

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

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, August 25, 2025, in person. Mayor Dietrich called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Mayor Dietrich; Council Members: Gliva, Murphy, Scales, and T’Kach

Staff In Attendance: City Administrator Wilson, Community Development Director Ziemer, City Clerk Kiernan, City Attorney Nason, City Engineer Merchlewicz, Planning Manager Shay, Clubhouse Superintendent Moynihan, and Parks & Recreation Director Lares

3. APPROVAL OF AGENDA:

Motion to approve agenda as published on Friday, August 22 with moving the Public Comment before the Closed Session by Scales, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

4. PRESENTATIONS: None

5. CONSENT AGENDA:

- A.** Approval of Minutes of the July 28, 2025, City Council Meeting
- B.** Approval of Disbursements, **Resolution 2025-185**
- C.** Personnel Action
- D.** Authorization to Enter into a Contract with Hue Life for Professional Development Services
- E.** Resolutions to Amend Final Project Budgets and Close City Project Nos. 2022-09I (Carmen Ave & Claude Way Street Rehabilitation) & 2022-09J (Cheney Trail and Coffman Path Area Rehabilitation), **Resolution 2025-188 & 2025-189**
- F.** Request for Donation to IGH Days Fireworks Display
- G.** Authorization to Acquire Right-of-Way

Motion to approve Consent Agenda Items A-G, except A & D by Gliva, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

Council Member Murphy pulled Consent Item A and clarified that the vote on the Public Works Facility bonds was unanimously approved 5-0. He noted that while some residents believed it was a 4-1 vote, there were no objections from Council Members, confirming the approval was unanimous.

Mayor Dietrich pulled Consent Item D, an authorization to enter into an agreement with Hue Life for professional development services. She asked Attorney Nason to explain for the public what this entails.

City Attorney Nason explained that this item is the approval of a Consulting Service Agreement with Hue Life LLC. The firm will gather and solicit feedback from stakeholders to conduct a 360-degree review as part of the City Administrator’s upcoming performance evaluation. This process will

include input from direct reports and department heads to provide the Council with additional information for the review.

Mayor Dietrich sought clarification, observing that in previous years the reviews had been conducted solely by the Council.

Attorney Nason confirmed that was correct.

Motion to Approve Item A & D by Murphy, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

6. PUBLIC HEARINGS:

A. Temporary Premise Expansion Authorization for On-Sale Liquor License Holder Inver Grove Brewing Company

City Clerk Kiernan brought forward a request for a temporary expansion of premises authorization for Inver Grove Brewing for the calendar year 2025. She explained that the business currently holds an on-sale liquor license and has applied to expand its licensed premises for specific events, including IGH Days and Oktoberfest. The authorization, if approved, would allow the license holder to temporarily expand the boundaries of their licensed premises for up to ten calendar days throughout the year. Two of those days would be used for the events noted, with the exact dates subject to review and approval by the Police Chief. Clerk Kiernan stated that staff recommends holding a public hearing and subsequently approving the application for this temporary expansion authorization.

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

Motion to close the public hearing by Gliva, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

Motion to approve Temporary Premises Expansion for On-Sale Liquor License Holder Inver Grove Brewing Company by Scales, second by Murphy.

Ayes: 5

Nays: 0 Motion carried.

7. REGULAR BUSINESS:

A. Rental Housing Licenses

Director Ziemer presented the following 6 new rental housing licenses.

8317 Delaney Drive
6920 Benton Way
5447 Babcock Trail #107, 203, & 207
6470 Bailey Trail

All applications have been reviewed by staff and found to meet the necessary requirements. Staff recommends approval of all licenses.

Motion to approve the 6 Rental Licenses by Gliva, second by Scales.**Ayes: 5****Nays: 0 Motion carried.****B. Resolution Adopting the 2025 Update to the Northwest Expansion Area Alternative Urban Areawide Review (AUAR)**

Community Development Director Ziemer explained that the AUAR for the Northwest Expansion Area is required to be updated every five years. Kimley-Horn Engineer Planning and Design Consultants prepared the 2025 update, which was published on August 5 and followed by a 10-day public comment period ending August 19. Comments were received from several agencies.

Environmental Planner Madeline Roess outlined the Northwest Expansion Area Alternative Urban Areawide Review (AUAR), describing it as an environmental review process established under Minnesota State rules and completed by the Responsible Government Unit (RGU). Rather than focusing on a single development plan, it evaluates multiple development scenarios and serves as a planning tool to assess how these scenarios may affect the community's environment. The AUAR also identifies potential impacts and mitigation strategies, informs the public, and provides guidance for future permitting and approvals.

An AUAR must be completed every five years until all development within the study area is approved. Updates identify any changes to development scenarios, provides revised impact analysis and mitigation strategies, and allows for a ten-business-day comment period. If no objections are raised by State agencies or the Metropolitan Council, the RGU can adopt the AUAR update. AUAR topics encompass land use, geology, soils, topography and landforms, water resources, contamination, hazardous materials and solid wastes, fish and wildlife, plant communities, sensitive ecological resources (such as rare features), historic properties, visual resources, air quality, noise, transportation, cumulative potential effects, and other possible environmental considerations.

The AUAR was originally adopted in 2005 and subsequently updated in 2007, 2014, and 2019. The study area covers 3,089 acres located in the Northwest portion of the City. The proposed land use for the full build-out of the Northwest Expansion Area includes low-density and medium-density residential development, designated areas for commercial and industrial uses, and portions of the area preserved as open space. The current AUAR update provides a revised overview of the existing land use within the site as well as the proposed land uses as development progresses. All environmental topics were reviewed to determine any issues that required updates since the 2019 update.

