

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, MARCH 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, March 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: Council Members: Murphy, T’Kach, Scales and Gliva. Mayor Dietrich joined remotely. City Administrator Wilson, City Clerk Kiernan, Interim City Attorney Cruz-Jennings, Community Development Director Ziemer, Planning Manager Shay, Public Works Director Connolly, City Engineer Merchlewicz, and Parks and Recreation Director Lares.

3. APPROVAL OF AGENDA:

Motion to move Item 7E Legislative Update to be moved prior to 7A, move Public Comment and Mayor/Council comments up before the closed session and accept Agenda by Dietrich, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

4. PRESENTATIONS:

5. CONSENT AGENDA:

- A.** Approval of Disbursements **Resolution 2025-058**
- B.** Personnel Actions
- C.** Resolutions Approving Construction Phase Joint Powers Agreement, Contract
- D.** Award, and Budget for City Project No. 2023-09E - Argenta Trail Reconstruction **Resolution 2025-059, 2025-060 & 2025-061**
Authorization for Technology Division to Purchase a Replacement Storage Area Network (SAN)
- E.** Resolution Adopting a Project Budget for Groveland Park Ballfield Improvements **Resolution 2025-062**
- F.** Resolution Accepting Donations to the Fire Department and Amending 2025 Budget **Resolution 2025-063**
- G.** Approval of Final Plans & Specifications and Authorization to Seek Bids for City Project No. 2210 - Heritage Village Park Phase 5
- H.** Approval of Assignment and Assumption of Development Credits
- I.** Resolution Approving Amendment to FY 2024 DEED Host Community Economic Development Grant Application **Resolution 2025-064 & 2025-065**
- J.** Resolution Approving Major Site Plan for Parking Lot Improvements at Pine Bend Elementary **Resolution 2025-066**
- K.** Resolution Amending Position Classification Plan **Resolution 2025-067**

Motion to approve Item A - K by Gliva, second by T’Kach.

Ayes: 5

Nays: 0 Motion carried.

6. PUBLIC HEARINGS:

7. REGULAR BUSINESS:

E. Legislative Update - Preemption of Local Zoning Authority.

City Administrator Wilson provided a detailed overview of three key housing-related bills being considered by the Minnesota Legislature. The first set of proposed legislation, House File 1987 and Senate File 2229, referred to as the "Minnesota Starter Home Act," would significantly limit municipal zoning authority over residential development. This bill would require cities to permit the construction of single-family homes, duplexes, or accessory dwelling units (ADUs) in any zoning district that permits residential use. Additionally, townhomes would be allowed on any newly platted or vacant lots in any zoning district that permits residential use. The bill also mandates that cities allow minimum lot sizes of one-eighth of an acre for single-family and duplex developments and three-tenths of an acre for townhomes.

Further stipulations would restrict the side, front, and rear setback requirements that cities may impose and require cities to allow at least 80 percent lot coverage for townhomes. Additionally, cities would be prohibited from enforcing building regulations concerning construction materials or methods. This includes standards related to architectural elements, egress, durability, energy efficiency, and natural light access.

House File 1987 and Senate File 2229 impose several new restrictions on cities. These include a ban on requiring a minimum number of parking spaces for any residential developments, whether on street or off street. The legislation also prohibits municipalities from establishing or promoting homeowner's associations or setting their terms. Additionally, cities must adopt an administrative approval process for residential lot splits and subdivisions.

House File 2140 and Senate File 2231, titled the More Homes Right Places Act would require suburban cities, including Inver Grove Heights, to designate at least 50 percent of their residentially zoned land as mixed housing districts. These districts would be required to allow a broad range of housing types, including single-family dwellings, duplexes, triplexes, townhomes, and ADUs. In addition, cities would need to establish commercial corridor districts that encompass every parcel fronting a municipal state-aid street. The legislation leaves it to the State of Minnesota to define the required residential density within these corridor districts.

Additionally, the More Homes in the Right Places Act would prohibit requiring construction materials or methods, including architectural elements, building egress, durability, energy efficiency, and light access. It would also prohibit cities from requiring any minimum number of parking spaces, including on-street or off-street. Furthermore, cities would be prohibited from requiring conditional use permits or planned unit developments for residential developments in a mixed housing or commercial corridor district. The bill also includes a ban on municipal actions that either require or incentivize homeowners' associations or specific association terms. As with the other proposed laws, it would require administrative approval processes for residential lot splits and subdivisions.

Administrator Wilson reviewed House File 2018 and Senate File 2286, referred to as the Transforming Main Street Act. Under this proposal, cities would be required to permit multifamily residential development in any zoning district that authorizes commercial use, except in areas zoned for heavy industrial use. Cities could require mixed-use in cases where existing commercial or industrial sites are being redeveloped. Proposals for affordable housing would be exempt. While cities may impose conditions to protect public health, safety, and welfare, the bill specifically excludes traffic, noise, or nuisance concerns as valid considerations for developments with fewer than 300 units.

