INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, FEBRUARY 24, 2025 – 6:00 P.M. – 8150 BARBARA AVENUE

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, February 24, 2025, in person. Mayor Dietrich called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Mayor Dietrich; Council Members: Murphy, T'Kach, Scale and Gliva (Remote); City Attorney Nason, Community Development Director Ziemer, Police Chief Chiodo, Public Works Director Connolly, Commander Otis, City Engineer Merchlewicz, Finance Director Hove, Parks and Recreation Director Lares, and Park Superintendent Swoboda.

3. APPROVAL OF AGENDA:

Motion to remove Item 5Q from the agenda, move public comment up before the closed session and accept Agenda by T'Kach, second by Scales.

Ayes: 5
Nays: 0 Motion carried.

4. PRESENTATIONS:

Laura Morlock, the Branch Manager of the Inver Glen Library, presented an overview of the library's activities and successes. She highlighted impressive statistics, including over 101,000 visits, nearly 190,000 items checked out, and more than 71,000 program attendees, reflecting strong community engagement. She emphasized the positive impact of going fine free, technology and educational support, expanded self-service hours that enhance accessibility, the addition of the Kaposia 10th branch to the Dakota County Library system and the Library on the Go Van. The library's outreach efforts, particularly updates to the Kids Area, school programs, and a teen mural project, underscore its commitment to youth services.

Ms. Morlock also shared positive feedback regarding the quality of the library's collections and youth engagement efforts, as noted by the DCL Materials Selection Manager. Adult programming continues to be vibrant, featuring popular events like book sales, puzzle and craft swaps, and Book Bingo. She emphasized Inver Glen Library's alignment with the 3-year DCL Strategic Plan, highlighting its three core goals: cultivating belonging through equitable and joyful experiences, providing accessible and enriching collections that reflect diverse interests and needs, and increasing awareness of the library's wide range of offerings. Ms. Morlock provided a summary of the branch's overall highlights, which included puzzle, game, and craft swaps, unity trail mosaic art nights, and an iLab sewing machine to support hands-on creativity. She also noted the library's continued focus on outreach and programming, successful book sales, and recognition for the branch's organics recycling area, which received a sustainability award.
She extended an invitation to their 25th Anniversary celebration on Wednesday, March 26, 2025, from 2:00 to 4:00 PM, which will include remarks from local leaders, music, activities, and refreshments. Looking ahead, Ms. Morlock outlined upcoming changes such as a new Evening Play & Learn series, the addition of a play stage, and several reuse and recycling-themed programs in April, alongside ongoing Friends of the Library programs and plant initiatives.

Council Member Murphy asked about a photo shown earlier in the presentation that featured gloves and hats, inquiring if those items were donations. Ms. Morlock confirmed they were and explained the initiative began when a community member asked for mittens on a cold day last year. At the time, the library had nothing available, prompting her to partner with the friends of the library to collect donated hats and mittens. The initiative now also welcomes donations from the general public, with a preference for new or gently used items.

5. CONSENT AGENDA:

- **A.** Approval of the Minutes of the January 13, 2025, City Council Work Session
- **B.** Approval of the Minutes of the January 13, 2025, City Council Special Meeting
- **C.** Approval of Disbursements **Resolution 2025-036**
- **D.** Personnel Actions
- **E.** Authorization to Enter into 2025-26 Labor Agreement with IUOE, Local No. 49
- **F.** Authorization to Enter into 2025-2026 Labor Agreement with IAFF, Local 5251
- **G.** Approval to Provide AFLAC, Cancer Benefit to Fire Department Personnel According to Certain Terms and Conditions
- **H.** Resolution Approving Cooperative Construction Agreement with MnDOT for City Project No. 2016-17-117th Street Reconstruction **Resolution 2025-037**
- **I.** Resolution Approving Final Plans & Specifications and Authorizing Advertising for Bids for City Project No. 2025-09G – Bacardi Avenue and 88th Street West Improvements **Resolution 2025-038**
- **J.** Resolution to Amend the 2025 Central Equipment Budget and Approve Vehicle Replacement **Resolution 2025-039**
- **K.** Resolution Approving 2024 Budget Carryovers **Resolution 2025-040**
- **L.** Resolution Approving Write-Off of Deferred Special Assessment **Resolution 2025-041**
- **M.** Resolution Approving the 2025 Tree Replacement Plan **Resolution 2025-042**
- **N.** Amendment to Purchase Amount of Heritage Village Park Phase 5 Inclusive Playground, Splash Pad, and Shade Structures for City Project No. 2210
- **O.** Approval of Contract Amendment – Additional Professional Services for Heritage Village Park Phase 5 Project
- **P.** Resolution Accepting Donations and Sponsorships to the Parks and Recreation Department **Resolution 2025-043**
- **Q.** Approval of Payment Agreement for Metropolitan Council Sewer Availability Charge

Motion to approve Item A – Q by Scales, second by Murphy.
Ayes: 5
Nays: 0 Motion carried.

6. PUBLIC HEARINGS:

- **A.** Off-Sale Liquor License for A&M Liquor (CHEETAAYU, LLC)

City Clerk Kiernan presented the item regarding an off-sale liquor license application for A&M Liquor, located at 5709 Carmen Avenue. The application was submitted by Chetankumar Patel operating under the business entity Chetaayu, LLC, and is required due to a change in ownership. Clerk Kiernan confirmed that all necessary documentation had been received, including the full application, personal history statement, and background check materials. Public notice of the application was published on February 12. The Police Department completed a background investigation and found no grounds for denial. Based on these findings, staff recommended that the Council proceed with the public hearing and approve the license.

There were no public comments.

Motion to close public hearing by T'Kach, second by Murphy.

Ayes: 5
Nays: 0 Motion carried.

Motion to approve Off-Sale Liquor License for A & M Liquor by Scales, second by Murphy.

Ayes: 5
Nays: 0 Motion carried.

B. Massage Therapist License Violation – Fengxia Liu

Commander Otis provided a detailed report regarding a massage therapist license violation by Feng Xia Liu. In July 2024, the City conducted an investigation after receiving reports alleging potentially illegal, unlawful, or erotic conduct at Healing Arts Massage located at 5836 Blaine Avenue. The investigation remains ongoing and involves collaboration with the Bureau of Criminal Apprehension (BCA).

In November 2024, concerns were brought to the City's attention, specifically the allegation that unlicensed massage therapy was being conducted at the business. Between November 2024 and January 2025, efforts were made to identify the individual performing unlicensed massage services.

As part of the investigation, an officer with the Inver Grove Heights Police Department posed as a client. On January 21, 2025, the officer visited Healing Arts Massage at approximately 9:30 a.m. and spoke with employee Fengxia Liu, who indicated she was too busy and asked him to return later. At approximately 1:40 p.m. that same day, the officer returned, paid $60 for a 30-minute massage, and received massage services from Ms. Liu in a back room of the business.

At the time of this incident, Ms. Liu was not licensed. Her application for licensure was submitted on November 27, 2024, with a reference provided by Ms. Moo. A background check was completed on December 13, 2024, and the City Council approved her application on January 27, 2025, with the license issued the following day on January 28, 2025.

- Because the massage was performed prior to the issuance of her license, the act constitutes a violation of the City's Massage Therapy Code (Section 4-8-1-J): Denial, Suspension Or Revocation: In addition to the grounds found elsewhere in this code, the following reasons may be grounds for the denial, suspension, or revocation of an individual license or business license:

    10. The licensed activity is conducted in such a manner as to constitute a breach of the peace, a menace to the health, safety, or welfare of the public, or a disturbance of the peace or comfort of the residents of the City, upon recommendation of the police chief or an appropriate City official.
    11. The licensee fails to continuously comply with all conditions required as precedent to approval of the license.
    13. The applicant or licensee is not of good moral character.

3-2-10: Revocation, Denial, or Suspension of License:

6. Violation of any regulation or provisions of this code applicable to the activity for which the license has been granted, or any regulation or law of the state so applicable.

Staff recommended holding a public hearing as required and consider adoption of the Resolution, revoking the Massage Therapist License for Fengxia Liu for violating City of Inver Grove Heights City Code requirements related to massage licenses and the provision of massage services. The violations include offering massage services without a license in five areas.

- Conducting the licensed activity (providing massage services) in a manner that constitutes a breach of the peace and a menace to the health, safety, and welfare of the public.
- Failure to comply with all condition's precedent to approval of a massage therapist license.
- A demonstration that the applicant is not of good moral character.
- A violation of any regulation or provision in the City Code applicable to the activity for which the massage therapist license was granted.
- Failure to contemporaneously comply with all conditions required as precedent to the approval of the license.

Mayor Dietrich opened the discussion with a question directed to Commander Otis, asking how the Police Department distinguishes whether an individual is engaged in clinical studies, as students often complete practical requirements shortly before graduation. She specifically asked whether the massage therapist in question had provided any school documentation. Commander Otis responded that all background documentation submitted with the application indicated there were no active clinical studies.