Since 2019, the update includes descriptions of roadway, sanitary sewer, water system, and stormwater projects that have been completed and planned from 2020-2025 within the study area. An updated cover type analysis was completed using recent aerials and wetland data. The section on fish, wildlife, plant communities, and sensitive ecological resources (rare features) now includes an analysis of potential impacts and mitigation for federally listed species, which was not previously required. Transportation updates identified City and County-planned projects within the study area.

New sections added in this update include climate adaptation and resilience, which provides an assessment of various climate factors such as temperature, precipitation, and flood risk, along with a description of climate considerations and adaptations, and greenhouse gas emissions/carbon footprint, which provides an assessment of the construction and operational emissions associated with development of the study area.

Agency comments received included the Metropolitan Council, with topics such as planning for future pedestrian and bicycle access and consideration of chloride impacts to water resources. The Minnesota Pollution Control Agency addressed chloride impacts to water resources, stormwater BMPs, and climate trends, and requested an updated figure showing trunk sanitary sewer. The Minnesota Department of Transportation raised topics including permits, bike and pedestrian connectivity, and noise. Dakota County provided comments on geological data, guidance for wells, and transportation planning, and requested that the document show the Lebanon Hills Greenway alignment.

Changes to the mitigation plan include that developers should look within the same watershed or sub-watershed for wetland banking replacement, per the Minnesota Pollution Control Agency comment. Developers should also coordinate with the Dakota County Delegated Well Program if well compliance concerns arise, and any proposed stormwater infiltration within a current or possible future Drinking Water Supply Management Area (DWSMA) should be consulted with the Minnesota Department of Health (MDH), both per Dakota County comments. In addition, developments will be required to meet applicable Minnesota Pollution Control Agency (MPCA) noise standards, with a noise study completed, if necessary, on a case-by-case basis, per the Minnesota Department of Transportation comment.

Council Member T’Kach inquired which of the submitted comments did not result in any changes.

Ms. Roess explained that several comments were received, many of which addressed chloride impacts. A statement was added to the AUAR update noting that developers will consider chloride impacts in their planning, though it was not included as a formal commitment in the document. She added that updated information from Dakota County on wells and geology was incorporated, along with revisions to figures, including the addition of the Lebanon Hills Greenway alignment and other similar updates.

Council Member T’Kach asked if chloride was the only comment received that was not fully addressed.

Ms. Roess noted that comments were received on a variety of topics, but only four resulted in changes that became commitments.

Council Member T’Kach asked for a sense of the comments received and which were not responded to because they were already addressed or not considered relevant.

Director Ziemer explained that comments marked as “C noted” in the response section were simply acknowledged and did not result in any edits or changes.

Motion to approve Resolution 2025-190 Authorizing the adoption of the Northwest Expansion Area Alternative Urban Areawide Review (AUAR) 2025 update by Scales, second by Dietrich.

Ayes: 4

Nays: 0 (T’Kach Abstained) Motion carried.

- C.** Resolution Approving the Preliminary Plat and Preliminary Planned Unit Development for a 119-Unit Townhome Development at the Southwest Corner of Argenta Blvd and 65th Street

Planning Manager Shay gave a detailed update on the Preliminary Plat and Preliminary Planned Unit Development for the Nord 61 project, located at the southwest corner of Argenta Boulevard and 65th Street. The property consists of two parcels totaling approximately 23.9 acres, one of which is

2.5 acres and the other 21.4 acres. The background information states that the existing future land use is Low Medium Density Residential (LMDR), and the current zoning is R-3A. The site has a net developable area of 20.53 acres and is located within both the Northwest Area Overlay District and the Shoreland Overlay District.

The site plan includes 119 townhomes with two access points, one from 65th Street and another from Argenta Trail, with the main entrance located on 65th. At this entrance, there will be a clubhouse with parking in front and a monument sign. Internal streets will be designated as public right-of-way, with sidewalks provided on one side of every street. Major site features include a large wetland in the southwest portion of the property, and a stormwater management area located in the center of the looped road on the east side.

The Preliminary Plat and PUD identify natural area/open space requirements, stating that 20% of the site must be maintained as open space as part of the NWA. Of that required open space, 50% is to remain undisturbed, although PUD flexibility has been requested. For development capacity, the NWA requires a development capacity analysis, and the proposed 119 units fall within the range of 82 to 164 units allowed.

The Preliminary Plat and PUD address the Shoreland Overlay, noting that there are two shoreland lakes across Argenta Trail, one classified as a natural environment lake and the other as a recreational development lake. The shoreland minimum lot size is 15,000 square feet, and the Shoreland PUD allows increased density. A Shoreland tier analysis provides the density allowed within each tier, with density bonuses available for tiers farther from the lake. The development complies with the density allowed within the Shoreland. As part of a Shoreland PUD, 50% open space is required, and this open space may include wetlands and stormwater. The impervious surface limit is 25%, with additional allowance possible through a CUP or PUD flexibility.

Development standards were reviewed, showing that setbacks generally meet requirements with one exception for which flexibility is requested. For impervious surface coverage, R-3A allows 40%, and Shoreland rules allow 25%, with increases possible through Stormwater Management plans and CUP. Building coverage under R-3A allows 20%, with 15% proposed. For parking, 476 parking spaces are proposed, including the enclosed and driveway spaces, along with 34 guest parking spaces where 20 are required.

PUD flexibility includes a front yard setback on the sidewalk side of the street of 17 feet versus 20 required, impervious surface coverage of 36.4% versus the 25% maximum, undisturbed open space of 12.6% versus 50% required, and six units per building instead of the maximum of four.

