

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, OCTOBER 25, 2021 - 6:00 P.M. - 8150 BARBARA AVENUE**

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, October 25, 2021, in person. 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, Dietrich, Murphy, and Gliva; City Administrator Wilson, City Attorney McCauley Nason, City Clerk Kiernan, Fire Chief Thill, Community Development Director Rand, City Planner Hunting, Interim Public Works Director Eckles, and Human Resources Manager Shefchik.

Also Present: Melvin Moore, Builder's Lot Group.

3. PRESENTATIONS:

Recognition of Firefighters for Life-Saving Service

Fire Chief Judy Thill stated in their line of work the outcomes are not always positive, when things go very well, they need to celebrate them. Tonight, they are here to celebrate life and dedication. Every day dedicated Inver Grove Heights Firefighters are called upon to respond quickly to emergencies that involve strangers, family members, friends, and neighbors. This city has on-call and full-time Firefighters. They respond together to protect this community. Whether at home or working a shift, when the tones go off, they drop everything they are doing and respond to that emergency. Until those tones sound Firefighters rarely think about their Firefighter duties unless their senses are heightened and it is specifically one scent, the smell of smoke.

She stated on October 7, 2021, at a little before 4:00 p.m., two Inver Grove Heights Paid on Call Firefighters, Richard Wegner and Nicholas Wegner, a father/son duo, were at home working on projects when they smelled something burning. They walked outside to check further and heard a pop or small explosion. Both hopped into their truck and went up the street noticing several homes away from theirs, smoke coming from a house. While Nick was calling 911 and helping describe what was going on, Rick opened the door to the home and found smoke banked down from the ceiling several feet, the smoke started pouring out. He was able to see enough below the smoke to notice there were still two people in the home. By that time Nick had joined his dad and helped get the man out to safety while Rick went into the home and got the female out. They then led the couple out to a safe location.

Fire Chief Thill said when trying to explain actions like these, things may sound very simple when in all reality it is extremely chaotic. Inside a burning structure, when there are people inside, they try to process many things, not just getting out of the house. They wonder if they have time to save belongings or if there was something else, they can do to help the situation. All of those thoughts are happening at one time and the mind goes on overload paralyzing the people that are inside so sometimes they stay inside longer and sometimes they do not want to leave. She said having people like these two Firefighters at the house so quickly, who were trained to keep themselves safe and do what they needed to do to get their neighbors out safely, helped turn a situation that could have been completely tragic to one that celebrates life. She said she would like to offer that neither of the two men wanted to be here today for the recognition. When hearing Rick explain it, he was at the right place at the right time. When talking to Nick, he said he did not do anything someone else in his situation would

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have done. She stated both of those statements might be true, you never know what people do until they are tested. The actions they took that day did make a difference. It made a huge difference in the lives of the couple, and their family members, one of which is here today to help celebrate. She said had they not been there that day, she shudders to think of the outcome that would have been different. She mentioned while those on the Inver Grove Heights Fire Department would like to take credit for the training that helped Nick and Rick follow through on their actions, they are a product of not just the city training, but their own life experiences and their full-time jobs. Rick is a State Trooper and Nick is a full-time Eagan Firefighter. Their quick response, recognition of the severity of the emergency, and immediate actions resulted directly in contributing to the survival of the couple. She said she is proud of their actions as Inver Grove Heights Firefighters, but more importantly she is proud of their actions as human beings.

She mentioned before closing she would be remiss if she did not mention how proud she is of all the Inver Grove Heights Firefighters. Those who not only responded to this fire, but for what they do each and every day. She said they do not always know the outcome, the education events, the fires they have prevented, or the final outcome of medical calls they have gone to, they know these men and women make a difference every day. They know they do not do this alone. They are a part of a public safety team which includes Inver Grove Heights Police Officers, M Health Fairview Ambulance, Dakota Communications Dispatch Center, and the Mutual Aid Fire Partners. She said this house fire alone drew help from Eagan, Mendota Heights, Rosemount, Hastings, and Burnsville Fire Departments. They are here to celebrate the life of this couple, the dedication of both of these Firefighters, and all the men and women who work together every day to protect us.

She said it is her utmost privilege and honor to be able to stand here and congratulate Richard and Nicholas Wegner for their life saving actions.

Fire Chief Thill stated the daughter of the couple is present and would like to say a few words.

Lisa Acker said she is an Inver Grove Heights resident and would like to thank Rick and Nick for coming to her parents' rescue. She said it could have been such a tragic day, these Firefighters made a difference in their families lives. Their parents got out safely, the house is gone. All that matters is her parents got out safely. She said from her family, she wanted to thank them from the bottoms of their hearts, they are forever grateful. She said they were amazing, the entire Firefighting team was amazing, and the Police. She said they have a great team in Inver Grove Heights.

Mayor Bartholomew addressed Rick and Nick and thanked them for their service, their dedication, and their skills. It is very much appreciated.

4. CONSENT AGENDA:

- A.**
 - i.** Minutes from the September 27, 2021, City Council Meeting.
 - ii.** Minutes from the October 4, 2021 Special City Council Meeting.
- B. Resolution 2021-276** approving Disbursements for period ending October 19, 2021.
- C.** Approve Personnel Actions.
- D. Resolution 2021-277** accepting of State of MN Tourism Grant and Authorize Appropriate Parties to Execute Grant Agreement Documents.
- E.** Consider Approval, Acceptance, and Authorization of Parcel 17 (Blaisdell) Easement Acquisition for City Project No. 2016-13 - Cahill Trunk Drainage Improvements and Authorize Payment of Settlement Amount.
- F.** Approve short-term extension of Interim Parks and Recreation Director.

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G. Resolution 2021-278 approving a Joint Powers Agreement for the Regional Roadway System Visioning Study Update – City Project No. 2018-17.

H. Resolution 2021-279 supporting Dakota County's 2022-2026 Transportation Capital Improvement Program.

I. Resolutions 2021-280 approving a Conditional Use Permit to allow manufacturing in a 96,000 square foot building located on Lot 2, Block 1, Inverpoint Business Park Second Addition.

Motion by Dietrich, second by Gliva, to approve the Consent Agenda as presented.

Ayes: 5

Nays: 0 Motion carried.

5. PUBLIC HEARING:

6. REGULAR AGENDA:

Community Development:

A. Consider Approval of Rental Licenses (2).

Community Development Director Heather Rand stated Staff requests the approval of two Rental Licenses for properties located at:

- 3760 75th Street East
- 3284 71st Street

She mentioned the city does license rentals, there is an application they fill out. This is for an understanding that the landlord/management company is assuring they are conducting proper maintenance on the structures, preserve neighborhood stability, protect the quality of the housing stock, and maintain property values in the area. The request is for homes, not apartment buildings. These license applications were reviewed, the Police Department also reviews the license applications. She said that everything has been approved, everything is in order, and fees have been paid.

Motion by Gliva, second by Murphy, to approve the following two Rental Licenses as presented for properties located at:

- **3760 75th Street East**
- **3284 71st Street**

Ayes: 5

Nays: 0 Motion carried.

B. Consider Approval of Resolution adopting Small Area Plan for Area North of Highway 55 and West of Argenta Trail. Resolution 2021-281

Community Development Director Rand discussed the Small Area Plans stating neither will change zoning on the parcels immediately. They are meant as a study and guiding document into the future. The first Small Area Plan being requested for further consideration is for an area north of Highway 55, to the west of Argenta Trail, south of 70th Street, and borders Eagan on the east. This Small Area Plan was driven by a developer and a private property owner who were interested in some rezoning for a potential high density or apartment project north of Highway 55. As Staff was considering the request, Staff knew they wanted some neighborhood input and input from Market Specialists/Commercial Real Estate Brokers. Staff knew there were issues of access to overcome to the property especially if this was to be an apartment building, in that the access road Argenta Trail, is controlled by Dakota County. For

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that reason, over a year ago, after discussion and debate it was determined additional study was needed. The Council allowed Staff to issue a Request for Proposal to planning companies. HKGi was the selected planning company because they have done so much work for the city in terms of utilities, land use planning, and the Comprehensive Land Use Plan. HKGi began to facilitate public meetings. With the Pandemic many of them were held online. HKGi was also charged with contacting the individual impacted larger property owners to make sure to receive their input.

She said the plan itself is included in the Council packets and posted online. The coversheet is dated July 2021 and titled Inver Grove Heights North of Highway 55 Small Area Plan. She said it has been noticed in its postings through additional communication, that Staff determined last summer it should be brought to the Planning Commission. That was done on June 20th. She said HKGi presented a formal presentation at that meeting. After some deliberation, the Planning Commission approved it, realizing it is a concept. This is a concept that gets at issues such as transportation and land uses that are compatible/incompatible and tried to address those. This plan, because it is not known exactly what the County will do with respect to access off of Highway 55 in the near future for Argenta Trail, due to that, there is an Alternative A and Alternative B.

She said there was not significant changes, just some tweaks regarding housing uses in the plan. She said Staff and HKGi have presented this to the Council at the September 13th, City Council meeting. There were many issues on that Agenda, this item was somewhat rushed, which she apologized for. It was brought back at the recent Work Session for further discussion. Noticed in the weeks between, Council asked additional questions of Staff and the Consultant, which was appreciated. She said she believed all understand they are not suggesting any of these areas are immediately rezoned by Council for the area north of Highway 55 in the Small Area Plan. This was intended to evaluate land use to identify future park areas or trails, planned access especially to 70th and Highway 55, and ensure that there is financial viability with respect to utility connections that may have to be made in the future.

She stated she hoped Staff have done a bit of a better job. She said before turning this over to City Planner Allan Hunting, she mentioned it was really important to listen to the neighbors with these. In this case, especially the neighbors with 120 units of housing on the northern edge of the Small Area Plan, living in Blackstone Vista. She said she feels they did and made some suggested changes in the plan for future land use.

City Planner Allan Hunting referenced the 2040 Comprehensive Plan that covers the south and the north. It began from a Comprehensive Plan Application that Council saw about two years ago from Common Bond. It was for 180 units of apartment buildings. The issue at that time raised by Staff and residents of Blackstone Vista was that there is only one access point to the property from Argenta Court, up Archer, then to 72nd. The street designed was not intended to handle that much traffic. The study looked at the current guiding of MDR medium density, 8-12 units per acre, and how they could service that with other road systems. That was looked at along with discussions with Dakota County and MnDOT for patterns and other options to get to roads. They looked to see if anything could go up to the north and come out through properties on 70th. Because of the terrain, topography, and trees, which was deemed not desirable. Residents who took part in meetings main concern was to keep a buffer of trees and spacing from whatever development occurred. Trying to put a road through there would hug some of those areas destroying tree lines and impacting the neighborhood. That idea was discarded.