Council Member Tkach then requested to revisit the timeline presented earlier in the meeting. She observed that the individual provided a massage on January 21 but received her license six days later, raising the question of whether she was in the process of being licensed at the time. Commander Otis explained that based on the department's investigation, there was evidence suggesting that unlicensed massages were taking place as early as November before the application for a massage therapist license had been submitted. These unlicensed massages continued throughout the application, background check, and Council proceeding and approval process.

Council Member Tkach followed up by asking whether an individual whose license has been revoked could reapply for a new license. Commander Otis confirmed that while an individual could reapply and would need to go through the full background check process again, a prior revocation would be grounds for denial under the City code. She asked Commander Otis to elaborate on the determination of the applicant not being of good moral character, Commander Otis stated that this was based on the unlicensed massages provided before the license application and approval. He also noted that due to the ongoing criminal investigation, some details could not be disclosed at this time. The applicant was not present.

Mayor Dietrich opened the public hearing. There were no public comments.

Motion to close public hearing by T'Kach, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

Motion to approve Resolution 2025-044 Revoking a Massage Therapist License Issued to Fengxia Liu by Murphy, second by Gliva.

Ayes: 5
Nays: 0 Motion carried.

7. REGULAR BUSINESS:

A. Consider Approval of a Zoning Text Amendment, Establishing Palliative Care Home as an Interim Use in the E-1, Estate Residential Zoning District.

Director Ziemer provided an overview of the application, which would involve amending the zoning code to define and permit Palliative Care Home as an interim use through an Interim Use Permit (IUP). This concept is modeled after the Omega Home network, a nationally emerging end-of-life care model, with no known similar home currently operating in Minnesota. The proposed use would not be tied to a specific property but would apply broadly within the E-1 zoning district.

He then detailed the components of the amendment, defining a Palliative Care Home as a single-family residence offering 24-hour residential and supportive services to individuals nearing the end of life. Care would be delivered by licensed third-party professionals contracted directly by patients or their families. The use would be permitted only on an interim basis through an IUP and would be subject to proposed minimum standards, including zoning and lot size requirements, geographic restrictions, and specific performance criteria.

Director Ziemer then outlined the proposed zoning amendment, including a definition of Palliative Care Home as a single-family residence providing 24-hour residential and supportive services for individuals approaching the end of life. Patient care would be provided by licensed third-party professionals contracted by patients or their families. The use would be allowed only as an interim use and would require a permit. Proposed minimum standards would address zoning and lot size, geographic location, and specific performance standards.

A site-specific example was presented at 6565 Babcock Trail, a 4.91-acre parcel zoned E-1 and currently operating as a single-family home. Director Ziemer clarified that the request is to amend the zoning text to allow the use type, not to approve the use on this particular property, which would still require a separate IUP with public notice and hearing.

He reviewed the history of public discussions on the subject. A Planning Commission public hearing was held on November 6, 2024, which resulted in a recommendation for approval with conditions and standards. The City Council previously discussed the proposal on January 27, 2025, but tabled action to allow for further research on four key questions: (1) How many eligible properties are there with a minimum lot size of ≥ 4.5 acres? (2) What additional factors could be considered to further narrow number of eligible properties? (3) Does the proposed use result in commercial use in residential zoning district? (4) Is it possible to allow the proposed use without amending the City's rental licensing ordinance?

There are 185 properties that fall under E-1 zoning with at least 3.0 acres, while increasing the minimum lot size to 4.5 acres reduces eligibility to 77 properties. Introducing geography could limit the eligible sites to five. He noted concerns regarding whether the proposed use may resemble a commercial operation due to the potential volume of visitors, staff, volunteers, and care providers. If approved, an amendment to the City's rental licensing code would also be required.

Additional clarifications were provided, including input from the Fire Department. It was noted that neither the State Fire Marshal nor the Inver Grove Heights Fire Department would conduct annual fire inspections for this type of use. Concerns were also raised regarding emergency response accessibility due to the driveway's length and width, as well as the potential inability of certain residents to respond during an emergency. Any proposed use would be required to meet all applicable building, fire, and septic codes, including obtaining the necessary permits, undergoing inspections, and completing any required system upgrades. A Minnesota-licensed architect would also be required to assess the home for code compliance.

Director Ziemer concluded with action options. The Council holds legislative authority to either approve or deny the proposed use through formal action. To approve the use, the Council may consider adopting one of two ordinance options that would allow the proposed Palliative Care Home as an Interim Use. These ordinance options would establish eligibility criteria based on specific zoning classifications and a minimum lot size requirement and compliance with performance standards. Alternatively, the Council may choose to deny the proposed use by adopting a resolution of denial, thereby rejecting the application to allow the Palliative Care Home under current zoning regulations.

Draft Ordinance #1 proposes allowing a Palliative Care Home as an Interim Use within the E-1 zoning district on parcels of at least 3.0 acres, subject to an Interim Use Permit (IUP) and specific performance standards. The ordinance would permit no more than three individuals to reside in the home at one time, with all living and care accommodations confined to the primary residence, guest houses or accessory dwelling units (ADUs) may not be used for any temporary or permanent housing of staff, volunteers, or family members. Supportive and accessory services must be limited to those residing in the home and their immediate family only. Funeral services and the disposition of human remains are expressly prohibited. All parking must occur entirely on-site, and any required licenses or permits from State, County, or City authorities must be obtained. The IUP would be valid for five years and includes sunset provisions, meaning it would terminate upon sale or transfer of the property or use, a zoning change, cessation of use, or revocation of the permit.

Draft Ordinance #2 proposes permitting a Palliative Care Home as an Interim Use within the E-1 zoning district on parcels of at least 4.5 acres, but limits eligibility to properties located west of Babcock Trail and north of Highway 55. This use would require an Interim Use Permit (IUP) and be subject to the same performance standards outlined in Draft Ordinance #1. Approval of this ordinance would necessitate an amendment to the City's rental licensing code to exempt the proposed use.

The Council can choose to amend the code to allow the proposed use either as proposed or with modifications to the definition, performance standards, or conditions included in the ordinances or to not amend the code which would be the resolution of denial.

Mayor Dietrich asked if the applicant was present. Ms. Cristin Ament, residing at 6985 Babcock Trail, explained that the mission is to support individuals at the end of life and their families by providing a therapeutic and compassionate home environment. This includes round-the-clock care, chaplain support, grief services, and healing rituals. She emphasized the concept of home as central to their model and addressed concerns raised regarding the property's past and current use. She explained that initial conversations with a planning committee member two years ago led her to believe the proposed use was feasible. Though she did not pursue a formal business plan at the time, they moved forward with great enthusiasm, believing we could begin offering services at the property located at 6565 Babcock Trail both on the land itself and within the home. The services we provided included educational programming, grief groups, and counseling support, among other offerings that were outlined in the brochure. The vision also included a partnership with MEND, to allow guests to access and experience the peaceful natural environment of their adjacent 35-acre property. However, following a cease-and-desist order issued in fall 2024, all on-site operations ceased.

Ms. Ament clarified that the current application is for Bingo, the place, to become a palliative care home, not a business. The Bardo would remain offsite. She noted that post-death grief support services, such as the Cocoon Group, would be made available to bereaved families in a drop-in model and emphasized these offerings are not marketed to the general public. She also addressed concerns about cost, stating that services are supported through suggested donations, ensuring high-quality care and fair compensation for staff. Regarding meal preparation, she reaffirmed that meals would be potluck-style and not professionally prepared on-site.

In response to oversighted concerns, Ms. Ament stressed that two-thirds of their staff and board members, as well as over half of their volunteers, are mandatory reporters, as are hospice agencies. She cited state law outlining the legal obligation to report abuse or neglect, arguing that to suggest otherwise discredits the professional standards and legal responsibilities of their team and partners. She also responded to a letter raising issues about maximum length of stay, explaining that while no strict limit is imposed due to ethical considerations, industry data show average stays in similar facilities range from one to two weeks. Their own hospice contracts call for reassessment after three weeks. On the issue of the definition of palliative care, she clarified that while palliative care may include a broader population, all on-site services would be limited strictly to those who are terminally ill and have DNR/DNI orders, thereby eliminating emergency calls at the time of death.

Ms. Ament concluded by reiterating that the proposed palliative care home would be located on nearly five secluded acres, set back more than 500 feet from the road, surrounded by nature, with minimal visibility to neighbors.

She emphasized that the goal is not to impose a burden on the community, but to meet a critical need by providing five-star end-of-life care. The team is largely made up of mandatory reporters who operate in close coordination with each resident's hospice care plan, serving as a compassionate extension of those services and offering meaningful support to families. They are trained professionals who have committed their lives to improving the end-of-life experience. She respectfully requested the Council's support in bringing this service to Inver Grove Heights.