Landscaping/tree preservation shows a tree inventory of 2,133 caliper inches. Tree preservation allows 40% removal, with 100% proposed removal. A total of 674 caliper inches is required for replacement. Landscaping requires 119 trees, one per dwelling unit, with 395 tree equivalents proposed as part of landscaping and mitigation. Six shrubs equal one tree, and two ornamentals equal one tree.

Preliminary Plat and PUD action recommendation is approving Preliminary Plat and Preliminary PUD for a 119-unit townhome development subject to conditions listed in the resolution.

Council Member Murphy stated that he noticed the Park and Recreation Advisory Commission recommended taking cash in lieu of land and asked how much parkland was given up in this development.

Manager Shay stated that the required dedication would be 3.7 acres. With the R-3A zoning and 20.53 developable acres in this district, the calculation results in 3.7 acres of parkland if land were to be taken.

Council Member Scales noted that with the reworking of the south end of the property, approximately five acres of brush and trees would be cleared, and he asked if there was a plan for a buffer in that area.

Manager Shay stated that there is no plan for a strict buffer, but landscaping is concentrated along the south property line with trees planted the entire length, which will provide screening as they mature.

Council Member Scales commented that there did not appear to be sufficient space in that area to construct a buffer, such as a mound or berm.

Manager Shay stated that berms require a larger area to accommodate the elevations, with space needed to rise, level at the top, and slope back down. He noted that the 30 feet between the town homes and the adjacent property line would not provide sufficient space.

Mayor Dietrich asked if the clubhouse shown in the mock-ups was approximately the height of a single-story Rambler.

Manager Shay stated that the height at the mid-roof is 18.5 feet, with the top of the roof reaching approximately 25 feet, making it about the same height as the townhomes.

Council Member T'Kach noted prior Planning Commission discussion on traffic along Argenta Trail and asked if a right-turn-only onto 65th or alternate access to the north and west could be considered, despite County guidelines.

Manager Shay stated that a left-turn lane onto 65th did not meet County access spacing guidelines, so the access was approved as right-in, right-out. He noted the issue could be revisited with the County at final plat but added that a left-turn lane would not significantly reduce traffic except for vehicles heading west via the Argenta roundabout.

Council Member T'Kach asked if a right-turn-only out of the development onto Argenta Trail could be considered.

Manager Shay stated that a right-turn-only out of the development could be considered, with pavement markings used rather than improvements on Argenta Trail.

Council Member T'Kach asked if a sightline analysis had been completed at the intersection of old Argenta Trail and 65th, noting the curve from Delaware Avenue into 65th can be difficult.

Manager Shay stated that he had not seen a sightline analysis for that area. He noted he could check for any previous studies, adding that the County is reviewing the broader area as part of the I-494/Argenta Interchange discussions, though that data may not yet be available.

Council Member Gliva noted that the plan shows 36.4% impervious surface compared to the 25% standard and questioned whether the development includes more parking spaces than necessary. She asked if that amount of parking is needed and whether reducing it could lower the impervious surface.

Manager Shay stated that while impervious surface is increased, reducing parking would narrow driveways from 20 to 10 feet and restrict access to both garage stalls.

Council Member Gliva asked to clarify whether there is a large extra parking lot that could be reduced.

Manager Shay stated that the site includes 34 guest parking spaces, with most located in front of the clubhouse and several smaller clusters of five or six stalls throughout the development to serve units not adjacent to the clubhouse.

Council Member T'Kach asked if the first row of townhomes could be one story and then increase in height toward the north.

Manager Shay stated that the townhomes meet permitted height limits and that questions on lowering grades should be addressed by the Developer, their Engineer, or the City Engineer.

David Stofer, Director of Development for Ace Land Holdings, explained that the development would include approximately 119 multifamily residential townhome and row home rental units designed with Nordic-inspired architecture and intended to create an intimate neighborhood with shared amenities. He emphasized that Ace Holdings is not a merchant builder, but a long-term developer, builder, and operator committed to high-quality neighborhoods that elevate communities. He noted that the project was planned in alignment with the City's 2040 Comprehensive Plan, the Northwest Area Overlay, and the Shoreland Overlay District. A neighborhood meeting was held in April, and feedback received was addressed in the current proposal.

Mr. Stofer addressed common concerns beginning with density. He explained that the property had originally been guided for medium density residential and office, but following Council approval in March, it was re-guided to low medium density. As proposed, the plan is less dense than what could have been developed but still meets the City's minimum density requirements. He stated that this provides a transition between the single-family homes to the south and future higher-density mixed-use and office development to the north.

On traffic, he noted that site access is limited to two points, one of which was established by the County. He stated that the internal loop system will move traffic efficiently to 65th Street, which he believes will be the preferred route for most. While a right-turn-only restriction was raised as a possibility, he indicated the developer is open to considering it if it would help with congestion. Regarding stormwater, Mr. Stofer stated that the project includes a fully compliant management plan that will handle all stormwater on site.

He also addressed the rental model, noting strong demand for rental housing in Inver Grove Heights. He stated that this development will meet the needs of young families who want a neighborhood environment without the financial burden of home ownership, as well as retirees seeking flexibility while maintaining a yard. He emphasized that the project responds to a clear housing need in the community.

On neighborhood impacts, particularly along the south property line, Mr. Stofer explained that four-unit buildings were placed on the southern edge to reduce density, while six-unit buildings are located to the north. He noted that while some tree removal will occur closer to the wetland, a mature tree line remains near the southern boundary. The developer also intends to add vegetative screening and new plantings along this edge to mitigate impacts on adjacent neighbors.