The Transforming Main Street Act would also require cities to grant a density bonus for affordable or workforce housing developments. This could allow for greater building height, increased units per acre, increased lot coverage, or other variances that increase building size by at least 30 percent more than what is allowed for market rate multifamily developments in the jurisdiction. The legislation would prohibit municipalities from imposing height limits of less than 75 feet for multifamily housing and would ban any requirement for a minimum number of parking spaces. Like the other two legislative proposals, this act would require an administrative approval process.

These bills have passed their first committee hearings in the House of Representatives and are awaiting a second committee review. In the Senate, the bills are scheduled for their initial committee hearings tomorrow.

As the city did in response to similar legislation last year, it has been proposed that a letter be sent to the city's legislative delegation to express concerns. Additionally, the city's lobbyist is working to arrange in-person meetings with legislators during the legislative break in mid-April. Although none of the city's legislators serve on the committees reviewing these bills, it is still considered important to communicate the city's views in the hope that their representatives will raise questions or advocate on the city's behalf when the bills are discussed in caucuses or on the floor.

Mayor Dietrich expressed support for sending a letter to the legislative delegation, as was done last year, emphasizing that it is important to advocate on behalf of Inver Grove Heights residents.

Councilor Scales asked whether there is any indication that a distinction is being made this time between lots served by city services and those that are not, such as properties with wells and septic systems.

Administrator Wilson confirmed that the legislation has changed from last year. Unlike the previous version, which applied regardless of access to city services, the current bills allow cities to conditionally approve on the availability of municipal water and sewer. As a result, the proposed legislation would primarily affect areas of Inver Grove Heights served by city utilities, with less impact on rural residential areas. Additionally, the bills now clarify that cities may enforce Shoreland Overlay Districts and environmental setbacks required by the DNR, addressing a previous conflict between state legislation and environmental regulations.

Councilor T'Kach asked for clarification regarding parking provisions in the proposed legislation.

Administrator Wilson clarified that the legislation does not differentiate between covered and uncovered parking. She interprets it to mean that a driveway qualifies as a parking space, and therefore, cities are generally prohibited from regulating parking in any form under the current language of the bill.

Councilor T'Kach asked for clarification on the 80 percent lot coverage requirement for townhomes or multifamily housing. She inquired about its implications, particularly regarding stormwater management and related environmental impacts.

Administrator Wilson explained that while some of the proposed bills include exemptions that allow for exceptions related to stormwater management, the general provision states that cities cannot set a maximum lot coverage requirement below 80 percent. This effectively reduces setback requirements, allowing buildings to occupy a significantly larger portion of a lot's total area.

Councilor T'Kach asked whether the impact of traffic pollution, such as idling diesel vehicles, is considered in the proposed legislation, beyond just the volume of traffic.

Administrator Wilson explained that one of the bills clearly says traffic cannot be considered when evaluating public health, welfare, and safety, but it does not provide any detail. She expressed concern that the bill language is vague and seems to be written by people at the state level who may not fully understand land use planning. She also pointed out that terms like community meeting are not clearly defined and do not match up with current laws or city procedures, which makes it unclear how cities are supposed to apply the new rules.

Interim Mayor Murphy expressed concern about the lack of resident input in past situations and asked whether, under the proposed Transforming Main Street Act, administrative review for a commercially zoned plot would occur solely at the staff level, without any involvement or input from the City Council or the public.

Administrator Wilson confirmed that this understanding is correct.

Interim Mayor Murphy asked whether the same administrative approval process would apply under the other two bills.

Administrator Wilson confirmed that all three bills require administrative approval.

Interim Mayor Murphy asked whether the minimum building height is 75 feet.

Administrator Wilson clarified that cities cannot impose a height limit below 75 feet, but a developer could choose to propose a shorter building, such as 60 feet. While that could be considered during the administrative review process, the city cannot enforce a standard that is anything less than 75 feet.

Interim Mayor Murphy asked if, under the proposed law, any type of development would be permitted on a lot that was zoned commercial in the 1980 comp plan but has since been reclassified as public and institutional.

Administrator Wilson said that the proposed law would not necessarily apply because it refers to land zoned for residential use, and public and institutional land in the city typically does not allow residential use. However, if the land were still zoned commercial, a developer could build apartments on all of it, and the city would have no authority to prevent that in order to preserve it for commercial purposes. If the developer instead proposed a commercial use, that would still be allowed.

Mayor Dietrich expressed her desire to proactively address the issue, emphasizing the importance of advocating on behalf of the city's residents.

Councilor Scales clarified that the lot being discussed was zoned high-density residential in the 1980s, not commercial.

Councilor Gliva encouraged residents who support local control and want to ensure citizen involvement in the process to contact their local legislators; Senator Klein and Representatives Mary Clardy and Hansen. She emphasized that the most important step the community can take right now is to be proactive and ensure their voices are heard.