Council Member Scales asked for clarification on the relationship between MEND and The Bardo, specifically whether MEND is complementary or necessary for Bardo's function, and if MEND services are intended for The Bardo residents or open to others. Ms. Ament responded that, for the purposes of zoning, MEND is not part of the current proposal. However, she shared that the original intent was to integrate the two, offering guests access to nature-based experiences on the adjacent 35-acre sanctuary. Following a cease-and-desist order, those plans were abandoned. The Bardo has since reimagined its own space independently. Ms. Ament emphasized that they have removed any ongoing association with MEND for outside guests.

Council Member T'Kach asked Ms. Ament to clarify whether her earlier reference to the planning committee referred to a member of the City's planning staff or someone from the official City Planning Commission. Ms. Ament explained that she had contacted the City in August 2023 and noted that before receiving the cease-and-desist order, they had reached out again on August 5, 2024, to request a meeting for discussion and to seek support. At that time, they believed they had the City's support, but the situation later became more complicated.

Mayor Dietrich stated that regarding the cease and desist, an email was forwarded to the Council earlier today, originating through the applicant, which included a message from a former client requesting that The Bardo be reopened. However, as it stands, there are indications that both The Bardo and its adjacent entity, The Mend, may have been operating without proper zoning approval. She emphasized that this serves as an important reminder that as businesses and developers consider Inver Grove Heights as a potential location, careful attention must be paid to the property's current zoning, its guided use, and the City's comprehensive plan. These components provide the foundation for decisions of this nature. She added that City codes and statutes should always be thoroughly reviewed before advancing with any business plan.

Mayor Dietrich stated that there are emails which should be entered into the public record.

Motion to receive 33 comments into record by Murphy, second by Scales.

Ayes: 5
Nays: 0 Motion carried.

Mayor Dietrich stated that the purpose of the discussion was to address the zoning of the parcel designated as E1 Estate Residential and to allow a zoning code text amendment. She clarified that comments should focus specifically on the zoning issue and emphasized that no decisions would be made at this meeting regarding the merits or virtues of the proposed business itself, as that discussion would take place at a later time. Mayor Dietrich then invited members of the public to provide comments on the zoning topic.

Mr. Josh Berg, a former resident of Inver Grove Heights and current City Council member in Elko New Market, voiced strong support for Ms. Ament's proposal. He commended the City Council for its thorough review and shared his professional background in human services. Mr. Berg also noted his involvement with several organizations focused on aging, including Metro Cities, Trellis, and Juniper.

He expressed full support for the Planning Commission's recommendations, particularly Options 1 and 2, emphasizing the significant need the project would help meet. Drawing on his experience at the Minnesota Department of Health, where he helped establish the state's home care and assisted living program, Mr. Berg described the proposal as both innovative and impactful. He encouraged Inver Grove Heights to be proud of its forward-thinking approach and saw the project as an opportunity for Minnesota to lead in advancing end-of-life care.

Mr. Tim Smith, a resident of 6575 Babcock Trail, shared his support for the neighboring proposal, emphasizing his personal investment as someone who lives next door. He stated that while he could not speak to the business operations, he could vouch for the character and dedication of the individuals leading the effort.

Ms. Veronica Barnes, a resident at 3596 72nd Street East, spoke in support of the proposed zoning amendment that would allow for an interim use permit for The Bardo community-based palliative care home. She emphasized her support from multiple perspectives: as a community member advocating for inclusive, forward-thinking care options; as a healthcare practitioner and mandatory reporter who sees the impact of unprocessed grief on chronic pain; and as someone personally familiar with grief who would find such services beneficial. Drawing on her professional experience in senior housing and hospital discharge planning, Ms. Barnes noted the growing need for alternative care resources like the one proposed. She urged the Council to view the zoning amendment as a necessary first step in addressing these community and healthcare needs.

Kelly Kayser, of 1953 59th Court East stated that the discussion should not focus on the merit of The

Bardo's mission, which she acknowledged as well-intentioned and compassionate, but rather on whether any business that does not qualify as a home occupation should be permitted in an E1 residential zoning district. She emphasized that current zoning does not allow for such use and that approving this request would set a precedent for future businesses to seek similar exceptions. She expressed concern that the business model, as outlined on the applicant's website, appears to extend beyond caring for three patients and includes broader community engagement and fundraising efforts. She noted that while the applicant claimed they would cease other means of fundraising on the property, a recent media interview indicated they are in financial distress, raising doubts about long-term compliance. She also pointed out the lack of enforcement mechanisms without a formal complaint and cited potential violations of Interim Use Permit (IUP) conditions, particularly relating to care duration and who is allowed on-site. She referenced the Minnesota Department of Health's has established a Palliative Care Advisory Council, which reports annually to the legislature. According to the council's 2023 report, their work is incomplete until palliative care is recognized under a standalone statute within Minnesota regulations. While acknowledging the value and passion behind the applicant's mission, she stressed that proper licensing and regulation are essential when caring for individuals in such settings.

Ms. Kayser expressed concern about the lack of continuous professional oversight at the proposed facility, noting that while hospice providers may visit, they are not present 24 hours a day. Instead, volunteers and others would be on-site around the clock, raising questions about safety, particularly with medications in the home. This situation presents numerous unanswered questions and potential risks. She also referenced a recent decision in South St. Paul, where a licensed adult daycare center with limited hours and non-critical patients was approved only through a conditional use permit, underscoring the contrast in oversight. She concluded by stating that, while the concept may be well-intentioned, the proposal appears premature or possibly unsuitable for the neighborhood.

Ms. Amy Hunting, a resident of 2645 96th Street East, expressed concerns about the application under review, particularly regarding inconsistencies in responses given at prior meetings. She recalled that at the November Planning Commission meeting, the applicant stated volunteers would stay overnight with dying residents but admitted those volunteers were untrained. At the January City Council meeting, the applicant shifted to saying staff would be present overnight but again failed to confirm whether they had medical training. Ms. Hunting argued that while the facility is not a licensed medical provider, families paying for care might expect medical knowledgeable oversight.

She also questioned the true focus of the facility, pointing out that earlier remarks from the applicant emphasized healing from grief rather than providing end-of-life care. Although the Planning Commission recommended limiting on-site activities to those involving the dying individual and their immediate family, she noted that educational events and community programs had been promoted online. She expressed uncertainty about the relationship between the applicant and The Mend, questioning whether they are separate entities or one and the same. The Mend, she observed, continues to advertise numerous public events, yet there has been no formal application submitted to support such uses. She emphasized that events open to the public typically require compliance with regulations including ADA accessibility, fire safety, and sufficient parking. Regardless of the connection between the two organizations, the ongoing promotion of public activities remains a concern. Ms. Hunting emphasized that although the mission may be admirable, it does not justify ignoring zoning laws. She stated firmly that The Bardo operates as a business and a short-term rental, both of which are not permitted in the zoning district, and she concluded that it is not a suitable fit for Inver Grove Heights.

Ms. Ament responded to concerns by acknowledging the community's integrity in raising questions but said some criticisms felt like personal attack on character. She admitted the website previously mentioned MEND, which was an oversight, and confirmed it has since been corrected. Their focus has been on The Bardo project, not MEND, and they will comply fully with any conditions.

She explained that the intention is to provide a meaningful gift to the community. While volunteers may play a role, she clarified that overnight care will be handled by trained aides, not registered nurses. These aides will comply with state hospice regulations, which mandate that a nurse must be accessible within 20 minutes for facilities with fewer than four patients. To meet this standard, she shared that she relocated her family to live nearby. She also noted that she created a comprehensive training manual, drawing on best practices and guidance from directors of other hospice homes.

Council Member Gliva began by clarifying a previous statement made at the January 27th meeting, noting that while there are many regulatory considerations surrounding the proposal, the current discussion is focused on land use. She acknowledged the passion of both supporters and opponents of The Bardo project but emphasized her belief that it constitutes a business, not a home occupation, and therefore does not belong in a residential area. She also raised concerns about the City's recently adopted short-term rental ordinance, suggesting it would be unfair to amend it for this case when others were previously denied. Ultimately, she concluded that the proposal does not align with estate zoning, even if the business model itself might be workable elsewhere.

Council Member Scales requested clarification from staff about how the short-term rental ordinance would be affected by the proposed zoning change. He asked whether approving the zoning amendment would necessitate modifying the short-term rental ordinance across the entire City or solely within the E-1 district. He also questioned whether the proposed use could move forward if the short-term rental ordinance remains unchanged.

Director Ziemer stated that, following a lengthy staff discussion, it was their belief that the facility involves the letting of rooms, which fits the definition of a rental. This does not fall under the category of a short-term rental, which typically refers to owner-occupied structures. He noted that the City code currently includes exemptions for certain uses, such as nursing homes and similar facilities. Staff reviewed the situation and concluded that, if the applicant intends to proceed with this type of use, it would be consistent with those other exempted uses. However, based on their analysis, an amendment to the City code would be required to specifically allow this as an exempted use under the short-term rental provisions.

