



**CITY OF INVER GROVE HEIGHTS  
COUNCIL CHAMBERS**

**CITY COUNCIL SPECIAL MEETING AT 5:30 P.M.  
AUGUST 5, 2019**

**A G E N D A**

**A. CALL TO ORDER – MAYOR TOURVILLE**

1. Revocation Hearing-Massage Business License for USAI LLC, dba Herb Spa, located at 9086 Buchanan Trail

**B. ADJOURN**

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

**Hearing to Consider Revocation of Business License for USAI LLC, dba Herb Spa Massage Therapy Business located at 9086 Buchanan Trail.**

Meeting Date: August 5, 2019  
 Item Type: Regular  
 Prepared by: Michelle Calvert  
 Reviewed by: Joe Lynch  
 Contact: 651-450-2464

**Fiscal/FTE Impact:**

|                                     |                                    |
|-------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> | None                               |
| <input type="checkbox"/>            | Amount included in current budget  |
| <input type="checkbox"/>            | Budget amendment requested         |
| <input type="checkbox"/>            | FTE included in current complement |
| <input type="checkbox"/>            | New FTE requested – N/A            |
| <input type="checkbox"/>            | Other                              |

**PURPOSE/ACTION REQUESTED:**

Hearing to Consider Revocation of Business License for USAI LLC, dba Herb Spa Massage Therapy Business located at 9086 Buchanan Trail.

**SUMMARY:**

Following an investigation by the Inver Grove Heights Police Department, several violations of the terms and conditions of the Massage Business License for USAI LLC, operating as Herb Spa and located at 9086 Buchanan Trail, have been identified. A hearing has been scheduled for consideration of adverse licensing action against the Massage Business License.

Based on the identified violations, staff are recommending that the Council revoke the Massage Business License for USAI LLC.

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**LEVANDER,  
GILLEN &  
MILLER, P.A.**

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ATTORNEYS AT LAW

TIMOTHY J. KUNTZ  
DANIEL J. BEESON  
JAY P. KARLOVICH  
ANGELA M. LUTZ AMANN  
KORINE L. LAND  
DONALD L. HOEFT  
BRIDGET McCAULEY NASON  
PETER G. MIKHAIL  
TONA T. DOVE  
AARON S. PRICE  
DAVID L. SIENKO  
CASSANDRA C. WOLFGRAM  
DEBRA M. NEWEL  
CASSANDRA J. BAUSTISTA

## MEMO

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**TO: Mayor and Council**  
**FROM: Bridget Nason, Assistant City Attorney**  
**DATE: August 1, 2019**  
**RE: License Revocation Hearing-USAI LLC d/b/a Herb Spa**

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### Background

USAI LLC is the holder of a Massage Business License for the premises located at 9086 Buchanan Trail, Inver Grove Heights, MN. In 2017, Xueyan Wang applied for both a Massage Therapist License and a Massage Business License for the Buchanan Trail premises (the "Massage Business"). The Massage Therapist License was issued to Ms. Wang individually, and the Massage Business License was issued to USAI LLC. Ms. Wang is listed on that application as the business contact for the business, and indicated that she would be the only licensed massage therapist performing massage services at the premises. Both licenses were subsequently renewed in 2018 and 2019. In the 2019 renewal application, Ms. Wang again identified herself as the "owner" of USA LLC and stated that she would be the only massage therapist working at the Massage Business.

Following a lengthy investigation by the Inver Grove Heights Police Department, a search warrant was executed on July 19, 2019. During the execution of that search warrant, two women were located inside the Massage Business, as was a male customer male in a massage room. Neither of the two women located inside the business were Ms. Wang and neither were licensed by the City as Massage Therapists. Based on the results of the criminal investigation. Ms. Wang was charged on July 22, 2019, with four counts of felony prostitution, two counts for promoting prostitution and two counts for receiving profit from prostitution or the promotion of prostitution in Court File No. 19HA-CR-19-1852. That criminal case is open and has not yet resolved.

Pursuant to City Code Section 4-8-J and 3-2-10, the Council may take adverse action against a massage business license holder based on violations of the terms and conditions of the license following notice and a hearing before the Council. Based on the information gathered

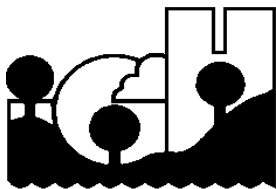
during the investigation related to the operation of the Massage Business, including various Massage Business License violations, on July 19, 2019 Ms. Wang was personally served with written notice advising her of the alleged Massage Business license violations and that a license revocation hearing was scheduled for 5:30 p.m. on August 5, 2019, at City Hall. Notice of the revocation hearing was also served on her via US mail.

### **Requested Council Action**

The Council is requested to hold a hearing on August 5, 2019, regarding the alleged violations of the Massage Business License for USAI LLC. After holding that hearing, the Council should consider staff's recommendation to revoke the Massage Business License for USAI LLC and make a decision regarding what, if any, adverse licensing action to take against the Massage Business License.

Attachments





## CITY OF INVER GROVE HEIGHTS

### MEMORANDUM

TO: Chief Chiodo

FROM: Commander Haugland

SUBJECT: USAI, LLC d/b/a Herb Spa, 9086 Buchanan Trail

DATE: July 24, 2019

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Herb Spa Massage came to the police department's attention early in December 2018 and an investigation was launched into the business. An investigator had recently attended human trafficking training and learned that these types of businesses can be used for illicit purposes and human trafficking.

As the investigation unfolded it was learned that the operator/licensee of the business, Xueyan Wang, was licensed to perform massage services at the business, and was also listed as the applicant on the massage business license for the premises, which was issued to USAI, LLC. A review of a website that rates massage parlors and their activities revealed that reviewers were commenting on the business and there were sexual acts taking place. Our investigator wrote multiple search warrants for banks, phones and a GPS tracker.

Surveillance was conducted on the business and during that time there were traffic stops conducted away from the business on patrons who had just left. In two circumstances the patrons advised that they had manual sexual activity performed on them by staff at the business during their massage.

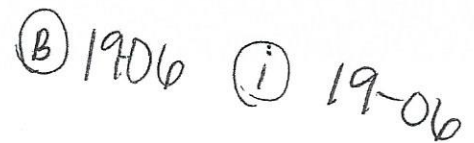
On July 19, 2019 officers executed a search warrant at Herb Spa. At the time the warrant was executed there was one male located inside receiving a massage. He denied any illicit activities taking place but was found to have a photo that contained nude male and female genitalia. There were also two females that were located at the business during the warrant and both worked at the business providing massage services without licenses. One of these females was interviewed and denied performing sexual acts. The females advised they pay Wang rent and that she took some of the proceeds from the services provided by them.

While searching the business it was apparent that the two females were living inside of the business as bedrooms had been set up in two rooms within the business. There were personal effects within each of the rooms along with beds. There were also locks on some of the doors. There was also an area at the rear of the business that was set up as a makeshift kitchen and there was a washer and dryer present.

Our chief building official walked through the business and noted that there were multiple violations of city code and posted the business "Not approved for occupancy."

Xueyan Wang was ultimately arrested and has been charged with four counts of Prostitution in the second degree (Promote/ Receives Profit). Xueyang Wang was given a written notice of a special meeting and hearing scheduled for August 5, 2019 at 5:30 pm for consideration of revocation of the massage business license for USAI, LLC.

The police department is recommending revocation of the business license for USAI, LLC doing business as Herb Spa and the individual massage license for Xueyang Wang the owner/operator of the business.



## City of Inver Grove Heights

(651) 450-2500 Fax (651) 450-2502

[www.invergroveheights.org](http://www.invergroveheights.org)

USA1, LLC

 Renewal Massage Therapist License (Individual) Background and License fee = \$100.00

☒ Renewal Therapeutic Massage Business License Background and License fee = \$150.00

| Part 1 ALL APPLICANTS COMPLETE PART 1                                                                                                                                                                                          |                             |                                                                                                       |                           |                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------------------------|---------------------------|------------------------------|
| PERSONAL INFORMATION                                                                                                                                                                                                           |                             |                                                                                                       |                           |                              |
| Your Name (Full First, Middle, Last):<br>XUEYAN WANG                                                                                                                                                                           |                             | Place of Birth (City, State):<br>[REDACTED]                                                           |                           | Date of Birth:<br>[REDACTED] |
| Height:<br>[REDACTED]                                                                                                                                                                                                          | Weight:<br>[REDACTED]       | Eye Color:<br>[REDACTED]                                                                              | Hair color:<br>[REDACTED] |                              |
| Residential Street Address:<br>[REDACTED]                                                                                                                                                                                      |                             | City:<br>[REDACTED]                                                                                   | State:<br>[REDACTED]      | Zip Code:<br>[REDACTED]      |
| Phone Number:<br>[REDACTED]                                                                                                                                                                                                    | U.S. Citizen:<br>[REDACTED] | If non U.S. citizen, list home country and attach proof of eligibility to work in U.S.:<br>[REDACTED] |                           |                              |
| Email Address:<br>[REDACTED]                                                                                                                                                                                                   |                             |                                                                                                       |                           |                              |
| Social Security Number (SSN):<br>[REDACTED]                                                                                                                                                                                    |                             | Individual Tax Identification Number (ITIN) if applicable:<br>[REDACTED]                              |                           |                              |
| Criminal History, Arrest Records, Warrant Information, and Other Relevant Records -- (please copy form as needed)                                                                                                              |                             |                                                                                                       |                           |                              |
| Have you ever been convicted of any felony crimes or ordinance violations, other than traffic offenses <u>since your last application</u> ?<br>____ Yes <input checked="" type="checkbox"/> No                                 |                             |                                                                                                       |                           |                              |
| If yes, list - Attach additional sheets if necessary                                                                                                                                                                           |                             |                                                                                                       |                           |                              |
| Offense                                                                                                                                                                                                                        | Fine/Penalty                | Location (City/State)                                                                                 | Date of Occurrence:       |                              |
|                                                                                                                                                                                                                                |                             |                                                                                                       |                           |                              |
| Have you been convicted of violation of any federal, state, or local law relating to the operation of any business requiring a license <u>since your last application</u> ?<br>____ Yes <input checked="" type="checkbox"/> No |                             |                                                                                                       |                           |                              |
| If yes, list - Attach additional sheets if necessary                                                                                                                                                                           |                             |                                                                                                       |                           |                              |
| Offense                                                                                                                                                                                                                        | Fine/Penalty                | Location (City/State)                                                                                 | Date of Occurrence:       |                              |
|                                                                                                                                                                                                                                |                             |                                                                                                       |                           |                              |
| CERTIFICATE OF PROFESSIONAL LIABILITY                                                                                                                                                                                          |                             |                                                                                                       |                           |                              |
| Are you currently insured for professional liability to practice massage? <input checked="" type="checkbox"/> YES ____ NO                                                                                                      |                             |                                                                                                       |                           |                              |
| If yes, list insured information- Attached Certificate of Profession Liability with \$1,000,000.00 insurance coverage                                                                                                          |                             |                                                                                                       |                           |                              |
| Insurer                                                                                                                                                                                                                        | Phone Number                | Street Address                                                                                        | State                     | Zip                          |
| Amta (America Massage Therapy Association)                                                                                                                                                                                     | 877-905-2700                | 500 Davis St Suite 900, Evanston, IL                                                                  | IL                        | 60201                        |
| ADDITIONAL INFORMATION                                                                                                                                                                                                         |                             |                                                                                                       |                           |                              |
| Additional information you want to include that was not required in Part 1:<br>                                                                                                                                                |                             |                                                                                                       |                           |                              |