The other option was working with Amana Trail and Dakota County and if there was a possibly of doing a permanent or temporary construction out to Argenta Court so there would be a second way in and

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out. The County has been reluctant to comment on that at this point. The County is doing an update to their Regional Roadway Visioning Study which just got underway and is expected to last about a year. They would be looking at traffic patterns all around for future Argenta, check the volumes, and what kind of spacing requirements they could allow or not. Another thing looked at as a part of the plan was the potential of some kind of future interchange with Argenta and Highway 55. If something could be designed for a road system that crossed, was an access to a property, and then used as a method for the access points off of Argenta. Nothing has officially been studied there. The result was that there is not thought of any other land use change. The property along 70th is currently guided low medium density residential. There is one industrial use along the highway and another site of a mixed type of use which has access out onto Highway 55 and would remain that way. He referenced the map shown stating an area would be green space/open space, apartment development, or whatever that may be would hopefully be closer to the highway.

He stated that is why there were two plans looked at. If the access point were not going to work for the County, or could be 5-15 years down the line, that apartment density was probably not the best land use because there is only one way in and out through a single-family neighborhood. Staff did not believe that to be the best route. An alternative was looked into for a lower density, such as townhome units, and still has only one access point with lesser units and lesser volumes of traffic. He started the driving force would be Dakota County's Visioning Study and what would be anticipated for access points. There are two alternatives depending upon what the County does for different densities. That is what that plan flushed out, the access and what limitations they were running into.

Mayor Bartholomew referenced the report, the one marked as the preferred development, the one on top showing the roundabout. He asked if that was the preferred development concept as called by this plan. City Planner Hunting responded that is the preferred one based on current land guiding, based on the landowner's desire to develop, and based on the Comprehensive Plan Amendment they applied for a year or two ago. It was felt if getting another access point it would provide the best opportunity/best use for that land. Apartments seem to make sense along the highway, designing to keep it southerly so there is still a buffer in tree area from the residents.

Mayor Bartholomew referenced the Comprehensive Plan as it exists now asking if this came forward now, if a Comprehensive Plan Amendment would be required. City Planner Hunting responded he believed that would require guiding to a high density residential, if it were the 180 plus units they were looking at.

Mayor Bartholomew commented the property is not guided to that density at this time. He asked if the Comprehensive Plan would require an Amendment at this time if this were to go forward. City Planner Hunting responded it would not require anything at this time. The whole decision on this depends on the access points which should be determined before. He said if the Applicant wanted to pursue their application again, that would be looked at based on what the access point would be. He stated this would not change any existing Land Use Comprehensive Plan, it is not to rezone/reguide, that would happen when the landowners are ready to develop.

Mayor Bartholomew asked what the current guiding was. City Planner Hunting responded it is currently medium density residential for the parcel that had the application in, for the apartment building that was 8-12 units per acre.

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Mayor Bartholomew asked if it would be a two-year timeline with the County. City Planner Hunting responded the County anticipates a year. They started about a month ago. Meetings are being held with Eagan, Inver Grove Heights, Staff, and MnDOT.

Councilmember Piekarski Krech asked if it was known how many different property owners are involved in the alternative development area based on access. City Planner Hunting responded the action is only on one vacant property. There is future development without a change in how it was accessed. It only looks at one parcel.

Councilmember Murphy referenced the preferred plan saying it looks like the potential intersection of Amana and Argenta has a signal. City Planner Hunting responded he believed that was purely an illustration point. There is not anything planned at this point. It would come about with the Regional Visioning Study with the County. He was not aware of anything planned for a signal there. Councilmember Murphy asked if Dakota County would ultimately decide. City Planner Hunting agreed that Dakota County would decide based on their spacing standards, traffic volumes, and what type of traffic requirements would be needed. Councilmember Murphy stated he was curious based off it is proximity to Highway 55, Yankee Doodle, and Argenta.

Councilmember Gliva asked about the second alternative, if that means it is a lower density than what is already on the Comprehensive Plan. City Planner Hunting responded that was based on Comprehensive Plan guiding. It was looked at more with the type of units. There would be about 36 units total based on the Comprehensive Plan guiding. If going to apartment, which would take an HDR, they would be looking at 45+ units there. He said that would take it to an HDR which was what the application was for, to go to a higher density Comprehensive Plan designation.

Councilmember Gliva questioned if the alternative area would not be what is requested. City Planner Hunting responded the density would not allow what they are requesting with the current guiding.

Councilmember Gliva asked if a decision would need to be made if they do not know what the County is doing. If they make a decision and then something changes. City Planner Hunting replied if something changes from the County design it would probably get approved with the County and city with that adoption. He believed the city would be part of the approval process of the Regional Visioning Study.

Interim Public Works Director Klay Eckles stated the County and the cities of Eagan and Inver Grove Heights engaged in a Regional Visioning Study about 10 years ago. They looked at this whole region to make sure all of the roadway networks are planned in a way so they are not at cross purposes, works efficiently, and that all can plan efficiently for the future. He said that is now 10 years old. He said Staff has been talking with the County over the summer. Dakota County would like to update that Regional Study. He said on tonight's Consent Agenda there was approval of a cooperative agreement with the County to go ahead and get started on it. As a part of that effort, they would look at access spacing, right of way needs, alignment of different roadways, traffic volumes that might be here in the future, to know the size, scope, relationship, and rough layout about how the roadway network would be here. He said it is not going to make drastic changes from what they already know in this area. Details like they are looking at now would be something that plan would look at. If the "preferred alternative" intersection design would work with the County system and the local roadway network. He said the answers to that are not known yet, but that is what the study would be looking at. He said they are working on their side of it with city participation. It allows the city to look at our systems and the internal roadway networks and make sure they align.

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Mayor Bartholomew asked what the advantage and disadvantage was for approving the Small Area Plan. He mentioned as a Councilmember had suggested, just passing on this and putting it on the shelf. He asked what the advantage or disadvantage to that would be. He questioned if approving, if it helps the thinking down the road, if it gets an understanding of what may go in here and if it affects further decisions. He requested more information on advantage/disadvantage to approving or not approving.

Community Development Director Rand responded the advantages have already occurred in that it allowed Staff to work with professional Planning Staff and seek out the input of property owners that would be impacted and formulate a study. She said it can be clearly seen that they did respond to the Blackstone neighborhood in all the green space they were trying to design for. She said in going forward regarding if the Council should accept the study, then Staff would know the Council has paid attention, seen it, and understand it. As Staff continues to work with new development teams when individuals sell their property in the area, they have a little bit of guidance in their meetings with developers. Have them submit applications that eventually go to the Planning Commission and then to the Council. She said it is almost like setting the table and guiding. It's not directing, it's guiding.

She said if the Council chooses not to accept or adopt the Study Plan it makes things murky for Staff. Staff would have to communicate that to the development teams. That there was not clear direction from the Council. Their application could still be submitted for a large Comprehensive Plan Amendment, or not, and they would have to take their chances. She said the Council's question should be if they are comfortable with the two alternatives in terms of the way it would guide those types of discussions. If not and do not accept or adopt, that sends a message as well.

Mayor Bartholomew stated the advantage of this is that it sends a message that they would keep the buffer between the high density and lower density, keeps the trees and terrain in place. It also sends a signal to the County that their cooperation is needed with this access, or the city would have a landlocked piece that would never get used. He said he could ask the question that by memorializing this, have they already cast it in stone what would happen. He said that is not known.

Councilmember Piekarski Krech stated they want to keep that buffer area. She asked if the landowner that wants to do the high density owns the buffer area, or if they are telling another landowner that they cannot develop and they have to be a buffer area.

Mayor Bartholomew asked if that was all one property owner. City Planner Hunting responded it is one property owner that owns all the way up to the permanent open space that has the Regional Trail. There is not another landowner in between.

Mayor Bartholomew asked if that landowner has commented on this plan. City Planner Hunting responded yes; they have had quite a few discussions with Staff. They are trying to sort out and understand that it would take the further study and action from the County to determine what their density is going to be. He said they recognize that it was not the best solution to try to do some higher density with only one access point because it is not Staffs preferred alternative. They want to try to get two ways in and out of a development. If it has to go with one access point, it should probably require fewer units than even what the MDR is.

City Administrator Wilson stated if the Council desires to see higher density development close to the highway, adopting this plan gives advantage. She said Counties do not like to give access off of County Roads. If wanting to see access there where Amana comes into Argenta, having this plan adopted and

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Staff being able to interact with the County stating this is the Council's vision and desire, anticipating high density housing in the area. That would help Staff have those conversations with the County. It may not prevail but puts the city in a better position. If going into those discussions with the County about the future of an interchange there, Argenta Trail accesses, and Staff says they do not know what the Council foresees there, you can guarantee that it would be no access. The County prefers to limit access to County Roads and keep traffic flowing through and not have a lot of turn movement. She said that is something she would encourage Council Members to consider when deciding whether or not to adopt this. If that is a message they would want to send to the County, that they would like access there or not. She said that would be the main thing other than reiterating the words etched in stone, nothing about this action etches anything in stone. It's not a decision, it is an indication. Indicating to landowners, to the development market, the County, and their road planners, what the Council foresees in this area. She said if this aligns with what the Council foresees in this area, then a positive vote on this would be in order. If it does not align with what the five Elected Officials see as a likely future for this area, then not adopting it would be the way to go.

Mayor Bartholomew stated as heard, the study shows a preferred concept and an alternative development. He said the advantage is the green space buffer between what may be higher density and the single-family density. It also sets a signal to the County that they would like to see an access there. The access would help in a number of ways, not only the development of that piece of property, but also gives further access to the park that is directly to the west. He said he would hate to see this piece landlocked and down the road another Council has to run a road through the residential area just to get access to that piece of property. He agreed it is not etched in stone and commented it does help when it comes down to working with the County on access. He said some Councilmembers know that the County can be very difficult to work with when it comes to access. He said he is in favor of accepting this north area study.

Councilmember Piekarski Krech stated she would agree with the Mayor just because they only really did this plan for one landowner. It really does not affect anybody else. They definitely need an access there. She stated she said that when the park was proposed to go there. There needs to be another access into the area. For the access, the fact that it is one landowner, and not affecting anybody else, she does not have a problem with it.

Councilmember Murphy stated he thought they might run into a bit of a headache on the intersection between Amana and Argenta, but nothing that cannot be solved. He said he thought this was well thought out, makes sense for the area, thinks it allows the currently elected Council to have some impact on the vision for Inver Grove Heights. He said he would support it.

Councilmember Piekarski Krech was searching for the Resolution to adopt. She said in essence they are saying they would change the Comprehensive Plan. They would do whatever if it went to high density.