Council Member Scales asked for clarification regarding the short-term rental provision, specifically whether it could be allowed as an exempted use. He also inquired about Interim Use Permits (IUPs), asking how many times they can be renewed and how long they can remain in effect. He noted that the broader issue relates to zoning and understanding how long the land can be used for a particular purpose under an IUP.

Director Ziemer explained to Council that the Planning Commission recommended a five-year term for the Interim Use Permit (IUP). The City code allows for one extension beyond the initial term, but that extension is subject to City Council approval. The IUP process is being used in this case because the proposed use is new, and the IUP provides a temporary, trial framework. At the end of the five years, or following an approved extension, the City may choose to convert the use to a conditional use, a permitted use, or allow it to expire.

Council Member Scales asked whether limiting the zoning change by setting specific geographic boundaries could create challenges. He cautioned that boundary-based rules can often be seen as unfair. While this concerns him, he noted that he is more concerned about the short-term rental aspect of the proposal.

Director Ziemer responded by explaining that it is not uncommon for cities to define where certain uses are allowed or restricted, and that zoning by geographic area is a standard practice. He noted that in this case, the idea of setting boundaries was considered, where narrowing the scope initially allows the Council flexibility. In the future, the Council could choose to adjust, eliminate, or expand those boundaries. He explained that this approach allows for a trial phase with a more focused implementation, which is why geographic boundaries were proposed.

Council Member Murphy stated that after listening to staff and residents and reviewing emails, he focused on looking at the bigger picture, setting aside emotions to act in the best interest of all of Inver Grove Heights. He emphasized that there are valid reasons for not allowing businesses in residential areas and expressed discomfort with setting a precedent, even for as few as 77 properties. He also said he does not want to revisit the short-term rental ordinance, as it was a difficult and lengthy process for residents. While he acknowledged the proposal is a great idea, he believes it is simply in the wrong location and concluded that he cannot support the zoning change.

Council Member T'Kach stated that she sees the proposal as a service rather than a major business and wanted to better understand both the challenges and opportunities it presents. She asked colleagues who felt the zoning was not appropriate to suggest where else a residentially focused initiative like this could be placed. She emphasized that the intent is to create a calm, warm, and loving environment and questioned whether a more suitable location had been considered.

Council Member Gliva stated that she does not have a specific alternative location in mind but expressed concern about changing zoning regulations to accommodate a single property, which could impact the rest of the estate properties. She emphasized the need to consider the broader implications and acknowledged that while there may be other suitable locations, none had come to mind.

Council Member T'Kach asked if Council Member Murphy had another location in mind. Council Member Murphy responded that he did not.

Mayor Dietrich noted that the applicant would need to address that issue as they continue working through the process with the planning department.

Council Member T'Kach supported adding the term palliative care home to the zoning language. She favored the Interim Use Permit (IUP) approach over a conditional use permit because it allows the City to monitor new services, notify neighbors, and revoke permits if complaints arise, or plans are not effectively implemented. She expressed openness to evolving the zoning code and short-term rental regulations without imposing geographic boundaries, preferring instead a Citywide three-acre minimum parcel size in the E1 district. She indicated readiness to support the zoning changes proposed under option one and offered to make a motion pending further discussion.

Council Member Scales asked staff whether the short-term rental policy would require any changes if this type of business were in a commercial area.

Administrator Wilson responded that no changes would be necessary, explaining that the current rental licensing ordinance specifically exempts establishments such as hotels and nursing homes, and already allows rentals of less than 30 days, regardless of zoning.

Motion to Approve Option #1 by T'Kach. Failed for a second.

Mayor Dietrich asked if anyone wished to make a motion for denial.

Motion to Approve Resolution 2025-045 Denying a Zoning Text Amendment for a Palliative Care Home as an Interim Use in the E-1 Estate Residential Zoning District by Murphy, second by Gliva.

Ayes: 4
Nays: 1 (T'Kach) Motion carried.

Councilmember T'Kach asked for clarification on whether there was a way to revisit or consider the second, less restrictive option that had previously been discussed. Attorney Nason responded that the item was concluded for the evening, as there had been no motion to pursue option two prior to the motion to approve the resolution of denial. She clarified that the only way to reopen the matter would be through a motion to reconsider, which must be made by a member of the prevailing party.

B. Draft Report and Recommendations for the Central Maintenance Facility Needs Analysis and Site Plan (City Project No. 2017-01).

Public Works Director Connolly introduced consultant Mr. Loose from Wold Architects, who provided an updated presentation on the central maintenance facility space needs study and facility master plan. Director Connolly explained that this update expands upon information shared during the October 2024 session, briefly revisiting current facility requirements and placing greater emphasis on exploring options for expanding or modifying the Central Maintenance Facility and its surrounding campus.

Mr. Loose provided an overview of the Central Maintenance Facility (CMF) Space Needs Study and Facility Master Plan. The goal of the Public Works needs analysis, and the future site plan development is to clearly demonstrate the need for additional space to accommodate trucks, equipment, attachments, and materials, while also addressing the space requirements for full-time and part-time employees. This includes the need for updated meeting areas, crew spaces, locker rooms, training and breakroom facilities, and sufficient accommodations for a projected future workforce of up to 75 people. Proposed solutions should be cost effective and flexible, capable of meeting long-term operational needs and allowing for future growth or change through phasing or expansion. It is also essential to provide adequate interior environments that promote staff safety, flexibility, wellness, and retention. Emphasis should be placed on preserving existing assets by maximizing the use of the current Public Works site. However, while reuse is encouraged, it must be carefully balanced with workflow efficiency to ensure that operational effectiveness is not compromised.

The project goals and criteria for the Police Department focus on expanding and securing staff parking areas, ensuring clear separation from public parking zones. Additionally, the plan involves evaluating potential locations on the Central Maintenance Facility (CMF) campus for a future police training facility. This facility may include a firing range, scenario-based classroom training areas, defensive tactics spaces, and other related support functions.

Mr. Ken Francois of Kraus-Anderson Construction provided a summary of the facility condition assessment conducted in the summer of 2024 for both the Central Maintenance Facility and the Cold Storage building. He reported that approximately $4.4 million in maintenance, repairs, and capital needs were identified over the next ten years. These needs include site-related issues and equipment nearing the end of its useful life. He referenced the summary chart showing how the needs are divided between the two facilities and explained the use of a Facility Condition Index, illustrated by a pie chart, to determine when it may be more appropriate to invest in a new building rather than continue repairing the existing structures.

Mayor Dietrich asked for clarification on whether the over $3 million identified for the Central Maintenance Facility primarily pertains to maintenance needs, noting that the core structure, such as the block, footings, and overall foundation, appears to be in good condition. Mr. Francois confirmed that Mayor Dietrich's understanding was correct, stating that most of the identified costs were related to site work, including the fuel island, parking lot, exterior drainage, and minor repairs to the building's facade.

Council Member Murphy inquired whether the Facility Condition Index (FCI) rating dated back to 1991, and Mr. Francois clarified that 1991 was the year the Cold Storage building was constructed.

The Central Maintenance Facility was built In 1985, consisting of 35,262 square feet. Present Day replacement cost $400/sqft with Building Replacement cost at $14,104,800 and a 10 year direct maintenance cost of $3,120,159 giving It a Facility Condition Index of .0744 (Good).

The Cold Storage building was built In 1991 consisting of 26,621 square fee. Present day replacement Is $350/sqft with Building Replacement cost of $9,317,350 and a 10 year direct mainteneance cost of $1,280,229 giving the structure a Facility Condition Index (FCI) of .2745 (Fair)

The key objectives for warm storage focus on constructing a new Central Maintenance Facility that includes staff offices, conference and training rooms, and support spaces aligned with both current and future staffing needs. The plan calls for expanding warm storage and dedicated maintenance areas to accommodate existing equipment and future fleet growth. Additionally, the new facility should incorporate essential program areas that are currently missing, such as a women's locker room, flexible maintenance bays, small equipment repair workshops, a wash bay, brine mixing station, and larger maintenance bays to support oversized fleet vehicles.

The key objectives for the site and police include allocating sufficient on-site space for a cold storage facility and materials storage area to meet both current and future equipment demands. Plans also call for installing a new fuel island aligned with the site's updated operational flow. Adequate parking must be provided to support both full-time and seasonal staff. If space allows, the existing Central Maintenance Facility, once vacated, may be renovated to serve police training purposes and fulfill additional site needs such as expanded parking and security.

Mr. Loose explained that the assessment of adequacy began with evaluating existing square footage, which totals about 40,000 square feet, including cold storage. The proposed 2024 square footage reflects corrections to current inadequacies, while the 2045 projection accounts for anticipated growth, such as future equipment needs and additional staffing to support community development. Although projecting 20 years ahead can be challenging, planning for future space provides necessary flexibility, and growth forecasts from comprehensive plans or state demographers are generally reliable. There appears to be consensus that Inver Grove Heights will likely follow the projected growth trends.