# RENEWAL APPLICATION FOR THERAPEUTIC MASSAGE LICENSE

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|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------|------------|--------------------------------------------------|--------------|------------|
| <b>PART 2 ONLY MESSAGE THERAPIST LICENSE</b><br><b>APPLICANTS COMPLETE PART 2</b>                                                                                                                                                                                                          |                |                                        |            |                                                  |              |            |
| <b>THERAPEUTIC MASSAGE BUSINESS INFORMATION</b>                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
| Therapeutic Massage Business Name (DBA) where applying to be an Individual Therapist:<br><u>USA1.220</u>                                                                                                                                                                                   |                |                                        |            |                                                  |              |            |
| Street Address of Licensed Premises:<br><u>9086 Buchanan Trail Inver Grove Heights MN</u>                                                                                                                                                                                                  |                |                                        |            | Business Contact (first and last name):<br>_____ |              |            |
| Zip Code:<br><u>55076</u>                                                                                                                                                                                                                                                                  |                | Business Phone:<br><u>651-301-0602</u> |            | Contact's Phone Number:<br>_____                 |              |            |
| <b>INDIVIDUAL MESSAGE THERAPIST LICENSE HISTORY</b>                                                                                                                                                                                                                                        |                |                                        |            |                                                  |              |            |
| Are you currently licensed as a Massage Therapist in another city? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                     |                |                                        |            |                                                  |              |            |
| If yes, list City's information – (please copy form as needed)                                                                                                                                                                                                                             |                |                                        |            |                                                  |              |            |
| City                                                                                                                                                                                                                                                                                       | Street Address | State                                  | Zip        |                                                  |              |            |
| <u>Missouri</u>                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
| <u>Texas</u>                                                                                                                                                                                                                                                                               |                |                                        |            |                                                  |              |            |
|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
| Have you ever been denied or rejected for an Individual Massage Therapist License since your last application? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                         |                |                                        |            |                                                  |              |            |
| If yes, list – (please copy form as needed)                                                                                                                                                                                                                                                |                |                                        |            |                                                  |              |            |
| City                                                                                                                                                                                                                                                                                       | Street Address | State                                  | Zip        |                                                  |              |            |
|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
| Have you as an individual or as part of a corporation, partnership, association, enterprise, business or firm ever had a Massage Therapist License revoked or suspended within the last (5) years of this application? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                |                                        |            |                                                  |              |            |
| If yes, list – (please copy form as needed)                                                                                                                                                                                                                                                |                |                                        |            |                                                  |              |            |
| City                                                                                                                                                                                                                                                                                       | Street Address | State                                  | Zip        |                                                  |              |            |
|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
| Have you ever owned and/or operated a Therapeutic Massage Business since your last application? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                        |                |                                        |            |                                                  |              |            |
| If yes, list – (please copy form as needed)                                                                                                                                                                                                                                                |                |                                        |            |                                                  |              |            |
| Employer & Occupation                                                                                                                                                                                                                                                                      | Phone Number   | Street Address                         | City/State | Zip                                              | From (MM/YY) | To (MM/YY) |
|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |
|                                                                                                                                                                                                                                                                                            |                |                                        |            |                                                  |              |            |



# RENEWAL APPLICATION FOR THERAPEUTIC MASSAGE LICENSE

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|                                                                                                                                                                                                    |                                                                                                                        |                                           |                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------|
| <b>PART 3 ONLY THERAPEUTIC MASSAGE BUSINESS<br/>LICENSE APPLICANTS COMPLETE PART 3</b>                                                                                                             |                                                                                                                        |                                           |                                                                            |
| <b>TYPE OF THERAPEUTIC MASSAGE BUSINESS</b><br><i>Circle one</i>                                                                                                                                   |                                                                                                                        |                                           |                                                                            |
| Individual/Sole Proprietorship                                                                                                                                                                     | Business/Firm                                                                                                          | Partnership                               |                                                                            |
| Corporation                                                                                                                                                                                        | Limited Liability Company                                                                                              | Other Entities                            |                                                                            |
| <b>ADDITIONAL REQUIREMENTS FOR THE FOLLOWING THERAPEUTIC MASSAGE BUSINESS APPLICANTS</b>                                                                                                           |                                                                                                                        |                                           |                                                                            |
| <b>Partnerships</b>                                                                                                                                                                                | 1. All partners must complete Part 1 of application in conjunction with one (1) partner completing entire application. |                                           |                                                                            |
|                                                                                                                                                                                                    | 2. Managing Partners need to be designated:<br>(please copy form as needed)                                            |                                           |                                                                            |
|                                                                                                                                                                                                    | Managing Partner (First/Last)                                                                                          | Title                                     |                                                                            |
|                                                                                                                                                                                                    | XUEYAN WANG                                                                                                            |                                           | Owner                                                                      |
|                                                                                                                                                                                                    |                                                                                                                        |                                           |                                                                            |
|                                                                                                                                                                                                    |                                                                                                                        |                                           |                                                                            |
|                                                                                                                                                                                                    | 3. Each Partner (General and Limited) shall have their interest disclosed:<br>(please copy form as needed)             |                                           |                                                                            |
|                                                                                                                                                                                                    | Partner who control an Interest (First/Last)                                                                           | Percent of Interest                       |                                                                            |
|                                                                                                                                                                                                    | XUEYAN WANG                                                                                                            |                                           | 100%                                                                       |
|                                                                                                                                                                                                    |                                                                                                                        |                                           |                                                                            |
| <b>Corporations and other<br/>Organizations or Entities</b>                                                                                                                                        | 1. Corporation/Association/Other Organization Name                                                                     |                                           | 2. State of Incorporation (Must be authorized to do business in Minnesota) |
|                                                                                                                                                                                                    | USA1. LLC                                                                                                              |                                           | Minnesota                                                                  |
|                                                                                                                                                                                                    | 3. Attach:                                                                                                             |                                           |                                                                            |
|                                                                                                                                                                                                    | 1. A true copy of the Partnership Agreement and a copy described in MN Statute §303.02                                 |                                           |                                                                            |
|                                                                                                                                                                                                    | 2. Articles of Incorporation of Association Agreement                                                                  |                                           |                                                                            |
|                                                                                                                                                                                                    | 3. By-laws of the Corporation                                                                                          |                                           |                                                                            |
| 4. All persons (General Manager, corporate officers, proprietor and other persons in charge) must complete Part 1 of application in conjunction with one (1) person completing entire application. |                                                                                                                        |                                           |                                                                            |
| <b>NAME/ADDRESS OF THERAPEUTIC MASSAGE BUSINESS</b>                                                                                                                                                |                                                                                                                        |                                           |                                                                            |
| Therapeutic Massage Business Name (DBA):<br>USA1. LLC                                                                                                                                              |                                                                                                                        |                                           |                                                                            |
| Street Address of Premises:<br>9086 Buchanan Trail Inver Grove Heights MN                                                                                                                          |                                                                                                                        | Business Contact (first and last name):   |                                                                            |
| Zip Code:<br>55076                                                                                                                                                                                 | Business Phone:<br>651-301-0602                                                                                        | Contact's Phone Number:                   |                                                                            |
| Floor Number (if applicable):                                                                                                                                                                      | Suite Number (if applicable):                                                                                          | Business Email Address & Website Address: |                                                                            |
| <b>MESSAGE THERAPIST BUSINESS LICENSE HISTORY</b>                                                                                                                                                  |                                                                                                                        |                                           |                                                                            |
| Is the corporation, partnership, association, enterprise, business or firm currently licensed as a Massage Therapist Business in another city?<br>____ Yes <input checked="" type="checkbox"/> No  |                                                                                                                        |                                           |                                                                            |
| If yes, list City's information – (please copy form as needed)                                                                                                                                     |                                                                                                                        |                                           |                                                                            |
| City                                                                                                                                                                                               | Street Address                                                                                                         | State                                     | Zip                                                                        |
|                                                                                                                                                                                                    |                                                                                                                        |                                           |                                                                            |
|                                                                                                                                                                                                    |                                                                                                                        |                                           |                                                                            |
|                                                                                                                                                                                                    |                                                                                                                        |                                           |                                                                            |
|                                                                                                                                                                                                    |                                                                                                                        |                                           |                                                                            |

# RENEWAL APPLICATION FOR THERAPEUTIC MASSAGE LICENSE

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## PART 3 CONTINUED ONLY THERAPEUTIC MASSAGE BUSINESS LICENSE APPLICANTS COMPLETE PART 3

Has the corporation, partnership, association, enterprise, business or firm ever been denied or rejected for a Therapeutic Massage Business License since your last application? ☐ Yes ☒ No

If yes, list - (please copy form as needed)

| City | Street Address | State | Zip |
|------|----------------|-------|-----|
|      |                |       |     |
|      |                |       |     |
|      |                |       |     |

Has the corporation, partnership, association, enterprise, business or firm ever had a Therapeutic Massage Business License revoked or suspended within the last (5) years of this application? ☐ Yes ☒ No

If yes, list - (please copy form as needed)

| City | Street Address | State | Zip |
|------|----------------|-------|-----|
|      |                |       |     |
|      |                |       |     |
|      |                |       |     |

### BUSINESS PREMISES INFORMATION

Business premises is owned by

| Owner (First/Last Name) | Phone Number | Street Address | State | Zip |
|-------------------------|--------------|----------------|-------|-----|
| XUEYAN WANG             |              |                |       |     |

Is the business premises in the construction planning phase or currently under construction? ☐ Yes ☒ No (the premises is already constructed)

If business premises is preexisting will there be any building changes/modifications to your work space? ☐ Yes ☒ No

If yes, explain the scope of work;

Are the business premises design plans on file with the city's building and inspections department? ☒ Yes ☐ No

If No, Attach plan/sketch showing dimensions, location of buildings, street access, parking facilities configuration, interior dimension & total floor space.