Mayor Bartholomew stated it is to consider approval of the Resolution adopting the Small Area Plan. He requested additional information from the City Administrator and said what he is hearing is by adopting this or accepting, that this will memorialize, then it is cast in stone and would have to consider changes.

City Administrator Wilson responded the difference between adopt and accept in her mind is that adopting shows a favorable view toward the plan. Accepting says they got it, it doesn't really tell Staff landowners, or developers whether the Council liked it or not. It is more neutral. Adopting signals an intent; it says with the information they have now, they agree with where this is directing development.

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If receiving different information down the road, they are not locked into amending the Comprehensive Plan in this form or fashion. If the Comprehensive Plan would come forward with a different makeup of the Council some years in the future, you cannot bind future Councils by this action. If the road access from Dakota County does not come through, they are not bound by this. If public comment at Public Hearings brings up additional issues on this site in the future, they are not bound to go in this direction. It is a signaling of intent based on the information they have available at this time.

Councilmember Piekarski Krech stated the Council adopts the Comprehensive Plan and adopts certain things, she said normally they have accepted items like this.

City Attorney Bridget McCauley Nason stated the Council could adopt, could accept the report if that is the word phrasing the Council is more comfortable with. Part of the Resolution does not include implementation of the Small Area Plans, such as directing Staff to move forward with those Comprehensive Plan Amendments. That is not what is included as the direction to Staff, it is more just acceptance of an adoption of the study. She said there is not a second ask at this time as far as an implementation phase is concerned.

Mayor Bartholomew suggested, so everyone was comfortable, redoing the Resolution and bringing it back showing the Resolution is accepting the Small Area Plan. He asked if the Council could say by Motion that is what they are doing, and the Resolution waits for a signature. He requested advice on that so they can get the wording that is comfortable with the Council. City Attorney McCauley Nason responded it would be up to the direction of the Council. In looking at the Resolution she said she sees the word adoption in the title and also in the "now therefore be it resolved clause." She said if the Council would prefer, they could move the Resolution substituting the word "adoption" to "acceptance of," so it would read "Resolution accepting Small Area Plan for area north of 55". Then under the "now therefore be it resolved clause" it would read "that the Council of the City accepts or approves the acceptance of the Northwest Area Small Plan." She said it could be modified tonight if Council is comfortable, or request that it be put on the next Agenda to reflect the Council's intention that it would be accepting, but not specifically adopting the same.

Councilmember Murphy asked if it makes a difference which word they use. City Attorney McCauley Nason responded adoption sends a stronger signal than acceptance. Acceptance is read it, received it, acknowledge they have it, it is part of the city's files. Adoption carries a bit more direction.

Councilmember Murphy stated he was comfortable with adoption.

Councilmember Dietrich said it might carry more weight with the County.

Motion by Murphy, second by Dietrich, to approve Resolution 2021-281 adopting the Small Area Plan for the area north of Highway 55 and West of Argenta Trail.

Mayor Bartholomew stated the Motion is to approve the Resolution as in the packet with full understanding the discussion had with Council Members and the City Attorney regarding adoption and accept.

Ayes: 5

Nays: 0 Motion carried.

C. Consider Approval of Resolution adopting Small Area Plan for Area South of Highway 55 near Argenta Trail. Resolution 2021-282

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Community Development Director Rand discussed the area south of Highway 55 located down the southern border of approximately 82nd Street, (should it go through the whole way), the northern border is Yankee Doodle almost to Highway 55, along Argenta Trail, and then the western border of the Small Area Plan is the City of Eagan border. She said the reason for this study area was because there are two parcel owners who are considering sale with a potential usage of light manufacturing or small office warehouse. She said that triggered Staff to realize they needed to have a better understanding of the transportation network in the immediate area. She stated they were aware that the County was intending to move forward over the course of the next 10 years and align Argenta and Alverno. There could be some changes there that could impact land usage and will impact the way utilities were constructed. Staff knew with a potential change of these uses they would still have to make application regardless for a Comprehensive Land Use Amendment and rezoning. She said the city wanted to ensure they have, for the whole general area, a good concept of stormwater management, what that could entail along with utility connections, and if it would be utilities connected with a Joint Power Agreement with Eagan. She referenced Lift Stations, who and how that was going to be paid, and where potential green space will be. She said these were all very important planning questions. Rather than moving forward with a piecemeal approach, Council approved Staff embarking upon a Small Area Plan with an RFP and eventually hiring HKGi to complete the work. She said HKGi completed the work very similar to the other plan. They visited and reached out to individual parcel owners in that immediate area (at least the larger ones that were considering making changes). They also heard from many individuals who own parcels in the area that have zero interest in changing in the near future, of which note of that was taken. She said it was important to know with a study such as this, the intent is not to force change, it is to plan for change that may come.

She stated as they move forward there was a lot of time and attention spent to utilities, the cost of utilities, and the potential for roadways and connections that would be needed if development over the next 10-20 years changes. As a result of that, this study area produced a plan with concepts. Staff narrowed down those concepts with public input. She said after they were run by the Planning Commission, Council was presented with various concepts at a recent Work Study Meeting. She said HKGi presented at both the Work Session and the Council Meeting prior. If choosing to approve the Resolution adopting the Small Area Plan to the south, the Council is not giving Staff direction in that action to move forward and change the Comprehensive Plan. It will still be case by case, individual parcel by individual parcel. This was meant as a guiding document. She said Senior Planner Allan Hunting will display maps, having a visual is important in this case, especially given that this plan would suggest some potential land use changes in the future.

City Planner Hunting displayed an aerial map of the boundaries of the area for discussion. He said it started off to the west side there were a couple of landowners that approached the city interested in doing some industrial development. The thought was to do a study of the area to determine the Council's appetite if they wanted to expand industrial eastward into Inver Grove Heights. The Eagan border is located nearby with just about all industrial development. He said a year or two ago the Council approved a change of the Comprehensive Plan to industrial. Industrial Equities built an office warehouse building on the border. They own another parcel they are considering doing something with. The other landowner/developer was looking at purchasing to develop into industrial.

He stated the Consultant looked at that to make some determinations. If that were to occur what improvements/things would need to be done to address this. One item that was looked at was streets and if increasing development potential, would have to look at potential road improvements. Through discussions with the landowner and neighbors in the meetings it was pointed out that one issue that

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has been there for a long time; the Argenta Trail and Opperman Drive to Eagan where UPS and a lot of trucks go up in a direction. The discussion was about how to improve that or what improvements might be needed. The fact that there was going to have to be some improvements there if expanding some industrial. He stated these were just concepts that the consultant did to show potential industrial in a couple of areas with future office flex that may be along Yankee Doodle Road. He said Argenta Trail was looked at following an alignment that originally appeared in an Arterial Connector Street Study that was done by Dakota County back in 2016 with the County, Inver Grove Heights, and Rosemount. It showed a potential alignment. The County Plan of connection of a wider road that would link up to Rich Valley and eventually connect down to Akron and then go into Rosemount. That is where the design and line on the map came from, it was something the County generated to get rid of those intersection points and curves. It is an improved road at some point and time, there is no timeline. It would probably be a preferred alignment and is what the consultant used as the alignment for Argenta Trail. It would probably meander through properties in some fashion and have access to industrial properties as they would need.

He said utilities were another question. The land south of the highway is in the Northwest Area Overlay District. It extends down and includes all properties that are in the Small Area Plan. That is planned for future sewer and water at urban densities, and will eventually once landowners be ready to develop or sell to developers, the guiding is residential of a low to medium density closer to Highway 3 with possibility some medium density residential. The future plan would be when the times comes, low to medium density is 4-8 units per acre. This is in the plan now, to be served by sewer and water when that time would come. Sewer and water would have to come from the north side of Highway 55, go under the highway, and extend. The current plan has it running down the power line corridor. There would be a Lift Station in the area. It would be very costly as it is another large trunk sewer and water line extensions. They do not anticipate the city would be voluntarily putting that in, it would likely be developer driven. When enough properties mass together and are ready to develop, then that line would come through.

He stated in the shorter term, there are a couple of landowners that are interested in developing sooner than later. He questioned if there was the potential without having to extend the city trunk lines. He said the answer is yes, there is potential of being served by the City of Eagan through the existing Joint Powers Agreement. Properties on that side, and in the manufactured home park, all gain their utilities from the City of Eagan. There was a property in question that could be served because of gravity elevations. If there was agreement of Inver Grove Heights and Eagan to expand the Joint Powers Agreement, this could be served by that system without having to have the Inver Grove Heights extension. He said any of the other properties shown on the boundary area would have to wait until that line comes south because of the way that land falls. It would have to go to that Lift Station and be pumped outward.

City Planner Hunting stated the plan is based off all of the existing Comprehensive Plan except for the properties that have interest in the near term. Those would require a Comprehensive Plan change to one of the industrial categories for an office warehouse type use. All of the other land uses in the area is based on what is currently existing. He said if a Joint Powers was expanded to allow one area to occur, they had to look at the balance of the area and determine if there was enough density in place to pay for their service, if the line comes south, is there enough massing here to be able to serve and pay its fair share. Looking at the numbers with a Financial Consultant, the response was yes, that would still occur. There could be a JPA, the balance of the land based on the current Comprehensive Plan could generate enough housing units to pay their fair share of the plat connection fees and utility connections for trunk sewer and water.

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He stated this is just a planning document. It takes from the Comprehensive Plan at a high level and drops down lower to flush out if applications came in. They are looking to see if the higher level makes sense for sewer and street alignments. He said another change that came out of that was a plan for a collector street to run down the same corridor as the sewer, with the power lines, it was determined they could do a more efficient collector if it extended off to the east to serve the development along Highway 3, in the center, and the area southwest of the study area. They would still utilize the same roadway frontage, Highway 55 that is in place which would be the access points to the land.

Mayor Bartholomew asked the City Planner if he could isolate and show the industrial areas. He referenced the area on Yankee Doodle and asked if that was currently residential. City Planner Hunting responded yes. Mayor Bartholomew referenced the area diagonal to them and asked what that was guided. City Planner Hunting responded that was guided LMDR.

Mayor Bartholomew asked if the property owners that own the properties where residential is are looking at a change to industrial. He asked if they have been spoken to and what their sense is to the proposed change to the land use. City Planner Hunting referenced the map and stated the only landowner that reached out to them was from one area. There were a number of pieces that were owned by the same development group and did not take part in any of the meetings. He said they did take the comment from the individual and he would like to remain in the house and does not have a plan in the future to develop. He said whenever the landowners are ready to develop, it would make sense to do some type of industrial along Yankee Doodle because that is going to be a high volume, loud street if desiring to expand further industrial.