Council Member T'Kach asked whether the most recent Metropolitan Council projections were used in the analysis. Mr. Loose responded that they had not used that specific data, focusing instead on the City's comprehensive plan. He added that while they regularly review such projections, especially in sectors like social services where staffing needs closely follow population growth, Public Works staffing does not have a direct one-to-one correlation with population. Instead, the projections serve more as a general guide or litmus test to assess whether the anticipated growth aligns with the space and staffing accommodations being considered.

Council Member T'Kach asked if the projections were based on the current comprehensive plan, noting that most areas south of Highway 55 remain rural while other parts are developed. Mr. Loose confirmed this and explained that the analysis considers potential equipment needs associated with additional paved roads and residential buildout in those areas.

Mr. Loose explained that although the police component was a secondary aspect of the study, they did meet with the police chief to discuss potential training needs. Approximately 20,000 square feet of space was identified as necessary for those needs. He noted that additional police needs may exist and would require a more comprehensive review, but this initial estimate provides a sense of how those requirements could impact the overall site and facilities planning.

Mayor Dietrich asked whether the 20,000 square foot estimate was reflective of current needs or projected approximately 20 years into the future.

Mr. Loose responded that the identified 20,000 square feet for police training is a 20-year projection, noting that currently none of these facilities exist. He explained that if a training facility were built today, it would likely meet both current and future needs unless there was a significant expansion, such as adding more lanes. He clarified that the metric is less tied to overall City growth and more reflective of the police department’s specific training requirements.

Mr. Loose introduced the options development portion of the presentation. Some ideas were ruled out, while four to five viable options were identified for further consideration. He emphasized that the team would walk through each option, followed by an analysis of pros and cons before presenting a staff recommendation.

He began with Option A, which proposes a completely new Public Works campus. This includes constructing a new cold storage facility, salt shed, and materials storage; demolishing the existing facility; and regrading the recently acquired site to the south to improve traffic flow. The second phase would involve building a new central maintenance facility on the south site, followed by demolition of the current facility and parking lot improvements to strengthen site connectivity.

The estimated construction cost for Option A is $44.3 million, with a total project cost (including soft costs like fees, testing, furnishings, and equipment) of just over $53 million. Mr. Loose noted that all cost projections are based on current year’s figures and that inflation—estimated at approximately 4% annually would need to be factored in depending on the project's timing.

Option A - Phasing and Cost Estimate

Phase 1A would be In 2026 with a New Cold Storage facility, New Salt Shed/Materials storage, demolition of existing cold storage facility and consist of site grading and Improvements. Phase 1B would be In 2026 -2027 with building of the New Central Maintenance Facility, demolition of the exiting Central Maintenance Facility and some parking lot site Improvements. Construction costs are estimated to be $44,315,023. Project costs are estimated to be $8,863,055 for a total project costs In the $53,178,028 range.

Mr. Loose explained that Option A - New Public Works Campus graphic illustrates the fully built-out plan for the site, not the interim phase. The north side would be repurposed as a boneyard for material storage, with cold storage located in the northwest corner and additional parking added. The new central maintenance facility would be built over the newly purchased southern site, and further south would be a new salt and material storage building. Primary access would shift to the west side via Babcock to reduce interaction with City Hall and police traffic, though northern access would remain available. The black dashed lines on the graphic represent the parcels that were recently acquired, showing how the entire area integrates with City Hall, public safety, and the central maintenance facility.

Mr. Loose reviewed the pros and cons of Option A. He explained that this option maximizes the opportunity for consolidated operations on a single site, with the boneyard proposed to replace the existing Central Maintenance Facility once it is demolished. It allows existing operations to continue with minimal disruption during the construction period. There is also room for future expansion of the new Central Maintenance Facility to the north, providing long-term flexibility. However, he noted that the option limits the police-related scope to site and parking lot improvements and does not include a police training facility. Additionally, significant site leveling would be required to connect the upper and lower portions of the site.

Option B – Phasing and Cost Estimate

Phase 1A starting in 2026 would be with a new cold storage facility, new salt shed/materials storage, demolition of existing cold storage facility with site grading and Improvements.

Phase 1B would be in 2026-2027 with a New Central Maintenance Facility and parking lot site Improvements

Phase 2A would take place In 2028 with partial renovation of existing Central Maintenance Facility for Public Works cold storage

Phase 2B sometime in the future would consist of partial renovation of existing Central Maintenance Facility for Police Training, Police Parking Lot site and safety Improvements and deferred maintenance for existing central maintenance facility

Construction Cost - Phase 1A - 2A	$44,536,013
Construction Cost - Phase 2B	$10,432,655
Construction Cost Subtotal	$54,968,668
Project Costs - Phase 1A - 2A	$ 8.907,203
Project Costs - Phase 2B	$ 2,086,531
Project Costs Subtotal	$10,987,734
Project Costs Subtotal (Phase 1A-2A)	$55,443,216
Total Project Costs (All Phases)	$65,956,402

Cost Projections presented on 2025 costs. Escalation factors to be added for future Improvements.

Mr. Loose noted that although the project is not yet in the design stage, it is necessary to evaluate the feasibility of the proposed options by examining the available square footage and overall space layout. The diagrams were developed to determine whether the area could effectively support a police training range and other related components while still providing adequate space for cold storage. Initial findings suggest that the configuration is workable and meets the intended needs.

Mr. Loose presented Option B, which explores reusing part of the existing Central Maintenance Facility (CMF) for police training. In this scenario, the new central maintenance facility and the salt and material storage buildings would remain in the same proposed locations. The existing CMF would be partially repurposed for both cold storage and police training, while the boneyard would be relocated to the corner of the site. This option introduces more complex phasing compared to Option A, particularly due to the transition period when operations shift from the existing to new facilities.

He explained that disruption to operations would differ under this option, as renovations to the existing CMF would occur only after the new facility becomes operational. A key challenge during the transition would be the lack of interim cold storage space, which could pose a logistical issue.

Mr. Loose then described the proposed phasing. Initially, a new cold storage facility and salt and material storage building would be constructed. Once complete, the existing cold storage facility will be demolished, followed by necessary site grading and improvements. The new CMF would then be built along with its associated parking and site enhancements. After these steps, a partial renovation of the existing CMF will be undertaken to support both Public Works operations and cold storage.

Phase 2B would involve further renovation of the existing CMF specifically for police training, along with updates to the police parking area and safety improvements. Mr. Loose noted that the extent of the police training component in this phase remains flexible, as it could be implemented in whole or in part depending on future decisions. While this component was not deeply studied, cost impacts were considered to provide context for planning.

He concluded by sharing the estimated project costs. The construction cost for the initial phases, including cold storage but excluding police training, was approximately $55 million. When all phases are included, including the police training component, the total project cost increases to approximately $65 to $66 million.

Mr. Loose reviewed the pros and cons of Option B, highlighting that it provides an opportunity to reuse the existing Central Maintenance Facility for both Public Works cold storage and potential Police training needs. This option would also allow for an expansion of the police parking lot to improve capacity and security, while enabling ongoing operations with minimal disruption during construction. Additionally, it permits more time, from 2025 to 2027, to study Police training facility requirements, and leaves flexibility for future reconfiguration or partial demolition of the current facility if Police needs are addressed in other ways.

However, the cons include limited space for future Public Works expansion due to shared use with Police, the need for significant site leveling to connect various site elevations, and considerations involved in converting the current heated storage areas into unheated cold storage spaces.

Mr. Loose presented Option C, which involves constructing a new Central Maintenance Facility that excludes Parks Maintenance from the initial program. The approach follows a phased implementation, beginning with new construction for a partial central maintenance facility, a cold storage building, and a salt and material storage shed, followed by demolition of the existing cold storage structure and associated site grading and improvements.

In Phase 1B, the existing Central Maintenance Facility would undergo renovations to address deferred maintenance needs, allowing for its continued short-term use along with associated site grading and improvements. Phase 2, anticipated to occur in approximately ten or more years, would include construction of an addition to house Parks Maintenance, allowing them to relocate into the expanded facility. Following this transition, the existing Central Maintenance Facility will be demolished, and final site improvements will be completed, including expanded parking and potential enlargement of the boneyard and other material storage areas. Construction costs for this option are estimated at approximately $46.5 million, with a total project cost just under $56 million.

Option C – Phasing and Cost Estimate

Phase 1A starting in 2026, New Central Maintenance Facility, excluding program for Parks Maintenance, a new cold storage facility, a new salt shed/materials storage, demolition of existing cold storage facility, site grading and improvements.

Phase 1B in 2026 and 2027, renovation of existing Central Maintenance Facility, including deferred maintenance items, site grading and improvements

Phase 2 in 2036, Central Maintenance Facility Addition for Parks Maintenance, demolition of existing Central Maintenance Facility, and parking lot site improvements.

Construction Cost	$46,604,955
Project Costs	$ 9,320,991
Total Project Costs	$55,925,946

Cost projections presented as 2025 costs. Escalation factors are to be added for future improvements.