Are there any real estate taxes, personal property taxes, special assessments, or other financial claims delinquent or unpaid for the premises to be licensed? If yes, give details:

NO

### PROFESSIONAL LIABILITY

Are you currently insured for professional liability to practice massage? ☒ Yes ☐ No

If yes, list insurer information - Attach certificate of professional liability with \$1,000,000.00 limits

| Insurer | Phone Number | Street Address         | State | Zip   |
|---------|--------------|------------------------|-------|-------|
| AMTA    | 877-905-2700 | 500 Paris St Suite 900 | Ill   | 60201 |

### LIST OF THERAPISTS THAT WILL BE WORKING AT MASSAGE THERAPIST BUSINESS - (please copy form as needed)

| Name (First/Last) | Contact number | Address |
|-------------------|----------------|---------|
| XUEYAN WANG       |                |         |
|                   |                |         |
|                   |                |         |



# RENEWAL APPLICATION FOR THERAPEUTIC MASSAGE LICENSE

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## PART 4 ALL APPLICANTS COMPLETE PART 4

### DATA PRIVACY ADVISORY

The Minnesota Data Practices Act requires that we inform you of your rights about the private data we are requesting on this form. As part of this application, you are asked to provide private and/or confidential information about yourself that will be used to check driving history, criminal history, arrest records, warrant information, and other relevant records. You may refuse to provide this information. However, should you refuse; our investigation cannot be completed and will result in your application not being processed. The information you provide is public and will be used by the City of Inver Grove Heights Police Department, Licensing Department, the Inver Grove Heights City Council, and the general public.

This AUTHORIZATION FOR RELEASE OF INFORMATION will expire six (6) months from the date it was signed.  
I HAVE READ AND UNDERSTAND THE ABOVE DATA PRACTICES ADVISORY

Signature

Date

12/17/2018

### AUTHORIZATION FOR RELEASE OF INFORMATION

I request and authorize you to release any and all information concerning me to the City of Inver Grove Heights to receive any and all information concerning me.

This request is related to an investigation by the Inver Grove Heights Police Department and is required for this application.

I understand my rights concerning the release of information pursuant to the Minnesota Data Practices Act and authorize this release of information to the City of Inver Grove Heights and its employees.

This Authorization is valid for six (6) months from the date it was signed.

### Please Print

Your Name (Full First, Middle, Last):

XUEYAN WANG

Date of Birth (MM/DD/YY):

Address:

City:

State:

Zip Code:

Signature:

Date:

12/17/2018

PART 5 ALL APPLICANTS COMPLETE PART 5

VERIFICATION

The data you furnish on this application will be used by the City of Inver Grove Heights to assess your qualifications for licensure. Disclosure of this information is voluntary. You are not legally required to provide this data; however, if you fail to do so, the City of Inver Grove Heights may be unable to process this application. Disclosure of your Social Security number, Minnesota Tax ID Number, or Individual Tax ID Number is required by Minnesota Statutes 270C.72 and your Social Security number may be requested by and released to the Department of Revenue. Upon submission of this application, all information except your Social Security Number will be public information pursuant to Minnesota Statutes, Chapter 13.

I have no intention or agreement to transfer the license to another person, or to allow any other person or entity to operate under the authority of the license.

I understand that by submitting this application as an individual and operating a massage business in the City of Inver Grove Heights, I hereby consent to allow the appropriate City personnel, or any authorized representative or agents, to inspect the licensed premises for the purpose of ensuring compliance with the law, at any time the business is occupied and/or open for business. I also understand that a denial of permission for such a lawful inspection of the premises is a violation of the license provisions.

I have received from the City of Inver Grove Heights a copy of the ordinance that regulates the activity for which I am applying for licensure and I agree to familiarize myself with the provisions of said ordinance.

I will strictly comply with all the laws of the State of Minnesota governing the rules and regulations of operating a massage business and all ordinances of the City of Inver Grove Heights. I hereby certify or declare under penalty of perjury under the laws of the State of Minnesota that I have read and understand every question in this application and that the answer to every question and in all supplemental documents submitted on behalf of this application are true and correct to the best of my knowledge, information and belief. I further understand that the giving of false information in this application, regardless of when it is discovered, and or the failure to give required pertinent information constitutes cause for the immediate revocation of any and all licenses and/or permits issued hereunder and may be grounds for prosecution for perjury. All information given is subject to verification by the State of Minnesota.

A SIGNATURE IS REQUIRED IN ORDER TO PROCESS THIS APPLICATION

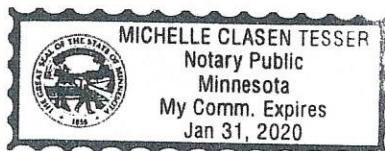
Signature [Signature] Date 12/17/2018

SUBSCRIBED AND SWORN TO BEFORE ME THIS 17<sup>th</sup> day of Dec, 2018

Signature of Notary Public [Signature]

My Commission expires on: 1/31/2020

(Stamp)



State of Minnesota  
County of DakotaDistrict Court  
1st Judicial DistrictProsecutor File No. CA-2019-01783  
Court File No. 19HA-CR-19-1852State of Minnesota,  
Plaintiff,**COMPLAINT**  
Order of Detention

vs.

**XUEYAN WANG DOB: 09/28/1978**9086 Buchanan Trl  
Inver Grove Heights, MN 55076

Defendant.

The Complainant submits this complaint to the Court and states that there is probable cause to believe Defendant committed the following offense(s):

**COUNT I****Charge: Prostitution in the 2nd Degree (Promote)**

Minnesota Statute: 609.322.1a(2)

Maximum Sentence: 0-15 Years and/or \$12,000.00 - \$40,000.00

Offense Level: Felony

Offense Date (on or about): 05/01/2017 to 07/19/2019

Control #(ICR#): 19000811

Charge Description: On or about May 1, 2017 - July 19, 2019, in the County of Dakota, Minnesota, XUEYAN WANG, did while acting other than as a prostitute or patron, intentionally promote the prostitution of an individual.

**COUNT II****Charge: Prostitution in the 2nd Degree (Promote)**

Minnesota Statute: 609.322.1a(2)

Maximum Sentence: 0-15 Years and/or \$12,000.00 - \$40,000.00

Offense Level: Felony

Offense Date (on or about): 05/01/2017 to 07/19/2019

Control #(ICR#): 19000811

Charge Description: On or about May 1, 2017 - July 19, 2019, in the County of Dakota, Minnesota, XUEYAN WANG, did while acting other than as a prostitute or patron, intentionally promote the prostitution of an individual.

**COUNT III****Charge: Prostitution in the 2nd Degree (Receives Profit)**

Minnesota Statute: 609.322.1a(3)



Maximum Sentence: 0-15 Years and/or \$12,000.00 - \$40,000.00

Offense Level: Felony

Offense Date (on or about): 05/01/2017 to 07/19/2019

Control #(ICR#): 19000811

Charge Description: On or about May 1, 2017 - July 19, 2019, in the County of Dakota, Minnesota, XUEYAN WANG, did while acting other than as a prostitute or patron, intentionally receive profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual.

#### **COUNT IV**

**Charge: Prostitution in the 2nd Degree (Receives Profit)**

Minnesota Statute: 609.322.1a(3)

Maximum Sentence: 0-15 Years and/or \$12,000.00 - \$40,000.00

Offense Level: Felony

Offense Date (on or about): 05/01/2017 to 07/19/2019

Control #(ICR#): 19000811

Charge Description: On or about May 1, 2017 - July 19, 2019, in the County of Dakota, Minnesota, XUEYAN WANG, did while acting other than as a prostitute or patron, intentionally receive profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual.

**STATEMENT OF PROBABLE CAUSE**

In recent years, law enforcement officers have become aware of a growing trend of massage parlors across the country offering illicit services. Small networks of spas are common and the ownership structures are often complex and opaque. Many women arrive in the United States from China and begin their journey in Flushing, New York, the New York City borough of Queens. Women are then sent out to other places throughout the country.

In the beginning of 2019, investigators with the Inver Grove Heights Police Department began an investigation into a massage parlor located in Inver Grove Heights, Dakota County, Minnesota, namely Herb Spa. The owner of this business is identified as XUEYAN WANG (DOB 09/28/1947).

In March of 2017, WANG applied for a therapeutic massage license with the City of Inver Grove Heights which requires law enforcement to conduct a background investigation into the applicant. The officer was unable to confirm any of WANG'S past employment history. The officer then contacted WANG'S references. All of WANG'S references either advised that they did not know her or only met her once. The application was determined to be incomplete. WANG provided additional references. The City Council approved her license in May of 2017.

