2. Temporary fences must be no more than seven (7) feet tall.
 3. Temporary fences may be electric or electrified. Where electric fences are used, a double fence system with a non-electric outer fence, maintained a minimum of four (4) feet from the electric fence, is required to serve as a safety barrier to reduce the possibility of the public coming in contact with the electric fence. If an existing natural barrier or permanent

structure exists and prevents contact with or serves as a barrier to the electric fence, then the second outer fence may not be required for the applicable segment of fencing. Generators may not be used as a power source for the electric fencing.

4. The outer fence may be allowed up to the property line of the premises on which the permit applies, but shall not be located within any public or private right-of-way.
- g. *Signage:* The owner of the goat(s) shall install and maintain signs on the premises for the duration of the permit as follows:
 - (a) A sign shall be located on each side of the enclosed area and visible to the public.
 - (b) The signs must contain emergency contact information for the owner of the goat(s).
 - (c) The signs shall be setback a minimum of ten (10) feet from property line if freestanding, or placed on the enclosure fence.
 - (d) All signs shall be removed when goats are removed from the premises.
 - (e) Any electric or electrified fence in association with prescribed grazing must have a warning sign posted on every boundary of the enclosure at least every fifty (50) feet along each side of the fence. The warning sign shall clearly identify the electric fence. No single sign shall exceed four (4) square feet in area. Each sign shall be clearly visible on the approach to the fence and be posted on or within one (1) foot of the electric or electrified fence.
- h. *Shelter:* ~~No temporary shelters allowed.~~ Temporary shelters may be allowed during the duration of the permit subject to staff review.
- i. *Herd Specifics:* Only females, neutered male goats or unneutered male goats less than six months old that accompany female goats are allowed.
- j. *Odor and Cleanliness:* The property must be maintained in a clean, sanitary condition so as to be free from offensive odors, fly breeding, dust, and general nuisance conditions. Goat manure shall be removed and disposed of as frequently as necessary to avoid the creation of nuisance conditions.
- k. *Noise:* Goats that engage in habitual bleating may not be used for prescribed grazing. Habitual bleating is defined as bleating for repeated intervals of at least five (5) minutes with less than one (1) minute of interruption that is audible off of the property owner's premises.
- l. *Natural resources protection.* Prescribed grazing shall not adversely affect significant natural resources. Prescribed grazing activities shall comply with the following:
 - (a) Prescribed grazing activities shall comply with the best management practices established by the Minnesota Department of Agriculture, the Minnesota Department of Natural Resources, Dakota County Soil and Water Conservation District, and all other pertinent agencies.
 - (b) Prescribed grazing activities shall not impair water quality as defined by the Federal Clean Water Act.

- (c) Threatened or endangered plant species shall not be negatively impacted by prescribed grazing activities.
- (d) Prescribed grazing must comply with shoreland and wetland regulations set forth elsewhere in the City Code.
- m. *Conservation easements.* If the proposed prescribed grazing area is within a conservation easement, all requirements of the conservation easement must be met. If the terms of the conservation easements do not allow prescribed grazing, then the permit will be denied.
- 8. *Feeding and care of goats.* All supplemental feed for the goats shall be securely stored in water-tight and vermin-proof containers. All goats on the premises shall have daily access to fresh drinking water (not from nearby lakes, ponds, etc.). All goats used under the permit shall receive proper veterinary treatment and regular deworming. In the event that a prescribed grazing goat becomes ill, hurt, or perishes, the owner of the goat is responsible for immediate on-site care or removal of the goat from the property.
- 9. *Revocation of Permit.* If a violation of the terms of this Section or the prescribed grazing permit is found, the City Clerk shall give written notice thereof to the owner of the goat(s) and property owner. If the violation is not remedied within 24 hours of the date of the notice, the prescribed goat grazing permit may be administratively revoked. The City Clerk may summarily revoke a permit if goat(s) have been found running at large on two (2) or more occurrences during the term of the permit.

Section Three. Effective Date. This Ordinance shall be in full force and effect upon its passage and publication as provided by law.

