

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, OCTOBER 27 6:00 P.M. - 8150 BARBARA AVENUE**

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, October 27, 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, City Clerk Kiernan, City Attorney Nason, Community Development Director Ziemer, Finance Director Hove, Facilities Maintenance Superintendent Fitzlaff, Code Compliance Officer Rainey, and Fire Chief Thill

3. APPROVAL OF AGENDA:

Motion to approve agenda with removal of 5L by T’Kach, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

4. PRESENTATIONS: None

5. CONSENT AGENDA:

- A.** Approval of Minutes of the October 6, 2025, City Council Work Session
- B.** Approval of Disbursements, **Resolution 2025-225**
- C.** Personnel Actions
- D.** Resolution Authorizing Summary Publication for Ordinance No. 1515 Regarding Temporary Signs, **Resolution 2025-226**
- E.** Acceptance of Holiday Lighting Donation for Simley Island Park, **Resolution 2025-227**
- F.** 2026-2030 Contract with Kennedy & Graven for Civil Legal Services
- G.** Memorandum of Understanding Regarding Distribution of Cable Franchise Fee Revenue
- H.** Approval of Contract for Replacement of Back Stairs at the Community Center
- I.** Approval of Police Department Facility Improvements and Contract with Total Construction & Equipment, LLC
- J.** Resolution Authorizing Placement of Order for Replacement Fire Department Ladder Truck, Resolution 2025-228
- K.** Resolution Approving Joint Powers Agreement Regarding the Minnesota Financial Crimes Task Force, **Resolution 2025-229**
- L.** ~~Resolutions Awarding Contract and Approving Budget for Dickman Trail Utilities Extension (City Project EDA25-01), **Resolutions 2025-230 & 2025-231**~~
- M.** Resolution Approving Site Improvement Agreement for Hillcrest Pointe Phase 2, **Resolution 2025-232**

Motion to approve Items A - M, omitting 5L by Gliva, seconded by T’Kach.

Ayes: 5

Nays: 0 Motion carried.

6. PUBLIC HEARINGS:

**A. Adoption of Assessment Roll for the 2025 Public Nuisance & Diseased Tree Abatements
Resolution 2025-233.**

Code Compliance Coordinator Rainey explained that although the City typically conducts one fall assessment each year, all assessments for 2025 were combined into this process. Property owners were notified in writing of violations such as long grass, weeds, diseased trees, and other nuisances. When they failed to correct the issues, the City completed the abatement work and is now seeking to recover those costs from the property owners.

He explained that the total cost for the 2025 Public Nuisance and Diseased Tree Abatement Program amounts to \$25,645.00. Property owners have thirty (30) days after the special assessments are levied and adopted by the Council to make a prepayment. If payment is not received within that timeframe, the assessments will be sent to the County Auditor to be added to the property tax list. The assessments will then be payable in two equal installments with a 4.106% interest rate applied to the unpaid balance over one year. The listed parcels are proposed to be placed on the 2025 assessment roll.

The affected parcels include the following: 3245 69th Street East, for tree removal totaling \$2,850.00; 6339 Apple Court, for a lawn cut totaling \$135.00; 4511 Audrey Avenue, for tree removal totaling \$2,950.00; 5373 Babcock Trail, for a lawn cut totaling \$390.00; 6339 Apple Court again, for a second lawn cut totaling \$135.00; 2644 70th Street East, for tree removal totaling \$5,250.00; 2865 Upper 79th Court, for tree removal totaling \$3,550.00; 7033 Delaney Avenue, for a lawn cut totaling \$135.00; and 9165 Cahill Avenue, for tree removal totaling \$10,250.00. These actions collectively make up the proposed assessment roll for 2025.

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

Motion to close the public hearing by Scales, seconded by T’Kach.

Ayes: 5

Nays: 0 Motion carried.

Motion to approve Resolution 2025-233 adopting the assessment roll for 2025 Public Nuisance & Diseased Tree Abatements by T’Kach, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

B. Approval of New Officer for Liquor License Holder of Open Window Theatre.

City Clerk Kiernan stated that she was bringing forward an individual who serves as an Officer for Epiphany Studio Productions, which operates Open Window Theatre. The individual, Samuel Jackson, has submitted all required paperwork to meet the conditions of the theater’s existing license. A notice of public hearing was published in the Pioneer Press on October 10. The Police Department completed the necessary background investigation and found no reason for denial. Staff therefore recommended that the Council conduct the public hearing and adopt the motion to approve Samuel Jackson as a new Officer.

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

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

Ayes: 5

Nays: 0 Motion carried.

Motion to approve New Officer for Liquor License Holder of Open Window Theatre by Scales, second by Gliva.