Council Member Murphy asked for clarification on the map, specifically where the elevation changes significantly. Mr. Loose pointed out that the elevation change primarily occurs at the south end of the property. He explained that the existing storage facility includes a ramp to a mezzanine, with the building's backside functioning as a retaining wall. From that point southward, the terrain rises significantly. He added that while higher elevation for a building can be beneficial from a civil engineering standpoint, this site requires grading to allow functional driveways and site circulation. Retaining walls would still be necessary, and preliminary locations are shown graphically based on the civil engineer's grading analysis.

Mr. Loose outlined the pros and cons of Option C. Among the advantages, he noted that it offers the opportunity to reuse portions of the existing facility, helping to reduce the footprint of new construction. The phasing approach would allow initial construction to proceed with minimal disruption to current operations. Additionally, the plan provides flexibility for future expansion if needs evolve beyond Phase 2.

On the downside, Public Works operations would remain decentralized, with Parks Maintenance continuing to operate out of the existing facility and the boneyard located across Babcock Trail. Achieving full consolidation would require a third phase of construction in the future. There is also limited potential for police training space and parking improvements until the completion of Phase 2 in 2036.

Option F – Phasing and Cost Estimate

Phase 1A starting in 2026 a new cold storage facility, new salt shed/material storage, demolition of existing cold storage facility, site grading and improvements.

Phase 1B in 2026 to 2027 renovate existing Central Maintenance Facility including deferred maintenance items, new addition on Central Maintenance Facility, parking lot site improvements, and temporary conditions for operational interruptions.

Construction Cost	$39,772,995
Temporary Conditions	Cost to be determined
Project Costs	$ 7,944,599
Total Project Costs	$47,667,594

Cost projections presented as 2025 costs. Escalation factors are to be added for future improvements

Mr. Loose explained that Option F centers on reinvesting in and reusing the existing facility. The plan calls for the construction of a new cold storage building and salt-shed material storage, along with the demolition of the current storage facility to create space for future expansion to the south. In the second phase, the existing main building would undergo renovations to address deferred maintenance and to prepare it for a major future addition. The option also includes parking lot improvements. He noted that some temporary operational disruptions would likely occur during the construction process. Seamless operations during construction would be difficult, particularly given the scale of the addition.

The team analyzed whether the cost savings from reusing the facility outweighed the challenges posed by such disruptions. The estimated construction cost is $39.7 million, with total project costs around $47.7 million. Mr. Loose emphasized the importance of further examining how seasonal operations could be impacted throughout the construction timeline.

Mr. Loose noted that Option F provides the benefit of reusing the existing building, thereby reducing the footprint of new construction. It would also consolidate most operations onto a single site and within one main facility, excluding the boneyard storage. However, this option presents several challenges. Maintaining Public Works operations during construction and renovation would significantly disrupt daily activities. The potential for future expansion is limited due to the site layout, especially for Cold Storage and Materials Storage. Police-related enhancements are minimal, focusing only on-site security without plans for expanded parking or a dedicated training facility. The plan would also require extensive site leveling to connect the upper and lower areas of the property. Furthermore, the new layout limits the reuse of existing office and staff spaces, and positioning the primary building and addition on the north end reduces the ability to enhance the site's visibility from Highway 52.

Ms. Jordan Medeiros walked through a summary of the four options, comparing each against the project’s guiding principles and objectives. She explained that the matrix presented was developed to assess how each option aligns with the initial priorities established at the start of the project. These criteria included operational priorities, the longevity and adaptability of the proposed master plan, and the level of community or service disruptions that might occur during implementation.

She emphasized the importance of meeting long-term operational needs while working within the constraints of the existing site. Another major consideration was the ability to maintain existing operations during construction, particularly in ensuring continuity of service throughout the winter months. Staffing impacts were also considered, specifically whether personnel could remain centralized or would be split across multiple buildings.

Ms. Medeiros also noted the importance of effectively reusing the existing facilities, acknowledging that some options, such as those involving additions, may not support ideal reuse. Lastly, she addressed how the options could accommodate necessary police department improvements, ensuring those needs are also factored into the overall evaluation.

Options Development – Analysis Matrix was presented to Council.

Ms. Medeiros stated that Option A meets many of the established criteria. In their assessment, demolishing the existing warm storage building and proposing the boneyard in that location is a reasonable approach. The option is marked in yellow in the matrix to reflect the limitation that it does not accommodate the police training program. However, it still allows for the completion of several important site and parking security improvements.

Proposed Site Plan Option B meets many of the project criteria, although there are some challenges related to phasing. Specifically, the transition between constructing the new facility and establishing the new cold storage requires careful coordination. Once the existing cold storage is demolished, temporary accommodations will be necessary until the new space becomes operational.

Option C involves more complexity, particularly with the phased approach and plans for a future addition. While the design can be adjusted to reduce impacts, there will still be a transition period as departments move between buildings and construction takes place in active areas. A significant concern is the separation of departments, which may hinder daily coordination, equipment sharing, and regular check-ins. This is especially important when considering relocating departments like Parks to separate locations. Additionally, this option shares the same limitations with police-related improvements, as the demolition of the central maintenance facility would restrict training opportunities.

Option F shows the most constraints, with limited future expansion potential and significant construction impacts that may require relocating the department. Although the cost is somewhat lower, the number of temporary conditions and disruptions would increase. This overview captures the high-level comparison of all four options, with final project costs for each phase provided for reference.

Options A and B are considered the most viable for supporting long-term Public Works needs, as they maintain all operations within a single building and support continued team collaboration. A primary question moving forward is how to repurpose the existing Central Maintenance Facility once it is vacated, specifically whether it could serve future police department needs.

Council Member T'Kach asked whether all vehicles would be stored indoors under any of the proposed options.

Ms. Medeiros responded that not necessarily all vehicles would be stored indoors. While the goal is to house significantly more vehicles indoors than what is currently seen, primarily for asset preservation, the design includes cold storage as a flexible solution for seasonal equipment. She explained that cold storage, although not heated, provides covered space for storing items like mowers during the winter and plows during the summer. However, not all equipment is intended to be kept in warm storage.

Council Member T'Kach asked whether everything would be out of the sun under the proposed plans.

Ms. Medeiros responded that yes, significantly more equipment would be stored out of the sun than is currently the case.

Council Member T’Kach inquired about the anticipated duration of construction-related interruptions to business operations during the phases where such disruptions are expected.

Mr. Loose responded that the duration would depend on the selected option, but for Option B specifically, it would likely take 18 to 24 months before everything is fully settled and operations are moved into their final locations. He explained that this timeline is why the project phases are structured as they are. It does not assume a complete stop and restart of operations, but rather a phased construction process spread over the course of approximately two years.

Council Member T'Kach requested clarification on the purpose of the Smart Facility, stating she was under the impression that it was designed to support police training.

Director Connolly clarified that the Smart Facility does not meet the City’s direct staff training needs. While some training involving City staff occurs there, it lacks essential features like a self-defense area or gun range and is not a leasable space for daily operational training requirements.

Council Member T'Kach asked whether there are other cities the City could collaborate with on a police officer training facility, including a gun range, noting such facilities are constructed fairly often.

Mr. Connolly responded that collaboration opportunities could be explored during a future police training study. The current effort is focused only on identifying space availability, not on evaluating feasibility, cost, or partnerships. A detailed study on needs, costs, and collaboration would be part of a separate police-led phase that could run alongside facility design but is not included in the current project scope.

Council Member T'Kach asked how large (tall) the retaining walls are, and what kind of maintenance over the long term will they require.

Mr. Loose responded that he believes the retaining walls are about 10 feet tall, but they will confirm that with the civil engineer. He noted that they have full grading plans available, and his recollection is that the height is around 10 feet, though he was not completely certain.

He also addressed the topic of police training facilities, explaining that based on experience with similar projects for other municipalities, there has been a significant increase in training needs compared to 15 or 20 years ago. Departments that have their own facilities can conduct more frequent and flexible training sessions than those relying on leased space. He emphasized that owning a dedicated facility allows for greater opportunities while keeping the space open for use by others.

Council Member T'Kach asked whether the location of the salt storage facility would impact the type of pollution prevention infrastructure required.

Mr. Loose explained that their civil engineer, Bolton and Menk, conducted a salt study for the site, which included evaluating both the application and storage of salt. He emphasized that the proposed location for salt storage is based on site regrading designed to prevent runoff and environmental impact, making it a key factor in the facility's overall site design strategy.

Council Member T'Kach asked whether there would be any benefit to rerouting or cutting off Babcock Trail and possibly relocating the church driveway through an easement on City-owned property west of Babcock. She also inquired if the site could be reconfigured on the southern side, acknowledging that this would depend on whether the church would be willing to sell a portion of its property.