Herb Spa is located in a strip mall. There is minimal signage outside the business and customers must ring the doorbell to be let in. The front door remains locked at all times. The business is typically dark and shades cover the windows.

Officers observed reviews for Herb Spa on a website commonly used to provide patrons information on what illicit services can be obtained from various massage parlors. This website requires a paid membership. It allows patrons to leave reviews and comments related to commercial sex including the sexual acts offered or received and a physical description of the individual providing the sex act. The reviews for Herb Spa begin in July of 2017. In a review left in regards to Herb Spa, the reviewer provides he was able to "finger the pussy", "breast play", "Ass play", and "Hand job". The reviewer identified the masseuse by name and by providing a description of her. This description does not appear to be WANG. The reviewer indicated he paid \$100 to the house and left a \$50 tip.

The most recent review was listed in November of 2018. The reviewer stated that this was his second time there and that he had received "HJ" both times. "HJ" is commonly abbreviated for hand job. The male provided a description of a female. Another review from November 2018 provides that the male

had a “happy ending” and he played “with her huge tits and even propped her ass”. He further stated that he “fingered her pussy and told her that I’ll add more qi into her body”. The male reports that he released his “qi all over her hands”. Further reviews encourage other reviewers to be discrete as to not alert law enforcement.

### **Ownership and Operation of Business**

USAI LLC is the registered name for Herb Spa. WANG is identified as the registered manager of the business. The registered office address is identified as the parlor’s address in Inver Grove Heights.

USAI LLC has a business account at Wells Fargo. WANG is identified as the owner on the account. Her address on the account is out of Flushing, New York. Checks for rent payments for Herb Spa are paid out of this account and are signed by WANG.

### **Surveillance on the Businesses**

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Surveillance of Herb Spa was conducted between March 2019 to July 19, 2019 at various times of the day. Officers observed the “clientele” to be predominately white, middle-aged men. The males were identified as from all over the metro area including cities such as St. Michael, Circle Pines, and Shoreview.

Surveillance on the business revealed that those operating and employed by the business appear to also reside at the business, in violation of city code. A vehicle identified as a Honda CRV with Minnesota license 670NRZ is registered to WANG. This vehicle is observed parked at Herb Spa for long periods of times without moving, sometimes up to a week. Investigation revealed that WANG has a membership with Anytime Fitness which is located in the same strip mall as Herb Spa. Review of surveillance from Anytime Fitness reveal two Asian females entering Anytime Fitness after the close of business at Herb Spa with large duffle bags. Neither female was identified as WANG. The females are believed to use the fitness center to shower. WANG’S access card is used nearly every day around 10:30 p.m. Herb Spa closes at 10:00 p.m.

Through law enforcement databases, two females were determined to be associated with the Herb Spa address, namely S.L. and M.S. Both of these women list the Herb Spa address as their personal address.

A search warrant was obtained to place a GPS tracking device on WANG’S vehicle. On April 2, 2019, WANG went to Costco. While at Costco, WANG purchased Natrol mood enhancer pills, dove body wash, Huggies 152 count baby wipes (four pack), skin and nail gummies, cranberry pills, hand towels, a

queen sized blanket, laundry detergent, Airwick air fresheners, bleach, hand soap, makeup remover<sup>7/22/2019</sup> toilettes, 40 pack of toilet paper and various items of food.

WANG was observed making multiple runs to and from the Minneapolis-St. Paul International Airport. WANG was observed dropping off a female, later identified as J.L., at the airport on March 18, 2019. She was determined to be traveling to San Francisco. WANG picked up J.L. from the airport on April 11, 2019 and she determined to be coming from Chicago. WANG again picked up J.L. from the airport on May 1, 2019 and she was determined to be coming from San Francisco. WANG made multiple other runs to the airport to pick up or drop off females.

### **Bank Records**

On July 14, 2018 at approximately 8:37 a.m., a vibration alarm was sounded on a Wells Fargo ATM located in the same area as Herb Spa. Officers made contact with the individual who was identified as M.S. It was determined that the alarm was sounded after M.S. attempted to put too many bills into the ATM during one transaction. At the time, M.S. was employed at Herb Spa.

A review of WANG'S checking account reveals she purchased several plane tickets for other people. Specifically, on September 17, 2018, WANG purchased a flight for J.L. from Minneapolis to San Francisco, California. The departure date was determined to be for October 10, 2018.

On January 20, 2018 and February 25, 2018, checks in the amounts of \$100 were issued from the Herb Spa checking account to Posting Solutions. This company is identified as the company operating the formerly operational website backpage.com.

A substantial amount of cash deposits are observed being deposited into both WANG'S personal checking account and USAI LLC Wells Fargo account. Wire transfers from USAI LLC account are seen going to WANG'S personal account. On two separate occasions, WANG wired \$10,000 to an account in China from her Wells Fargo personal checking account.

On June 10, 2019, WANG went to Bank of America in West St. Paul. Investigation revealed that she deposited over \$7,400 in cash into an account belonging to an individual identified as S.L. WANG is identified as the power of attorney on this account. The account was opened in 2018 and had an initial deposit of over \$124,000.

### **Contact with Johns**

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On July 9, 2019, an officer had contact with a male, identified herein as John 1 and fully identified in the police reports, in his vehicle directly after he left Herb Spa. Based on phone records, John 1 was determined to frequent the business often. John 1 was observed entering the business and coming out 45 minutes later. John 1 indicated he had been to the business over a dozen times and each time he obtained manual masturbation to ejaculation from an employee. John 1 indicated he pays \$65 upon entry into the business and always pays in cash. After he obtains the manual masturbation, he provides a tip to the employee, typically in the amount of \$65. John 1 provided the names of two females who have provided him sexual acts but neither of them are WANG.

On July 15, 2019, an officer had contact with a male, identified herein as John 2 and fully identified in the police reports, in his vehicle directly after he left Herb Spa. John 2 was determined to frequent the business. John 2 stated one to three Herb Spa employees were present at the business. John 2 confirmed he received "manual stimulation" which included "the girls" placing hands on his penis. John 2 confirmed WANG did not perform sexual acts. John 2 corroborated the payment procedure.

#### **Search Warrant on Herb Spa**

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On July 19, 2019, a search warrant was executed on Herb Spa. Officers located two females inside who were determined to be living in the back of the business. The females did not appear to speak English. Two massage rooms were located along with two bedrooms. A make shift kitchen was set up in the back of the business along with an area to do laundry. There were no traditional massage tables in the massage rooms. Beds were located on wood crates on the floor. The beds were covered with sheets that clearly had stains on them.

A male, identified herein as John 3 and fully identified in the police reports, was located in one of the massage rooms laying face down. Upon contact, he immediately reached for a sheet of paper and attempted to hide it in his hand. While getting dressed, he hid it under a sheet. The paper depicts a naked female straddling a naked male with an erect penis. The male had ejaculated on his stomach.

One of the females agreed to speak to law enforcement. She indicated WANG owns the business. She came here from California and has been working at the business since February. She indicated she pays WANG rent. WANG retains half the profits that she makes from the services provided. WANG goes shopping to provide groceries and toiletries for the girls. The female provided that she and the other female live there along with WANG when she is in town.

Individualized bundles of US Currency were located. Each bundle was labeled by day and for male. The bundles date back to approximately June 10th totaling approximately \$13,000. Through investigation, officers learned that WANG was out of state from June 10, 2019 until July 19, 2019.

In a notepad found in one of the rooms, a ledger was located with different services including "HJ" (hand job), "BJ" (blow job), "FS" (full service), "kiss", "lick", "nuru" (a Japanese erotic massage technique), and "b2b" (body to body) along with corresponding prices. Condoms, baby wipes, and copious amounts of lubricant were located throughout the business.

In a safety deposit box identified as belonging to WANG'S, an officer located \$42,940 of U.S. Currency inside. The US currency is predominately in twenty dollar dominations.

During the execution of the search warrant, officers observed WANG walking to the business. WANG was carrying groceries. Officers placed WANG under arrest and transported her to the Dakota County Jail.

Investigation is ongoing.

**SIGNATURES AND APPROVALS**

Complainant requests that Defendant, subject to bail or conditions of release, be:  
(1) arrested or that other lawful steps be taken to obtain Defendant's appearance in court; or  
(2) detained, if already in custody, pending further proceedings; and that said Defendant otherwise be dealt with according to law.

Complainant declares under penalty of perjury that everything stated in this document is true and correct. Minn. Stat. § 358.116; Minn. R. Crim. P. 2.01, subds. 1, 2.

**Complainant**

Brandon Kelting  
Investigator  
8150 Barbara Ave E  
Inver Grove Heights, MN 55077  
Badge: 3619

Electronically Signed:  
07/22/2019 09:56 AM  
Dakota County, Minnesota

Being authorized to prosecute the offenses charged, I approve this complaint.

**Prosecuting Attorney**

Cassandra Shepherd  
1560 Hwy 55  
Hastings, MN 55033-2392  
(651) 438-4438

Electronically Signed:  
07/22/2019 08:55 AM

**FINDING OF PROBABLE CAUSE**

From the above sworn facts, and any supporting affidavits or supplemental sworn testimony, I, the Issuing Officer, have determined that probable cause exists to support, subject to bail or conditions of release where applicable, Defendant's arrest or other lawful steps be taken to obtain Defendant's appearance in court, or Defendant's detention, if already in custody, pending further proceedings. Defendant is therefore charged with the above-stated offense(s).

☐ **SUMMONS**

THEREFORE YOU, THE DEFENDANT, ARE SUMMONED to appear on \_\_\_\_\_, \_\_\_\_\_ at \_\_\_\_\_ AM/PM before the above-named court at 1560 W Highway 55 Dakota County Judicial Center, Hastings, MN 55033 to answer this complaint.

IF YOU FAIL TO APPEAR in response to this SUMMONS, a WARRANT FOR YOUR ARREST shall be issued.