Ayes: 5**Nays: 0 Motion carried.****7. REGULAR BUSINESS:****A. Consider Resolution for Redistribution of Existing TIF Dollars, Resolution 2025-234.****Motion to accept 4 resident comments into record by T’Kach, second by Scales.****Ayes: 5****Nays: 0 Motion carried.**

Finance Director Hove provided an overview of the City’s Tax Increment Financing Funds (Decertified TIF District 4-1) and the options for utilizing remaining funds following its decertification. In 1991, the City created TIF District 4-1 pursuant to special legislation to assist with the development of a major regional mall on approximately 120 acres at the southeast corner of Interstate 494 and Highway 52. The property presented development challenges due to difficult terrain and substandard soil conditions. Although the initial development agreement with the mall was later terminated, the TIF District remained active.

Over time, the tax increment from the district was used to pay debt service on bonds that financed several projects, including the City’s Water Treatment Plant, the Voss-Todd development project, and the Kerasotes-JBM development project. Additionally, funds provided financial assistance for the Blackberry Pointe affordable housing development. All financial obligations associated with these projects have been paid in full. TIF District 4-1 was automatically decertified on December 31, 2019, as required under State Statute.

Two options are available for the remaining TIF funds. The first option is to use the funds to support affordable rental housing developments anywhere in the City. Projects under this option must either reserve 20% of the units for families earning at or below 50% of the median income or reserving 40% of the units for families earning at or below 60% of the median income. The second option is to return the funds to Dakota County for redistribution to the applicable taxing jurisdictions, including the City, County, and School District. Once redistributed, the City could use its portion for any purpose.

In June 2020, the City transferred administrative authority of TIF District 4-1 and its related funding to the City’s Economic Development Authority (EDA) and adopted an Affordable Housing Development Program. This program established a loan and grant program intended to provide financial assistance to affordable housing developments using funds available in TIF 4-1 to finance those loans and grants. Resolutions approved by both the Council and the EDA confirm that the Council may, by resolution at any time before the final expenditure of those funds, determine to return such tax increments to Dakota County for redistribution to applicable taxing jurisdictions. However, since the program’s adoption, no affordable housing loans or grants have been approved, and there are no active applications in progress.

If the City chooses to return the funds to Dakota County under option #2, the redistribution will allocate approximately \$2,411,058 to the City of Inver Grove Heights, \$985,353 to School District 199, and \$947,603 to Dakota County, totaling \$4,344,014. Currently, the City has \$4,344,014 restricted solely for affordable housing purposes. If it decides instead to return these funds to Dakota County, it could then use its returned share estimated at \$2,411,058 for any City purpose once the funds are returned.

Director Hove explained that the Council was asked to decide whether to keep setting aside about \$4.3 million for affordable rental housing within the City or return the funds to Dakota County for

redistribution, which would provide the City with about \$2.4 million to use for any purpose. She noted that staff made no recommendation, leaving the decision entirely to the Council.

Council Member T’Kach stated that given the City’s need for affordable housing, particularly for seniors and young families, it is important to retain the \$4.3 million for rental housing developments that support these income levels. She noted that such funding could help incentivize developers to include affordable housing in future projects. While acknowledging that the City has not used these funds since 2019, she emphasized the need for a larger funding pool to initiate new developments, such as those beyond the CDA-supported Hillcrest II project. She added that the City should explore additional funding opportunities through housing agencies at the State or County level to address the shortage of affordable housing in the community.

Motion to keep the TIF District for affordable housing by T’Kach, failed for a second.

Motion to approve Resolution 2025-234, Authorizing Return of Tax Increment from TIF District 4-1 to Dakota County by Gliva, second by Scales.

Ayes: 4

Nays: 1 (T’Kach) Motion carried.

B. Second Reading of Ordinance Amending City Code Regarding Rental Licensing.

Community Development Director Ziemer discussed the second reading of the proposed ordinance on Residential Housing Rental Licensing. The first reading took place on October 13, 2025, and the updated proposal is being advanced in two phases. Phase 1 focuses on streamlining and improving existing processes, while Phase 2 will be addressed in the future to consider potential limitations and program expansion. The ordinance updates the City Code regulating rental licensing, originally adopted and implemented in 2016 under Business Regulations, Chapter 4. The licensing applies to all residential property owners who rent dwellings or dwelling units.

The proposal aims to make the process more efficient by streamlining application and approval procedures. Administrative approval or denial would be handled by staff, with an appeal process available to the Council for denials. The Council would retain authority over suspension and revocation of licenses. Application requirements would be reduced, and the application form and data collection simplified. The licensing structure would transition from a two-year cycle to an annual renewal, with existing license holders completing their current term before converting to the annual schedule. The license period would remain consistent, running from April 1 through March 31 each year.

The update also includes requirements for local property managers, stipulating that a property manager must reside within 75 miles of Inver Grove Heights, although an owner may serve as the property manager. Enforcement measures are strengthened through the ability to impose fines for late or incomplete renewal applications. The ordinance sets a firm renewal application deadline of January 31 and introduces a three-tier fine structure for violations of the Rental Licensing Code.

The recommendation is for the Council to complete the second reading of the ordinance, with the third and final reading and adoption scheduled for November 10.