Mr. Stofer stated the project will be completed in two phases, beginning with site infrastructure, the clubhouse, and about 60 units, followed by the remaining 60 units in phase two. He requested an amendment to the draft resolution condition requiring final plat approval within six months of

preliminary approval, asking instead for at least one year to account for economic conditions, finalize design, and prepare for construction.

Mayor Dietrich asked Attorney Nason if revising the resolution to allow one year for final plat approval could be worked out. Attorney Nason indicated she would review the matter and report back to the Council.

Brooke Williams, 3515 78th Street East, asked about the scale of the slope shown on the map, the number and diversity of tree and shrub types, and the necessity of additional guest parking given the driveway and street parking available. She also raised concerns about where children from the 119 units would attend school, specifically whether they would be enrolled in ISD 199 or the Eagan school system.

Deborah Van, 6660 Argenta Trail, expressed concern that the modern two-story rental townhomes are not in keeping with the traditional single-story, owner-occupied homes in the neighborhood. She cited issues of density, privacy, and traffic, requested a seven-foot fence along the property line, and urged the City to protect the character of the neighborhood.

Chad Hageman, 6710 Argenta Trail, stated that the project relies on too many PUD exemptions, increases density, and does not fit the neighborhood. He raised concerns about stormwater stressing ponds and overloading drainage, traffic impacts and safety, and the removal of mature oak trees. He added that a fence should be included to help protect the neighborhood.

Mark Van, 6660 Argenta Trail, stated that clear-cutting 100 trees, including several large oaks, seemed excessive and suggested the buildings could be planned around them. He also conveyed a concern from a neighbor about whether the drainage system can handle additional runoff from the increased impervious surface.

Robin Eggum, 6770 Argenta Trail, stated that traffic from the development would create problems for the neighborhood and suggested the entrance be placed elsewhere. He also expressed a preference for ownership housing rather than rentals.

Manager Shay explained that the site and grading plans use one-foot contours with specific elevation notes.

The landscape plan includes 16 tree species consisting of ornamental, deciduous, and coniferous trees, which may be adjusted at the final plan stage.

He noted that when the County completed road and drainage improvements, they accounted for a more intense medium-density development than what is now proposed. For this site, the developer is required to collect, treat, and retain all stormwater within the property through on-site basins and ponds before it eventually flows to larger water bodies.

Mayor Dietrich noted that one resident appeared to be asking about the 100-year flood.

Manager Shay stated that the 100-year flood is used in all stormwater modeling.

Mayor Dietrich asked if the number of units this site was originally guided for was available, noting it has been scaled back to 119.

Manager Shay stated that under the current land use density, the development capacity ranges from 84 to 162 units. If the property had remained guided for medium density at 8 to 12 units per acre, the range would have been approximately 164 to 244 units.

Mayor Dietrich stated that this also helps to explain the impervious surface.

Manager Shay stated that with more units, there would be much more impervious surface.

Mayor Dietrich asked if the reference to 200 cars leaving at one time pertained to construction and noted uncertainty about the source of that figure.

Manager Shay stated that while 119 units will generate traffic, it would not result in 200 cars leaving at one time but rather be distributed between morning and evening traffic flows.

Mayor Dietrich asked for confirmation that there was not enough width for a berm.

Manager Shay stated that on the south property line there is not enough space for a true berm. He noted that some slight grading could create a small mound, but it would not meet the code definition of a berm. He added that fencing and landscaping could also be considered along the south lot line.

Mayor Dietrich noted possible conflicting information about water runoff and asked if the issue related to the 100-year flood.

Manager Shay stated that all stormwaters will be collected in the proposed on-site facilities, with some retained on site and the remainder conveyed through the storm sewer system to other water bodies.

Manager Shay explained that regarding entering and exiting on Argenta Trail, two access points are required for emergency services and utilities. Because access spacing restrictions prevent a second access on 65th Street, the additional access must be located on Argenta Trail.

Elizabeth Fleming, 9659 Carbon Court, asked how potential children from the development would be accommodated in local schools, noting that the community has only three schools and some students already attend elsewhere.

Clerk Kiernan stated that the property is zoned within School District 196.

Council Member Murphy observed that fencing on the south side had been raised multiple times and inquired whether it would be feasible to install a fence in that location or if space constraints would prevent it.

Manager Shay stated that there is sufficient room on the south side to install a fence, with a maximum height of seven feet permitted by code and identified this as a potential option.

Director Ziemer stated that screening is generally required between conflicting uses, such as industrial and residential or parking areas adjacent to residences but is not typically required between two residential uses.

Council Member T'Kach asked about the size and mix of units, including the number of one- and two-bedroom units, and inquired about the target market for the development.

Mr. Stofer stated that the site plan includes a mix of row homes, which are slab-on-grade three-story townhomes located on the north side, and predominantly traditional two-story townhomes, some with basements where the topography allows. All units will be two- or three-bedroom. He added that one accessibility unit meeting ADA requirements is planned on the south side, designed with primary living space on the first floor.

Council Member T'Kach asked if the units would be market rate and inquired about the expected pricing.

Mr. Stofer stated that the units would be market rate, with rents anticipated in the range of \$2,500 to \$3,200. He noted that this is comparable to the Canvas property and explained that while the units are not standalone single-family homes, they are intended to serve a similar target market.

Council Member T'Kach stated that during the Planning Commission it was suggested that single-family homes might be possible on this site and asked whether that would be feasible.

Mr. Stofer stated that developing single-family homes on the site would not be feasible, as the costs would likely price them out of the market given the limited number that could be built. He explained that the townhome plan is a more viable option and consistent with the developer's established expertise.

Council Member T'Kach asked whether there had been discussions on protecting some of the older trees in the area, acknowledging that grading often makes it more difficult to preserve them.