Mayor Bartholomew asked about the piece of property that was changed in 2016. He said he felt he recalled that conversation, that there was plenty of buffer and were not encroaching on residential at that time. He said his concern was when looking at the industrial usage they are getting closer and losing the buffer between that and residential. He said that would concern him a bit at this point. He said the reason the one story went in was because they had a nice buffer and realized they had a good buffer from the residential area.

Community Development Director Rand stated the Resolution does not direct Staff to move forward and request changes in Comp Plan Amendments or zoning. This is going to be property owner driven in the future, one way or another whether the Council adopts this plan or not. She said elsewhere in the city there are business parks that are right next to residential areas. There are some very successful businesses along the airport, Carmen Way, and more recently on Old Courthouse Boulevard and Highway 55. She said she mentioned that because she knew Councilmembers worked long and hard to make sure there was adequate screening, especially for the newer InverPoint Business Park with downcast lights and hours of operation. She said that would be very appropriate if and when they get to that point. Screening can be trees and evergreens, but they are not at that point yet. Public Hearings would public opportunity to comment would still be involved. That is not what they are doing this evening.

Interim Public Works Director Klay Eckles stated there are a lot of people here tonight for this issue. He thought it would be worth mentioning for everyone in attendance, an exercise like this, although it looks like someone has done a lot of work, a lot of work was done with mapping out a plan/concept that shows where roads, lots, maybe where trees might be planted, and ponds could be built. He said this was just an exercise on the engineering side to make sure it could develop successfully and get sewer and water and build a transportation system that could serve this area effectively so that

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landowners 10-20 years from now who want to develop and get the value out of their land would be able to do so cost effectively.

He said it reminds him, if anyone has driven up through Maple Grove and has seen or heard of Arbor Lakes. He grew up in Maple Grove and that was on the map for about 40 years. It was a gravel pit and a bunch of farm fields that stayed that way for over 40 years. He said he worked there, the city was planning for that all along and were making sure that public facilities could be used and developed to serve that area in an effective way when development happens. He said whatever happens tonight, the plan is a really good exercise for the city to look closer because some people there do want to develop. It is looking at how that might happen if the Council would approve something like that in the future. He said they are also looking at if something did develop out there, what that means for all other properties and if they can still be served. He said that was the biggest benefit to this effort. Staff understands better the infrastructure needs through the area and how that would need to be applied in some way shape or form. He said there are probably 100 different planners that could produce different road layouts and different combinations of ponding and lots, which is not really what is important on the engineering side tonight. What is important is to have a better understanding of where those utilities might go in the future to effectively serve all those properties down that are zoned for urban densities at some point.

Mayor Bartholomew stated he would like to hear from residents if they wish. He requested residents keep points brief and will be limited to three minutes.

Tim Hill, 1565 82nd Street West, stated this commercial development is in their backyard. It is 150 feet to the edge of the proposed commercial property. He said they bought the place in 2019, looked at the area plans, studied it. They lived in Eagan on a 1/3-acre lot, have 6 kids and wanted space and found this to be perfect. He said they looked again a little further and noticed the city would be looking to put a housing development to the north of them where these two commercial buildings are shown. He said it was less than ideal, but understandable that they might develop there. He said within the last 12 months this has showed up as a potential option. He said it is really shocking, it is said this is just an area plan. He said he was approached by Opus to sell his property to put it on hold for a part of this. He knows they are fully intending to move forward with speed with these two buildings. He stated he works for an organization that does a lot of commercial real estate and knows that the answer for them is always the timeline. Get approved, one step at a time, every step that goes on, fewer people show up. He said the next time this gets approved, himself and the people to the north would be here trying to fight against Opus and against these two 120,000 square foot buildings. He said from his perspective there are 25 acres of woods, wildlife, deer, turkeys and would be replacing it with asphalt. It's a beautiful area, it's diverse. He said people that visit say they did not know a place like this existed in the Twin Cities. It's a special place. He asked that they please do not put those buildings in there. It does not make sense in the plan. He suggested putting the housing development there, he would love to have more neighbors. He suggested the Council vote no.

Adam Miller, 1358 Courthouse Boulevard, pointed out his location on the map stating there is currently a basin where he and his family camp. It was the first thing they cleared when they bought the property. He said his daughter just turned one in January and he was hopeful she would be able to play in their area and not have to be around any type of heavy traffic. There are already people who fly down the frontage road at 60 miles per hour. He worries about his family's safety on that frontage road. He referenced the proposed industrial parcel towards the center and stated they would be taking down trees. There are deer and turkey's that come through every morning. It is an area in the city that a lot in the Twin Cities don't know about and are jealous of because of the biodiversity that exists in this area

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and what they have. He said this is something Inver Grove Heights has that other places do not because they have taken and developed things like this. He understands this is an overview plan. He commented with building and construction, which is what he is in, give them an inch and they will take a mile on this. He said he understands there are ponds behind the proposed structure but all of the runoff would go right to him because he is in the low spot. He said the current pond fluctuates over a number of years by a couple of feet. He has already lost several beautiful old oak trees, cherries, this would take out trees that are almost 200 years old. He urged the Council to say no.

Mayor Bartholomew requested Mr. Miller point out the location of his property on the map. Mr. Miller showed the area and indicated the basin, saying it does not exist as a basin, it is a slight indent. He said putting a bunch of concrete in would cause the water to flow that way. Currently it does not because there is an old stagecoach road which is why it does not go there.

Thomas Schaefer, 8420 Alverno Avenue, stated he completely opposes this plan. He knows it is just for engineering, but they all know it starts with that. He said it was misleading. He stated on October 19th during the Council Work Session, Bryan with HKGi stated that no changes to the 2040 Plan were being proposed. He said that was not completely accurate, the zoning is changing, it would be changing from residential. He said Bryan from HKGi stated that the proposal was the best plan. He questioned for whom. He said as one of the three people quoted on the Plan on Page 135, it would appear that his comments were meaningless. He said he stated his concerns, they heard them, and then they design a road that shines right into the windows of his front door. He said he was one of the guys that responded, and they still did this. It was said it was the best plan because it was optimal for housing. He said the property is the developer's problem, not his. It is the best plan for the developer who is making money, he is not making money off of this. He said the road goes right through his pine trees, next to it he has planted a ton of trees and it goes through that too. He said there was no consideration, it is completely unacceptable. He said he has canvassed the area by his house, very few people if any, knew about this. He said Staff says they have notified people and that it is on Page 126 of the document on the website. If nobody knows about it, then the marketing department is not doing a very good job. He commented that these people should know. He said the road will not end here. None of them are asking for a high-volume road. He said they did not move out here to have a high-volume road. The people that bought those two lots wanting to sell/develop knew what the zoning was, knew the infrastructure challenges. If it does not work out for them it is too bad, figure out another plan. He said he would like the Council to stand with those in the room and oppose this plan and get a different plan. He asked that they not infringe on his property or Mr. Hill's property, it is not acceptable.

Jess Donnelly, 1712 82nd Street West, stated most in attendance are most of her boarders at her horse boarding facility. She said the road would cut right through the property. They have young kids out there riding horses. They ride down the gravel road on group trail rides. They would be starting heavy traffic when there are young kids on horses taking a nice easy ride down a gravel road and would be putting high level traffic there. She said all these people are here in support because this farm is their oasis. This is where they go, this is their therapy. She said there are 60 horses on the property, this affects more than one person on this property, it affects at least 60 people and their children. She stated the place has been here for years and is everybody's heart and soul. She begs them to vote no on this.

Mayor Bartholomew asked Ms. Donnelly to outline her property location on the map shown. Ms. Donnelly indicated her property stating the road would go right through. Mayor Bartholomew responded that would be Argenta Trail Road. He said that is a County Road but is correct that the Council participates and does have a say.

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Robin Argentieri, 8976 Alvarez Avenue, located in Marianna Ranch. She said they just found out about this last night because someone went door to door saying they were about to lose part of their park. Marianna Ranch is a public park in the city. It's beautiful, people go there for peace and get away. She stated the road would go parallel to Marianna Ranch. She questioned if there would be a busy road next to the park on a dirt road. Mayor Bartholomew responded they cannot comment on that, it is a vision that a road is going to go in there sometime. He said this is the County's vision, there is no proposal on the table to pave anything or to put a road anywhere, it is just a long-term vision by the County of where the road may go.

Ms. Argentieri commented that nobody was proposing this road. Mayor Bartholomew responded not at this point, no, it is a vision, visionary. He said once it is here, once the County sets the road and starts gathering information, does the road ultimately end up there. The fear is if it is on a map that is where the County would go with it. He said there is nothing right now in stone that the road is going to be there.

Ms. Argentieri said it is being suggested. Mayor Bartholomew responded that is correct, long term. If this follows the path it is going long term that is what will happen.

Ms. Argentieri stated Marianna Ranch, the whole neighborhood, will come with pitchforks about this. She said she is warning everybody now. She commented all people in attendance are from last night. Mayor Bartholomew responded that he understood the concern.

Brad Segura, 8670 Alverno Avenue, stated he is present with a lot of his neighbors and is really sad by this. They chose this area to move to with their family of four kids because it is remote. He agreed with Mr. Hill, it is an incredibly special area. He said the area referenced by his neighbor in Marianna Ranch is true. A lot seek refuge there. They were told when they bought that it was protected for some 99 years. He said it would be disingenuous to believe that it would not be impacted at all by a roadway right down the middle. He mentioned that there is not a road going right through Lebanon Hills, there is one off to the side, there is a lot of traffic. That would change the landscape of this completely. He thinks that would be tragic. He said he appreciated the amount of work that goes into planning something like this, it is a lot of effort. The reality is the thought that has gone into this has been thinking about what they are going to do next. He said he wants to be clear; they would be heartbroken if this happened. He said his property is 10 acres of land that they worked hard to preserve. He said their exit strategy was maybe sub developing and breaking up lots for their kids or grandkids at some point. It was not to invite industry into the area. He commented that is the biggest mistake. He said they are not opposed to having neighbors. They would take more neighbors, they just do not want industry in the area, it is not necessary. He said there are a lot of great people in that area, try to protect the land. He encouraged the Council to think about that.

Patrick Lorence, 8957 Almquist Way, said like the other Marianna Ranch residents stated, he bought last year. These are a lot of really nice homes, big lots, big houses, very expensive. He was concerned what it would do to property value when putting in two lane highways up to Yankee Doodle. He mentioned there is a day care center located at the end of the gravel road. They play out in their front yard. He has two kids ages 4- and 7-year-old that walk that dirt road every day. He said there are horses and ranches on the side of that dirt road. He cannot imagine the traffic. He said he sees Amazon trucks go through the dirt road daily, it is upsetting how they just tear it up. He said he really opposes the plan to make that into a high traffic area. He said he could see going over to the east along that side of the ranch, but this area cuts through the heart of horse riding, trails, and parks. There are tons of families

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over there. He said he never bought his house with the intention it would be turned into a high traffic area, which is what he moved from. He said he strongly opposes this and hopes the Council does as well.