Passed in regular session of the City Council of the City of Inver Grove Heights on the ____ day of _____, 2021.

CITY OF INVER GROVE HEIGHTS

By: _____

Thomas Bartholomew, Mayor

ATTEST:

Rebecca Kiernan, City Clerk

DRAFT

4/20/2021

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Parameter Matrix - Haboring and Keeping of Goats for Prescribed Grazing By Permit
4/20/2021

Duration of Permit	Burnsville	Essex	Hastings	Cottage Grove	Maplewood	Farbault	Mahtomedi	Bloomington
Goat breed/Herd specifics	Max of 2 times per year Max of 30 days per event with 30 days in between events. Permits not granted Dec - March	under 2 acres: max 30 days, 2 times per year. Min 60 days between events. Permits not granted Dec - March	up to 30 days. Two permits per year.	Up to 30 consecutive days or 60 days in any 12-month period	No property owner or person shall store on a property goats or sheep for more than sixty (60) days in any twelve (12) month period	under 2 acres: max 30 days, 2 times per year. Min 60 days between events. 2 acres or more: at the discretion of city staff	under 2 acres: max 30 days, 2 times per year. Min 60 days between events. 2 acres or more: at the discretion of city staff	is allowed for no more than 30 consecutive days per location on a site. A minimum of 30 days must pass before goats may graze the same location. Is not allowed December through March.
Goat breed/Herd specifics	Females, neutered males or unneutered males less than 6 months allowed	unneutered males over 6 months prohibited	Not specified	Must include in application. Only females allowed	Must include in application. Only females allowed	Neutering: Male goats used for prescribed grazing must be neutered. Male goats less than six (6) months of age that accompany an adult female goat shall be exempt from the neutering requirement.	Females, neutered males or unneutered males less than 6 months allowed	Must utilize only neutered male goats, unneutered male goats less than six months of age that accompany female goats, and female goats.
Liability Insurance (& on city property)	Contractor must have proof of liability insurance covering all operations for the sum of at least \$2,000,000 against liability for bodily injuries to one person from the accident, \$2,000,000 for the injury of two or more persons, and for at least \$2,000,000 against liability for damage or destruction of property.	Contractor must have proof of liability insurance covering all operations for the sum of at least \$1,000,000 per occurrence and \$2,000,000 general aggregate and shall provide to the city proof of coverage prior to the issuance of the permit.	The City shall have no liability for any damage that may be caused by goats kept on a property pursuant to this section. Property owners and permittees under this section shall be jointly and severally liable	List of person(s) managing and monitoring the goats has proof of liability insurance in the amount of at least \$1,000,000 per occurrence.	Not specified	Proof of effective insurance policy or copy thereof providing liability insurance covering claims arising out of the prescribed grazing activity. No \$ specified.	The owner of the goat(s) to be utilized under the permit shall have and maintain insurance coverage for claims arising from prescribed grazing in the amount of \$1,000,000 per occurrence and \$2,000,000 general aggregate and shall provide to the City proof of the required insurance coverage prior to issuance of the permit.	Permit app: Attach a certificate of liability insurance of at least \$1,000,000 per occurrence for bodily injury