Mr. Stofer stated that while some trees must be removed, particularly on the Abbott parcel, efforts will be made to preserve perimeter trees, especially along the southern boundary, and replant where possible to benefit the development.

Council Member Gliva asked, given that the plan is for rental property, whether a property management firm has already been identified or if that decision is still pending.

Mr. Stofer stated that they manage their own properties through their operating company, MV Ventures. He provided Viking Lakes as an example, noting that they both built and currently manage that development.

Council Member Gliva inquired whether it would be feasible to consider installing a fence on the south end to provide additional screening for the residents in that portion of the community.

Mr. Stofer explained that although the current plan does not yet reflect that level of detail, incorporating privacy screening and vegetative buffers is certainly feasible. He indicated that both existing conditions and potential improvements would need to be reviewed from a cost standpoint. He further emphasized the importance of respecting adjacent properties and maintaining privacy for both current residents and future renters, noting that this expectation is mutual and critical to the success of the development.

Council Member T'Kach asked if the developer would consider a paved right-turn-only exit onto Argenta Trail, noting that signage alone has proven ineffective elsewhere in the City.

Mr. Stofer stated that while he was unsure of its practicality, a paved right-turn-only exit could be considered, noting that renters would still need access to the south.

Council Member T'Kach noted that vehicles could access the north to 65th Street and return south and asked if there had been any conversations with Dakota County regarding the road connection to Argenta Boulevard.

Mr. Stofer stated that discussions had taken place with Dakota County regarding the new Argenta alignment and that they were told a connection would not be feasible. He noted that their engineers would continue to address the matter and provide follow-up.

Council Member T'Kach inquired whether it is physically feasible to construct a road at that location, observing that the site plan appears to allow for such an option, while acknowledging that the County may impose its own guidelines and restrictions.

Mr. Slaven of Ace Land Holdings stated that access onto County Road 63 was reviewed but is not permitted by the County due to setback requirements and future interchange plans at 63 and 65th. He noted that traffic volumes are expected to increase significantly if an exchange is built.

In response to the earlier question about revising the resolution to allow one year for final plat approval, Attorney Nason clarified that under City Code, a preliminary plat remains valid for three years from the date of approval unless the Council establishes a shorter period. The resolution currently before the Council provides a six-month validity period, after which the applicant must submit and obtain approval for a final plat. She noted that this timeframe is not dictated by State statute. State law only requires that once a preliminary plat is approved, the City may not amend its zoning ordinance in a way that would negatively impact the plat during the validity period. The decision on the length of validity rests entirely with the Council, and Attorney Nason deferred to the Community Development Director for further explanation of the condition.

Mayor Dietrich asked what that would mean for the resolution currently before the Council.

Director Ziemer stated that the Council has the discretion to revise the resolution if it wishes, including extending the timeframe to 12 months as requested, or beyond, as it deems appropriate.

Mayor Dietrich asked if such a revision could still be adopted this evening.

Director Ziemer confirmed that this is correct.

Mayor Dietrich asked Mr. Stofer whether 12 months was the duration they were seeking, or if they were requesting a longer period.

Mr. Stofer stated that 12 months would be reasonable. While a longer period would be beneficial, they are prepared to begin infrastructure work within that timeframe. Considering upcoming winter conditions and the time needed for design and broader economic factors, they requested that the period be set at one year at a minimum.

Councilmember T'Kach agreed with neighbors' concerns, stating the proposal does not align with the neighborhood's character. She noted residents already face increasing townhome development nearby and suggested exploring design adjustments to lessen the impact, such as reducing height in some areas and allowing greater height elsewhere, limited to three stories.

Mr. Stofer stated that from a density perspective, the plan already minimizes impact by incorporating four-unit buildings. Reducing to one-story units would require a larger footprint, which could compromise overall density goals. He noted the City seeks density in this area, and single-story ramblers are less common and would result in a loss of units.

Councilmember T'Kach suggested the possibility of incorporating one-bedroom units as an alternative.

Mr. Stofer suggested the possibility of incorporating basements in that area, noting that most units are slab-on-grade. He emphasized the importance of considering the existing vegetative buffer, given the vegetation height of approximately 40 feet compared to homes that are 25 to 26 feet in height. He further noted that, from a privacy standpoint, the use of perimeter fencing for these townhomes may also be considered. This could meet potential demand from residents with pets or young children, help address trespassing concerns, and provide an additional measure of separation.

Mayor Dietrich asked the Council if there were any suggestions to revising the timeline to 12 months when the motion is made.

Motion to receive correspondence into record by Gliva, second by Scales.**Ayes: 5****Nays: 0 Motion carried.**

Councilmember T'Kach asked where the matter stood regarding the utility fees and the fee structure being requested by the developer, and whether a formal request had been submitted.

Administrator Wilson stated that no fee reduction request has been received. She noted the Council directed a review of utility connection fees, with a draft expected by September 15 and an update to the Council anticipated in October.

Mayor Dietrich asked the Council for their thoughts on moving the item forward.

Councilmember T'Kach stated that she would like to see the plan reworked and brought back for preliminary review with consideration of the items discussed, such as potential berm and fencing along the south border, exploring a right-turn-only option on Argenta, and allowing additional time for the developer to complete construction.

Mayor Dietrich stated that can be done this evening.

Mayor Dietrich asked Director Ziemer if she was correct that the County had already addressed the turn lane onto old Argenta.

Administrator Wilson advised waiting for input from the City Engineer or Public Works Director before making changes to turning movements, noting the matter can be reviewed at final plat but should not be required now without expert guidance on road design.

Mayor Dietrich stated she did not want to hold the process up if a decision had already been made.