Monica Pitterle, 9096 Altman Court, Marianna Ranch, said she has been here for over 20 years. She has watched the development go on. She referenced the 2040 Plan, mentioning the plans presented this evening are not in the rural residential section. She said they are in the rural residential section. She said the black line indicates the rural residential section on her copy of which she referenced. She said according to the plan shown, it should be maintained. She commented the plan is to maintain the rural character of established neighborhoods. Having the section designated as residential is perfectly acceptable, provides a buffer zone from the rural residential section which the city has committed to maintaining the rural character of the neighborhood. She said the Horse Ranch very much contributes to that as does all of the current layout of the land. She stated this would dramatically change that. She said she would hope the Council seriously considers the nature of the rural residential section when thinking about changing the buffer zone between rural residential and the industrial section.

Grant Rabuse, 7940 Alberto Way, said he lives at the property exactly north of the proposed light industrial. He wanted to make it clear that they moved out because of the environment, they love the rural area. The surprise of putting in a warehouse was found out from neighbors. He said even though their property is exactly right behind this warehouse proposal, they were never informed of this meeting tonight. It also happened two months ago. He said they had one phone call with the planners about three or four months ago, it was a conference call anyone could jump on. He said the communication needs to have some additional work done about how they really get the word out to the public on what is being proposed here. He strongly recommends they reject any additional commercial development. He commented that it is rural residential and they do not encroach on that.

Mayor Bartholomew asked Mr. Rabuse to point out the location of his residence. Mr. Rabuse pointed out his location.

Peggy Pasillas, 9928 Rich Valley Boulevard, stated she is on the other side of Highway 3. While this is not a development that directly impacts her, she has many friends there she is present to support. She wanted to reiterate that it is really important to remember why they all moved there. They moved to this area over 30 years ago, exactly for the rural countryside atmosphere they have. They raised their children here; her grandchildren are spending time growing up in this environment. It is incredibly special, there are very few people who get to enjoy what they get to enjoy. They understand it is a privilege, to live there. She commented bringing in industrial property in this kind of an area would be a travesty. The countryside is beautiful. She commented they do not need more asphalt in this world, they need the watershed, the natural environment for people to be able to get out and enjoy. Not just for themselves but for their children, and their children's children. She wanted the Council to take a long term look at it and question what they really want to have in Inver Grove Heights. It's not light industrial, it's going to go away.

Aida Schaefer, 8420 Alverno Avenue, referenced the map and stated the entire big square was her property. It's a beautiful 23 acres, roughly. She said they moved there about six years ago when the property went up for sale. Before that they had been living in Inver Grove Heights on Marcott Lake for 15 years. She said she comes here again to ask that the Council reject the proposed Small Area Plan for south of Highway 55. It's called a plan, not a study. She mentioned that many components of the plan have a direct adverse effect on her family's quality of life, enjoyment of their property, and its value. If approved, this proposal would directly benefit developers at her direct cost. She said they live there

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because they love the natural feeling of this part of Inver Grove Heights. They are zoned Agricultural. They have a barn and chickens. They started a tree farm when they moved here and planted over 2,000 trees by hand. Those trees are mostly along the edge of her property. She displayed an aerial photo of the area pointing out Alverno Avenue and her driveway. All along Alverno there are over 100 evergreen trees. She referenced the road and requests that when the city works with the County to please express opposition to the way it is aligned. She said in representing their interest, she showed where the proposed road would go and stated they would kill the trees shown and kill all the ones that are not shown on the photo. The light from vehicles would shine directly into her house. The financial viability of the utilities that are proposed to go in an area should not be her problem. She should not have a road go through her property to service someone else. She should not be damaged for that. She said it's dark where they live, there's no streetlights, you can't see your neighbors' lights. It is quiet except for aircraft, and at night, UPS noise that travels during the winter months. You can breathe fresh air and do not smell car exhaust. The big road would ruin everything in that sense. The proposed road, water, and sewer lines would carve a significant portion of their frontage taking hundreds of trees. They have two walls of trees to provide privacy. She estimated roughly half of them would be cut down plus all of their seedlings to make room for Alverno Avenue. She said it does not make sense to have an industrial development encroaching on what is residential. She requested keeping the buffer. She requested to please say no to the industrial that will create not only noise and extra lights, it would ruin the setting of a residential area that is really special. The proposal carves away portions of their property on both the northern and western borders. If they ever did wish to develop, they would be losing 10% of their land based on this. The proposal would give them light pollution, noise pollution, air pollution, a smaller property with a major road hugging their home. They bought the 20 acres to be alone, not to have a road go through their front yard. She said they are not opposed to development; they are opposed to a proposed plan that strongly favors the interests of the developers over those of residents. A proposal that hacks away portions of their property because it would be more profitable for developers in the future to do it this way. She said there are other alternatives that should be explored. Alternatives that may be more costly to developers to implement but respects the integrity of their property. She stated the city should not give preferential treatment to developers; these are their residents. She asked that the Council represent them and protect their interests. She mentioned if approving this, if anyone ever did want to develop this, instead of low density it would have to be medium. They are cutting it close already. Moving zones out of residential makes it harder in the future to meet the desired ratios.

Craig Finwall, 9202 Rich Valley Boulevard, stated he cannot show his house on the map shown, but if following the new road down it would comically go through the middle of it. He said his wife runs the daycare center someone brought up. They would not have to worry about kids playing by the busy road because they would not be there anymore. He said they have been there for 40 years and have noticed a lot of change. There used to be horse farms and horse shows on the weekend, it was really nice. He said someone else mentioned that this is the heart of the community. He said he would agree because it is the last big horse farm. It's already been sold to developers. He said he does not know how to stop anything from happening after that happens. He said nobody has more to lose than him with the road coming through but that is not his concern. He referenced an area on the map and asked if that was already zoned commercial. He asked what it was zoned as. City Planner Hunting responded it is zoned Public Institutional. It was a 3-lot plat that was going to be Churches, the Churches sold off the pieces leaving one green cemetery, industrial, and then a vacant piece.

Mr. Finwall asked if that was tax exempt. Someone responded yes.

Mr. Finwall said neither one is zoned commercial now. He said Opus owns the two areas currently shown as proposed industrial. As far as he knew Opus doesn't develop residential, they build big, huge

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buildings. He commented there was no way that Opus would put residential there over commercial. He said he assumes this plan would be the first step in that direction to see what would happen. He said he believes the road was a separate issue to be addressed at a separate time. He referenced the parcels that wanted industrial stating those would be the first step and needs to be addressed first. He said everyone here is against that area being commercial. Especially Tim who bought his property assuming he would be next to houses. He said he did not know if there were restrictions once it is zoned commercial. He questioned noises, smells, and what type of company could be put in that spot. He asked once it is zoned commercial, if it ever gets zoned commercial, if there is anything they could do as residents to stop a particular business that might be noisy or smelly from going in there. He asked if there was any sort of mechanism for them to stop that from happening.

Mayor Bartholomew responded they are not going to answer the unknown, there are conditions that can be put on any development (Conditional Use Permit) to hours of work. Those will come at the time of plat, if there ever is such a plat. He said Mr. Finwall is opposed to this, does not like this plan for very good reasons.

Mr. Finwall referenced the center location stating he would like to see this stopped immediately, without even moving forward without it being changed to commercial in the future.

Saket Gupta, 8879 Alverno Avenue, stated like Mr. Hill, he and his wife moved there in 2019. When they came to the area, they saw Mr. Hill's property and the ranch, they fell in love with the place. They had just started their lives together and said this was the place they wanted to have kids and bring them up. He said this proposition goes against what all the residents moved here for. He said he sees a lot of kids playing in these areas, in the future his kids would too. He said the whole plan could run from 6-8 years; it will not be done in 2-3 years. For 6-8 years they would be having a cloud of dust from the construction, fumes from the asphalt construction. He mentioned as residents of the area what is not shown here is what the area currently is, it is filled with trees and deer, all of that would be totally destroyed. He said they do not want that near their homes. He pleaded to the Council to please not approve this.

Kassandra Fries, 7920 Alberta Way, referenced her property on the map displayed commenting it seemed like they would not be affected where their house is and the view, but it would impact their lives immediately if the road and the industrial area went in. She said the living area of her home would face directly into the proposed industrial. There is a bit of a tree line separating the two parcels but in the winter the trees would be impacted. She said her husband is a landscaper and they have discussed what they can do such as plant evergreens to give more buffer. She said if it were an industrial area it would not matter. She commented they loved the idea of it possibly being developed into homes. She said if this is approved as an idea as a future plan and those were not going to be homes it would be tragic for the area. There are deer and turkey that go through her backyard. She said they just purchased the home last year, the people before them hunted here. This would completely change everything about their daily lives. She said she has concerns for everyone, the daycare, people with the horses, everyone that has these beautiful lots and acreage. She asked the Council to please vote no on this.

Mary TKach, 7848 Babcock Trail, said she came to this meeting tonight after hearing about Small Area Plans for the first time at the Council session last week, she did not think there would be anyone here. She was glad to see all these people here. She said clearly people do not want this development in the way it is being proposed. She said this development will not affect her. She asked how they as a community think differently about this, go back to the drawing board, and ask what if. She was unsure

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what those in the room would think about it. She mentioned what if they try to preserve more of the green space everyone loves out there with higher density condensed to more thoughtful development, instead of spreading everything out and look at what the opportunity is to make it something special for Inver Grove Heights. She said the city is a special place, there is incredible geography, it is incredibly difficult to develop the northwest area, it is expensive because it is beautiful and has topography. She asked if they could go back and rethink this, work with the neighborhood. She said the fact that many of these people only heard about this recently tells her that community engagement is not happening in a way that is engaging the community up front. She asked that Staff, Consultants, and Council rethink what the possibilities are because when it has gone it is gone. That is all there is.

Terry Swanson, 8660 Alvarado Court, stated he is in an area just below the medium density housing development. He said they moved here in 2007 from Eagan where they lived since 1991. The big draw for them was the wide-open spaces, being able to connect with nature in an area that is so close to other things the city and suburbs have to offer. He said over the time they have lived here they have seen deer, turkey, mink, owls. It is a beautiful area. As a house owner who boards at the ranch, they have the ability to ride their horse from the ranch through their backyard and through neighborhood trails. If approving the industrial zoning he worries it is a first step to the entire neighborhood changing its entire character and moving from quiet. They do not have light or noise pollution other than the airport. It's a dark beautiful area, a wonderful place to live. He said he thinks this would be the first step to totally changing the character of the neighborhood. He said he politely fully asks to please not change the zoning on the northern part of this development, it would be the downfall of the entire neighborhood going forward if that happens.