Natural Resource Protection	Comply with DNR, Federal Clean Water Act, Threatened Species, etc.	Comply with DNR, Federal Clean Water Act, Threatened Species, etc. City Code regulations	Not specified	Not specified	Grazing must follow the wetland ordinance.	Comply with DNR, Federal Clean Water Act, Threatened Species, etc.	Comply with DNR, Federal Clean Water Act, Threatened Species, etc. City Code regulations	Comply with DNR, Federal Clean Water Act, Threatened Species, etc.
Daily monitoring/ Enforcement	Not specified	Site open to inspection at all times. The permit holder under this subdivision must occupy the premises for which the permit is issued at all times that the permit is in effect and goats are present on the premises.	Site open to inspection at all times	Site open to inspection at all times	Not specified	Supervision: The prescribed grazing service must list on its grazing permit application contact information for the party responsible for promptly addressing issues associated with prescribed grazing on the specified property. The responsible party shall be available to be contacted at all hours of the day and all days of the week.	Site open to inspection at all times. Provide 24-hour contact telephone number of the person who owns the goats to be used for the prescribed grazing.	Not specified
Nuisance Control (odor, noise, etc)	Not specified	The property must be maintained in a clean, sanitary condition so as to be free from offensive odors, fly breeding, dust, and general nuisance conditions. A plan to dispose of goat manure in a safe and adequate manner with removal of waste within 24 hours. Habitual Bleating. It shall be unlawful for any person to keep or harbor a goat which habitually bleats. Habitual bleating is defined as bleating for repeated intervals of at least 5 minutes with less than 1 minute of interruption. The bleating must also be audible off of the owner's or caretaker's premises.	The property must be maintained in a clean, sanitary condition so as to be free from offensive odors, fly breeding, dust, and general nuisance conditions. A plan to dispose of goat manure in a safe and adequate manner with removal of waste within 24 hours. Habitual Bleating. It shall be unlawful for any person to keep or harbor a goat which habitually bleats. Habitual bleating is defined as bleating for repeated intervals of at least 5 minutes with less than 1 minute of interruption. The bleating must also be audible off of the owner's or caretaker's premises.	Goats shall not be kept in such a manner as to constitute a nuisance to the occupants of adjacent property.	All sites on which goats or sheep are kept or maintained shall be kept clean from filth, garbage, and any substances which attract rodents. The site shall be cleaned frequently enough to control odor. Manure shall not be allowed to accumulate in a way that causes an unsanitary condition or causes odors detectable on another property.	See goat care	clean from filth, garbage and any substances which attract rodents. The premises shall be cleaned frequently to control the odor. Manure shall not be allowed to accumulate in a way that causes an unsanitary condition or causes odors detectable on another property. Goats shall not be kept in such a manner as to constitute a nuisance to the occupants of adjacent property, prohibit harboring of a goat which habitually bleats. Habitual bleating is defined as bleating for repeated intervals of at least five (5) minutes with less than one (1) minute of interruption. The bleating must also be audible off of the premises for which the permit is issued.	Goats used for prescribed grazing must have animal wastes regularly removed from shelters if shelters are provided.