Administrator Wilson clarified that the County has already prohibited an exit onto Argenta Boulevard along the east side of the project, as that roadway is under their jurisdiction. She noted that the current discussion relates to the west side of the project and whether to consider a right-turn-only option onto Argenta Trail. While this could be reviewed further, she advised against making such a change at this stage without input from Public Works staff and their professional expertise.

Council Member Scales asked for confirmation that many of these issues would be addressed during the final presentation and inquired about the schedule for when the project would next come before the Council.

Director Ziemer stated that while a specific final plat date has not been scheduled, the Council will review it again at a future meeting.

Council Member Gliva inquired whether, by accepting this item this evening while final details are still under review, the Council would retain the ability at the final plat stage to require adjustments such as fencing or other measures on the south side if the proposal does not meet the expectations of the Council or the residents, or whether such conditions would need to be specified at this time.

Director Ziemer stated that, in line with the City Administrator's comments, it would not be advisable to require specific conditions at this stage without further evaluation of the road design or fencing impacts. He noted that the Council may wish to include conditions for additional items such as vegetation, fencing, screening, or roadway improvements to be reviewed by the City Engineer, Public Works Director, or other professionals. He emphasized that such conditions should be subject to further evaluation, as not all measures may be practical or feasible once reviewed.

Mayor Dietrich asked if moving this forward as written tonight, apart from extending the timeframe, would mean the Council would not have the opportunity to discuss those items further.

Attorney Nason stated that, for clarity and to provide direction to staff, if the Council wishes to have staff specifically explore potential plan revisions with the developer prior to approval of the final PUD development plan and final plat, conditions could be added. These conditions may include further evaluation of landscaping and additional screening along the southern border of the development, as well as consideration of access to Argenta Trail on the west side. Such conditions would make it clear that the final PUD development plans may require revisions based on staff review with the developer.

Mayor Dietrich inquired whether the developer would be agreeable to that condition.

Mr. Stofer indicated his agreement.

Motion to approve Resolution 2025-191 approving the preliminary plat and preliminary planned unit development (PUD) for a 119-Unit Townhome Development to be known as Nord Sixty-One Degree with changes noted by Murphy, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

D. Approval of Marketing Contract for Inver Wood Golf Course Anniversary Membership Campaign and Adoption of Resolution Amending the 2025 Golf Course Operating Budget – *continued*.

Club House Superintendent Moynihan outlined the Inver Wood Golf Course Anniversary Membership Campaign and the accompanying resolution amending the 2025 Golf Course Operating Budget. The request includes approval of a contract with Mulligan Marketing Concepts (MMC) for the development of an anniversary membership campaign and adoption of a resolution authorizing the 2025 budget amendment to the Golf Course Operating Budget.

Background information noted that the Golf Course has previously conducted three successful campaigns with Mulligan Marketing Concepts in 2018, 2021, and 2023. The duration on the first two memberships ran for 3-year terms and this previous membership was for a 2-year term. The membership campaign has been very profitable for the Golf Course, performing better than anticipated.

The Anniversary Membership is designed to fill unused tee times within three days' time, excluding weekend mornings and holidays. For example, a tee time on a Thursday could be booked beginning Monday. Customers who follow the rules and guidelines set forth in the agreement have their green fees covered for the round. This type of membership is generally used by golfers who play six to ten rounds per season.

The 2026/2027 campaign would be priced at \$398, beginning in spring 2026 and running through the 2027 golf season. Sales are expected to begin between August 29 and September 5. The membership covers all customer greens fees on tee times that are made within 3 days. This membership applies to both the Championship and Executive courses. This structure has been found to be an effective way to introduce new players to Inver Wood and encourage them to engage with the game.

If the Council agrees with the staff's recommendation to proceed with the Anniversary Membership campaign, the Golf Course operational budget in 2025 would need to be amended. Specifically, the Professional Services & Contracts expense line for the Golf Course would need to be increased by \$140,000 to pay Mulligan Marketing Concepts their 10% fee. Additionally, the credit card and bank

charges line would need to be increased by approximately \$50,000. Current 2025 charges are \$44,732.89 against a budget of \$70,000. In the 2023 campaign, charges totaled \$43,353.02. The issue of whether the 3.5% service fee for online payments should be absorbed by the City or the cardholder also requires consideration.

The revenue from the Anniversary Membership will depend on achieving the anticipated number of memberships sold, with a conservative estimate preferred to avoid overpromising and underdelivering. Additionally, the costs of the campaign will be offset by revenue generated in 2026 and 2027 when the memberships become active.

The final recommendation is to approve the contract with Mulligan Marketing Concepts (MMC) for the development of an Anniversary Membership Campaign for Inver Wood Golf Course and adopt the resolution authorizing a 2025 budget amendment to the Golf Course operating budget.

Council Member Scales asked how many new memberships were generated from the last campaign.

Superintendent Moynihan explained that they calculate using unused tee times, noting the recent campaign sold about 1,000 fewer than the previous one. He added that utilization is where it should be, averaging about 85% with about eight and a half of every ten tee times filled.

Council Member Gliva stated that credit card fees should be passed on to the customer in programs where users sign up online. She noted that this approach, consistent with typical online purchases, would result in a City cost savings of \$47,000. She added that, from an accounting perspective, the gross revenue is roughly \$700,000 per year, with the figure shown being net.

Superintendent Moynihan explained that while he was initially skeptical of the membership program when it began in 2018, it has proven to be very successful and consistently profitable. He highlighted the added value of members bringing guests who pay full price, creating new customers and additional revenue. He noted that in earlier years the Golf Course struggled with debt service, but with that now paid off, funds can be directed toward the Capital Improvement Plan. This has allowed the course to replace equipment, make property improvements, and plan for future needs, which would be difficult to achieve without the program.

