INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION

MONDAY, MAY 5, 2025 – 6:00 P.M. – 8055 BARBARA AVENUE, COMMUNITY ROOM 3

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, May 5, 2025. Mayor Dietrich called the meeting to order at 6:07 p.m. due to technical difficulties. The Pledge of Allegiance was recited.

2. ROLL CALL:

Council Present In-Person: Mayor Dietrich; Council Members: Murphy, T'Kach, Gliva, Scales;
Planning Commission Present In-Person: Jon Weber, Scott Clancy, Jason Teiken, Lance Twedt, Aida Schaefer, Robert Heidenreich, and Amy Hunting
Staff Present In-Person: City Administrator Wilson, Deputy City Clerk Katie Malott, City Attorney Nason, Community Development Director Jason Ziemer, Finance Director Amy Hove, Public Works Director Brian Connolly and Community Development Support Specialist Stacy Bodsberg

APPROVAL OF AGENDA:

Motion to approve the agenda by Scales, second by Gliva.

Ayes: 5
Nays: 0 Motion carried.

3. DISCUSSION ITEMS:

A. Results and Findings of Dakota County CDA Housing Needs Assessment

Presented by Community Development Director Jason Ziemer and Patrick Bowen with Bowen National Research

The study area and the scope of work are the Study of Dakota County with Supplemental Analysis of 11 Municipal Submarkets; Demographic Characteristics and Trends; Economic Conditions and Investments; Existing Housing Stock (Rentals, Senior Care, and For-Sale); Quantified Rental and For-Sale Housing Gaps by Various Levels of Affordability; and Recommended Housing Strategies

The objective is determining the area's housing gaps or needs. The data used to establish housing gaps are traditional household growth, household growth from commuters, additional units needed for a balanced healthy market, replacement/mitigation of substandard housing, replacement/mitigation of severe cost burdened housing and less units in development pipeline

Demographics – Overall Household Growth Trends

Households within Dakota County have increased substantially since 2010, a trend which is projected to continue through 2029.

Highlights from 2010 to 2020: Households increased by 15,948 (10.5%); 2020-2024: Households increased by 5,912 (3.5%); 2024-2029: Households will increase by 5,717 (3.3%)

Staff reported that Dakota County has experienced steady household growth, from 152,060 in 2010 to 173,920 in 2024, with projections reaching 179,637 by 2029. This positive trend indicates continued demand for housing in the foreseeable future.

Inver Grove Heights has experienced positive household growth since 2010, though it has lagged slightly behind the overall county's growth. The household growth in Inver Grove Heights is expected to continue to be positive, but at a slower rate than recent trends. Additional household growth is expected in Inver Grove Heights as additional housing that is under construction or planned is completed, particularly from people commuting into Inver Grove Heights. Virtually all municipalities are projected to have overall household growth through 2029, with the greatest growth in Rosemount, Lakeville, Farmington and Hastings.

Projected household growth by age in Inver Grove Heights is concentrated among household ages of 65 and older. These trends mirror state trends and are similar to national trends. Local senior household growth will lead to demand for senior-oriented housing.

All of Inver Grove Heights' renter household growth between 2024 and 2029 is projected among households earning $75,000 or higher, leading to demand for moderate to higher priced rental housing alternatives. It is important to understand that households earning less than $75,000 will still comprise 58.6% of all renter households in 2029. Additionally, while housed, many of these households are spending disproportionately high shares of income toward housing costs, live in substandard housing, and have few available rental alternatives that they can reasonably afford. These characteristics reflect an ongoing need for affordable workforce and senior housing.

In 2024, the majority (60.6%) of Inver Grove Heights' owner households earn $100,000 or more, which is a higher share compared to the state (54.1%), but lower than the county share (61.9%). Between 2024 and 2029, owner household growth is projected to be confined to households earning $100,000 or higher (12.0%), leading to an ongoing demand for higher priced ($300,000+) product.

The majority (57.1%) of residents moving to the city are less than 35 years of age. A notable share (32.0%) of people moving to the city are between the ages of 35 and 54, which is higher than the shares for the county and state. Over one-half (54.7%) of people moving to Inver Grove Heights earn less than $50,000.