Parameter Matrix - Haboring and Keeping of Goats for Prescribed Grazing By Permit
4/20/2021

	Burnsville	Eagan	Hastings	Cottage Grove	Maplewood	Farbault	Mankato	Bloomington
Enclosure area/Fencing Requirements	Fencing required. No front yard fence and screening codes. Energized fencing allowed. If energized fence is within 30 feet of other property, double fencing required.	Fencing required. No front yard fence and screening codes. Temporary removed in 5 days of end date. Energized fencing allowed and double fencing is required.	The goats must be contained by an adequate containment fence at all times. If an electric fence is used it must display a warning that the fence is electric.	Fencing required. Temporary removed in 7 days of end date. Energized fence must have warning signs.	Fencing required.	Fencing required. No front yard fencing. Permanent must comply with existing fence and screening codes. Energize fencing allowed and double fencing may be required per city planner.	Fencing required. Comply with existing fence and screening codes. Temporary removed in 5 days of end date. Energize fencing allowed and double fencing is required.	Goats used for prescribed grazing are required to be fenced using permanent or temporary fencing and may be provided a shelter from the weather within their fenced enclosure. Fencing is required and must be designed to prevent escape by goats and access by other animals. Temporary enclosure fencing must be removed within seven calendar days after the expiration of the license duration or the goats are removed, whichever occurs first.
Distance from property lines	See fencing.	Not specified	Goat containment fences shall be set back a minimum of 100 feet from any residence.	The goats may be moved to a separate holding pen at night, which shall be located at least 150 feet from all residential buildings.	The goats and sheep may be moved to a separate holding pen at night, which shall be located the maximum distance practicable from residences.	Not specified	The goat containment fences shall be set back a minimum of 30 feet from any residence other than the property owner's residence.	See shelter
Notification process	Apply 15 days in advance of work. Notify City within 10 days of work. Notify city the day of work.	Not specified	Not specified	Notice given to property owners within 150 feet of the grazing area. If, within 10 days of such notice, there are objections by 75% of the property owners in the notice area, then the permit must be approved by the Council.	See approval process	Not specified	Not specified	Not specified
Signage	If visible to the public, notification sign required with emergency contact. Size specified.	Signs required for duration of permit	Not specified	Warning signs on electric fence	Not specified	Notification sign and warning sign for energized fence	Notification sign and warning sign for energized fence	11) Signs must not exceed four square feet in size and must be placed in conspicuous locations near the fence enclosure, but not in any right-of-way areas. (12) Signs must warn the public to not enter the grazing enclosure and to not pet or feed the goats. Supplemental feed held onsite must be securely stored to prevent becoming an attractant for vermin and other pests. Goats must be provided access to drinking water daily. The source of the water cannot be rivers, streams, lakes or ponds.
Goat Care/Animal Welfare	Not specified	Specifies feeding and care of goats	Not specified	Not specified	Not specified	Health: Prescribed grazing animals must receive proper veterinary treatment and regular deworming. In the event that a prescribed grazing animal becomes ill, hurt, or perishes, the owner of the prescribed grazing animal(s) must provide immediate on-site care or remove the animal(s) from the property promptly if immediate on-site care cannot be provided.	goats on the premises shall have daily access to fresh drinking water (not from nearby lakes, ponds, etc.). All goats used under the permit shall receive proper veterinary treatment and regular deworming. In the event that a goat becomes ill, hurt, or perishes, the permit holder and the owner of the goat is responsible for immediate on-site care or removal of the goat from the premises.	
Shelters	Shelters, if provided, must follow all City structure and setback requirements.	Not specified	Not specified	Not specified	Not specified	Not specified	Not specified	Shelters, if provided, must: (A) Not be located in a front yard area, (B) Be less than 200 square feet, (C) Be less than seven feet in height, (D) Be set back a minimum of 100 feet from any lot used residentially and 150 feet from any dwelling on a neighborhood, (E) Be designed for the use and built in a workmanship manner using approved materials, and (F) Be removed within seven calendar days of the expiration of the license duration or the goats are removed from the property, whichever occurs first.

Parameter Matrix - Haboring and Keeping of Goats for Prescribed Grazing By Permit
4/20/2021

Violations	Burnsville	Eagan	Hastings	Cottage Grove	Maplewood	Faribault	Maintomedi	Bloomington
	If policy requirements or other City ordinances are not followed, contractor permits can be revoked by City staff.	The permit holder under this subdivision must occupy the premises for which the permit is issued at all times that the permit is in effect and goats are present on the premises.	Every person who violates a section or division of this chapter by performing an act thereby prohibited or declared unlawful, or by failing to do an act hereby required, or when the person fails to act when the failure is thereby prohibited or declared unlawful, shall upon conviction be punished as for a misdemeanor.	A violation of any provision of the ordinance or a condition of the permit shall be grounds for revocation of the permit by the city clerk.	(1) Any person violating this ordinance shall be deemed guilty of a misdemeanor and upon conviction, shall be punished in accordance with Section 1-15. (2) If any person is found guilty by a court for violation of this ordinance, their permit to temporarily keep goats or sheep shall be deemed automatically revoked and no new permit may be issued for a period of one (1) year. (3) Any person violating any conditions of this permit shall reimburse the city for all costs borne by the city to enforce the conditions of the permit including but not limited to the pickup and impounding of goats and sheep.	Not specified	If a violation of the terms of this permit is found, the City shall give written notice thereof to the permit holder. If the violation is not remedied within ten (10) days of the date of the notice, a misdemeanor citation may be issued and/or the prescribed goat grazing permit may be revoked following notice and a hearing before the City Council. The City Clerk may summarily revoke a permit if a permit holder's Goats(s) have been found running at large on two (2) or more occurrences within the term of the permit.	