Mayor Bartholomew said if there is nothing further from residents the Council would be speaking more with Staff and considering the request. He said he appreciated the input, the time, and everyone who came out this evening and being respectful to the proceeding, to Staff, and to fellow residents.

Mayor Bartholomew said he likes the buffer between industrial and residential, that is important to him. When the other building came in years ago, the buffer was there, and it made sense at that time. He said this is just a plan. His concern is that it starts memorializing, gets them to a position where they are forced down a path, they do not want to be in. He said he would like to keep this area rural and keep it large lots. He said it was the plan all along to be large lots in this area. An encroachment on this is tantalizing, its tax base, and good employment, but if the impetus is for that to happen someone comes in and buys the whole piece. He said they cannot keep encroaching because it keeps pushing and pushing. He said they are going to have to come to some kind of conclusion/decision on this and vote this evening. He said his input at this time is that there are too many things wrong with this plan, there are too many conflicts. He is hesitant to approve a plan that is flawed and can cause further roadblocks down the road for development and enrichment. He said as a resident said earlier, it is time to draw back and take a deep breath, see what they can do and be innovative so that all stakeholders enjoy the property out there. He commented they do get some property, do get some tax base. There is opportunity for tax base but have to keep a buffer.

Councilmember Murphy commented that he agrees. He would appreciate the tax base, all of Inver Grove would, but he does not think they are quite there with the south side unlike the north side. He said he thinks this causes more problems than they anticipate at the moment. He stated as it sits now, he cannot support adopting this.

Councilmember Gliva stated she agrees with both comments Councilmember Murphy stated. The Small Area Plan on the north side was a lot easier, smaller area, landlocked, something needed to be

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done, she thought it was a good proposal. She said she cannot see putting two large industrial buildings where they are right now. She said she is someone that is pro commercial, getting businesses to come to Inver Grove Heights. She cannot see it in this spot.

Councilmember Piekarski Krech stated this reminds her of an area similar to the east side of Robert Street in the northwest area. Plans were drawn up, engineers said they could do it and would look wonderful when in reality it just does not work. She said shame on her because she did not realize that they had planned this type of development south of 55. The Council's purview was always with all the Comprehensive Plans they did, that large lots were south of 55. They were not doing sewer and water south of 55. She said when this came in, she did not realize, until she started looking at this, that they had planned sewer and water south of 55 in this area. She said understands butting up to Eagan and some of that property being industrial, she cannot see industrial anywhere east of Argenta. She said the County is just going to have to work with the city on putting roads through. She said they do have a say, residents have a say. She asked the residents to please keep up on this and watch the County information that comes out with roadways and other things, it does not just affect some people it affects all of us. She said they need input; they have to get input on those types of things. She said she has thrown temper tantrums at various time with various officials. She said she understands, people do not buy large lots just because they intend to develop. Perhaps developers did, but there are people who own land because they value the land. She said she thought that was what the people are trying to say, they value the land there, not the development proposal for it. She said she would hope that we as a community value the community enough to say that they are not going to be a Woodbury or Eagan, not going to blacktop and build on every piece of property. They are going to keep those spaces and protect the Marcott Chain of Lakes. She said with this proposal when the consultant told her they just grade it all down, she was taken aback. When grading it all down, there is a chance that the chain of lakes would be affected. She said if any have seen the last chain on Grannis's and Mr. Lindberg's property, which is a gorgeous crystal-clear lake, she doesn't want to be a part of possibly destroying that.

Councilmember Dietrich thanked everyone for coming this evening and taking the time to care about our community. She said she is an advocate for industry, but not in this particular location. She thanked them for their fundamental concerns and said she would be advocating for those.

Motion by Piekarski Krech, second by Murphy, to deny the approval of Resolution 2021-282 adopting Small Area Plan for Area South of Highway 55 near Argenta Trail.

Ayes: 5

Nays: 0 Motion carried.

Mayor Bartholomew suggested the Council take a 5-minute break at 8:01 p.m.

Mayor Bartholomew called the Council back in session at 8:08 p.m.

D. Consider Approval of Park Dedication requirements for Peltier Reserve development; revised development contract for Peltier Reserve; and encroachment agreements. Resolution 2021-283; 2021-284; 2021-285

Community Development Director Rand stated on August 9th, 2021 the Council approved a final plat and Development Contract for a development referred to as Peltier Reserve. These consist of single-family homes; the plat also has a future phase apartment building proposed. The Development Agreement made references to additional details that Staff determined needed further discussion and

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bringing back to the Council. This could include Engineering, Legal, Parks and Recreation. She referred specifically to the Resolution adopted on August 9th, approving the final plat, it states that Council is required, by separate action, to determine final requirements for land dedication and/or a cash in lieu of land dedication to satisfy the park dedication requirements of the plat. She stated Staff references some phasing that the developer would like that needed more clarity. That information is available tonight via documents with three separate Resolutions where that is clarified. There are some encroachments that need to occur for this development that have since been worked out. Those details mean changes to development agreements and request that Council approve them. There are three separate Resolutions.

She said she would like to provide more detail on the Park Dedication breakdown that is being clarified this evening. She said there was some confusion in statements Staff made over the course of the last month. Staff did go back and look at the Council's intent and minutes. The City Administrator and City Planner went back over meetings and transcripts to make sure they got things correct. She said she believes they do have it correct now. With respect to the Park Dedication breakdown, what is in front of the Council to memorialize, should Council approve the Resolutions, there would be approximately 6.5% of Park Dedication requirements met in the entire plat excluding the apartment building as a park dedication. This was the two lots that might have been homes, instead the developer indicated on the plat they would be dedicated to park. There is the left over 93.5% that would be park dedication met through payment in lieu of land dedication. She said at a future date they want to memorialize and make it very clear that 100% of the park dedication requirements for the apartment, which is a future phase, will be met by cash, not park dedicated land, but cash payment at a future date.

Community Development Director Rand mentioned included in the Council packets are specifics regarding phasing because that impacts when the developer pays park dedication fees. She said Staff wanted to get specific for the Council and should thank the City Attorney for that along with City Planner Hunting verifying those details. They worked along with the Attorney of the developments team. She stated Mr. Melvin Moore representing the development team is present tonight if there are any questions. She said City Attorney McCauley Nason is the representative if there are details and questions beyond what is included in the Council packets. In summary, there are three Resolutions Staff is recommending for Council approval this evening:

1. Approval of the dedication fees for Peltier Reserve.
2. Approves execution of revised Development Contract for Peltier Reserve.
(To note: Both of these get to the phasing; what is being phased in the development, which roadways, and legal descriptions). She stated the most important point heard from the Council that they wanted clarification on, in these Development Contract revisions, is that the park area would be prepared by the developer with retaining wall and certain grading. In this case it is on record, should Council approve this tonight, no later than October 1, 2022.
3. The encroachment agreements giving the developer the opportunity to place things like monuments identifying the development. (Standard for this city and other communities but wanted to make sure those are clearly stated in the development agreement).

Community Development Director Rand stated if she were speaking directly to the public, she would suggest that this is to clarify what their expectations are as a city, for the City Council, and for the development team going forward so there is not anything murky. She said she believed the City Attorney has done a really wonderful job drafting these. She recommends approval.

Mayor Bartholomew stated he appreciated the thoroughness with looking back at that park dedication. He said he was fairly confident, as well as other Councilmembers, that they had made it clear they were

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not going to offset the cash in lieu of or the dedication by property that had easement on it. He said he was glad they got that resolved, it is a good Resolution.

Councilmember Murphy asked how they got it resolved. He asked if was resolved with more cash. He said when looking back at the minutes, he did not get a chance to do it, but when looking back at the minutes the Council had one intent and ended up signing a contract and fixed it with more cash. Community Development Director Rand responded that is what happened. The park dedication is cash payment. The land is where there is a pipeline easement. There was discussion/debate on whether that could contribute to park dedication acreage. That is not happening in the agreements before the Council tonight. She said that will be considered parkland in the future in the extent that it will be considered an outlot and fully dedicated. She said what they have all referenced is with that pipeline, there is only so much they can do on top of that land. They will not be constructing anything permanent other than perhaps some access points and are requesting that the development team will seed it and serve as green space for individuals to play on. She stated the developer now, in these agreements, is paying more in park dedication fees.

Councilmember Murphy said he believed the developer was Builder's Lot Group. He asked if the developer was aware that the mistake was made. He asked if there was ever a conversation had with Builder's Lot Group. He said it seems that two large groups of individuals missed it. He was curious if the developer brought it to our attention. Community Development Director Rand responded the City Attorney would answer that question as she had the conversation with the Attorney representing the development team.

City Attorney McCauley Nason stated when the Council approved the final plat in it is Resolution of approval that Council approved back on August 9th, there was specific language regarding the park dedication requirements. It specifically required that "the park dedication requirements for land dedication and cash in lieu of land shall be recommended by PRAC (Park and Recreation Advisory Commission) and determined by the City Council by a separate action and the Development Contract shall be revised accordingly." She said the final plat contains something called "Outlot L" which is the "L" shaped piece. That was a revision from the preliminary plat. The preliminary plat had some outlot configuration up there and those two buildable lots. Following Council direction, after the preliminary plat was originally presented to the Council, what came back then was a proposal for land dedication for a park. The proposal is the entire Outlot L. She said a significant chunk of Outlot L is encumbered with the Magellan Pipeline easement. She said as she recalls, there was conversation about what they could do on top of that easement for maybe walking trails or open space. It not going to be developed with playground equipment for a variety of reasons (topography and the easement). She said what was contemplated at the time was that there needs to be a calculation of these park dedication fees. Code allows park dedication requirements by land, cash, or a combination of land and cash. Staff engaged in an exercise and back and forth with the developer regarding that piece and applied the provisions of the Code that state that land may be eligible for partial dedication if it is otherwise unsuitable (word used in the Code, she said she hates to use it) for park purposes. There was a calculation made, there is a value attributed to essentially a portion of Outlot L that is what those two lots were. There was a calculation of what the primarily usable portion of Outlot L is. That is that 6.5% of park dedication fees that are being met by the 1.3-acre Outlot L. Then the remainder of the park dedication fees will be paid and met by cash. The value of that park dedication fee is \$30,549.30. That is the value ascribed to the 1.31-acre parcel. It is based off of the .43-acre portion of that partial parcel that is where the park is proposed to be located.

She stated the developer is receiving partial credit for the entirety of Outlot L at the value of the \$30,549.30 amount. The remainder of park dedication fees for the site excluding the future apartment

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building site is \$435,000 in cash. The cash for the Phase 3 apartment building site, dedication for that apartment building site will be met by cash and paid at the time of Building Permit development for that apartment building. She said the calculation in the memo included with Council materials is based off the assumed and presented residential unit count of 181, of which could change.