Councilor T'Kach referenced a section of the draft legislation stating that cities cannot impose minimum parking requirements, including garages, but suggested it still allows for driveways. She emphasized the importance of ensuring residents understand that driveways would not be eliminated. She acknowledged the complexity of addressing housing shortages and supported legislative efforts but stressed that a one-size-fits-all approach is not effective. She preferred a revised letter that includes specific examples of what Inver Grove Heights has done, such as the ADU ordinance and past approvals for affordable housing, even if projects did not proceed. She urged staff and council members to meet with legislators and highlighted the need for more efforts to support first-time homebuyers, empty nesters, and address growing homelessness in the area.

Interim Mayor Murphy asked Council members for their thoughts on the draft letter.

Councilor Scales responded that he liked the letter and thought it was well written. He emphasized that state officials cannot know what is best for every city, and he trusts residents to make the right decisions for their own community.

Councilor Gliva expressed support for sending the letter.

Mayor Dietrich asked for the source of the data referenced by Councilor T'Kach regarding the growing homeless population in Inver Grove Heights.

Councilor T'Kach explained that a national nonprofit conducts an annual nationwide count of homeless individuals, with help from local outreach workers, and that this data has been tracked over several years.

Interim Mayor Murphy expressed support for the letter, emphasizing that local control is essential because residents know their community best. He added that his past efforts to discuss the issue with legislators were not successful.

Councilor T'Kach affirmed her support for local control, emphasizing its importance and clarifying that her remarks should not be misinterpreted to suggest otherwise.

Motion to have City Administrator draft a letter to the Legislature stating our objections to the bills being brought forward by Gliva, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

A. Rental Housing Licenses

Director Ziemer presented 14 rental housing licenses, five new and nine renewal applications that have been reviewed by Staff and found to be eligible for licenses. Staff recommends approval.

Motion to approve 14 rental licenses by Gliva, second by Scales.

Ayes: 5

Nays: 0

Motion carried.

B. Comprehensive Plan Amendment & Rezoning of Property Located in the Southwest Quadrant of the Intersection of 65th Street and Argenta Boulevard.

Planning Manager Shay stated that there were two requests presented for consideration: the first was a comprehensive plan amendment, and the second was a rezoning request for the proposed development located at the intersection of 65th Street and Argenta Boulevard.

He explained that the site is situated at the southwest corner of that intersection and currently consists of two properties totaling approximately 23.9 acres, a 2.5-acre parcel and a 21.4-acre parcel. The comprehensive plan amendment request proposes a change to the existing mix of land uses, which currently includes office, medium-density residential, and low-medium density residential. The proposal seeks to re-designate the entire site to low-medium density residential, thereby eliminating the office and medium-density residential classifications from the plan for this location.

Tied to the comprehensive plan amendment is a rezoning request. The proposed rezoning would change the site's designation to R-3A multifamily residential.

A concept plan is required and has been submitted as part of the application. The site falls within the northwest area overlay district and is also subject to the Shoreland Management Overlay. The proposed concept includes 119 rowhome/townhome units, with an estimated density of approximately 5.8 units per acre, which is within the 4 to 8 units per acre range permitted under the requested low-medium density residential designation.

Land use and zoning policies in future development areas emphasize the importance of encouraging diverse housing styles that align with the site's natural characteristics. A key priority is establishing a local street system that discourages the use of collector and arterial roads for local traffic. It is also essential to maintain a balanced housing supply that accommodates residents of all income levels and life stages. Additionally, promoting housing patterns that respect the natural environment, such as cluster development, helps support environmental preservation while addressing the community's evolving housing needs.

The surrounding parcels are developed with low-density housing to the south and east, making the proposed transition from medium to low-medium density residential a compatible land use change. Due to recent road extensions and realignments, the office-designated parcel has become disconnected from the larger office areas. As a result, aligning the land use of this parcel with the residential uses south of 65th Street is a reasonable approach.

Future steps for the project include applications for a preliminary plat and planned unit development, both of which will require public hearings, followed by a final plat and development agreement. The Planning Commission held a public hearing on March 4, 2025. No public comments were received, and the only individual who spoke was the applicant. The Planning Commission discussed the proposal and unanimously recommended approval by a vote of 7-0.

The recommended action is to approve the Comprehensive Plan Amendment changing the land use designation from O, office and medium-density residential to LMDR, low-medium density

residential, and to approve the rezoning from A, agricultural to R-3A, multifamily residential subject to the conditions.

Councilor T'Kach asked whether the proposed zoning change results in a net loss of housing density compared to the current zoning on the map, and if so, what the magnitude of that loss would be and how it might be offset elsewhere in the city.

Manager Shay explained that an evaluation was not conducted at this stage because the proposed density is still only an estimate and could fall within a range. The current land uses, which include medium density residential and office, represent one category with higher residential density and one with no residential density. These uses tend to average out when considering their respective density ranges. Although the exact number of units may vary, the proposal remains consistent with the overall density capacity of the area. Additionally, the site is significantly impacted by the Shoreland Management Overlay, which covers approximately 85 to 90 percent of the property and imposes a stricter limit on the total number of allowable units.