Mr. Loose replied by stating that churches do not typically like to donate property and generally prefer financial compensation. He added that the larger a site is, the more flexibility it offers for planning and development. He explained that this scenario was not explored in detail as part of the current study. While there may be potential to locate the boneyard across the street, either directly or with some additional turns to access, it was not a factor that was considered in their analysis.

Director Connolly invited Finance Director Amy Hove to deliver an overview of the potential funding available for the project.

Mayor Dietrich asked Mr. Connolly whether he intended to provide his perspective during the current meeting or later, specifically requesting his thoughts on the proposed options and any comparable experiences from other municipalities.

Ms. Hove explained that under Option B financing, if the full bond amount were issued in a single round based on current project costs, the bond total would be just under $50.8 million, with total debt over 20 years just under $86 million. The impact on the budget would begin in 2027, with an estimated annual levy increase of just under $3.7 million, or about a 10.1 percent increase to the levy just for the bonds. She then reviewed a scenario assuming a 10 percent increase over project costs, which would require higher bonding and result in approximately $95 million in total debt. In that case, the annual levy increase would be slightly over $4 million, leading to an estimated 11.2 percent increase to the levy.

Director Hove explained a scenario involving two bond issuances to phase in the financial impact on both taxpayers and the City budget. The project itself would proceed on schedule, but borrowing would be staggered over two years. Under the base cost estimate, the total amount of bonds would be approximately $50.85 million. Borrowing in two parts introduces slightly higher costs due to interest rate risk and the structure of staggered borrowing. The budget would be affected in 2027 and 2028, with an estimated $2.1 million levy increase each year. This would result in a 5.8% levy increase in the first year and 5.3% in the second year, specifically for this debt issuance.

If project costs were to increase by 10%, the total bonds would rise to just over $56 million, and total borrowing costs would approach $96 million. The levy increase would still be $2.1 million in the first year but would rise to approximately $2.6 million in the second year.

Director Hove noted the City has some flexibility in structuring the borrowing to better manage the impact, such as adjusting payment terms or shifting more borrowing to one year over another. She emphasized that although some creative structuring is possible, the timing of borrowing is still dictated by when funds are needed to pay project costs.

She concluded by estimating the combined levy impact would likely fall between 5.5% and 6.5% and reminded the Council that the 2025 levy increase was 4.5%, which included both debt and operating costs, providing context for comparison.

Council Member T'Kach expressed concern about the long-term financial impact of the bond issuance, noting that the projected levy increases of 5.8% and then another 5.3% could result in the levy being 10% or higher over time, in addition to the regular increases needed to fund staffing and other City projects. She questioned whether the levy could ultimately be 10% or even 20% higher over the life of the 20-year bonds.

Director Hove replied that the levy increase would not happen each year. Rather, the increase would occur in one or two years depending on how the bonds are issued. After that, the additional amount would become part of the City’s annual budget as a fixed debt payment. Once this payment is included in the budget, future levy increases could be smaller. However, the City would still be required to make those debt payments over the full twenty-year period.

Director Hove stated that under Option B, if the entire bond were issued in one year, the levy would increase by approximately 10.1 percent in 2027. If the bond were issued in two parts over two years, the levy would increase by about 5.8 percent in the first year and 5.3 percent in the second year. These increases would be in addition to any other necessary levy increases during those years.

Council Member T'Kach asked if there was information on how the levy increase would affect commercial and residential properties.

Director Hove responded that they had not yet explored that level of detail. The current focus was on showing the overall impact on the City's levy. She added that if the council decides to move forward, they can conduct a deeper analysis, but for now they were just creating preliminary bond estimates based on project costs.

Council Member T'Kach said it would be helpful to understand what the financial impact would be on residents and businesses over the next 20 years.

Mayor Dietrich acknowledged that the discussion is currently at a high level and that more detailed information will be provided in the future.

Council Member Murphy asked whether all the bonds are assumed to be issued for 20 years or if there are different tranches, and whether an assumed coupon rate was used in the calculations.

Director Hove said they ran several scenarios, including one where each bond issuance would be repaid over 20 years from its date of issuance. In that case, the 2027 bond would be paid off a year earlier than the 2028 bond. Another option would have both bonds maturing at the same time. They tried to structure the payments to reduce the initial impact. She also noted that interest rate assumptions were included, with more risk the further out the borrowing occurs. They assumed a starting interest rate of 3 percent based on what a triple A rated municipality could secure today, with an increase of 0.5 percent for a one-year delay and 1 percent for a two-year delay.

Director Connolly explained that the next step is moving into final design, which could be done through either a direct selection of a firm or a competitive request for proposals. Both methods would build on the completed needs analysis and site plan, and each could involve a negotiated contract fee. He noted that staff is still evaluating these options and welcomed input from Council.

Council Member T'Kach asked about the timing for using a direct select approach versus issuing a Request for Proposals (RFP) and requested clarification on the decision-making process involved in choosing between the two.

Director Connolly replied that he would provide a summary addressing the question and would cover the timing and decision-making process later in his presentation. Director Connolly explained that there are three primary construction delivery models the City could consider for this project. The first is the general contractor method, which is typically used for pavement projects. In this model, the City would hire an engineer or architect to design the project, then put it out for competitive bid, awarding the project to a general contractor who would oversee subcontractors. While this is a common approach, it poses challenges because City staff lack experience in managing vertical construction projects, which may require outside support during construction.

The second option is the Construction Manager at Risk model. In this approach, the City hires both an architect and a construction manager. The construction manager assumes contractual risk for the project, hiring subcontractors and managing the construction process. The selection of the construction manager would typically be done through a competitive RFP and interview process. This model transfers much of the risk away from the City but can be more expensive due to the contingency costs built in by the construction manager.

The third option is the Construction Manager as Agent model. This model allows the City to hire both an architect and a construction manager, either simultaneously or in sequence. The construction manager acts as an advisor and partner, providing guidance throughout design and construction phases. While the City would still be responsible for bidding the work, the construction manager would oversee the process. Director Connolly expressed a preference for this model, recommending it for its collaborative approach and early involvement of the construction manager, which helps ensure alignment and efficiency throughout the project.

Mayor Dietrich asked Director Connolly to clarify who holds the risk under the CMA model.

Director Connolly explained that under the CMA model, the owner generally holds the risk. However, working closely with a qualified construction manager and the architect during the design phase helps reduce that risk. For example, a typical project might include a 15 percent contingency under a traditional design-bid-build model, but with a construction manager involved early, that contingency could be lowered to 10 or even 7.5 percent. This reduction is due to the construction manager's expertise in similar projects, which helps identify and address potential issues in advance.

Council Member Gliva asked whether the CMA Advisor model is generally the mid-range option in terms of cost.

Director Connolly responded that the CMA Advisor model is likely the mid-range option in terms of cost but deferred to Mr. Francois for a more informed answer. He clarified that CMA is generally the least expensive of the three models, although it is difficult to assess how much overhead and profit general contractors include in their bids.

Mr. Connolly provided a projected schedule outlining the phases of the project, noting that the Council can anticipate accepting the final report in March or early April 2025. Following that, the City would move into the solicitation phase for final design and contract management services between May and July 2025, with final design expected to continue through May 2026. Initial bid packages and site work, including demolition and early material procurement, would begin in summer 2026, alongside the first bond issuance in the fall of 2026. Construction is scheduled to take place from summer 2026 through fall 2027, lasting approximately 16 to 18 months. A second bond issuance would be in the fall 2027, with the new building targeted for commissioning and move-in by January 2028. Rehabilitation of the existing facility and additional police site improvements are slated for summer 2028.

Mayor Dietrich voiced strong support for the project, highlighting the staff's resilience despite poor facility conditions and urging residents to review photos or speak with plow drivers to understand the need. She acknowledged the cost but endorsed a two-bond approach to ease the impact, stating the project is necessary and should move forward.

Mayor Dietrich asked for clarification on what the Council needs to do in order to move forward with accepting the final report.

Mr. Connolly shared the staff's recommendation in support of Option B, explaining that its best fits within the constraints of the current and adjacent sites. He noted that this option allows for continued operations of public works and parks maintenance without major disruptions. Option B also offers the greatest flexibility to address future improvements for the adjacent Police and City Hall areas, including enhancements to parking, security, and space for potential training needs.

He emphasized that this option is cost-effective and can be financed in a reasonable manner through bond sales. Most importantly, it meets the long-term operational needs of public works and parks maintenance by consolidating functions into a single, permanent facility.

Mr. Connolly added that both the consultant team and City staff will complete the full report for Council acceptance within the next four to six weeks. That report will include a recommendation to move forward with soliciting services for final design and contract management.

Mayor Dietrich stated that it is very important for her to hear directly from staff, noting that some of them may not be with the City by the time the project is complete. She emphasized that the staff have thrived and gained valuable insight from working within the current facilities, which gives them a clear understanding of what is truly needed.

Mr. Connolly thanked the Council for their support and said he would share the comments with the superintendents. He agreed that staff have worked hard to operate effectively despite facility challenges but noted that the strain is beginning to show in both budget impacts and reduced returns on vehicle investments.