Council Member Gliva apologized and added that while she supports the marketing campaign, she strongly agrees that credit card charges should not be paid by the City.

Superintendent Moynihan inquired whether a motion was required to authorize him to proceed in that manner.

Mayor Dietrich asked whether individuals would have the option to pay by cash or another method to avoid the fee.

Superintendent Moynihan stated that he prefers all transactions go through the online portal, as it builds a customer database and prevents added congestion at the counter. While occasional technical issues have required accepting checks or cash, he emphasized that the online system remains the most efficient and effective method, allowing information to be imported directly into the point-of-sale system.

Mayor Dietrich stated that she wanted assurance individuals would not be turned away if they came with cash.

Superintendent Moynihan responded that he first encourages individuals to use a card, often assisting them directly in his office as it is more efficient, but assured that alternative arrangements would be made if needed.

Mayor Dietrich stated that she supports passing the fee on to the user, noting that this is consistent with how most transactions operate. She added that a motion is not necessary for this action.

Superintendent Moynihan stated that he would accept that as direction from the Council.

Mayor Dietrich asked for confirmation that the Council was being asked to approve the Contract for the Anniversary Membership.

Sandy Honerbrink, 2318 75th Street East, asked if the Golf Course operates independently or receives City or other outside funds, and requested clarification on its funding sources and management.

Administrator Wilson explained that the Golf Course operates as a self-sufficient enterprise fund, with revenues covering its expenses. Past loans from other City funds have been repaid, and the course receives no support from property taxes, utility payments, or host community fees.

Ms. Honerbrink asked for clarification on whether the Golf Course, which manages its own budget and can reallocate funds internally, would cover the Mullen marketing concept with its own resources or if City funds would be used.

Mayor Dietrich stated that the Council oversees the budget of every department.

Kelly Kaiser, 1953 59th Court East, asked whether the plan at the clubhouse is to begin adding a 3.5% service fee for in-person credit card charges. She also expressed some disagreement with passing the online fee on to customers, noting that renewing memberships is almost exclusively done online with no alternative payment option.

Mayor Dietrich noted that credit card fees are often built into the total price rather than shown as a separate line item. She appreciated the transparency in showing the fees but asked whether, in the future, it might be better to incorporate them into greens fees or other charges.

Superintendent Moynihan acknowledged that credit card fees are a normal cost of business that could be included in prices but asked for Council guidance on the approach. He affirmed that he would follow whatever direction the Council provides.

Mayor Dietrich asked whether, for this year, the fee would still need to be paid separately as a line item or if it could be included as part of the final price.

Superintendent Moynihan explained that the \$398 will be shown separately from the 3.5% processing fee, with transactions tracked in separate accounts. He noted that future budgets will still list credit card fees, but they will be offset by the corresponding revenue.

Mayor Dietrich asked if the credit card fees could be built into the 2026 budget.

Superintendent Moynihan confirmed the fees could be included in the 2026 budget.

Council Member T'Kach expressed appreciation for the transparency of listing credit card fees and supported the approach, noting that customers could also pay by check or cash. She then asked whether the same fee applies when using a debit card.

Superintendent Moynihan stated that the fee would still apply online and said he would check whether ACH payments could be allowed, noting that few people typically use that option. He added that he wanted to get direction and move the membership forward, as delaying reduces traction with fewer days left in the year.

Council Member T'Kach stated that staff should have the necessary language included so that, if a debit card option becomes available, it is covered without needing to return to the Council.

Motion to approve the Marketing Contract for Inver Wood Golf Course Anniversary Membership Campaign and Resolution 2025-192 authorizing a 2025 Budget amendment to the Inver Wood Golf Course Operating Budget by T'Kach, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

E. 3rd Reading of Ordinances Amending City Code Regarding Licensing Requirements

City Clerk Kiernan provided an overview of several amendments to the City Code regarding licensing requirements. The changes to liquor license applications involve removing outdated terminology and reducing the amount of information required for initial applications by eliminating unnecessary data. Clarification was also added regarding alcohol server training, requiring certification to remain valid for six months beyond the date of an initial or renewal application, and aligning requirements with online training certification standards.

Regulations for cannabis and hemp businesses were updated to reflect new legislative vocabulary and to distinguish between pre-approval and preliminary license approval.

Massage therapy regulations now specify that operating without a license gives the Council authority to deny, suspend, or revoke a license. Language was also added to state that if a license is denied or revoked, the applicant cannot reapply for one year from the date of revocation or denial. This one-year requirement is consistent with practices in other Dakota County cities.

For contractor licensing related to solid waste collectors, the amendments repeal Section 8-6-3C2, which required City-issued license tabs on solid waste vehicles, as this practice is no longer current practice.

Staff recommends approval of the 3rd reading of each of the four Ordinances amending City Codes: Ordinance 1508 for Sections 4-1-7 and 4-1-14 regarding Liquor License Applications; Ordinance 1509 for Sections 4-4-2 and 4-4-9 regarding Cannabis and Hemp Business Regulations; Ordinance 1510 for Section 4-8-1 regarding Massage Therapy Regulations; and Ordinance 1511 for Section 8-6-3 regarding Contractor Licensing, specifically license tabs for solid waste collectors.