Mayor Dietrich asked for clarification on when information about the number of rental units in a specific neighborhood would be available and whether it would be ready by November 10.

Director Ziemer explained that the current focus is on streamlining the application process ahead of the renewal period, which begins in November when notices will be sent out. He noted that discussions about limitations and other related issues will occur early next year as part of a second phase.

Council Member T’Kach asked for clarification on the definition of family, noting that under the current rule, a household with two parents and three children from different families would exceed the limit of four unrelated individuals allowed in a rental unit.

Director Ziemer said he did not have the specific language in front of him and was not prepared to answer the question without reviewing it first.

City Administrator Wilson stated that the ordinance does not change the current definition of family. She explained that the intent is to address specific challenges through the ordinance while keeping the existing definition unchanged.

Council Member T’Kach asked whether this would be the appropriate time to make changes.

Administrator Wilson said that if the Council’s direction is to pursue a more comprehensive overhaul of the ordinance, staff would follow that direction and align the work with the next renewal cycle. However, she noted that based on previous Council discussions, she did not understand that to be the current intent.

Council Member T’Kach asked for clarification, confirming whether two separate families with a total of five people would not be allowed to live together under the current rules.

City Attorney Nason confirmed that under the existing definition of family, which remains unchanged in the proposed ordinance, a family is defined as an individual, or two or more persons related by blood, marriage, or adoption, or a group of no more than four unrelated individuals. Therefore, two separate family units totaling five people would not meet the definition of a family under the ordinance and would not be permitted.

Council Member T’Kach said she believes the issue should be reviewed. She acknowledged that the ordinance contains several other items that also warrant examination but noted the current focus is on meeting this year’s deadline. She added that she has a list of potential revisions and suggested that the Council consider addressing these issues, including this one, possibly in 2026.

Director Ziemer stated that when the ordinance was previously discussed, the Council had identified two main areas of focus: the limitation on rental areas and whether to consider expanding the program beyond its current registration framework. He explained that staff primarily concentrated on application processes and related items, leaving most other sections of the ordinance unchanged. He added that the matter could be brought back to a work session if the Council wished to review additional aspects.

Mayor Dietrich said she did not want to create a solution in search of a problem, noting that there have been no issues with the existing language. She stated that staff time would be better spent focusing on the current discussion items and the phase two matters already directed by the Council.

Motion to approve the second reading of an Ordinance repealing and replacing Title 4, Chapter 13 regarding rental licenses by Gliva, second by Scales.

Ayes: 4

Nays: 1 (T’Kach) Motion carried.

8. PUBLIC COMMENT:

Debra Douglas, 1462 80th Street East, Apartment #211, expressed concern after her grandson, an African American student, was stopped by police while walking to Inver Grove Heights Middle School when a resident reported him as suspicious. She stated the incident was racially motivated and criticized the Police Department for failing to notify her as his guardian.

She urged City leaders to take steps to address racial bias by offering community education on racial profiling and unconscious bias, creating a formal process to report and review profiling incidents, and forming a diverse Youth Advisory Council to include the voices of young people from underrepresented communities.

She also requested details about the Police Department's racial bias training, the agency that provided it, and the policies for contacting guardians when minors are involved. She asked for both a formal written response and a public acknowledgment of the issue at the next Council meeting.

Robin Eggum, 6770 Argenta Trail, expressed concern about a proposed development near 65th Street and Argenta West that would add 114 two-bedroom townhomes using Argenta West for access. He said the street is affecting his driveway and a dead-end, raising safety and traffic concerns, noting the Fire Department previously advised limiting such streets to eight homes.

He also urged consideration of the project's impact on the School District. He noted Inver Grove Heights already has about three times the recommended level of Section 8 housing, attributing approvals to financial incentives. Drawing on his experience as a teacher, he compared lower parent engagement in Inver Grove Heights schools to higher participation in Eagan, suggesting that the mix of housing types affects community involvement and school outcomes.

9. MAYOR AND COUNCIL COMMENTS:

Council Member T'Kach shared that she recently toured Seidl's Lake Park with representatives from the Lower Mississippi River Watershed District and praised the improvements made to the park's trail system and water quality. She noted the park is now more accessible, though not fully ADA compliant, and commended the collaboration between Inver Grove Heights, West Saint Paul, and South Saint Paul. She encouraged residents to visit the park and thanked the Watershed District for its efforts.

10. CLOSED SESSION:

A. Closed Session for Attorney-Client Privileged Discussion of Pending Litigation.

Motion to move into closed session, pursuant to Minnesota Statute Section 13D.05, subd. 3(b) attorney-client privilege, to meet with litigation counsel regarding Verch v. City Inver Grove Heights by Scales, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

Motion to move into open session by Gliva, seconded by Scales.

Ayes: 5

Nays: 0 Motion carried.

11. ADJOURN:

Motion to Adjourn at 7:01 p.m. by Scales, second by T'Kach.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Tammy Greenlee