Council Member T'Kach asked if an analysis could be done to anticipate how future taxes or tariffs on materials like concrete or steel might affect project costs, especially if bonds are issued in 2026–2027 or 2027–2028. She raised concerns that the estimated $55 million project could increase to $60 million due to changing economic conditions.

Director Connolly explained that while it is difficult to predict future conditions, the project team accounts for uncertainty by using contingencies and cost modeling. As the design progresses, estimates will be refined, potential savings identified, and decisions made about priorities and features. He emphasized the importance of following proven processes while remaining flexible, noting that it is too early to analyze specific cost impacts in detail.

Mayor Dietrich asked Mr. Connolly if there was anything more he needed from the Council.

Director Connolly replied that he was good and noted that while he understands the Council has concerns about cost, no one voiced outright opposition to the project.

Council Member Scales said that while cost matters, building the right long-term facility is more important. He supported the project's direction, appreciated the planning, and favored using a contract manager.

Director Connolly stated that the goal was to keep Council and the public informed and to identify any major concerns with the staff recommendation. He clarified that accepting the proposal does not commit the City to bonding or final decisions, as multiple future actions will still be needed, including approving contracts and bid packages.

C. Consider Resolution Approving Project and Budget for Public Archery Range at South Valley Park.

Parks and Recreation Director Adam Lares requested Council consideration regarding the development of a public archery range at South Valley Park. The South Valley Park Master Plan, approved by the Council in March 2020, includes a public archery range in the park's northeast area as part of Phase 2. Following the completion of Phase 1 and due to a mild winter in 2024, parks maintenance staff were able to prepare the future archery site ahead of schedule without incurring additional capital costs. The project responds to a growing interest in recreational archery within Inver Grove Heights.

Director Lares explained that over the past five years, the City has offered youth archery programs in spring, summer, and fall at Groveland Park using a temporary setup involving hockey boards and safety netting. While functional, this setup presented safety and quality concerns. Staff identified a dedicated archery range as necessary to enhance participant experience and safety. At the June 12, 2024 Parks and Recreation Advisory Commission (PRAC) meeting, staff introduced the proposed archery range as a key advancement in Phase 2.

To move forward with the project, staff engaged Mr. Richard Cockrell, a USA Archery Level 5 coach with extensive experience in designing archery facilities. Mr. Cockrell developed a preliminary design that included proper range layout, safety regulations, and signage. After receiving feedback from PRAC at the September 11, 2024, meeting, the design, and signage were refined and finalized. These materials, along with an estimated project cost, were reviewed and approved by PRAC at their

January 8, 2025 meeting. The final design and associated signage were also reviewed and approved by the City's insurance provider and legal counsel.

Park Superintendent Swoboda reviewed the proposed public archery range design, located east of the parking lot. The range will feature a red-perimeter shooting area with surrounding warning signage, an ADA-accessible blacktop trail, and six to eight shooting lanes aimed east toward Cahill, each with two to three targets. Additional signage will be placed along the trail to ensure user awareness and safety.

The design includes two elevated platforms about ten feet high with three to five targets each, simulating a hunting environment. Shooting lanes will reach up to 55 yards, accommodating both recreational and advanced archers. A red-boxed safe zone will be separated from the shooting area by a split rail fence to protect users from entering active shooting paths.

Each station will feature large, enclosed targets to prevent theft and extend durability. Signage will be installed around the perimeter, trail, and shooting line, with rules based on consultant input and other archery sites, like those used at other park facilities. The rules were compiled from the consultant's recommendations and examples from other archery sites.

The archery range will be available for both structured recreation programming and general public use. Recreation programming will include activities for both youth and adults. When not used for organized programs, the range will be open to the public from sunrise to sunset.

The project is estimated to cost $95,200 and it is proposed to be funded through the Park Acquisition and Development Fund, designated for the creation of new park amenities, making the archery range a qualifying and intended use.

Superintendent Swoboda requested Council approval of the resolution authorizing the construction of the public archery range and the associated budget. Both the Parks and Recreation Advisory Commission and City staff recommended approval. If approved, construction is scheduled to begin in April, with substantial completion anticipated sometime in August.

Mayor Dietrich asked how youth groups, such as the Boy Scouts, would be able to sign up or participate in using the proposed facility.

Director Lares stated that the City will offer recreation programs for youth, adults, and families but has not yet considered group rentals. Groups like the Boy Scouts could use the facility as part of the general public. Future rental options may be evaluated based on neighboring cities' practices and added to the City's fee structure.

Council Member Scales expressed strong support for the project, noting it would have been a great amenity for his family and that many residents are looking forward to it.

Council Member T'Kach asked whether the northern boundary would prevent a future walkway from 70th Street, allowing easier access to the site from Cahill, and if a switchback or path could be added.

Superintendent Swoboda explained that due to the elevation difference, creating a trail from 70th Street to the archery range would be very difficult. He noted preliminary county plans for future trails, with potential connections near the tunnel area by the parking lot.

Council Member T'Kach asked whether there could be a future opportunity to create a trail from 70th Street down into the park, not directly into the archery area but farther west.

Director Lares explained that due to the steep topography, creating an ADA-compliant trail from 70th Street would be difficult without switchbacks or an extended path. A stairway could be an option, though not ADA accessible. He noted potential access could be created west of the well house without encroaching on the red-marked area, preserving future access possibilities.

Council Member T'Kach asked if access from Cahill could be added at the northeast corner of the red-marked area.

Director Lares explained that a gradual, elongated trail from 70th could provide access to the park, potentially making it ADA accessible, though it would require significant earthwork. He also noted coordination with the county would be necessary since both the road and trail fall within county jurisdiction.

Council Member T'Kach asked whether moving the red box 10 feet could allow for a sloped trail into the park from the northeast corner, and if that option had been considered in the design.

Director Lares responded that the design had not considered adding access at the northeast corner. He expressed safety concerns about encouraging foot traffic in that area and said it would be better to direct access farther west.

T'Kach asked what types of bows will be permitted at the range—specifically, whether compound bows and traditional bows will be allowed, or if only simple bows will be permitted.

Superintendent Swoboda stated that the range will permit regular conventional bows, compound bows, and crossbows. However, broadheads will not be allowed because they can quickly damage the targets. Only field points will be permitted for use.

Motion to Approve Resolution 2025-046 Approving Construction of a Public Archery Range at South Valley Park Utilizing the Park Acquisition and Development Fund by Scales, second by Murphy.

Ayes: 5
Nays: 0 Motion carried.

8. PUBLIC COMMENT:

Ms. Sandy Honerbrink, a resident of 2318 75th Street East, Inver Grove Heights, addressed the Council to advocate for changes to the city's election procedures. She referenced a recent governors' meeting during which President Trump stated that paper ballots with watermarks, hand counting, one-day voting, and voter ID requirements based on citizenship would cost approximately 8% of what current voting machines cost. Ms. Brink noted that she had previously raised this topic in October, but it was deferred due to the timing of the election. With ample time before the next election, she urged the Council to reexamine and validate the cost comparison.

Ms. Honerbrink underscored the importance of election security and voiced concerns about the use of computers in the voting process, citing a statement by Elon Musk suggesting that computers are ill-suited for elections. She challenged prior assertions that hand-counting ballots would be prohibitively expensive and urged the Council to re-evaluate those estimates.

Mayor Dietrich indicated that she would speak with the City Administrator and the Clerk, and possibly the Deputy Clerk, to determine what actions can be taken regarding the matter.

Ms. Honerbrink expressed concern about the automatic renewal of poll books in early 2026, stating she does not support auto-renewal and believes the City must audit, verify, and upgrade its election systems. She noted that, although she lacks documentation, she has heard concerns about the security and safety of the current voting machines. She emphasized the importance of understanding what vendors like Dominion are doing and advocated for election transparency and security. She also supported using paper ballots, requiring voter ID with proof of citizenship, and urged the City to take proactive steps before the renewal occurs.

Mayor Dietrich acknowledged the upcoming 2026 auto-renewal.

D. Closed Session to Discuss Labor Relations Matters.

Motion to move to closed session pursuant to Minnesota Statutes, Section 13D.03, subdivision 1(b) to consider strategy for labor negotiations, including negotiation strategies, or developments or discussion and review of labor negotiation proposals, conducted pursuant to sections 179A.01 to 179A.25; with the International Union of Operating Engineers, Local 70 and the American Federation of State, County and Municipal Employees, Local 1065 by Murphy, second by Scales.

Motion to move into Open session by Scales, second by T'Kach.

Ayes: 4
Nays: 0
Absent: Gliva Motion carried.

9. MAYOR AND COUNCIL COMMENTS

10. <u>ADJOURN:</u>

Motion to Adjourn at 9:58 p.m. by Scales, second by T'Kach.

Ayes: 4
Nays: 0
Absent: Gliva Motion carried.

Minutes prepared by Recording Secretary Tammy Greenlee