☐ **WARRANT**

To the Sheriff of the above-named county; or other person authorized to execute this warrant: I order, in the name of the State of Minnesota, that the Defendant be apprehended and arrested without delay and brought promptly before the court (if in session), and if not, before a Judge or Judicial Officer of such court without unnecessary delay, and in any event not later than 36 hours after the arrest or as soon as such Judge or Judicial Officer is available to be dealt with according to law.

☐ **Execute in MN Only**☐ **Execute Nationwide**☐ **Execute in Border States**☒ **ORDER OF DETENTION**

Since the Defendant is already in custody, I order, subject to bail or conditions of release, that the Defendant continue to be detained pending further proceedings.

Bail: \$

Conditions of Release:

This complaint, duly subscribed and sworn to or signed under penalty of perjury, is issued by the undersigned Judicial Officer as of the following date: July 22, 2019.

**Judicial Officer**

Tracy Perzel

Electronically Signed: 07/22/2019 11:07 AM

Sworn testimony has been given before the Judicial Officer by the following witnesses:

COUNTY OF DAKOTA  
STATE OF MINNESOTA

**State of Minnesota**

Plaintiff

vs.

**Xueyan Wang**

Defendant

**LAW ENFORCEMENT OFFICER RETURN OF SERVICE**  
*I hereby Certify and Return that I have served a copy of this Order of Detention upon the Defendant herein named.*

Signature of Authorized Service Agent:

July 19, 2019

USAI LLC  
Xueyan Wang  
9086 Buchanan Trail  
Inver Grove Heights, MN 55076

Ms. Wang,

USAI LLC is the holder of a Therapeutic Massage Business License issued by the City of Inver Grove Heights (City) pursuant to City Code, Title 4, Chapter 8 for the premises located at 9086 Buchanan Trail, Inver Grove Heights, MN 55076. The following violations of the terms and conditions of USAI LLC's Therapeutic Massage Business License, including violations of City Code Title 4, Chapter 8 and/or City Code Title 3, Chapter 10, Section 2 are alleged to have occurred at Herb Spa, located at 9086 Buchanan Trail, Inver Grove Heights, MN 55076 on the following dates:

July 10 and 15, 2019:

- Therapeutic massage services were provided and conducted in such a manner as to constitute a breach of the peace, a menace to the health, safety, or welfare of the public, or a disturbance of the peace or comfort of the residents of the city, namely providing sex acts.
- Individual providing massage services intentionally massaged or offered to massage a customer's penis.

July 19, 2019:

- Therapeutic massage services were provided and conducted in such a manner as to constitute a breach of the peace, a menace to the health, safety, or welfare of the public, or a disturbance of the peace or comfort of the residents of the city.
- Doors on massage therapy rooms were locked or were capable of being locked.
- Persons were employed or used to perform massage who were not licensed as a massage therapist by the City of Inver Grove Heights.

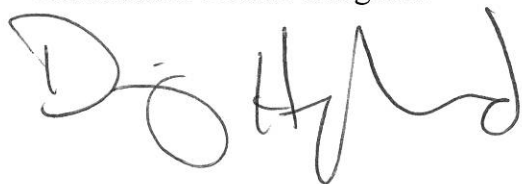
Based on these alleged violations of the terms and conditions of USAI LLC's Therapeutic Massage Business License and City Code Title 4, Chapter 8 and/or Title 3, Chapter 10, you are hereby notified that the City will proceed with a hearing on the suspension or revocation of USAI LLC's Therapeutic Massage Business License on **August 5, 2019 at 5:30 p.m.** in the City Council Chambers, Inver Grove Heights City Hall, 8150 Barbara Avenue, Inver Grove Heights, MN 55077.



At the hearing, you and USAI LLC may be represented by counsel or a person of its choosing and shall be given the opportunity to be heard and present evidence. If the City Council finds that a violation of the terms and conditions of USAI LLC's license or the relevant City Code requirements related to the provision of massage services and the operation of the massage business has occurred, the Council make take adverse action against your license, including suspension or revocation of USAI LLC's Therapeutic Massage Business License.

Questions regarding this process can be directed to Commander Dennis Haugland at (651) 450-2460.

Commander Dennis Haugland

A handwritten signature in black ink, appearing to read "D. Haugland", written in a cursive style.

### **3-2-10: REVOCATION, DENIAL OR SUSPENSION OF LICENSE:**

- A. Grounds: A license issued or to be issued by the city may be denied, suspended or revoked by the council for any of the following causes:
1. Fraud, misrepresentation, or incorrect statement contained in the application for license, or made in carrying on the licensed activity.
  2. Conviction of any crime or misdemeanor pertaining to the license held or for which applied.
  3. Conducting such licensed activity in such manner as to constitute a breach of the peace, or a menace to the health, safety and welfare of the public, or a disturbance of the peace or comfort of the residents of the city, upon recommendation of the public health authorities or other appropriate city official.
  4. Expiration or cancellation of any required bond or insurance, or failure to notify the city within a reasonable time of changes in the terms of the insurance or the carrier.
  5. Actions authorized or beyond the scope of the license granted.
  6. Violation of any regulation or provisions of this code applicable to the activity for which the license has been granted, or any regulation or law of the state so applicable.
  7. Failure to continuously comply with all conditions required as precedent to the approval of the license. (1974 Code § 1005.21)
- B. Hearing: No license may be suspended or revoked until after a hearing is granted to the licensee; such hearing to be held before the city council upon due notice to the licensee stating the time and place of such hearing, together with a statement of the violation alleged to be the cause for the revocation or suspension of the license. (1974 Code § 1005.23)

# Chapter 8

## MASSAGE THERAPY

### 4-8-1: MASSAGE THERAPY REGULATIONS:

- A. Purpose: The purpose of this chapter is to prohibit the operation of massage businesses and the offering of massage services to the public except by those licensed as therapeutic massage businesses and massage therapists pursuant to this section. The licensing regulations prescribed herein are necessary in order to protect businesses that are operating legitimate businesses, to prevent criminal activity and to protect the health and welfare of the community. The purpose of this section is not to impose restrictions or limitations on the freedom of protected speech or expression.
- B. Findings Of The City Council: The city council makes the following findings regarding the need to license therapeutic massage businesses and massage therapists and to prohibit all other types of massage businesses and services to the public:
1. Persons who have bona fide and standardized training in therapeutic massage, health, and hygiene can provide a legitimate and necessary service to the general public.
  2. Health and sanitation regulations governing therapeutic massage businesses and therapists can minimize the risk of the spread of communicable diseases and can promote overall health and sanitation.
  3. Establishing license qualifications for therapeutic massage businesses and therapists can minimize the risk that such businesses and persons will facilitate prostitution and other criminal activity in the community.
  4. Massage businesses which employ persons with no specialized and standardized training can tax law enforcement services because such businesses are more likely to be operated as fronts for prostitution and other criminal activity than operations established by persons with standardized training.
  5. The training of professional massage therapists at accredited institutions is an important means of ensuring the fullest measure of protecting the public health, safety, and welfare.
- C. Definitions: The following words and terms when used in this section shall have the following meanings unless the context clearly indicates otherwise:

**ACCREDITED INSTITUTION:** An educational institution holding accredited status with the United States department of education or Minnesota office of higher education.

**ACCREDITED PROGRAM:** A professional massage program accredited by the Commission On Massage Therapy Accreditation (COMTA).

**CLEAN:** The absence of dirt, grease, rubbish, garbage, and other offensive, unsightly, or extraneous matter.

**GOOD REPAIR:** Free of corrosion, breaks, cracks, chips, pitting, excessive wear and tear, leaks, obstructions, and similar defects so as to constitute a good and sound condition.

**ISSUING AUTHORITY:** The city council.

**MASSAGE:** Any method of pressure on, or friction against, or the rubbing, stroking, kneading, tapping, pounding, vibrating, stimulating, or rolling of the external parts of the human body with the hands or with the aid of any mechanical or electrical apparatus, or other appliances or devices, with or without such supplementary aids as rubbing alcohol, liniment, antiseptic, oil, powder, cream, lotion, ointment, or other similar preparations.

**MASSAGE THERAPIST:** An individual who practices or administers massage to the public who can demonstrate to the issuing authority that he or she:

1. Has current insurance coverage of one million dollars (\$1,000,000.00) for professional liability in the practice of massage;
2. Is affiliated with, employed by, or owns a therapeutic massage business licensed by the city; and
3. Provides proof that the applicant has met the academic requirements of the issuing authority by providing both of the following:
  - a. A certified copy of a transcript of academic record from an accredited program or accredited institution that has been approved by the issuing authority; and
  - b. A copy of the diploma or certificate of graduation from an accredited program or accredited institution that has been approved by the issuing authority. The accredited program or accredited institution must confirm that the applicant has successfully completed at least five hundred (500) hours of certified therapeutic massage training with content that includes the subjects of anatomy, physiology, hygiene, ethics, massage theory and research, and massage practice from the same accredited program or accredited institution.
4. In lieu of the academic requirement in subsection 3 of this definition, the applicant may provide proof of passage of the national certification exam offered by the National Certification Board For Therapeutic Massage And Bodywork and a minimum of seven (7) years of full time work experience as a massage therapist within the United States. The applicant is still required to provide proof of subsections 1 and 2 of this definition.

**OPERATE:** To own, manage, or conduct, or to have control, charge, or custody over.

**PERSON:** Any individual, firm, entity, association, partnership, corporation, joint venture, or combination of individuals.

**THERAPEUTIC MASSAGE BUSINESS:** An entity which operates a business which hires only massage therapists licensed by the city to provide therapeutic massage to the public. The

owner/operator of a therapeutic massage business need not be licensed as a therapeutic massage therapist if he or she does not at any time practice or administer massage to the public. A therapeutic massage business may employ other individuals such as cosmetologists and estheticians, and these individuals are not required to have a massage therapist license as long as they are not providing therapeutic massage to the public.

**WITHIN THE CITY:** Includes physical presence as well as telephone referrals such as phone-a-massage operations in which the business premises, although not physically located within the city, serves as a point of assignment of employees who respond to requests for the provision of massage services to various locations within the city.

**D. License Required:**

1. **Therapeutic Massage Business License:** It shall be unlawful for any person or entity to own, operate, engage in, or carry on, within the city, any type of massage services to the public for compensation without first having obtained a therapeutic massage business license from the city pursuant to this section.
2. **Massage Therapist License:** It shall be unlawful for any individual to practice, administer, or provide massage services to the public for compensation within the city without first having obtained a personal massage therapist license from the city pursuant to this section.

**E. Exceptions:** A therapeutic massage business or massage therapist license is not required for the following persons and places:

1. Persons duly licensed by this state to practice medicine, surgery, osteopathy, chiropractic, physical therapy, or podiatry, provided the massage is administered by the individual in the regular course of the medical business and not provided as part of a separate and distinct massage business.
2. Persons duly licensed by this state as beauty culturists or barbers, provided such persons do not hold themselves out as giving massage treatments and provided the massage by beauty culturists is limited to the head, hand, neck, and feet and the massage by barbers is limited to the head and neck.
3. Persons hired or employed by a person duly licensed by this state pursuant to Minnesota statutes chapters 147, 148, or a dental professional licensed under chapter 150A. Such persons shall only be authorized to provide massage services on the business premises of the employer.
4. Places duly licensed or operating as a hospital, nursing home, hospice, sanatorium, or group home established for the hospitalization or care of human beings.
5. Students of an accredited institution who are performing massage services in the course of a clinical component of an accredited program of study, provided that the students are performing the massage services at the location of the accredited institution and provided the students are identified to the public as students of massage therapy. Students of an accredited institution may perform massage services at clinics or other facilities located outside of the accredited institution provided that they have at least one hundred fifty (150) hours of certified therapeutic massage training at the accredited institution prior to performing the therapy outside of the institution, have proof of liability insurance, and are identified to the public as a student of massage therapy.
6. Persons or organizations providing temporary massage services such as "chair massages" provided the following requirements are met:

- a. The massage is provided in a place of business where the massage can easily be seen by any employee or visitor on the premises;
- b. The location does not hold a license to sell alcoholic beverages;
- c. Massages are offered at the location no more than ten (10) days per calendar year;
- d. Each recipient of a massage remains in an upright position, either sitting or standing; and
- e. Each recipient of a massage remains in the normal daytime attire worn when entering the business and does not remove any clothing except outerwear such as a coat or jacket.

F. License Application: All applicants shall complete and submit the requisite license application form provided by the city and provide all information required therein, as well as comply with providing the following information:

1. Therapeutic Massage Business License Application: An application for a therapeutic massage business license shall be made on a form supplied by the city clerk and shall request the following information:

a. All Applicants: For all applicants:

- (1) The legal description of the premises to be licensed together with a plan of the area showing dimensions, location of buildings, street access, and parking facilities.
- (2) The floor number, street number, suite number(s) and rooms where the massage services are to be conducted.
- (3) Whenever the application is for premises either planned or under construction or undergoing substantial alteration, the application shall be accompanied by a set of preliminary plans showing the design of the proposed premises to be licensed. If the plans for design are on file with the city's building and inspection department, no plans need be submitted to the issuing authority.
- (4) All applications for licenses, whether business or individual applications, shall be signed and notarized. If the application is that of a natural person, it shall be signed and notarized by such person; if by a corporation, by an officer thereof; if by an incorporated association, by the manager or officer thereof; if by a limited liability company (LLC), by a member thereof. Any falsification of information on the license application shall result in the denial, suspension or revocation of the license.
- (5) Whether the applicant has had an interest in, as an individual or as part of a corporation, partnership, association, enterprise, business or firm, a massage license that was revoked or suspended within the last five (5) years of the date the license application is submitted to the issuing authority.
- (6) Such other information as city staff or the city council shall require.

b. Individuals: For applicants who are individuals:

- (1) Proof of whether the applicant is a citizen of the United States or a resident alien or has the legal authority to work in the United States.
- (2) Whether the applicant is currently licensed in other communities to perform massage therapy, and if so, where.



- (3) Names and addresses and contact information including phone numbers and e-mail addresses of the applicant's employers for the preceding five (5) years and dates for such employment.
  - (4) Whether the applicant has ever been convicted of any felony, crime, or violation of any ordinance other than a minor traffic offense. If so, the applicant shall furnish information as to the time, place and offense for each conviction.
  - (5) Whether the applicant has ever been engaged in the operation of a massage business. If so, applicant shall furnish information as to the name, place and length of time of the involvement in such an establishment.
- c. Partnerships: For applicants that are partnerships: the names and addresses of all general and limited partners and all information concerning each general partner as is required in subsection F1b of this section. The managing partners shall be designated and the interest of each general and limited partner in the business shall be disclosed. A true copy of the partnership agreement shall be submitted with the application, and if the partnership is required to file a certificate as to a trade name under Minnesota statutes section 333.02, a certified copy of such certificate shall be submitted. The license shall be issued in the name of the partnership.
- d. Corporations And Other Organizations Or Entities: For applicants that are corporations or other types of organizations:
- (1) The name of the organization, and if incorporated, the state of incorporation.
  - (2) A true copy of the certificate of incorporation, and, if a foreign corporation, a certificate of authority as described in Minnesota statutes section 303.02.
  - (3) The name of the general manager, corporate officers, proprietor, and other person in charge of the premises to be licensed, and all the information about said persons as is required in subsection F1b of this section.
  - (4) A list of all persons who own or control an interest in the corporation or organization or who are officers of said corporation or organization, together with their addresses and all the information regarding such persons as is required in subsection F1b of this section.
2. Massage Therapist License Application: An application for a massage therapist license shall be made on a form supplied by the city clerk and shall request the following information:
- a. The applicant's home telephone and cellphone number.
  - b. The applicant's physical description, including weight, height, color of eyes, and color of hair. The applicant shall provide a color photocopy of the applicant's driver's license or state issued ID front and back, or any other government issued ID.
  - c. Whether the applicant has ever been convicted of any felony, crime, or violation of any ordinance other than a minor traffic offense and, if so, the time, place, and offense for each conviction.
  - d. Whether the applicant has had an interest in, as an individual or as part of a corporation, partnership, association, enterprise, entity, business or firm, a massage license that was revoked or suspended within the last five (5) years of the date the license application is submitted to the issuing authority.

- e. Three (3) names, residential and business addresses, and current contact information, including a phone number, for three (3) residents within the metropolitan area, of good moral character, not related to the applicant or financially interested in the premises of the business, who may be referred to attest to the applicant's character.
  - f. Proof of whether the applicant is a U.S. citizen or resident alien or has the legal authority to work in the United States.
  - g. Proof that the applicant has met the definition of a massage therapist in this chapter.
  - h. Whether the applicant is currently licensed in other communities to perform massage therapy, and if so, where.
  - i. Whether the applicant has ever been engaged in the operation of massage services, and if so, information as to the name, place, dates and length of time of the involvement in such an establishment.
  - j. Such other information as the city council shall require.
- G. License Fee: The fees for therapeutic massage business and massage therapist licenses shall be as set forth by city council resolution. An investigation fee shall be charged for therapeutic massage business licenses and individual massage therapist license. Each application for a license shall be accompanied by payment in full of the required license and investigation fees. An application shall be deemed incomplete unless it is accompanied with the required fees, all documentation required by this chapter, and is completed in its entirety.
- H. License Application Investigation: An investigation is required prior to the issuance of any license. No investigation fee in part or whole shall be refunded. Out of state investigations shall require the applicant to pay actual out of pocket expenses. A deposit for an out of state investigation shall be required in advance, pursuant to city council resolution and the applicant shall be refunded any unused deposit upon completion of the investigation. The city council may order and conduct such additional investigation as it deems necessary. Upon completion of the investigation by the police department, the council shall approve or deny the license.
- I. Inspections: In light of the high risk of involvement with illegal conduct an establishment providing massage therapy poses to the general public, city staff and/or the police department shall have the right to enter, inspect, and search the licensed premises during the hours in which the licensed premises is open for business to ensure compliance with all provisions of this chapter. Any search of the licensed premises is subject to reasonableness standards as recognized by the courts; search warrants will be secured when applicable. Any entry into a private residence will require consent, exigent circumstances, or a search warrant. With reasonable notice, the business records of the licensee, including income tax returns, shall be available for inspection during the hours in which the licensed premises is open for business.
- J. Denial, Suspension Or Revocation: In addition to the grounds found elsewhere in this code, the following reasons may be grounds for the denial, suspension, or revocation of an individual license or business license:
- 1. The applicant has been convicted of criminal prostitution, similar sex offenses, or other crimes directly related to the offering of massage therapy services or the running of a therapeutic massage business.

2. The applicant is a partnership, corporation, or other entity which has in its employ or is owned by any persons convicted of criminal prostitution, similar sex offenses, or other crimes directly related to the offering of massage therapy services or the running of a therapeutic massage business.
3. The owner, manager, lessee or any of the employees are found to be in control or possession of any alcoholic beverages, narcotic drugs or controlled substances, as defined by state statutes, on the premises.
4. If the holder of a business license fails to maintain with the issuing authority a current list of all employees of such licensed premises. The list shall include all massage therapists licensed under this chapter.
5. A material variance in the actual plan and design of the premises from the plans submitted.
6. There is any fraud, deception, or misstatement on the license application.
7. The owner, manager, lessee, or their employees or any massage therapist, are convicted of any ordinance violation or crime occurring on the licensed premises.
8. The licensed premises are not located in an approved zoning district or otherwise do not meet the health and safety standards found within this code for the licensed premises.
9. The applicant is delinquent upon its payment to the city of taxes, fines, or penalties assessed or imposed against the applicant.
10. The licensed activity is conducted in such a manner as to constitute a breach of the peace, a menace to the health, safety, or welfare of the public, or a disturbance of the peace or comfort of the residents of the city, upon recommendation of the police chief or an appropriate city official.
11. The licensee fails to continuously comply with all conditions required as precedent to approval of the license.
12. Based on the findings of a background investigation, granting a license would be a menace to the safety, health, morals, or welfare of the public.
13. The applicant or licensee is not of good moral character.

#### K. License Restrictions:

1. Posting Of License:
  - a. Business License: A therapeutic massage business license issued must be posted in a conspicuous place on the premises for which it is used.
  - b. Personal Massage Therapist License: A person licensed as a massage therapist shall post the massage therapist license, along with a color photo, in a conspicuous place on the premises at which the therapist is associated. A massage therapist shall have readily available at all times that therapeutic massage services are rendered a government issued photo identification card.
2. Licensed Premises:
  - a. Business License: A therapeutic massage business license is only effective for the compact and contiguous space specified in the approved license application. If, following issuance of

the license, the licensed premises is enlarged, altered, or extended, the licensee shall inform the city clerk of the same within ten (10) business days of the enlargement, alteration, or extension. The licensee shall meet with designated city staff who shall confirm that the enlarged, altered, or expanded space is in full compliance with all city regulations, including the building code. If the enlarged, altered, or expanded space is in full compliance with all city regulations, the business license shall be amended to encompass the larger space.

- b. **Massage Therapist License:** A massage therapist license shall entitle the licensed therapist to perform on site massage at a business, public gathering, private home, or other site not on the therapeutic massage business premises. It shall be the continuing duty of each licensee to notify the city clerk, within ten (10) business days, of any change in the information or facts required to be furnished on the application for license and failure to comply with this section shall constitute cause for revocation or suspension of such license.
- c. **Affiliation With Business Required:** A massage therapist shall be employed by, affiliated with, or own a massage business licensed by the city, unless a person or place is specifically exempted from obtaining a therapeutic massage business license pursuant to this section.
- d. **Employment Of Unlicensed Massage Therapists Prohibited:** No therapeutic massage business shall employ or use any person to perform massage who is not licensed as a massage therapist under this section, unless the person is specifically exempted from obtaining a therapist license pursuant to this section.
- e. **Coverage Of Genitals During Massage:** The licensee shall require that the person who is receiving the massage shall at all times have his or her genitals covered with nontransparent material or clothing.
- f. **Therapist Dress Requirements:** Any therapist performing massage shall at all times be dressed professionally.
- g. **Massage Of Certain Body Parts Prohibited:** At no time shall the massage therapist intentionally massage or offer to massage the penis, scrotum, mons veneris, vulva, breasts, or vaginal area of a person.
- h. **Restrictions Regarding Hours Of Operation:** No therapeutic massage business shall be open for business, nor will any therapeutic massage therapist offer massage services, before eight o'clock (8:00) A.M. or after ten o'clock (10:00) P.M. any day of the week. No customers or patrons shall be allowed to remain upon the licensed premises after ten thirty o'clock (10:30) P.M. and before eight o'clock (8:00) A.M. daily. Support activities such as cleaning, maintenance and bookkeeping are allowed outside of business hours.
- i. **Illegal Activities:** In addition to the license restrictions set forth in this chapter, any advertising by a licensee of any potential unlawful or erotic conduct at the licensed establishment or by a licensed massage therapist shall be prohibited. A licensee under this chapter shall be strictly responsible for the conduct of the business being operated in compliance with all applicable laws and ordinances, including the actions of any employee or agent of the licensee on the licensed premises.
- j. **Restrictions Involving Minors:** No person under the age of eighteen (18) shall be permitted at any time to be in or on the licensed premises as a customer, guest, or employee, unless accompanied by his/her parent or guardian.

#### L. Restrictions Regarding Sanitation, Health And Safety:

1. Toilet Room Requirements: A licensed therapeutic massage business shall be equipped with adequate and conveniently located toilet rooms for the accommodation of its employees and patrons. The toilet room shall be well ventilated by natural or mechanical methods and be enclosed with a door. The toilet room shall be kept clean and in good repair and shall be adequately lighted.
2. Paper/Linen Requirements: A licensed therapeutic massage business shall provide single service disposal paper or clean linens to cover the table, chair, furniture, or area on which the patron receives the massage; or in the alternative, if the table, chair, or furniture on which the patron receives the massage is made of material impervious to moisture, such table, chair, or furniture shall be properly sanitized after each massage.
3. Washing Of Hands Required: The licensed business premises shall contain an on site sink. The massage therapist shall wash his or her hands and arms with water and soap, antibacterial scrubs, alcohol, or other disinfectants prior to and following each massage service performed.
4. Door Latches And Locks: Doors on massage therapy rooms shall not be locked or capable of being locked. Locks, latches or other devices intended to secure a door so as to prevent it from being opened by any person from either side of the door with or without a key cannot be present on any doors of rooms intended for massage therapy. (Ord. 1293, 5-26-2015)

**CITY OF INVER GROVE HEIGHTS  
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION REVOKING A MASSAGE THERAPY BUSINESS LICENSE ISSUED  
TO USAI LLC**

**WHEREAS**, the City of Inver Grove Heights (City) has enacted a massage therapy business and massage therapist licensing ordinance which requires persons and entities engaged in the business of operating a massage business to obtain a massage business license and persons who perform massage services to obtain a massage therapist license;

**WHEREAS**, in 2017, the City issued a massage business license to USAI LLC, located at 9086 Buchanan Trail in the City of Inver Grove Heights (Business), which license was subsequently renewed in 2018 and 2019; and

**WHEREAS**, Xueyan Wang is listed on the initial license application and subsequent renewal applications as the applicant for both the Massage Business License for USAI LLC and an individual massage therapist license, and is listed as the sole “owner” and “partner” of USAI LLC; and

**WHEREAS**, no other individuals other than Wang are licensed by the City as massage therapists to provide massage services at the Business; and

**WHEREAS**, earlier this year, the Inver Grove Heights Police Department (Police Department) began investigating potentially inappropriate business behavior, including solicitation for sexual acts, occurring at the Business; and

**WHEREAS**, during the course of the investigation of the Business, officers of the Police Department conducted surveillance on the Business; and

**WHEREAS**, as part of that surveillance, on July 9, 2019, an officer spoke with a patron of the business who advised the officer that he had been at the business over a dozen times and each time had received sexual services from an employee of the business, and on July 15, 2019, an officer spoke with a patron of the business who advised the officer that he had been at the business and had employees of the business place hands on his penis and received sexual services; and

**WHEREAS**, during the July 19, 2019 search warrant execution at the Business, officers discovered the following conditions:

- Two females who provided services at the business were located inside the business who were not listed on the Massage Business License application as licensed massage therapists or licensed as Massage Therapists with the City.

- Doors to the rooms where massage services were provided had locks on them.
- Condoms, baby wipes, and copious amounts of lubricant were located throughout the business.

**WHEREAS**, as a result of the investigation and July 19, 2019 search warrant execution, Xueyan Wang was arrested and subsequently charged with four counts of felony prostitution, for intentionally promoting prostitution at the Business and intentionally receiving profit, knowing or having reason to know, that it was derived from prostitution or promotion of prostitution of an individual in Court File No. 19HA-CR-19-1852; and

**WHEREAS**, City Code Section 4-8-J provides for the revocation of a massage business license when the licensed activity is conducted in such a manner as to constitute a breach of the peace, a menace to the health, safety, or welfare of the public, in the recommendation of the police chief or an appropriate city official; or there is a failure to comply with all business license related requirements, including prohibitions on having individuals who do not have massage therapist licenses providing massage services and that rooms where massage services are provided may not be capable of being locked; and

**WHEREAS**, City Code Section 3-2-10 provides for the revocation of any license issued by the City where the licensed activity is conducted in such a manner as to constitute a breach of the peace or a menace to the health, safety, and welfare of the public, or a disturbance of the peace or comfort of the residents of the City, upon the recommendation of an appropriate city official; and

**WHEREAS**, following the investigation of the Business and the results of such investigation the Police Chief has recommended that the Massage Business License for USAI LLC be revoked; and

**WHEREAS**, following the events outlined above, city staff initiated formal proceedings to consider taking adverse action against the Massage Business License for USAI LLC and scheduled a license revocation hearing for 5:30 p.m. on August 5, 2019, at a special meeting of the Inver Grove Heights City Council; and

**WHEREAS**, on July 19, 2019 Xueyan Wang was personally served with written notice of the license revocation hearing, including the date, time, location, and purpose of the hearing as well as the alleged license violations, and notice of the hearing was also sent by mail to USAI LLC; and

**WHEREAS**, a formal revocation hearing was held before the City Council on August 5, 2019 commencing at 5:30 p.m., at which hearing USAI LLC was provided with the opportunity to be heard, to be represented by legal counsel, and to provide evidence regarding the alleged license violations; and



**WHEREAS**, following the presentation of information at the hearing regarding the alleged license violations and the acceptance into the record of the exhibits provided at the hearing, the Council hereby makes the following Findings of Fact to support its motion to revoke the license:

**FINDINGS OF FACT**

1. USAI LLC is the holder of the Massage Business License issued by the City of Inver Grove Heights for the Business located at 9086 Buchanan Trail, Inver Grove Heights, Minnesota, commonly referred to as “Herb Spa.”
2. Xueyan Wang is the owner of the business and was personally served and served by mail with the written Notice of Hearing for the August 5, 2019 License Revocation Hearing.
3. The Council has accepted the exhibits and testimony presented at the August 5, 2019 License Revocation hearing by staff, which are made a part of the record and incorporated herein and serve as a basis for its decision in this matter.
4. The above recitals are adopted and included as express findings of the Council in relation to this matter and are hereby incorporated as if fully set forth herein.
5. The City Council is charged with protecting the public health, safety, and welfare of its residents, including from illegal activities of businesses and activities licensed in the City, and is further authorized to exercise its sound discretion when considering the
6. USAI LLC has violated Sections 3-2-10 and 4-8-J and K of the City Code by allowing the licensed activity to be conducted in such a manner as to constitute a breach of the peace and a menace to the health, safety, or welfare of the public, including the provision of sexual services on the licensed premises, and has violated the terms of the license by having persons who were unlicensed provide massage services at the Business and by having doors on the massage rooms that were capable of being locked.
7. These violations are sufficient grounds on which to revoke a Massage Business License and the City Council determines that revoking USAI LLC’s Massage Business License is reasonable and appropriate to protect the public health, safety, and welfare and to prevent further unlawful behavior within the City.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF INVER GROVE HEIGHTS MINNESOTA:**

1. The massage business license issued to USAI LLC for the premises located at 9086 Buchanan Trail and commonly referred to as “Herb Spa” is hereby revoked, effective immediately.
2. The Deputy City Clerk or his designee is hereby authorized and directed to provide USAI LLC with a copy of this resolution to serve as notice of the license revocation established herein.