Dave Stoffer, the applicant representing Ace Land Holdings, 2685 Vikings Circle, Eagan, stated that they are requesting both a Comprehensive Plan Amendment and zoning changes. He explained that the two-acre office-designated portion was severed during Dakota County's road realignment and is no longer suitable for office use due to limited access, lack of visibility, and the existing curb cut being located on an adjacent parcel.

For the larger parcel, he noted that re-guiding it to low-medium density residential is consistent with nearby residential developments to the south and southeast. The goal is to create a cohesive residential community with a practical road network. He added that higher density was not appropriate given the site's access constraints and that the Shoreland Overlay District requires on-site stormwater management, which further limits the developable area.

Councilor T'Kach asked whether a decision had been made regarding whether the proposed units would be rental or owner-occupied.

Mr. Stoffer stated that no final decision has been made. Due to high home prices and interest rates, the current concept leans toward rental to ease the burden of a down payment. However, since the project is still in the design and concept phase, they will continue evaluating options before making a final determination.

Councilor T'Kach encouraged the development to be owner-occupied, emphasizing the need for additional entry-level housing in the community. She noted that even if the units were market rate, they would still provide an opportunity for young families, seniors, and others to enter the housing market. She added that this could help residents establish roots in Inver Grove Heights and remain in the city as their housing needs evolve over time.

Brooke Williams, a resident of 3515 78th Street East, voiced strong support for incorporating ownership opportunities within the proposed development. She urged the developer to offer the units for purchase rather than rental. While she acknowledged that this approach might not align with typical corporate models, she emphasized that homeownership provides significant benefits and lasting value to the community.

Alex Bruns, a resident at 2406 Blueberry Street, questioned why rental versus ownership is repeatedly discussed during rezoning and comprehensive plan conversations. He emphasized that

the focus should be on providing housing in general, not on ownership type, and noted this ongoing debate may be contributing to state-level pushback on local zoning decisions.

Motion to approve Resolution 2025-068 amending the 2040 IGH Comprehensive Plan and Maps for Guiding the Overall Development and Redevelopment of the City of Inver Grove Heights by Dietrich, second by T’Kach.

Ayes: 5

Nays: 0 Motion carried.

Motion to approve Ordinance 1494 Amending Title 10, Chapter 4 (Zoning Map) of the IGH City Code from A, Agriculture to R-3A, Multiple-Family Residential District by Scales, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

C. Comprehensive Plan Amendment and Rezoning of the Southern Portion of 7950 Blaine Avenue.

Manager Shay presented a request for a Comprehensive Plan Amendment and Rezoning for the Grace Nazarene Church property, located at 7950 Blaine Avenue, Inver Grove Heights.

The subject property consists of one parcel totaling 7 acres, located off Blaine Avenue and 80th Street East. The northern half of the property is developed with an existing church; the south half is undeveloped.

The application seeks to amend the Comprehensive Plan designation from P, Public/Institutional to CC, Community Commercial and to rezone the property from P, Public/Institutional to B-3, General Business. The proposed changes apply to 4 acres of the southern portion of the site, with the remaining 3 acres, including the church, to retain the current designation. The request does not include approval of any specific development concept or site plan at this stage.

The conceptual development proposes three commercial users: a gas station and two retail stores with drive-through facilities. The plan includes associated parking, landscaping, and access points onto Blaine Avenue.

The policies emphasize the importance of locating development within established areas and providing commercial services that are easily accessible to nearby neighborhoods. Development should include appropriate buffers to support smooth transitions in housing density and accommodate diverse housing types. Infill development is encouraged but must preserve the character of existing residential areas. Additionally, new developments should be compatible in size and scale with surrounding neighborhoods. The community commercial goals focus on offering essential goods and services to residents within recognizable shopping areas, while also promoting private redevelopment and the rehabilitation of existing structures.

The City Council has demonstrated its focus on commercial growth by encouraging new development opportunities. A proposed amendment to allow community commercial use on the southern portion of the site would be naturally buffered by the adjacent church. This area is largely vacant and offers the potential for more effective land use. Situated at the intersection of two high-volume roads, the site is considered a typical and strategic location for commercial development.

The proposed commercial area would also sit at a lower elevation than the surrounding homes to the east and the church.

Future applications would include a preliminary plat and conditional use permit (both requiring public hearings), as well as a final plat and a development/site improvement agreement.

A public hearing was held on March 4, 2025. Several residents expressed concerns about the impact of commercial development on the neighborhood, including increased traffic, stormwater management, and the need for adequate buffering. While the Planning Commission acknowledged the potential benefits and concerns, it ultimately recommended denial of the request in a 5-2 vote.

Staff recommended approval of the Comprehensive Plan Amendment from Public/Institutional to Community Commercial and rezoning from Public/Institutional to General Business, subject to conditions. Discussion by the Council was invited following the recommendation.

Mayor Dietrich requested a brief synopsis explaining why staff is recommending approval of the proposal.

Manager Shay explained that staff recommends approval based on the site's alignment with comprehensive plan policies. The area is along high-volume roads, near a highway, and adjacent to a signalized intersection, making it suitable for commercial use. While the buffer is limited, the commercial area does not directly border residential homes. Staff also noted that traffic impacts are similar to high-density residential uses previously considered for the site.

Councilor Gliva asked for clarification, confirming whether staff had also recommended approval when the zoning and Comprehensive Plan Amendment for a high-density residential apartment complex were presented in 2023.

Manager Shay confirmed that staff had recommended approval of the high-density residential proposal in 2023, although the application did not proceed.

Councilor Gliva asked to confirm that both the 2023 high-density residential proposal and the current commercial proposal had received staff approval but were denied by the Planning Commission.

Planning Manager Shay confirmed Councilor Gliva's question, stating that both the 2023 high-density residential proposal and the current commercial proposal were recommended for approval by staff but were denied by the Planning Commission.

Councilor Scales expressed concern that there does not appear to be a clear plan for the corner and that it seems staff would recommend approval for any proposal brought forward by the developer.

Administrator Wilson respectfully disagreed, stating that high-density residential and B3 commercial uses are typically located along major roadways to serve as buffers between highways and lower-density residential areas. She noted that if the proposal had been for something like industrial use, staff likely would not have recommended approval. She explained that it is common for high-density residential and B3 uses to be considered appropriate for similar locations within a community.

Interim Mayor Murphy asked for clarification on the differences between B1, B2, and B3 zoning, noting that the staff information did not clearly distinguish between them.

Manager Shay explained that commercial intensity increases from B-1 to B-4. B-1 is the most limited, with smaller-scale uses and reduced setbacks. There is a significant increase in permitted uses from B-1 to B-2, while B-2 and B-3 are similar, though B3 allows more impervious surface and requires greater setbacks near residential areas. B4 is a shopping center district with broader permitted uses. The proposed uses, including gas and drive-through retail, are allowed in all four districts.

Interim Mayor Murphy asked if a gas station would be allowed in a B-1 zoning district.

Manager Shay explained that a gas station is considered a conditional use in all business districts, including B-1, B-2, B-3, and B-4. It is not automatically permitted but must go through the conditional use permit process, which allows the use with conditions.

Interim Mayor Murphy stated that he finds it confusing because he sees a significant difference between a gas station and a donut shop.

Manager Shay explained that conditional uses are permitted uses that require additional review due to their unique characteristics. These uses must meet specific conditions and development standards outlined in the city code to ensure any potential impacts are appropriately addressed.

Interim Mayor Murphy asked why an applicant would request B-3 zoning instead of B-1.

Manager Shay explained that the community commercial land use designation aligns with B-2 or B-3 zoning districts, not B-1. B-1 corresponds to limited or neighborhood business land use. Therefore, to remain consistent with the land use plan, a property designated as community commercial would need to be zoned B-2 or B-3.

John Johansson, the applicant, representing SMNPT 1, LLC, 7601 France Avenue South, Edina, acknowledged that community guiding documents often contain conflicting goals, such as protecting residential areas while also encouraging commercial development along major roadways. He noted that the site is located at a busy intersection near Highway 52 and 80th Street, which is attractive to commercial users and aligns with the city's stated goals. The site has natural buffers, including its elevation relative to the church and surrounding roadways. Unlike many commercial projects, this proposal does not share property lines with residential lots. The church, which owns the property, intends to modernize its facilities and will benefit from the development through the construction of a new parking lot with modern stormwater management. Although detailed site planning is not the primary focus of the current request, all stormwater runoffs will be directed to a basin designed to meet watershed district standards. Proceeds from the property sale will also support the church's efforts to expand its daycare offerings for the community.

Interim Mayor Murphy stated that several emails were received regarding the matter, raising concerns about the use of the comprehensive plan as a guiding document, potential traffic impacts, the adequacy of transitions or buffers, effects on home values, lighting issues, and the justification for the B3 zoning request.

Motion to receive public comments into record by Gliva, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

Mike Newbauer, a resident at 7935 Blanchard Way, stated that he would vote no on the proposal, citing the site's incompatibility with the surrounding established residential neighborhood. He raised concerns about traffic, lighting, and the overall impact on nearby homes. The area was not intended for commercial use, and he believes the property should remain zoned for church use or be developed in a way that aligns with the character of the neighborhood.

Amanda Stambaugh, a resident at 7680 Bowman Court South, urged the City Council to deny the proposed rezoning and Comprehensive Plan Amendment. She argued that the proposal is inconsistent with the current comprehensive plan, which designates the area for public institutional use, and that rezoning it to general business (B3) would constitute improper spot zoning. She expressed concerns about negative impacts on the surrounding low-density residential neighborhood, including increased traffic, noise, and incompatible land use, stating the development does not align with the city's long-term vision or serve the broader public interest.

Kevin Hatfield, a resident at 7907 Blackstone Avenue, opposed the rezoning, citing concerns that a new gas station would disrupt the quiet, established neighborhood and noting a gas station already exists nearby.

Tammy Robertson, a resident at 7921 Blanchard Way, opposed the rezoning, citing concerns about increased traffic and safety, as well as impacts on home values and lighting.

Interim Mayor Murphy stated for the record that the Comprehensive Plan had guided residents in a different direction and raised several concerns, including traffic, transition, home values, lighting, and the overall need for rezoning. He invited anyone wishing to provide new information for the record to come forward.

Matt Taufen, a resident at 7912 Blanchard Way, opposed the rezoning, citing concerns that the proposed development fails to provide adequate buffer zones and would disrupt the character of the surrounding residential neighborhood. He also referenced traffic and safety concerns and urged the Council to consider the Planning Commission's prior 5-2 vote to deny the proposal.

Jerome Jugovich, a resident at 7948 Blanchard Way, opposed the rezoning, expressing concerns about increased traffic and the inappropriateness of a gas station and retail development in the area. He suggested that residential development, such as townhomes, would be a more suitable use of the property.

Councilor Scales asked Mr. Jugovich if he knew what year the church was built.

Mr. Jugovich stated that the church was already present when they moved in back in 1989. He mentioned that he does not recall its approval and noted that a previous proposal was denied by the Planning Commission.

Alex Bruns, a resident of 2406 Blueberry Street, spoke in opposition to the proposed zoning change. He expressed concerns about spot zoning and questioned whether the development reflects the highest and best use of the land. He also raised issues regarding stormwater management being relocated to a separate parcel and the potential legal complications if property ownership were to change. He urged the Council to prioritize long-term land use planning over approving a project that primarily benefits a single property owner.

Dan Dunlevy, a resident at 2726 78th Street East, expressed strong opposition to the proposal, urging the council to deny it.

Joan Wormer, a resident at 7980 Blanchard Avenue, expressed concern about the location of the proposed development and its direct impact on nearby homes. She noted that only a limited number of residents were notified, despite the project affecting approximately 385 houses. She urged the City Council to vote against the proposal until broader representation from the affected area is obtained.

Councilor Gliva requested clarification to confirm that the 350-foot notification requirement had been met in accordance with state statute. She wanted to ensure the city was in full compliance with legal obligations and that there was no intentional omission of residents from the notification process. Planning Manager Shay confirmed this was correct.

Joan Robertson, a resident at 8153 Cleadis Avenue East, expressed concern that the proposed development does not align with the character of the surrounding area and questioned whether there is a true need for additional commercial services at that location. She emphasized the importance of maintaining the existing feel of the neighborhood and suggested that commercial development be focused in areas already designated for such use.

Interim Mayor Murphy acknowledged that the majority of attendees appeared to support one side of the issue and explained that the Council was looking for new information to help advance the discussion. He encouraged individuals with additional or previously unshared input to come forward. He noted that the Council had already heard concerns related to stormwater, neighborhood character, the use of the comprehensive plan, traffic, transitions, home values, lighting, and zoning classification.

Councilor T'Kach asked what types of development might be considered appropriate for the site if the current proposal were not approved.

Susan Young, a resident of 7903 Blackstone Avenue, stated that she would vote to deny the proposal. She cited concerns about increased traffic and the associated safety risks, as well as issues related to stormwater management.

Interim Mayor Murphy asked whether the proposed development would impact the existing stormwater system and if those concerns had been addressed.

Planning Manager Shay explained that spot zoning typically applies in areas without an adopted comprehensive plan. When a comprehensive plan is in place, zoning must align with the guided land use designated in the plan. As long as the proposed zoning is consistent with the underlying land use, spot zoning is not applicable to the rezoning decision.

Interim Mayor Murphy asked for clarification on the process. He emphasized that property owners have the right to sell and develop their land and requested an explanation of the steps and considerations that brought the proposal to this point in the decision-making process.

Manager Shay explained that the development process typically begins when a property owner meets with city staff, usually from the planning and engineering departments, to review applicable codes, policies, timelines, and required applications. If necessary, neighborhood meetings may

follow. The applicant then submits a formal application, which staff reviews for completeness. Additional information may be requested before comments are provided.

If a public hearing is required, a notice is issued per state statute and city code and read into the record at the Planning Commission meeting. In this case, the hearing took place on March 4. The Planning Commission, serving as a recommending body, then forwards its recommendation to the City Council for consideration.

If approved, future steps such as a preliminary plat or planned unit development would restart the same review process, including staff evaluation, completeness checks, public hearings, and further approvals, continuing until all city entitlement requirements are met.

Interim Mayor Murphy asked for clarification on the process, noting that even if someone follows all the rules and receives a staff recommendation, it does not guarantee approval, as the final decision rests with the City Council.

Manager Shay explained that staff evaluates applications based on adopted codes, policies, and the comprehensive plan, and provides that information to the City Council to support its decision-making. He clarified that with comprehensive plan amendments, the decision is entirely at the discretion of the city, which has full authority to approve or deny the application.

Councilor Gliva asked whether any neighborhood meetings were held prior to the start of the formal application process.

Director Ziemer explained that a neighborhood meeting is not required for a comprehensive plan amendment or rezoning application. These meetings are only required when a formal development plan, such as a preliminary plat, is submitted. At that stage, the applicant must host a neighborhood meeting with staff participation. Afterward, if the applicant proceeds, they submit their formal application, triggering the statutory review process.

He clarified that the current application involves a request to re-guide part of the property to a community commercial land use to match B3 zoning, which would allow uses like convenience stores or restaurants. While no neighborhood meeting was held for this phase, the city fulfilled all legal notice requirements, including mailed notices to properties within 350 feet, publication in the newspaper, posting on the city website, and signs placed on the property.

Mayor Dietrich acknowledged that it is common for cities to have commercial or retail uses at major intersections or highway access points, and that it is understandable why such a proposal would be made. She clarified that the church involved is financially sound and that the daycare proposal came from a company seeking to provide a community amenity, emphasizing the importance of representing the situation accurately.

Councilor Scales stated that no decision had been made and emphasized the importance of going through the full process. He explained that the property was originally guided for high density until it was changed to public institutional when the church was built, which is why he does not consider the current proposal spot zoning. He expressed concerns about traffic access and stated that while he believes the property should be developed, he does not see commercial use as the right fit. He added that comprehensive plans change over time and should not be viewed as permanent.

Councilor T’Kach stated she would vote against the proposal, explaining that although the site may seem suited for commercial use from an urban planning perspective, it is not appropriate for this location. She cited concerns about pedestrian safety, and the potential for future 24-hour businesses, which could create issues with noise and lighting. She also noted that while the city followed notice requirements, some signage had blown down, limiting public awareness. She emphasized the need for the community to stay informed and engaged, acknowledged that the comprehensive plan is not permanent, and encouraged consideration of alternative uses such as townhomes or single-family housing.

Interim Mayor Murphy stated he agreed with the comments made by fellow council members and emphasized that while retail development has been a council priority based on resident feedback, it does not mean all proposals should be accepted. He acknowledged the validity of resident concerns in this case and expressed concern about the potential for a 24-hour gas station at the intersection. Although he could envision some form of retail at the site in the future, he indicated he could not support the proposed change as presented.

Mayor Dietrich emphasized that while commercial and retail development is a council priority based on resident feedback over the past decade, it must be pursued thoughtfully. She added that one important consideration not previously discussed is that churches in Minnesota have the legal right to establish a sacred settlement under state law. She reminded the audience that something would eventually be developed on the property and urged them to consider the full range of potential outcomes and unintended consequences.

Councilor Gliva initially supported the proposal, envisioning a small, low-impact business alongside a daycare. However, after reviewing public concerns about lighting and potential 24-hour use, she reconsidered. She noted the site’s access challenges and possible safety issues and stated that while the property has development potential, the current proposal is not the right fit.

Councilor T’Kach emphasized that city staff fulfilled their responsibilities by guiding the developer through the proper legal and procedural steps. She clarified that staff acted professionally based on the application presented. She thanked them for their work.

Administrator Wilson reminded the Council to move the appropriate resolution included in the packet, either approval or denial, as each contains important legal findings. She noted that if the comprehensive plan amendment is denied, the zoning should also be denied, and a vote on both items is still required.

Motion to approve Resolution 2025-069 Denying a Comprehensive Plan Amendment to Change the Land Use Designation of that Portion of Lot 1, Block 1, Grace Nazarene Addition from P, Public/Institutional to CC, Community Commercial by Scales, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

Motion to approve Resolution 2025-070 Denying a Rezoning of a Portion of Lot 1, Block 1, Grace Nazarene Addition from P, Public/Institutional to B-3, General Business by Gliva, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

D. Ordinance Amending City Code Related to Employee Vacation Leave, Personal Leave and Holidays.

Administrator Wilson introduced a proposed ordinance to amend Inver Grove Heights City Code, specifically Title 1, Chapter 6, Article A, which governs Personnel Policies. The proposed changes address holidays, vacation leave, and personal leave. The stated goal is to ensure that benefits for non-union employees remain equivalent to those negotiated for union employees. Although ordinances generally require three readings before final adoption, the Council is being asked to waive this requirement and approve the ordinance immediately. The urgency is due in part to a proposed holiday change involving Good Friday, which would have already passed if all three readings were required.

The proposed change would merge two existing half-day holidays, Good Friday, and Christmas Eve, into a single full-day holiday on Christmas Eve.

The proposed changes to vacation leave include a more gradual accrual of vacation hours in the early years of service. Currently, employees earn 80 hours annually through their fifth year and then jump to 120 hours starting in their sixth year. Under the new agreement with the unions, employees will see incremental increases in vacation time each year from years two through five, reaching the same 120 hours by year six but with a more even progression.

The proposal changes the maximum vacation accrual from 280 hours for all employees to a tiered system: 280 hours through the ninth year of service, 320 hours from the 10th to 19th year, and 360 hours beginning in the 20th year and beyond.

The proposed changes to personal leave include moving from a four-tier to a three-tier system, which slightly increases leave hours for employees in the early years of service while keeping existing levels unchanged for long-term employees. Additionally, while employees can still carry over up to 480 hours annually, the proposed change increases the annual cash-out limit from 80 to 96 hours. These cashed-out hours can be deposited into a post-employment health care savings plan, a tax-advantaged option to help cover retirement health expenses.

Brooke Williams, a resident of 3515 78th Street East, expressed her support for the proposal, stating that she views it as a positive opportunity for the employees of Inver Grove Heights.

Colleen Strong, a resident of 8835 Aviary Path, inquired whether the financial impact of the proposal on the city had been assessed and what the results of that evaluation were.

Administrator Wilson explained that a specific dollar amount was not calculated for the financial impact of the proposed changes. She noted that while it may allow some employees to accumulate larger vacation balances, which are paid out at departure, the impact is expected to be modest and manageable within current resources. It does not require a budget amendment, and the change does not affect employee groups such as police or fire where absences require costly backfilling.

Interim Mayor Murphy stated that, in his view, the proposal is about retaining good employees, noting that similar measures are being adopted elsewhere.

Motion to waive the three-reading statutory requirements by Scales, second by Murphy.

Ayes: 5

Nays: 0 Motion carried.

Motion to approve Ordinance 1496 Amending IGH City Code Title I, Chapter 6, Article A regarding Vacation Leave, Personal Leave, and Holidays by T’Kach, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

Motion to approve Resolution 2025-071 Approving the Publication of a Summary of Ordinance 1496, an Ordinance Amending IGH City Code Title 1, Chapter 6, Article I, regarding Vacation Leave, Personal Leave, and Holidays by Gliva, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

8. PUBLIC COMMENT:

Brooke Williams, a resident at 3515 78th Street East, presented an idea about permitting small-scale food operations in residentially zoned areas. She proposed a low-risk concept, such as serving pancakes from her home in a “pancakes in the park” model, which could support her cottage license and offer a unique amenity to the community. She requested that the Council consider discussing this idea further with city staff.

Sandy Honerbrink, a resident of 2318 75th Street East, thanked the Council for their service and encouraged them to remain diligent in evaluating city expenses and development decisions. She voiced concern over increasing property taxes and urged the Council to explore opportunities for cost savings.

She proposed that the city explore the feasibility of implementing a hand-counted ballot election system using citizen election judges, as an alternative to current voting machines. She requested that the City Clerk research and compare the costs of both systems and share the findings with relevant county and state officials.

She also expressed concern about the presence of fluoride in the city’s water supply, citing potential health risks, and requested that the city consider its removal. In addition, she questioned the necessity of building a new police shooting range, suggesting that nearby existing facilities could serve as a more cost-effective alternative. She stressed the importance of fiscal responsibility and urged the city to prioritize efforts that lower expenses and safeguard residents’ financial well-being.

Paul Bute, a resident of 10016 Barnes Trail, emphasized that the whistle-free zone remains an ongoing concern. He noted that train whistles continue to cause disruptions throughout the day and night and urged that the issue not be overlooked.

Interim Mayor Murphy asked if there had been any recent updates on the whistle-free zone.

Administrator Wilson explained that establishing a whistle-free zone involves expensive city-funded upgrades to railroad crossings, beyond simply posting signs or passing an ordinance. The matter was last reviewed four to five years ago, at which time the required improvements were estimated to cost millions of dollars. It is not currently being pursued.

Mr. Bute recalled that when the issue was last reviewed, he was aware of one crossing that did not meet the required standard. At the time, he believed only a single crossing was affected but now understands that multiple crossings must comply in order to establish a whistle-free zone.

9. Mayor and Council comments

Mayor Dietrich reminded everyone that the Inver Glen Library will hold its 25th anniversary celebration on Wednesday, March 26, from 2:00 to 4:00 p.m. The event will feature a brief program and recognition of the partners who made the construction possible. She encouraged all to attend if they are able.

Councilor Scales stated that while disagreements often occur, everyone is ultimately working toward what is best for the city. He emphasized that the city's staff is top-notch and deserves respect for the work they do.

F. Closed Session to Consider Purchase of Real Property.

Motion to move to closed session pursuant to Minnesota Statutes, Section 13D.05, Subdivision 3C-3 to discuss Potential Purchase of Property 20-00800-54-013 & 20-00800-54-014 with an address of 1185 & 1225 80th Street East by Scales, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

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

Ayes: 5

Nays: 0 Motion carried.

9. MAYOR AND COUNCIL COMMENTS

10.ADJOURN:

Motion to Adjourn at 11:15 p.m. by Scales, second by T'Kach.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Tammy Greenlee