City Attorney McCauley Nason stated if looking at the math that went into this, if the developer had provided only land and no cash, the calculation of required land dedication excluding the apartment building site was about 6.5529 acres. They are essentially getting credit for .43 acres which is the adjusted usable area of Outlot L which is actually 1.31 acres. They are making up for that in cash for the encumbered portion of that lot.

Mayor Bartholomew commented that considers also the two lots that they have added to the outlot. He asked if that was included in the calculation. City Attorney McCauley Nason responded Outlot L is 1.31 acres. The size of the two-house building sites that were forgone in order to create this park is .43 acres.

Councilmember Murphy stated the total is 1.31. City Attorney McCauley Nason responded the city is getting Outlot L deeded to the city for park. That outlot is 1.31 acres. Inside that 1.31-acre outlot, the whole area will be for park, included in that is the two-house sites as shown on preliminary plat.

Councilmember Murphy asked if 1.31 acres was the size of the park. City Attorney McCauley Nason responded 1.31 is correct.

Councilmember Murphy asked when they went back and researched this, did not the two acres come up constantly. He said he remembers roughly two acres for a park. He asked if that did not come up. He said there is a 1.31-acre park for all of the people over there and we want to slow down building it.

Councilmember Dietrich thanked Community Development Director Rand for including the information on park dedication because she knew that Councilmember Murphy had requested it. She said it was nice to see that and she anticipates seeing it in the future. She said her question was on the second portion, the revised development contract. She asked what the timeline was on those phases for the public to be aware of. Community Development Director Rand responded she would locate that information.

City Attorney McCauley Nason stated there are a number of different trigger dates within the Development Agreement itself. Once the work on the public improvements within each phase commences it has to be completed within 18 months. For example, if the developer comes in and immediately starts construction on Phase 1A and then 1B, they have 18 months to complete construction of that phase. She said there is not a set date that says you have to start Phase 2, 3, or 1A or 1B, 2 or 3, by any specific date. There is not a specific date to commence construction. There are specific dates around what the developer has to do with respect to public improvements to get the city access to its park site. If the park site is located within the Phase 2 development area, and the developer has committed to honor before October 2022, having the roads, curbs, and gutter in, and having the site graded so at that point the site would be accessible by members of the public or others. With respect to when the developer intends to begin those improvements, she would defer to the developer regarding their proposed schedule, but there is nothing that requires them to start those. Mayor Bartholomew mentioned there is in the document a date certain as to when they have to have access to the park, which is 10/2022. City Attorney McCauley Nason responded that was correct. By that time, they would have to have all of the public roads and infrastructure in and up through because

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the infrastructure goes under the roads. That would have to be done by October 2022. She said her understanding is the developer's intent is they are trying to get in the ground as quickly as possible. This is the last step before they are able to close on the property and hope to have model homes up in short order. They will be working on progressing through the development.

Community Development Director Rand displayed a color-coded diagram showing the various phases. The darker blue color in the corner is intended to be the first Phase A with Phase B, the lighter blue, directly across. She said the park area they have been discussing cuts into the Second Phase. She stated as the City Attorney referenced within 18 months, or most importantly, the city would have access no later than October of 2022. The final phase included the apartment building.

She mentioned that some people have asked why phasing. She said the developer could probably respond to that, but she knows there have been some challenges for them with respect to construction materials due to the pandemic and other transportation supply chain issues. She said that has been a factor for them in addition to what is happening with Argenta Trail, 70th, and some of the construction issues there that the County is determining. The development team has been working very closely with the city engineer team as they grade the site and start to move forward with what they hope will be the installation of utilities. She said phasing is very common with a larger development such as this. As noticed in the agreements, fee payments are tied to the phases. She said if the Council would like the developer to come up and give a more detailed explanation of phasing for the Council, she believes he would be happy to do that.

Councilmember Dietrich thanked Community Development Director Rand for the map. She said she understands that phasing is fairly common, it is just that it was presented late in the game when talking about a minimum of six years to develop this area. She does not see the supply chain issues in those types of things are going to be warranted. She said any insight from the developer would be appreciated as long as it is contractual information that is in black and white.

Melvin Moore, 14560 Wilds Parkway, Prior Lake, Minnesota, stated they were asked as they were working through details with city engineers, County, and some of the city improvement work that was happening, to tie into the future work happening off of 70th. There is about 25-35 feet of cut that has to go there. He said they have been working specifically with Tom and a number of people over at the County in terms of when that work would come forth and when they can tie into that work. He said that was one of the issues, supply chain issues were another issue. They thought they could manage through that. He said they believe they will have about 85-90% of the development in at the end of next year. That all depends on what is available in terms of pipe. They will move through Phase 1A and Phase 1B mostly this year. They would move into the park area in early spring next year. He said they have to get lots to the builders; they are incentivized to get that done. The timing that has come forth inside of the developer's agreement is mostly influenced by engineering and Staff, making sure that they do not have an event that takes place that they would need to come back before Council and ask for additional time. He said they do not expect that, this is a 6-year project, if they could not manage it within that period of time it would not work for them economically either.

Councilmember Dietrich stated to clarify, the phasing was brought forth mainly from encouragement from city Staff and the County. Mr. Moore responded it was collective. They actually set a meeting with Tom Kaldunski, themselves, and the County. Their contractors were also a part of that meeting. He said early on there was an issue with pipes. There are two different pipes, some PVC some non-PVC pipe, going into the deep sewer area. Some of those cuts for deep sewer are more than 30 feet deep. As a result, some of that material is not available and was not available for one year out. He said they were

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able to get some of that material from a group out of Kansas. They were able to move forward with Phase 1A and Phase 1B. He said they needed to pay more to get the material that was previously not available. He said in their discussions they talked about material shortages, projects that are going on behalf of the city, on behalf of the County, realignment of the power lines, realignment of Argenta Trail, realignment of 70th, and the cutting of 70th Street is approximately thirty feet. Some of their projects would have come in ahead of that and subsequently they wouldn't have been able to tie into those or they wouldn't have been tied into them timely.

Mayor Bartholomew asked Mr. Moore if he had any questions or concerns regarding what was said by City Attorney McCauley Nason regarding the park dedication breakdown, revised development contract, and the encroachment agreements.

Mr. Moore responded he had a couple of comments. He said he understands the number of stakeholders involved in this process. He said he does not envy the work the Council or Staff has to do with all of the individuals that come forth whether it is the public or developers. He said they have enjoyed working with everyone as a part of the process. He referenced Allan, Tom, and the City Attorney. He said there were certainly conversations they did not necessarily agree to or understood as a part of the process. They have worked diligently together to resolve some of those issues as they came forward.

Mr. Moore stated the pocket park created more issues than they all could have imagined initially. He said he thought there was an opportunity for themselves to give up land and have less cost as a developer. He said their net cost as a developer is greater than what the city would have charged them for park dedication fees. The city has received more money. He said what is not being counted as a part of that is that they are putting in another \$200,000 or more in grading and retaining walls. He said the net gain to the city is greater than what city would have received just as a park dedication fee. He said he thought there was an opportunity for them to revisit some of the land around the apartment complex. He said the city's interest was recouping the cost associated with the northwest area improvements. He mentioned that they could have given up some of that land and not had some of the expenses they have incurred as a part of this. He said their net overall cost is probably about \$1 million dollars when thinking about the fees they are paying, the work they are doing, and the lots they lost. He said they have agreed to that and are happy with the Resolution. He said it was a very precarious situation they encountered relative to the pocket park.

Mayor Bartholomew thanked Mr. Moore for his candor, for assisting Staff, and for developing in Inver Grove Heights.

Mayor Bartholomew stated there were three Resolutions to consider. They can be taken all at once or one at a time. Councilmember Piekarski Krech stated she would be comfortable with moving all of them unless someone wants something pulled specifically.

Motion by Piekarski Krech, second by Dietrich, to approve Park Dedication requirements for Peltier Reserve development; revised Development Contract for Peltier Reserve; and Encroachment Agreements. Resolution 2021-283; 2021-284; 2021-285

Ayes: 5

Nays: 0 Motion carried.

Administration & Finance:

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E. Consider Resolution Approving the 2022 Medical and Dental Insurance Premiums and Contribution Rates. Resolution 2021-286

Human Resources Manager Janet Shefchik stated tonight they are asking to approve the city's contribution amounts toward Health Insurance for 2022. Highlights follow:

- The city currently has 165 benefitted employees.
 - Expect to add 10-15 in 2022.
 - 9 of those are supported by Grant Funds.
- The city goes out to bid for medical insurance every five years. (Legal requirement is 60 months) or more often as needed.
 - Went out for bids in 2020.
- From that process Health Partners was chosen to continue with.
 - Their rates were comparable to, or better than the competition.
 - Have a history of good service from them.
- For the current plan year, 2021, they experienced a 7.6 reduction in Health Insurance Premiums.
- For 2022 they had a rate cap guarantee of 9% from Health Partners.
- Final 2022 rate proposals came in under the cap with about a 5.38% increase with no changes to the medical plans.
- The city requires employees take at least single health coverage to keep the group size viable.
 - Because the city requires it, must pay 100% of the single coverage in at least one of the two open plans.
- Single +1 and Family coverage premiums have become cost prohibitive for many of the Staff and mid-level positions, those with moderate incomes, single parents, etc.
 - This can be difficult to attract and retain employees who need this level of coverage.
 - The city absorbed the full increase with cost to single coverage, but as their Union Contract stands, they are not obligated to pay any of the cost increase for the Single+1 or Family coverage.
 - For the city to attract and retain employees from all backgrounds, it is important for them to look at the affordability of medical insurance for those with Dependents as well.
 - Reviewed the level of contribution toward insurance by other cities and analyzed the budgetary impact of various scenarios to improve employee affordability.
 - In addition to continuing to pay 100% of the single premium, the only change the city is proposing tonight is an increase in flexible compensation from \$330.20 per month to \$386.10 per month for participants at the Single +1 and Family coverage.
 - While the increase is not likely to cause employees with Single coverage to jump to Single +1 or Family, it may ease the burden for the 32 employees who are currently enrolled in those Dependent plans.
 - The city will continue to analyze affordability of its plans as they go through the next year and beyond.
 - If approved tonight, the city would hold Open Enrollment from October 27th through November 12th.
 - Unions may sign a Memorandum of Understanding in order to accept the increase in contribution above those in their existing Contracts.