Many commuters represent potential residents. Over 8,000 people commute into Inver Grove Heights daily, representing 87.3% of all workers in the city. The largest share (60.9%) of in-commuters is among people earning $40,000+ a year.

A total of 290 Inver Grove Heights households live in substandard housing. Five-percent of Inver Grove Heights household renters live in substandard housing. Nearly 1,400 Inver Grove Heights households live in severe cost burdened housing situations

Typically, healthy, well-balanced markets have rental housing vacancy rates generally between 4% and 6%. 229 multifamily projects were surveyed in the county, totaling 27,211 units. The overall vacancy rate is 4.3% (95.7% occupied), with the majority of vacancies (90.4%) within the market-place units. Wait lists are maintained among all property types in the county, with the most extensive wait lists among Tax Credit and Subsidized properties. The high occupancy rates and presence of wait lists across most project types are evidence of a high level of demand.

Inver Grove Heights' vacancy rates among the three program types are low, with no vacancies among affordable housing alternatives. With eight of the 11 submarkets reporting overall vacancy rates which are lower than Dakota County vacancy rate of 4.3% and three submarkets reporting overall vacancy rates of less than 1.0%, the lack of available multifamily rentals is a county-wide issue.

Median Market-rate rents in Inver Grove Heights are very similar to the overall Dakota County median market-rate rents. With most Inver Grove Heights rents above $1,500 (approximately $1,700+ when including typical utility costs), a household would need an annual income of $70k+. Approximately 62% of Inver Grove Heights renters cannot reasonably afford a typical non-conventional rental. Non-conventional rentals consist of single-family homes, duplexes, mobile homes, etc., and comprise a notable portion of the local housing market.

Vacancy rates are 1.5% or lower in all submarkets, with the majority of submarkets operating at or below 0.5% Inver Grove Heights has a vacancy rate of 0.5%. Inver Grove Heights rents ranged from $2,149 to $3,695, which are among the highest of the cities and poses a challenge for many households to be able to afford a non-conventional rental.

Over 23,000 homes sold in Dakota County between 2020 and 2024 (July 31st). The volume of homes sold and median sales price in the county were generally stable in 2022 and 2023, before experiencing increases in 2024. Meanwhile, the sales volume in Inver Grove Heights fluctuated greatly over the past few years, while home prices dropped in 2024. The vast majority of recent (2020 to 2024) home sales in the county were priced at $300,000 or higher, while less than 5% of the homes sold were priced below $200,000.

The 579 available homes represent an availability rate of 0.5%, which is below the typical healthy range of 2% to 3%, with nearly three-quarters of the available product priced over $300,000. Less than 10% of available homes are priced under $200,000.

Each submarket reports availability rates below 1.0% (healthy is between 2-3%) and Months' Supply of Inventory (MSI) levels of less than 2.0 months (healthy is 4 to 6 months), demonstrating limited availability among for-sale product within each of the submarkets. Nearly one-half (48%) of the available supply in Dakota County is priced $400,000 or more. This pricing segment also represents the largest share of available homes by price point within eight of the 11 submarkets, as well as among homes outside of the submarkets in the balance of Dakota County. This is reflective of housing affordability issues across the county.

The senior care facilities in Inver Grove Heights are operating at higher occupancy levels than the national median rates. Senior households, age 65 and older, are expected to increase by 621 households (14.3% increase) over the next five years in Inver Grove Heights. These demographic projections suggest that demand for senior-oriented housing alternatives should increase in the coming years.

A large portion of the area's workforce does not have the income to reasonably afford to rent in the market, while few of those occupations offer wages to enable workers to afford to buy a home.

Dakota County has an overall rental housing gap of 8,339 units. Inver Grove Heights has a rental housing gap of 475 units. Approximately 70% of households earning at or below the Area Median Household Income (AMHI) (about $75,000 annually) need housing with rents under $2,000 per month. This group, which often includes workforce and senior households, represents the majority of the 475-unit gap.

Dakota County has an overall for-sale housing gap of 20,113 units. Inver Grove Heights has 1,342 units. Of the 1,342 units, 56.6% of the AMHI ($99,361-$142,830) represent the largest income range in need of for-sale housing with sale prices between $331,201-$476,100.

Recommended Housing Strategies that were mentioned are to consider capacity building by expanding housing issues and resources, outline attainable housing goals and monitor progress, work collaboratively with the county and the community to address housing issues, consider regulatory changes or options to support development and housing stock preservation, encourage maintenance-free transitional senior housing development, support workforce housing efforts and development, and expand education, outreach to support housing initiatives, develop partnerships with public and private sector housing stakeholders, and market needs to development partners and resources those in need.

Inver Grove Heights currently has four active housing projects. The Avalon has 190 apartments and 54 town homes and has been completed at market rate. Stuart is planning 159 townhomes at market rate and has not been completed. Yellow Tree is in the application phase and is planning 217 units but seeking amendment to PUD and reducing the unit count to provide more single-family or townhome styles than apartment units. MV Ventures is planning 119 townhomes at market rate and is in application status. There is a total of 407 apartment units, 332 townhomes, and 57 senior housing units in process or completed.

In total, there have been 199 single-family homes and 55 townhomes approved and in the process of construction or have already been completed. National Land Holdings has a working plan showing 450 total units of market rate apartments, townhomes, and single-family. Hillcrest Pointe has a pending plan of 57 affordable senior housing units.

A total of 657 units are pending construction, in construction, or are almost completed with construction with 199 single-family homes, 268 townhomes, 190 apartments and zero senior housing units. A total of all active housing units in the process are 1,050 when applications for Yellow Tree, MV Ventures, & CDA Senior are included, but does not include National Land Holdings that is still in the conceptual phase.

The group discussed Yellow Tree's decision to lower the number of housing units in their proposal. It seems the shift was driven by a preference for more single-family homes rather than higher-density townhomes. However, this adjustment brought their plan below the city's minimum required density. To move forward, they will need to revise it to meet zoning code, including land dedication and open space standards. It is ultimately a numbers game to strike the right balance.

When asked whether developers usually provide market data to support their proposals, staff explained that full feasibility studies are rare—unless financial assistance is involved. Developers typically rely on their own research and market instincts. A lot of proposals reflect market trends, with developers often copying what has worked recently in the area. This can lead to a wave of similar projects, especially in housing types like apartments or townhomes. Over time, though, the market tends to self-correct.

Council and Commission members agreed that more meetings are needed to get on the same page about long-term goals. The upcoming Comp Plan will not start from scratch; it will work within existing guidance from the Metropolitan Council and Dakota County. Still, the city can and should define its own direction clearly.

Staff noted that the Met Council's updated projections still show growth for Inver Grove Heights, but on a slower curve—what was once expected by 2040 is now more likely by 2050. That slowdown gives the city some room to plan intentionally.

Many residents leave Inver Grove Heights daily for work, which means they are also spending money elsewhere—at lunch, for errands, and so on. If the city wants to attract more retail and services, it will need to increase the number of jobs within city limits to keep people (and their spending) local.

The group emphasized the importance of offering life-cycle housing as options for people at all stages of life, from young families to retirees. Giving residents a reason to stay in the community long-term helps build stability and connection.

Council noted that defining what kind of place the city wants to be, what types of housing, businesses, and amenities it values will be essential. Those priorities should drive conversations with developers and be reflected in policies and plans going forward.

B. Central Maintenance Facility – Bonding Process & Timing

Presented by Finance Director Amy Hove with Jason Aarsvold from Ehlers

The presentation covered three main points. First to be discussed are the financing options for the central maintenance facility, noting how different approaches would align with long-term budget needs. Next, there will be an outline of the CIP bond process, which is the preferred method for this project, including the required steps, timing considerations, and potential impacts on the city's debt capacity. Staff will identify the next steps, which include refining project cost estimates, evaluating financing structures in more detail, and returning to council with recommendations at a future meeting.

Financing options include general obligation (G.O.) bonds that are typically the lowest cost option for interest rates and generally used for large road projects and fire stations, etc. The City is rated AAA by Standards & Poor's, which will help with interest costs. In Minnesota, a "full faith" pledge on a G.O. bond is the issuer's promise to use its "full faith and credit" and unlimited taxing power to repay the bondholders. This means the city, county, town, or school district pledges all its available assets and, importantly, its unlimited power to levy property taxes to ensure that bond payments for principal and interest are made. A financing tool would be to have a project identified in the Capital Improvement Plan (CIP) or by referendum.

Unlike G.O. bonds, which are repaid by the city's general tax revenue, revenue bonds are repaid solely by the income generated from the specific project they fund, such as user fees from water and sewer systems. The council noted that these bonds are suitable for income-producing capital projects, can sometimes act as a conduit for private entities, carry a different risk profile than G.O. bonds, and generally do not require voter approval. They are higher cost and a higher interest rate and a lease-buy-back program, which would cost more in the long-term and be money from property taxes.

G.O. bond gives authority to finance public works, public safety, city hall, and library buildings without an election. One or more projects described in five-year Bond CIP and requires public hearing and 3/5ths vote approval by the governing body. There is a 30-day reverse referendum period for a citizen petition to acquire 5% of the voters to push the bond to a vote. If a petition is received, the options would be to not pursue vote and CIP funding for 365 days, submit the question to voters, or use the Lease Revenue bond financing option.

Once the bond CIP is approved and reverse referendum period passes, the City may issue G.O. bonds for all projects identified in the approved plan. The city may want to consider adopting the Bond CIP before project expenditures to ensure binding authority for the project.

There are two limitations that the city's total debt paid solely by taxes cannot exceed 3% of the Estimated Market Value and the Annual CIP debt service cannot exceed 0.16% of the Estimated Market Value. The CIP plan does not obligate the city to use the bonds but sets up the authority to issue financing for projects in the plan if they come to fruition. The City's statutory debt limit is based on an estimated market value of $5.83 billion. At 3%, this sets the statutory limit at $174.9 million. After accounting for about $17.6 million in debt being paid solely by taxes, the City's unused debt limit is approximately $157.3 million. The City's Annual CIP debt service estimated market value of $5.83 billion, when multiplied by 0.16%, results in a statutory levy limit of $9.3 million. After subtracting the City's current annual levy of about $1.55 million, the City has an unused levy capacity of approximately $7.78 million.

For the process of the G.O. bond, Council is to call for a public hearing and direct preparation of a 5-Year Capital Improvement Plan. City Council will hold the Public Hearing on the CIP and debt issues which will include the adoption of a resolution of preliminary approval for bond issuance and on the CIP by at least 3/5ths vote of councilmembers. This will start a 30-day period for the possibility of a reverse referendum petition for voters. The Bond may be issued at any time (within 5 years of the CIP) after the 30 days is passed without reverse referendum petition.

Typically, it is recommended that the process of the G.O. bond starts as soon as possible, but the city would like to allow for communication to the public beforehand. If a public hearing were called as soon as May 12th, it would still allow for all of the public hearing notification window, and the 30-day reverse referendum period would end July 9th. Having the public hearing after the July Insights circulation would allow for communication in that issue before the public hearing and reverse referendum period would end August 28th.

Council could approve the sale of G.O. Bonds by Spring/Summer 2026 as staff expects that $3 million saved for the project would be fully expended by Spring/Summer 2026. Council would award the sale of the G.O. Bond after about 3 weeks.

Council supported a measured approach, informing the public early without spending heavily on detailed plans upfront. There was broad agreement that general information about the facility's purpose, need, and location should be shared first, especially in the July Insights newsletter.

A public hearing is expected in late July or August, giving residents a chance to weigh in. Council emphasized the importance of transparency but agreed that the public also has a role in engaging with city communications. Past projects, like Fire Station #2, moved forward smoothly with this type of approach.

The preferred path is to build awareness gradually, avoid premature spending, and ensure the community is well-informed before major decisions are made.

Are there limitations on the use of G.O. bonds following construction, specifically, whether the facility could be sold and leased back in the future? There are restrictions, primarily related to the tax-exempt status of the bonds, which requires the facility to serve a public purpose. A change in use, such as a sale and leaseback, could affect that status and increase costs. The bonds will likely include a 10-year call provision, after which they could be prepaid or refinanced if sufficient funds are available and proper steps are taken to defease the bonds.

Staff reported that the public hearing for the CIP related to Fire Station #2 was held in December 2017, with the construction contract awarded approximately 9–10 months later, in September 2018. Based on current projections, the present project is anticipated to follow a similar timeline, with initial contracts likely to be issued by March of next year. Staff noted that this would place the project on a comparable schedule, initiating the required 30-day clock around the same point in the process.

C. Update on Monopole Feasibility Study (City Project No 2024-18)

Presented by Public Works Director Connolly and Dale Romsos, VMC, LLC

There are two types of antenna leases agreements. A ground lease is an area of land that is owned by an entity (city, private property owner, etc.) and then the company leases the space of land for the tower/pole that they own and operate. The second agreement is a tower/structure lease, and the entity owns the land and the tower/pole and then the company leases the space on the tower/pole for their equipment.

The city has 6 active lease agreements: four water tower lease agreements and two ground leases. Staff outlined the three types of antenna tower leases in the city: antennas affixed to the Northside Water Tower, lattice towers at St. Patrick's Cemetery and 5030 Babcock Trail, and monopoles located at Carmen Avenue (City-owned ground lease), 80th & Babcock (church property), and 65th & Argenta Boulevard (private property). Different lease arrangements apply depending on ownership of the site.

Staff explained that the study is being pursued due to ongoing concerns with water tower antenna attachments, including 24/7 access demands on Utility staff, security risks, structural and maintenance impacts, abandoned equipment removal costs, and the heavy staff resources required for plan review and inspection. The Northside Water Tower is scheduled for rehabilitation in 2027, which will require removal of all facilities and City responsibility for temporary relocation and defunct equipment removal. Additionally, current AT&T and T-Mobile leases expire at the end of 2025, and Council will need to consider whether to renew/extend leases, identify alternative locations to preserve revenues, or allow them to expire.

Staff reported that soil borings and the site survey are complete, with the NEPA review expected by July 31, 2025. A cost estimate of $575,000 was developed for design, construction, and commissioning of the monopole facility. City code requirements identified include a Conditional Use Permit and a height variance, as the proposed 150–175' structure does not meet setback standards (similar to the existing 84' tower).

Initial discussions with antenna carriers show AT&T and T-Mobile are interested in relocation, but contract updates are needed given their water tower leases expire at the end of 2025. Verizon has also expressed interest, though timing is less favorable until their lease ends in 2028. Staff noted the site is considered desirable due to its freeway intersection location, strong sight lines, existing communications infrastructure nearby, and active site registration.

Staff explained that antenna lease agreements are typically 5-year terms with renewal options up to 25 years, including 3–5% annual escalators. Lease revenues totaled $218,769 in 2023, $229,069 in 2024, and are projected at $201,638 in 2025 due to one site vacating. In 2025, the Northside Tower (AT&T and T-Mobile) and 5030 Babcock Trail (Verizon) together account for 83% of total antenna lease revenue.

All revenues are directed to the General Fund. The proposed monopole facility, currently listed as "unfunded" in the 2025–2029 CIP, has an estimated cost of $575,000, with $350,000 in carryover funds and $100,000 in anticipated relocation fees in 2026, leaving a balance of about $125,000. Staff noted that the balance could be covered with year-end 2025 carryover and a portion of 2026 lease revenues.

Future revenue opportunities include Verizon's lease expiration in 2029 and capacity for up to five carriers on the new monopole, representing as much as $1 million in additional premium relocation fees.

Staff outlined potential risks, including rising construction costs extending the return-on-investment (ROI) period, carriers choosing not to relocate (creating service gaps), or lease rates coming in lower than projected. Potential benefits include added or higher-value leases that could shorten the ROI timeline, as well as the long-term equity of the monopole itself, which could be sold to a third party if the City no longer wished to manage the facility.

Council discussed whether to proceed with lease and contract negotiations, coordinated between Public Works, the City Attorney, and VMC staff. Based on cost estimates and market research, staff noted that the monopole's ROI could be 1 year if AT&T and T-Mobile relocate in 2026 and Verizon in 2029, or 8 years if compared to renewing existing water tower leases. The remaining $125,000 balance could be covered in 2026/2027 through year-end General Fund savings or antenna lease revenues. Additional revenue potential exists if new carrier leases are added in 2026 or later.

Staff reviewed the proposed schedule: contract negotiations (May–Nov 2025), completion of feasibility/NEPA documents (July 2025), and variance/CUP requests (Aug–Sept 2025). Final design would run July–Oct 2025, with bidding in Nov 2025. Construction of the monopole is planned for Jan–June 2026, followed by carrier relocation in June–Dec 2026. Rehabilitation of the Northside Water Tower would then begin in spring 2027.

A Councilmember asked for clarification on whether leaseholders would have unrestricted access to the monopole site and whether City staff presence would be required during such access. Staff confirmed that leaseholders would have independent access to the monopole and their associated equipment, typically housed in utility-style boxes on site. There would be no need to enter any City facility, and staff presence would not be required during visits. Each leaseholder would have access via a padlock system, with individual locks interlinked to allow entry. The City would still receive notification when work is being performed, but there would be no operational concerns related to City property on the site.

A Councilmember expressed support for relocating equipment from the City's water tower to a new communications tower, citing concerns about security and the use of staff time to provide access to the water tower. The Councilmember requested that staff pursue a shorter payback period through negotiation, noting that the current timeline appears lengthy. Overall, the Councilmember supported construction of the new tower and transitioning the users to that facility.

A Councilmember asked whether advancements in technology over the next five to seven years might render traditional macro cell towers obsolete, particularly with the rise of small cell infrastructure at intersections and on light poles. Staff explained that while small cell sites—often mounted on light poles and similar structures—are expected to expand, they are designed to complement, not replace, macro cell towers. Macro sites will continue to serve as the backbone of wireless networks due to high data demands. Small cells function as extensions, enhancing service in high-density areas like residential neighborhoods. Staff noted that during the COVID-19 pandemic, reliable wireless coverage contributed to higher property values, underscoring the importance of continued investment in both macro and small cell infrastructure.

Next steps will be to work with providers for pole contracts and finish the feasibility study and bring to council for acceptance in July. The variance will likely go through Council and Planning Commission in August or September. Final design through October and go out for request of proposal for construction of the pole through December. Construction of the pole would be in the first half of 2026 and sign agreements with providers in the second half of the year.

D. Restrictive Vehicle Signage Discussion

Public works Director, Brian Connolly will be presenting on what restrictive vehicle signage is, what does state statute and city code say, how it is implemented and how it pertains to Ann Marie Trail.

Staff stated that restrictive vehicle signage is placed on a roadway that limits or prohibits otherwise typical and allowed road use. Most restrictive signs are placed using MnDOT/design manual guidance (i.e., MnMUTCD, MnDOT Road Design Manual, FHMA guidelines, etc.) or engineering judgment (e.g., stop/yield, advisory speed, one-way, and wayfinding signs). Some signs are statutorily restricted under State Statute 169 and/or require local ordinance approval, including speed limits, no parking, and weight or special vehicle restrictions on local roads.

Staff explained that State Statute 169 governs weight restrictions on local roadways. Seasonal/Weather-Based Limits (169.47, Subd. 1) are when local authorities may restrict vehicle weights or prohibit operations when road conditions (e.g., rain, snow, deterioration) could cause damage. Signs must be posted to indicate restrictions. The city does not currently have an ordinance for year-round truck or weight limits. Maximum Axle Weights (169.87, Subd. 2) are unless restricted seasonally, single-axle weights may not exceed 5 tons on unpaved streets or 10 tons on paved streets.

Staff noted that Title 6, Chapter 1 covers traffic signage and seasonal/weight limits. The City Engineer has authority to set seasonal weight restrictions, which must be posted per State Statute, but the current code is outdated and does not address annual variations or year-round truck/weight limits. Future updates could align seasonal limits with MnDOT guidance and remove redundant or obsolete provisions.

Staff reported that weight restriction signage has been inconsistent. At the end of 2024, 24 locations had signs that did not match State Statute limits (10-ton paved / 5-ton gravel). Six locations had correct signs but were not legally required. Some streets were improperly signed, with missing or mismatched signs (e.g., 9-ton vs. 7-ton on the same roadway).

Enforcement has been limited. The Police Department lacks scales and training for weighing vehicles, and the State Patrol has limited capacity for local commercial vehicle enforcement.

Councilmember asked if when there was construction on a state road and traffic was redirected through a neighborhood, could it have been requested that state patrol help to enforce weight restrictions through neighborhoods. Staff answered saying that there have been instances like on Inver Grove Trail where state patrol has been asked to help with enforcing weight limits during re-routing during construction, but no violations were cited. It was also mentioned by a councilmember that it seems like there is a lot less since the Inver Grove Trail is not the short cut between the highway and Concord.

Staff explained that the 2008 development agreement required the city to install "Local Traffic Only" signs at Ann Marie Trail/TH 3 and Courthouse Blvd/Annalisa Path. However, this conflicts with state law and City Code, as MnMUTCD only permits such signs for temporary construction, not permanent restrictions. A City ordinance would be required for enforceability, but none exists, making the signs unenforceable. The requirement was tied to a private development agreement that expired upon project completion.

Staff noted that residents continue to request a "Local Traffic Only" sign, but State Statute does not allow it without a city ordinance, and the city has no such ordinance. Any sign placed would be unenforceable, and past experience showed similar signs in the neighborhood did not deter traffic and led to repeated enforcement complaints.

Staff outlined two possible approaches. The first would be adoption of an ordinance limiting commercial vehicle traffic, which would require Council direction on scope, consistency, and enforcement. The second would be roadway modifications at TH 3, such as restricting ingress to Ann Marie Trail or altering the intersection to discourage truck turns. These changes would require coordination with MnDOT, which is reviewing the corridor in its 2025–2026 study.

A councilmember asked if delivery vehicles would be restricted if a sign were to restrict commercial vehicles from using the road. Staff said that it would be left up to legal interpretation. Another councilmember agrees that a "No Commercial Vehicle" sign would not work for enforcement, and it would depend on who's definition of a commercial vehicle was.

A councilmember said that this neighborhood should not take priority over other neighborhoods with same or similar issues and unless there is a clear engineering solution to solve the problem that will make a majority of people happy then it will have to be left as is.

A councilmember asked if it was possible to have GPS apps not list the street as a route. Staff said that it is nearly impossible with technology that the road would have to be cut off from the road network.

A council member asked if a median could be built. Staff stated that it could but anything that is built in the intersection would need to go through MnDOT approval because it is in their right of way. MnDOT is aware that the city would like a solution to this intersection, and they are not opposed to it if it is proven it would be a solution to safety problems.

It was discussed that this neighborhood has felt like the city let too much development around it and has forced this traffic through their neighborhood. Council has made a decision to at least replace the stick delineators for another season and can be up for future discussion. Messaging will be drafted for affected residents from the city.

E. Stormwater Focus Group – Application Feedback

Staff presented a recommended list of six individuals for the new stormwater focus group and requested council input. Only two council members responded in advance with differing views, one supporting the recommendation as-is, the other suggesting an additional candidate known for her environmental advocacy.

During discussion, some councilmembers expressed support for encouraging passionate community members, while others raised concerns about topic alignment, group focus, and past behavior potentially disrupting the process. The consensus was to proceed with the original recommendations, excluding the suggested additions.

Two council members volunteered to serve on the group, with acknowledgment that one would miss a couple of meetings. Staff confirmed the group has a balanced mix of rural and urban representation and most members can attend consistently. A resolution formalizing the appointments will appear on the next meeting's consent agenda.

<u>ADJOURN:</u>

Motion to Adjourn at 8:18 p.m. by Scales, second by Gliva.

Ayes: 5
Nays: 0 Motion carried.

Minutes prepared by Deputy City Clerk Katie Malott