Motion to approve Ordinance 1508 Amending Inver Grove Heights City Code Title 4, Chapter 1, Sections 7 and 14 regarding Liquor License Applications; Ordinance 1509 Amending Inver Grove Heights City Code Title 4, Chapter 4, Regarding Cannabis and Hemp Business Regulations; Ordinance 1510 Amending Inver Grove Heights City Code Title 4, Chapter 8, Section 1 regarding Massage Therapy Regulations, and Ordinance 1511 Amending Inver Grove Heights City Code Title 8, Chapter 6, Section 3 Regarding Contractor Licensing by T'Kach, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

Mayor Dietrich reported that the City received a petition for a reverse referendum on borrowing funds for the Central Maintenance Facility, which is currently under review to validate signatures. Once validated, the Council will discuss next steps, including referendum timing. She noted the question cannot appear on this November's ballot, making 2026 the earliest possible date, and emphasized that this level of community involvement reflects the democratic process.

8. PUBLIC COMMENT:

Lisa Slama, 9185 Inver Grove Trail, described the grassroots petition drive for a reverse referendum on the \$58 million Central Maintenance Facility bond. Beginning August 5, volunteers quickly gathered support and submitted 2,227 signatures, far more than the 1,050 required. She said the effort reflected strong community consensus that residents felt blindsided and want a direct voice on the project, while also criticizing the lack of cost details in initial communications.

Jerry Slama, 9185 Inver Grove Trail, criticized the approval of the \$58 million Central Maintenance Facility bond, saying public concerns were not fully addressed and the Council approved an oversized project that will raise taxes for 20 years. He said this has damaged community trust and described the decision as irresponsible at a time when many households are struggling financially.

Elizabeth Fleming, 9659 Carbon Court, said the petition process showed that trust is essential and has been damaged by the size of the Central Maintenance Facility project, the tax increase, and how the process unfolded. She noted the petition united the community and called on the Council to choose transparency and openness to rebuild confidence, strengthen unity, and restore trust.

Bruce Kennebeck, 3680 77th Street East, questioned the loan interest rate and the 14% tax increase for the Central Maintenance Facility. He called the project unnecessary, criticized the City's budgeting, and compared it to past street assessments where he felt the street work was poor, asking what the direct cost to residents would be.

Mark Sampson, 3118 Cuneen Court, said the \$61 million Central Maintenance Facility project with a 14-16% tax impact was hidden from residents through omissions in City communications and delayed posting of key documents, which limited public input. He called for an investigation into the lack of transparency and accountability.

Mary Bruns, 7610 Banning Way, said she supports facility updates but urged financial responsibility. She questioned the added \$10 million firing range not in the \$61 million estimate, past budget overruns, and the risk of higher taxes. She asked the Council to consider residents' financial struggles before approving the project.

William Schuldt, 7106 River Road, praised City services but criticized how the Central Maintenance Facility project was presented. He said there should have been an open house to allow questions and explanations about needs and costs, noting residents were not given enough opportunity to understand or provide input before such a major expense.

Carol Halloran, 7868 Adler Trail, questioned why taxes need to be raised when new housing and commercial developments are already generating additional revenue. She also said residents were promised transparency during past elections but feel that promise has not been kept.

Bruce Bruns, 7610 Banning Way, asked if the Central Maintenance Facility project is still moving forward since the vote would not occur until next November.

Mayor Dietrich clarified that the timeline is not limited to next November's general election, as there are other options available for a reverse referendum.

Lucy Grosz, 7161 Cloman Avenue East, said the Central Maintenance Facility project is oversized and unnecessary, noting residents already face significant tax increases. She questioned the need for so much new space given limited growth in the City and criticized the process as rushed and lacking transparency.

Daryl Fox, 7987 Claiborne Lane, questioned why the City keeps pursuing costly projects and new developments, asking when it will focus on simply sustaining and maintaining instead of continued spending.

Martin Moody, 9641 Rich Valley Boulevard, said the Central Maintenance Facility project was handled backwards, with scope developed before setting a budget. He noted many petition signers were surprised by the project's size and criticized the City's poor communication, suggesting a mailing should have gone to all residents for such a major project.

Mark Bennett, 7661 Barbara Avenue, stressed the need to distinguish between wants and needs, urged caution with the large budget request, and supported using the reverse referendum to let residents have their say.

Brooke Williams, 3515 78th Street East, said the City should focus on community needs like grocery stores and educational spaces rather than the Central Maintenance Facility project. She questioned whether rental properties would be included in the bond assessment and raised concerns about safety in new developments without basements during severe weather.

Kelly Kayser, 1953 59th Court East, said the Central Maintenance Facility project has been well-documented through a 135-page needs analysis and public presentations, all following State law. She noted bonding is the standard way cities fund such projects and while the tax increase is significant, City taxes would still be lower than in some neighboring communities. She also shared that her husband was removed from a local Facebook group after posting information about the project.

Sandy Honerbrink, 2318 75th Street East, said she has repeatedly raised concerns about rising taxes and spending. She was relieved to see others speaking out and sharing the same concerns.

Administrator Wilson clarified that if the City moves forward with borrowing for the Central Maintenance Facility, any resulting property tax levy would apply to all taxable properties in Inver Grove Heights, including residences, rentals, businesses, and agricultural properties. It would not be limited to homestead properties.

9. MAYOR AND COUNCIL COMMENTS:

Council Member Murphy said the reverse referendum is democracy at its finest and the right way to let residents decide on the Central Maintenance Facility project. He believes the facility is needed but respects the community input. He also criticized the removal of a resident from a local Facebook group for expressing a dissenting opinion, calling it embarrassing and reprehensible.

F. Closed Session to Consider the Purchase of Real Property

Motion to move into Closed Session pursuant to Minnesota Statutes, Section 13.D.05, Subd. 3(c)(3) to develop or consider offers or counter offers for the purchase of real property located at 1285 70th Street W, by Murphy, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

Motion to reconvene in open session by Gliva, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

10.ADJOURN:

Motion to Adjourn at 8:42 p.m. by Scales, second by Murphy.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Tammy Greenlee