City Administrator Wilson presented a portion of this item because she is asking the Council to consider a change from the minimum of what they are currently obligated to do. The City's Union Contracts are settled for 2021 and 2022. With that, they are not obligated to provide an increase in the city's contribution to Health Insurance other than to continue paying 100% of Single. With the renewal

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received the city would pick up all of the cost increase for Single coverage and the vast majority of employees who take Single coverage would see no increase for their benefit cost because they do not pay anything. She said the employees who take Employee +1 or Family coverage would see a fairly sizable increase.

She mentioned she would use the Family Plan as an example because it has the greatest number of impacted employees. Out of the 32 employees impacted by Council action this evening, 19 of them are in the Family HSA Plan, which is the lowest cost Family Plan the city currently has available to employees. For 2021, those employees are paying \$487.61 a month out of their paychecks for that Health Insurance. If Council opts to not make a change and go with what they are contractually obligated to provide, their cost will change for 2022 to \$580.19. She requests Council to consider a slight increase in the flexible cash benefit which would allow their insurance instead to cost \$524.29. She stated it is still going up for those employees, it would just moderate the amount in which it is increasing.

Councilmember Piekarski Krech asked what the budget implications would be.

City Administrator Wilson responded the city provides a contribution toward insurance that goes part of the way, and also provide something called "Flexible Cash Compensation." This is a dollar amount/lump sum employees can use to further offset costs of their Health Insurance, Dental Insurance, additional Life Insurance, Short Term Disability, and some of the other benefit offerings that are on the menu for the City of Inver Grove Heights.

- Currently provide more Flex Cash to people taking Single Coverage at \$386.10.
- Employees who take Employee +1 get \$330.20.
- Family also gets \$330.20.

She is suggesting equaling those out at:

- \$386.10 that is currently provided to Single.
- It is \$55.90 a month more out of the city's pocket to the advantage of those employees taking Employee +1 and Family.
- $\$55.90 \times 12 \text{ months} \times 32 \text{ employees (estimated)} = \$21,465.60$

She mentioned she has 32 employees estimated because they will be running Open Enrollment and it's always possible an employee could shift toward Employee +1 or Family or shift away from those plans depending on what else they have available to them in their personal circumstances. She stated they can afford the \$21,465.60 cost because the city had budgeted for the rate cap which was a 9% increase.

- If choosing to leave the city's contributions alone, the city would realize a savings of approximately \$34,000.
- If choosing to adjust this Flex Cash, the city would spend \$21,500 of that \$34,000 savings, so the savings goes down to \$11,500.

Councilmember Piekarski Krech asked how often they have to re-evaluate or go out for bids. City Administrator Wilson responded the State requires Public Sector employers like the city to seek bids at least once every five years. They can seek more if they choose. There is a little bit of risk/reward, some insurance companies will not bid on you if you seek bids every single year, they think it is not worth their time. She said they are always trying to figure out if it is worth going out to bid. That is on the total cost. They negotiate with Unions the city's contribution toward that total cost. That varies with the life of the Union Contract. In this case, they have a 2-year Union Contract.

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Councilmember Piekarski Krech stated even with the HSA, the per person deductible is unbelievable. She doesn't think \$55.00 is overextending what they give employees at all. She said health insurance is something many of them just cannot understand or can figure out. She said she was just curious on how often they have to go out. She said the St. Paul School's just went out for the first time in 10-15 years and changed their insurance provider, they left Health Partners.

City Administrator Wilson stated the only exception to the rule of going out is there is one statewide consortium called the Public Employee's Insurance Plan. If on that statewide consortium, then you are exempt from the 5-year requirement.

Mayor Bartholomew stated his sense is that the employer paid benefit of health care is probably one of the best benefits that you can give to an employee and is the best way to keep employees when you consider the amount of the premium that is paid by the employer that is then exempt of employer/employee taxes. That dollar goes along way. He said he fought the battle many times with Boards stating they should consider making sure our benefits are as strong as we can give them, and they can recoup and keep labor costs down. He said \$55.00, and still saving the \$12,000 versus the \$34,000. He said all of the indicators are that it makes sense. He said he thinks it is a good idea and he would support.

Councilmember Gliva asked if anyone has calculated the percentage that the city is paying on family, from a Best Practice. City Administrator Wilson responded yes; she does not have it in front of her at this time. She said she believes their percentage in Inver Grove Heights is a little on the low side when comparing to other metro cities. She felt they were 69-70%, or something closer to 75% would be more industry norm. She said they would have to continue to take a look at this as the labor market goes, insurance prices go, to see where they want to be. This is what she considers a small adjustment given they already have Contracts settled and where they are at with their budget season.

Human Relations Manager Shefchik provided City Administrator Wilson with some figures. City Administrator Wilson referenced those statistics and stated we are lower. For the more expensive plan they are below 70%. She said she would double check those numbers before going on record.

Councilmember Murphy stated it makes perfect sense to him, it makes sense that they structure it regardless of family size, they are all the same. He said he does not understand the theory behind the other way it was done but likes that they are the same now regardless of family structure. He said he agrees this seems like the right thing to do right now.

Councilmember Gliva mentioned she had a conversation with Finance Director Amy Hove and said there is a difference in how the city does the Flex Cash. From her experience, she has not seen this way before. She said all single premiums are paid, and the Employee +1 and Family have theirs paid. But then the difference of the \$386.00 because the Family and the Employee +1 premiums are reduced and then they pay the difference. The single person gets the extra \$386.00 to be used elsewhere as compensation or dental. She asked if that was correct. City Administrator Wilson responded that was essentially correct and agreed this is somewhat unusual from the plans she is familiar with today. She said that Inver Grove Heights has held onto the idea that "here's a chunk of cash spend it on whatever benefits are on the menu that you want to spend it on." She said this city still has that while maybe other employers, as health care costs have gone up, have moved away from that.

She said to present both sides of the argument she has heard it at the negotiating table in other cities she has worked for and assumes that the perspective is shared by some here. She stated for example,

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she is a Building Inspector and there is another Building Inspector, she questioned why the city should be spending more on your health insurance because you have a family then they are spending on her health insurance. They are both doing the same job, they should both be getting. She said they are not purists on either side of this. This is a negotiated spot in the middle.

Councilmember Murphy asked if they are not closer under the proposed monthly Flex Cash scenario. City Administrator Wilson responded no, because of the other contributions that are made toward premiums directly, we spend more.

Councilmember Piekarski Krech asked what City Administrator Wilson needed the Council to do. City Administrator Wilson responded there is a Resolution that reflects this recommendation. If preferring not to take this path Staff would be back in two weeks with an alternative Resolution.

Motion by Piekarski Krech, second by Murphy, to approve Resolution 2021-286 Approving the 2022 Medical and Dental Insurance Premiums and Contribution Rates.

Ayes: 5

Nays: 0 Motion carried.

7. PUBLIC COMMENT:

Benjamin Stone, 1378 66th Street West, stated over two months ago, on August 23rd, he questioned how can a lot guided for medium density residential land use be compatible with R-3C Zoning, the very highest density zoning. Earlier this month he brought this question up to the city Planning Commission. He said two weeks ago he asked this Council for clarification of the City Code regarding the density requirements. He said he emailed the City Attorney, the City Clerk, emailed the City Clerk a second time, which he then did receive a reply saying Staff is working on a response and he should hear back from Staff within the next week. He said that was a week and a half ago. He mentioned that today he received an email saying there would be a meeting later this week, after which someone would get back to him.

He said the City Codes appear to be clear regarding the density requirements for each Zoning District. These density requirements exist for a very important reason, without them the city could essentially grant a developer any type of residential zoning for any type of residential designated land use. He said as he is interpreting City Code, R-3C Zoning requires that the specific lot it is being requested for have a density greater than 12 units per acre. He said he has a very straightforward question, is his interpretation of the City Code legally correct. If not, why not. He said nobody has been able to provide a straightforward answer. He asked the Council to please help him get clarification on this matter. Mayor Bartholomew thanked Mr. Stone for his question and comments. He said he would contact City Administrator Wilson tomorrow and find out where they are at. He said he would also talk to City Attorney McCauley Nason and see where they are at and get an answer to Mr. Stone. Mayor Bartholomew addressed the City Attorney and the City Administrator and said he would reach out tomorrow and see if they can close the loop on that and get an answer to Mr. Stone.

8. MAYOR AND COUNCIL COMMENTS:

Councilmember Dietrich provided an update stating they had their first meeting of the Pavement Management Citizen's Task Force last week. It was well attended and well organized. There was a pretty specific agenda they followed and elected a Chairperson and two Vice Chairs being Co-Chairs. They discussed the plan for what the Task Force would look like over the next few months. She said City Administrator Wilson was there and spoke about roles and etiquette. She mentioned that Interim

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Public Works Director Klay Eckles provided a lot of information and there was other Staff there. She said Councilmember Murphy was also in attendance. She said she was really excited about this Task Force and the citizens that are a part of it.

Councilmember Murphy agreed and stated it should go very well.

Councilmember Gliva stated on Wednesday she went to the MLC October Board Meeting. While there she listened to Representative Jim Nash who was on the Legislative Commission for Affordable Housing. She said all of the things they discussed last year with the Minnesota League. The proposals would still come Legislatively at the State level to produce policies to look at how the city operates the city land use. She stated Representative Nash's goal was to make housing affordable in the fact that in this day and age you cannot build a house for roughly \$350,000. They would like to see ways they can entice developers. It would be a statewide type of action, policy, or law how cities would entice builders. She said she was unsure if it was through TIF or whatever that might be. She said they were very concerned about the affordability of homes right now. She said the MLC takes a very different approach, they want to instead of saying affordable housing, they say let's make housing affordable. She said this means a wide variety of homes and getting more people in homes to get them grounded in the community, invested in their home, building equity so they can do what everybody, like what she did, start in a Starter Home, have kids, get to another level, and keep growing. She said there was a lot of concerned members in the group that consists of city Staff, such as Mayors, Administrators, Councilmembers, which were a little concerned with that. She said it is not going away, its out there, and would be talked about in the near future when they get back in session.

City Administrator Wilson stated they will be interviewing candidates for the Parks and Recreation Director position a week from today, on Monday, November 1st. There is a reception at the Veteran's Memorial Community Center from 4:00 to 5:30 p.m. in Community Room 3. She invited the Mayor and Council to join them. She said she would make sure the details are in their Friday update as another reminder. If wanting to meet the Candidates, please stop by. She said she also extended the invitation to Staff in our Parks and Recreation Department and members of the Parks and Recreation Advisory Commission. She said it would be listed on the Parks and Recreation page of the website. She hoped they could stop by and meet the Candidates.

Councilmember Dietrich asked that whatever response is sent to Mr. Stone, if all of the Council could receive it as well. City Administrator Wilson responded she would do so.

9. ADJOURN:

Motion by Gliva to adjourn the meeting at 9:02 p.m.

Ayes: 5

Nays: 0

Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek