INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION
MONDAY OCTOBER 2, 2017 6:00 PM – 8150 BARBARA AVENUE

A. <u>CALL TO ORDER/ROLL CALL:</u> The City Council of Inver Grove Heights met in work session on Monday, October 2, 2017, in the Inver Grove Heights Council Chambers. Mayor George Tourville called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited. Roll call: Present were Mayor Tourville, Councilmember Bartholomew, Hark, Perry, and Piekarski-Krech. Staff; City Administrator Joe Lynch, City Attorney Tim Kunz, Community Development Director Tom Link, Public Works Director Scott Thureen, City Clerk Tesser, Parks and Recreation Director Eric Carlson.

B. <u>EXECUTIVE SESSION</u>
<u>PURSUANT TO MINN. STAT. § 13D.05, SUBD. 3(C)2 & 3</u>
City Attorney Kuntz discussed the City's right pursuant to the MN state statute to go into a closed session to discuss negotiations or counter offers for purchase of real property or appraisal data. The Council discussed the property at 9250 Courthouse Blvd. The Council moved into a closed session by motion.

Motion by Piekarski Krech seconded by Hark to move into a closed executive session.

Ayes: 5
Nays: 0 Motion carried.

1. <u>DISCUSS HERITAGE VILLAGE PARK IMPROVEMENT FEASIBILITY STUDY</u>

Parks and Recreation Director Carlson presented the item. He discussed briefly the history of Heritage Village Park. He stated recent improvements to the park is the installation of the paved Mississippi Regional Park trail that was installed by Dakota County. He stated through a MPCA grant staff was able to clean the park of contaminates from the former railroad site. He stated the City has purchased properties on Doffing Ave to prepare for a regional park. He stated the current master plan has a passive use park, parking, playgrounds, picnicking, trails, etc. He stated a sub-committee was formed of residents and the Parks and Recreation Commission on the improvements to the park.

Deb Tix, Parks and Recreation Chair presented the potential changes to the park. She stated adding an off-leash dog park would complement the passive park design. She stated it will have a buffer between residents and any noise. It will have 25 off-street paved parking spots, one acre for small breeds and a nine-acre fenced area for all breeds. She discussed the active group of residents. The group is working on developing non-profit status. They are connected by social media outlets. Tix discussed the trail connection improvements. She stated Dakota County will provide matching funds but the city will own and operate the trail after construction.

Carlson stated the investments for dog park improvements totals $630K. The trial connection cost is $229K. The grant funding available is $331K (State of MN) no match required and $264K (State of MN) 1:1 match. The grant funds are only available for new park improvements. Dakota County would provide a grant for trail work at $115K. The City would match the dog park improvements at a cost of $150K from the 402 Park Acquisition and Development Fund. He stated operationally the cost may be approximately $12K a year for ongoing maintenance. The approximate revenue from the dog park could be up to $8K with annual and daily passes.

Carlson stated our insurance coverage wouldn't change if a dog park is added to the park system. A permit would be required and policies would be drafted by staff and an ordinance amendment would need to be approved. Carlson stated the next step would be for the council to direct city staff to receive a proposal for a detailed design and engineering for a basic dog park outlined in the budget.

Darcie Pierson, 8315 Copper Way, she stated that she lives by the park. She stated at least 1 in 5 are walking their dogs. She stated she believes it would be utilized a lot in the community and help people get to know their neighbors.

Carol Nankiovl, 8875 Inver Grove Heights Trail, she is the representative chair of the dog park group. She stated everything is coming together we have the support and the grant funds. She asked to council to seize this opportunity.

Noah Petersen, 8131 Copper Way, asks the council to support the proposal so he can train his new dog.

Carlson stated he would like to go out with the WSB design and then get bids for plans and specifications. Councilmembers Hark asked about WSB fees, Carlson stated the bid is $132K for the planning and development costs and that the costs are grant eligible.

Councilmembers Piekarski Krech stated that a quarter of a million dollars for a dog park is too costly. She stated it doesn't provide shade or water for the dogs. She questioned why a design needs to be done. She stated the fees are too high.

Deb Tix, Parks and Recreation Chair stated no dog parks that she attends have running water. There are cabinets that allow water jugs to be stored. Councilmembers Piekarski Krech stated Crosby dog park has running water and it's a beautiful park.

Carlson clarified that the Dakota County match for trail work and the City's match for the dog park combined together equals the State of MN grant requirement that funds must have a 1:1 ratio.

Councilmembers Piekarski Krech stated that the amount of the WSB consulting fees are too high. She stated staff can just get fence bids on their own.

Mayor Tourville stated that staff must come back to the City to get approval. Carlson stated that prevailing wage must be considered when dealing with State grants. He stated you can't go out and just get bids.

The Council directed Carlson to get a proposal from WSB with the caveat that the commission keep working on lowering the costs.

2. <u>COLLECTOR STREET FUNDING DISCUSSION</u>

Public Works Director Thureen presented on the Northwest Area (NWA) collector streets. He showed a presentation slide of collector streets looking at a hierarchy of roads. He stated the NWA collector streets was implemented and approved in 2012.

He stated the system is identified as two types: neighborhood collector and community collector. He said the neighborhood collector functions as a local residential street. The community collector has a higher posted speed limit and typically no on-street parking. He stated it may have turn lanes at side street intersections.

Thureen stated when staff talks about trunk infrastructure it refers to watermain, sanitary sewer development fees and dedication of easements. It is also a regional management of storm sewer, development fees and dedication of easements.

He stated collector streets have no development fees, use city wide street policy funded by developments or cross streets.

He went over the approval of the plat for Blackstone Ridge. He stated it created a need to construct across undeveloped land. The 65th Street is approved as a permanent access. He went over the 1981 Assessment policy where subdivisions were assessed 100%. Areas other than new subdivisions are to be assessed 100%. In 2016, adjustments to the Assessment policy were updated. It elaborated the methods of assessments. He stated the collector street assumed the original policy which was 100% assessment to the benefitting parcel.

Thureen recapped on conversations from 2015 comparing the City to other Dakota County surrounding Cities. He discussed 65th Street and Trunk Highway 3. He stated staff had resistance from residents on the assessment policy percentage. He stated staff had to go back to property owners to try to negotiate. Many property owners don't feel they are receiving a benefit. He discussed the communication notices that were provided for the 65th Street property owners. Thureen looked at the assessment policy and couldn't find a method of assessment calculation that would work well for future collector streets under the current policy. He stated terrain is an issue and impacts alignment and is tough to provide access. Also, existing neighborhoods don't see a benefit to the construction of collector streets.

Thureen has taken all of this into consideration with a policy that has been drafted. The proposed changes to the policy will be a full right-of-way dedication with the plat. Develop pays costs to construct the street and a sidewalk on one side. He stated Neighborhood collector street adjacent to a new development we accept one half of the right of way dedication with plat and developer provides escrow of one half. He stated this is similar to the Blackstone contract.

He stated the neighborhood collector follows the same process as it does now. The cost will be included in the total project costs. The city will follow its standard procedures for ordering and constructing a public improvement project to construct a street. Funding will be determined on a project by project basis. What will be looked at is a combination of methods. He stated staff doesn't want appeals to be continuous.

He stated further meetings and communications would happen with residents. Any comments and changes will be discussed and then staff would like to adopt the policy.

Councilmember Bartholomew asked about a deferred payment that is on hold until a development happens. Thureen stated yes, that is done and that can happen but at times it can be under 30 years or more. He stated the Green Acres assessment can't happen because nothing is proposed to happen on the land.

Mayor Tourville asked about court issues with assessments. Thureen discussed that possible threat on what is called the transportation fee, a study that looks at City's estimated traffic on their collector system and future needed improvements. Thureen stated the courts felt it wasn't appropriate to make developers pay this transportation fee. Thureen stated Eagan charges a transportation fee but a very detailed and costly study that was conducted for a specific area. He stated with any City, they must negotiate with developers. Mayor Tourville asked Thureen to look into case law for a more detailed explanation for future use.

Councilmembers Piekarski Krech stated if we defer without interest and they take 15 years to pay the assessment how is the funding parameters changing. Thureen stated recently the roundabout at Hwy 3 and future properties on the east side included deferral estimates with a five-year trigger. City Attorney Kuntz stated it included an amount but with no interest for five years. Interest calculations would accrue for 25 years.

Thureen will edit and refine the policy, he will continue to work with city attorneys and property owners for feedback. Then he will come back to the council with the amended policy changes.

3. <u>PARK N FLY/PARK N RIDE ORDINANCE</u>

Associate Planner Botten stated currently the zoning code doesn't allow for park-n-fly and park-n-ride. Botten pointed out all the park-n-rides available in the City. She stated there is a variety of uses happening. Botten stated Council provided staff direction to send letters to the businesses that are currently in violation. She stated two businesses would be affected by the ordinance amendment. She stated AmericInn leases 125-parking spaces from the AMC theatres. The hotel stated they are not parking overnight.

The vacant Rainbow building has become a park-and-ride travelling to Rochester. They do not provide overnight parking.

Botten stated concerns include accessory use affects the spots available for principle use. She stated principle lots means lesser property taxes collected and less employees at these locations. She stated there would be an increase of traffic during pick up and drop offs. Botten stated environmentally it does help decrease vehicles on the roads and decreases parking at the airport.

If a code change is approved the businesses can be offered the ability to apply for a CUP or interim use. Botten stated representatives from both businesses are in violation.

Councilmembers Piekarski Krech stated the bus line to Rochester provides transportation to those going to Mayo. She stated she is not in support of any overnight parking.

Dan and Christian Holder, Rochester City Line, stated they have been in the park-n-ride industry for 10 years. We provide a valuable service. In the 10 years, we have not had any documented public safety issues. They stated it's safe and would like it to continue.

Mayor Tourville stated he knows people who use the service. Tourville stated residents are concerned about the vacant Rainbow lot upkeep.

Botten stated the park-n-ride and park-n-fly can be separated in the city code.

Councilmembers Hark asked about leased lots. Christian stated their insurance covers 50-60 parking spaces. Lynch asked what would happen if the Rainbow building was sold. Christian stated we would look for another location. Lynch asked if the current parking lot use agreement is with the local property owner or corporate office. Christian stated it's with the local property owner and the agreements been in place for 10 years.

Kamil Lakhani and Brett Rose, AmericInn discussed their park-n-ride and park-n-fly operations. Kamil stated most customers park their car and stay one-day before going to the airport. The other park-n-ride do not stay in the hotel. He stated other cities practice similar business and he provided an Eagan example. Brett Rose stated 1/3 of the guests select this service. He stated they are servicing 10,000 people a year. Brett Rose stated they are not adding any parking lots. He stated AMC agreed to lease their space because they lost the need for 1/3 of their parking because of their new recliner seating.

Tourville stated public safety is an issue. Brett Rose stated they are looking into adding security to monitor the parking. He stated that they are working with the city to purchase additional land to help with parking.

Councilmembers Perry stated they have been providing this service for two years.

Councilmembers Piekarski Krech stated how many seats do you lease. Brett Rose stated 125 parking space are leased.

Interim Chief Folmar stated there were 36 reports of the parking lot at AMC theatre and AmericInn over the last calendar year. City Attorney Kuntz asked if a person stays at your hotel and then goes to the airport does AmericInn transport them. They stated in the affirmative. Rose stated that it's a package deal, and includes the hotel stay, parking and shuttle. Kuntz asked if there's a parking and shuttle price difference. They stated in the affirmative. They keep track of airport numbers and when they need to be picked up. City Attorney Kuntz asked if its 24-hour service. Brett Rose responded in the affirmative.

Lynch stated we currently don't define this service because it's not specified in the code. He discussed the importance of a bus service to help with traffic in the future. Lynch discussed future uses of these services and how they are going to be regulated in the future.

Councilmembers Piekarski Krech stated our land is to valuable and should not become parking lots. But she stated if already established parking lots can be used more then it's a good use. Councilmembers Bartholomew stated the businesses need to make a proposal and show us that the property owners who own the parking lots support this use.

Councilmembers Hark stated we need to be careful because there are multiple uses being performed by these businesses. Mayor Tourville stated we may need an ordinance to make sure the property owners know about the parking lot use and in case of a vehicle fire or vandalism. He stated with an ordinance we can address these issues.

Kuntz asked if the airport is charging a fee for pick up. AmericInn stated in the affirmative that it's a $4.00 charge. They stated only five spots are dedicated to park-n-fly at the AMC theatre. They don't have anything marked but have car identification.

The Council directed staff to draft an ordinance for a conditional use permit (CUP) for owners to be required to make an application. Any future issues would have an interim use. They can add an expiration to the use. Botten stated the expiration can run with the property or go for 5-10-15 years. The council will draft an ordinance to discuss language that will work with the business owners. Lynch stated we can allow this use until the end of the year. The regulations could be in place on Council agenda starting in January and final approval in March.

4. <u>BROADBAND</u>

Lisa Alfinson, CDA representative, recapped a proposal that is being advanced by Dakota County. She stated the county looked at the capacity of enhancing and consolidating government operation network called the I-net. They also looked at the commerce net called C-net. This would not be a substitute of private broadband but would be in addition to.

Craig Ebeling, CDA representative, stated a diagram of broadband would be used by all systems and include a core ring, laterals and fiber from private/public owned homes and businesses. Most are to help businesses. This fits with wireless service this is a part of the total telecommuting service this is not one or the other but both fiber and wireless working together.

This will work in an integrated system with assets that are already existing. The primary goal is to include access node from the primary Western Service Center and secondary Dakota County Tech College that can be brought to Inver Grove Heights.   He stated there is a lot of fiber in the county. He illustrated the area of the map. He stated there are small fiber gaps. He looked at the fiber in Inver Grove Heights. It's a ring system with an economic development boost to capitalize investments that have been made. This is a carrier class system with C-net. Its envisioned to need more facilities to increase the quality. If the system is in place then all will have access to the system. ISPs would be included in the system.

The initial costs would be city members paying for the cost of switches, optics, costs related to furnishing appropriate location for the equipment. Included would be shared splicing and other constructions costs. This is a one-time cost. The county would pay for lateral fiber optic cable.

He stated annual operating costs would be perpetual. He stated the rule would be paying the portion of the consortium costs so you actually own the system. He stated those in the I-net will always own those infrastructures. The costs will shift depending on the costs per year.

Ebeling stated this is not a money-making scheme. This is an economic development issue. Any revenue generated would be 45% of the revenue of a retail customer of the member's jurisdiction it stays with the jurisdiction. We would share with the other portion of the revenue 5%. He stated predicting these numbers are difficult. He shared the cost and revenue sharing summary. The cost for Inver Grove Heights is $93K or 5.9%. Operational costs are at $11K or 2.1% of the total cost. The possible revenue would be $12K. He stated the key is the percentages. The operational mode has not been determined. The contract service provider may be L.O.G.I.S. He stated benefits would reduce redundancy, the cost would be reduced and operations streamlined. He talked about the next steps of the process.

They will seek for approval in late Fall 2017. He commented that Eagan has opted out of joint powers agreement.

Councilmembers Piekarski Krech asked about Eagan's role. He stated they are not a part of the operations.

Mayor Tourville discussed Comcast fiber optic and that this is a one-year agreement. Mayor Tourville asked for the language of the agreement so staff can analyze the specifics. Ebeling stated that cities apart of the NDC4 the four cities are looking at options. He stated TIES would be a part of this system.

Councilmembers Hark asked how this is makes us more efficient. Ebling stated operationally it will be one agency who does all the 811 spots in the city. This part of the business your city's IT Department doesn't handle. This is a different animal and typically IT Departments don't have the skill set. If we had an entity that could do this we believe it would be done more cheaply. Consultants would need to be used. The council discussed the benefits of the agreement.

Ebeling stated there would be operational costs to the City but Lynch stated revenues would happen at well. An ISP can be a part of this agreement and could be used by everyone in the Joint Powers Agreement (JPA).

Kuntz asked about the schools and how they fit. Ebeling stated that they have a program called ERAT. A high portion is reimbursed by the government. The school is interested in utilizing the system and would pay a fee. The ERAT program would mean they wouldn't be a buyer or a part of the consortium but instead be a renter/leaser.

Kuntz asked about how the city could extend the system to other businesses. He stated it would go to the ISPs. Lynch stated its included in the 2018 budget under operational costs.

5. <u>2018 BUDGET</u>

Finance Director Smith went over the TIF districts. She stated TIF 2-1 was decertified at the end of 2016 and TIF 3-1 was decertified at the end of 2015. TIF 4-1 SE Quad was authorized by special legislation related to Brentwood Hills.

EDA budget was discussed by Community Development Director Link, a reduction of $9K will happen in 2018 for a total of $83K.

Three areas have changed, he stated the Open to Business contract has a small increase in fees and Progress plus is a total of $8K.

The railroad quiet zone cost study is being done and a small area study. Link stated the EDA will review the budget and will be on the agenda in the next month. Tourville asked for staff to sell some city property to add to the EDA revenue so they can remain proactive. They discussed the appraisals of current sale properties. They discussed that some property sales will need to go into the Host Community Fund.

Eric Carlson talked about the senior position, he stated $46K is a part of that combined position. Warming house staffing will be decreased at Oakland and Groveland. Ice will still be made. People can utilize the site but will not have a warming house. Tourville asked if we can utilize volunteers to oversee the warming house. He stated taxpayers paid for the buildings. Annually the cost is $5K. Carlson stated they will consider the concept and get back to the council.

Lynch discussed the future capital infrastructure and eventually letting go of some assets. Carlson stated the Parks and Recreation Commission (PRC) will talk in more detail about these infrastructures.

Tourville asked why we don't use the buildings in the summer. Carlson stated the buildings are closed for the summer. Carlson went over the final number of the 2018 budget for the

Community Center. He went over the revenue which includes the school district. Other financing sources for the east rink is from the hockey association. There is no membership increase this year. The cost recovery is 86% and is slightly better from 2016. Investments in 2018 will begin the pool lap shell. Replacing the score boards will be on the list. Parking lot resurfacing will be done. Rosemount collaboration discussion will happen again.

Carlson went over the golf course budget. A capital equipment purchase for 2018 interest will include a three-year purpose. He stated it's the same financing option that was done in the past. This is for lawn mowers. There were no golf cart capital increases. 2019 payment plan will happen out of the central equipment loan and paid back in the next three years. He discussed the roof replacement project and the parking lot resurfacing which is paid out of the PMP fund.

Tourville asked about the cart fleet. Matt Moynihan described the cart rotation and reasoning. He stated leasing a larger 20-cart group provides cost savings. He discussed how the capital equipment fund eliminates interest costs. Tourville showed interest in electric carts. He stated they will look at gas vs. electric carts comparisons. Tourville asked about GPS being added to the carts, Moynihan stated the trend has been golfers bring their own GPS.

Carlson stated the ADA fund is available to address any issues but there is nothing for additions at this time.

B. <u>ADJOURN</u>

Councilmember Bartholomew made a motion to adjourn, seconded by Councilmember Hark, and the motion was carried unanimously. The workshop adjourned at approximately 9:37p.m.