3. Pursuant to the City Code, the City Council is afforded the final decision on matters related to City-issued massage business licenses and, accordingly, the decision rendered herein is not subject to further appeals within the City. However, USAI LLC has the right to appeal this decision via judicial proceedings and may wish to consult with Counsel

Adopted by the City Council of the City of Inver Grove Heights, Minnesota, this 5<sup>th</sup> day of August, 2019.

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George Tourville  
Mayor

ATTEST:

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Joe Lynch  
City Administrator/Deputy Clerk



**CITY OF INVER GROVE HEIGHTS  
COUNCIL CHAMBERS**

**CITY COUNCIL WORKSESSION  
AUGUST 5, 2019 at 6:00 p.m.**

**A G E N D A**

**A. CALL TO ORDER – MAYOR TOURVILLE**

1. Background on the Dakota Broadband Board, I-Net, and C-Net (Administration I.T.)
2. Organizational Structure Review (Administration)
3. Pavement Management Program Update (Public Works)
4. Metro Highway Noise Abatement Program Update (Public Works)

**B. ADJOURN**

# Agenda Item No. 1

## Background on the Dakota Broadband Board, I-Net, and C-Net

April 16, 2018

The County's local municipal governments and the Dakota County Community Development Agency (CDA) have a desire, and responsibility, to enhance the potential for economic development in the County. There is a consensus among economic development experts that telecommunications capabilities are a key consideration in attracting new businesses or supporting expansions by existing businesses. There have been numerous real-world examples of this in our area where new businesses that were sought by local governments in Dakota County were lost to other areas of the state and region. Clearly many factors come into play in these decisions, but as noted above, telecommunications speed and costs are key influencers for businesses.

The DBB consists of Dakota County and the cities of Apple Valley, Burnsville, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount, West St. Paul and South St. Paul. These entities have entered into a Joint Powers Agreement (JPA) with the following purposes:

- Building and maintaining an enhanced/consolidated network that makes government operations more efficient by using existing publicly-owned fiber assets. This is called the "I-Net" and it encompasses hundreds of miles of fiber infrastructure. There are gaps in the system that will be linked by a series of projects that will add 5-6 miles of fiber at an approximate cost of \$1.5 million. These capital costs will be shared by the members of the consortium.
- When the I-Net is completed, there will be available system capacity the DBB members would like to make available for commerce. This "C-Net" model is envisioned to be a wholesale, open access, multi-service system that takes advantage of the existing I-Net thus reducing the need for additional capital expenditures to serve Dakota County businesses. Allow us to emphasize that neither the DBB nor any of its members would offer direct retail business or residential broadband services. They would however make the C-Net facilities available to existing incumbent telecommunications companies and to new internet service providers who do not presently serve this market. The supplemental work needed to make C-Net capabilities available in all cities in the County is estimated to cost approximately \$350,000. This amount is very small when compared to the \$15 million value of the entire system. The JPA provides for this funding to come from the CDA. Once the C-Net capacity is available in each member city, that city then will determine if, and to what extent, it will implement it within its boundaries.

As stated earlier, Dakota County and city governments have implemented a JPA governance model for both the I-Net and the C-Net. The DBB will govern this system and it will establish construction standards, rules for using of the systems, wholesale rates for any C-Net use, etc. The focus of the DBB Board for the remainder of 2018 and possibly into 2019 will be to complete the gaps in the I-Net and document all portions of the I-Net infrastructure. After the I-Net is complete and documented the C-Net can become available. We anticipate this happening in 2019.

We want to acknowledge that the incumbent providers have told us that they understand the need for the I-Net which provides increased efficiency, reliability and redundancy in the provision of public services. Further, we also have clearly heard the concerns of those providers about the C-Net.

There were many factors that were taken into account when considering the C-Net. Among those were:

- Governments have a responsibility to provide services in the most efficient manner possible. Local governments in Dakota County have determined that public ownership of some telecommunications facilities is critical to meeting these responsibilities. This is the genesis of the DBB's plan for the I-Net.
- As local governments constructed these telecommunications facilities, there were two very important factors taken into consideration during design that created available capacity.

- The biggest cost driver is creating the trench for placement of fiber optic cable, not the cable itself. The low incremental costs relate to the low cost of fiber optic cable relative to the total cost of fiber installation. There is a continuing upward trend in the need for capacity for transporting data. Because of this trend and the relatively low incremental costs that are needed to provide for future needs, local governments have constructed facilities with robust capacities and expandability.
- Local governments are also responsible for effectively managing limited amounts of publicly owned rights-of-way. Toward that end Dakota County and its local governments strive to "dig-once". This is a cost consideration but also one of right-of-way space preservation. Thus, it makes more sense to have a single conduit with 144 strands of fiber to support multiple providers, than to have three separately placed conduits with 48 strands, each consuming a portion of the right-of-way.
- The DBB concept for the C-Net simply envisions local governments using assets that are nearly all in existence to the benefit of the taxpayers who paid for them. This factor has been the primary driver in the CDA's support in the development of this concept.

We recognize that this will change the competitive marketplace for current providers and customers. We continue to believe this will create new opportunities for collaboration and partnerships between the public and private sectors and that businesses in the County will have new options for telecommunications services.

Thank you again for support of the DBB I-Net project. We believe this is a necessary and critical step to ensure Dakota County and our member cities continue to thrive in the future, and we would be happy to discuss this further with you and your business members, and to answer any additional questions.

*Provided on behalf of the Dakota Broadband Board*



*Ethics, Excellence, Engagement*

# **CITY OF INVER GROVE HEIGHTS**

8150 Barbara Avenue, Inver Grove Heights, MN 55077

651-450-2500

[www.invergroveheights.org](http://www.invergroveheights.org)



*Ethics, Excellence, Engagement*

# **Overview of Administration & Finance Departments**

August 5, 2019

# Previously Reviewed

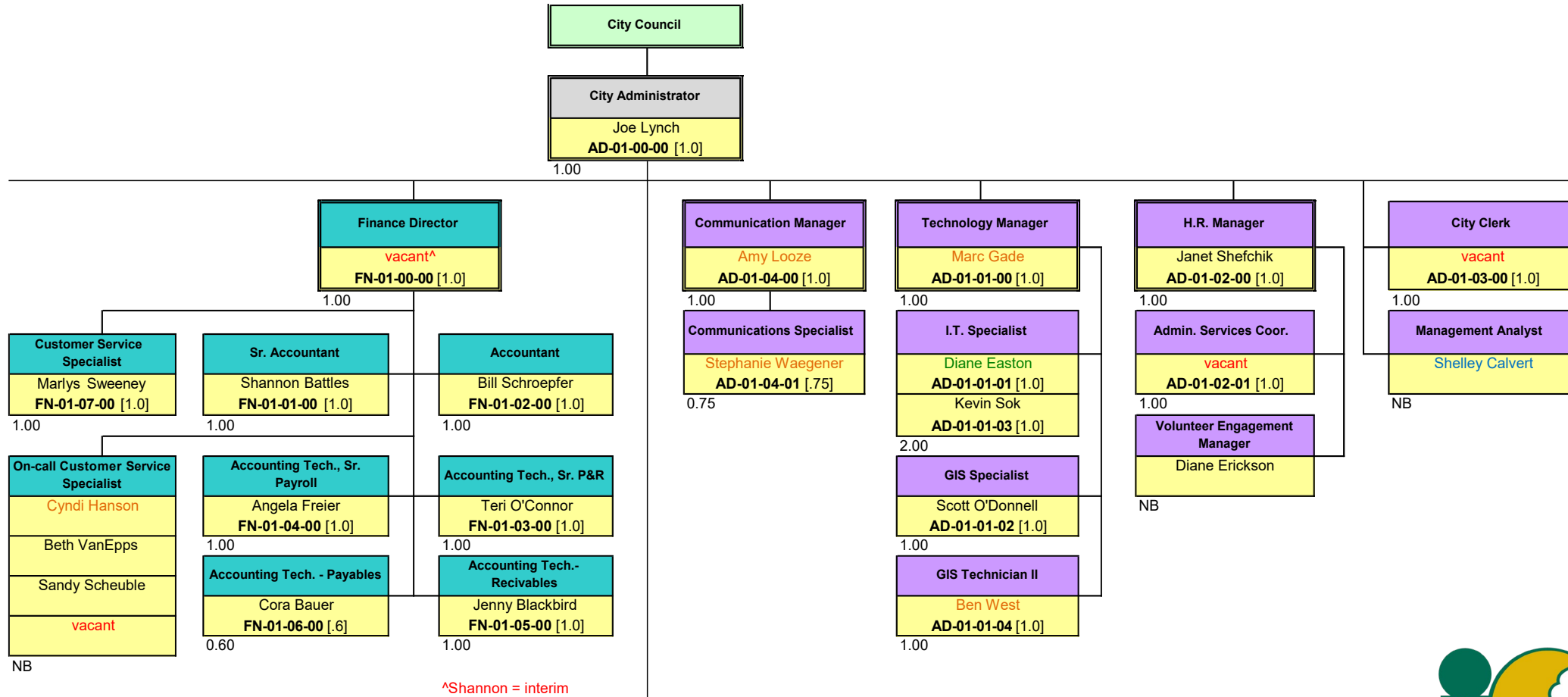
- March 2019
- Create Director of Administrative Services
- Don't replace Finance Director position
- Create Finance Manager position
- Reduce Finance by .6FTE
- I.T., HR, Comm., Finance, City Clerk report to position





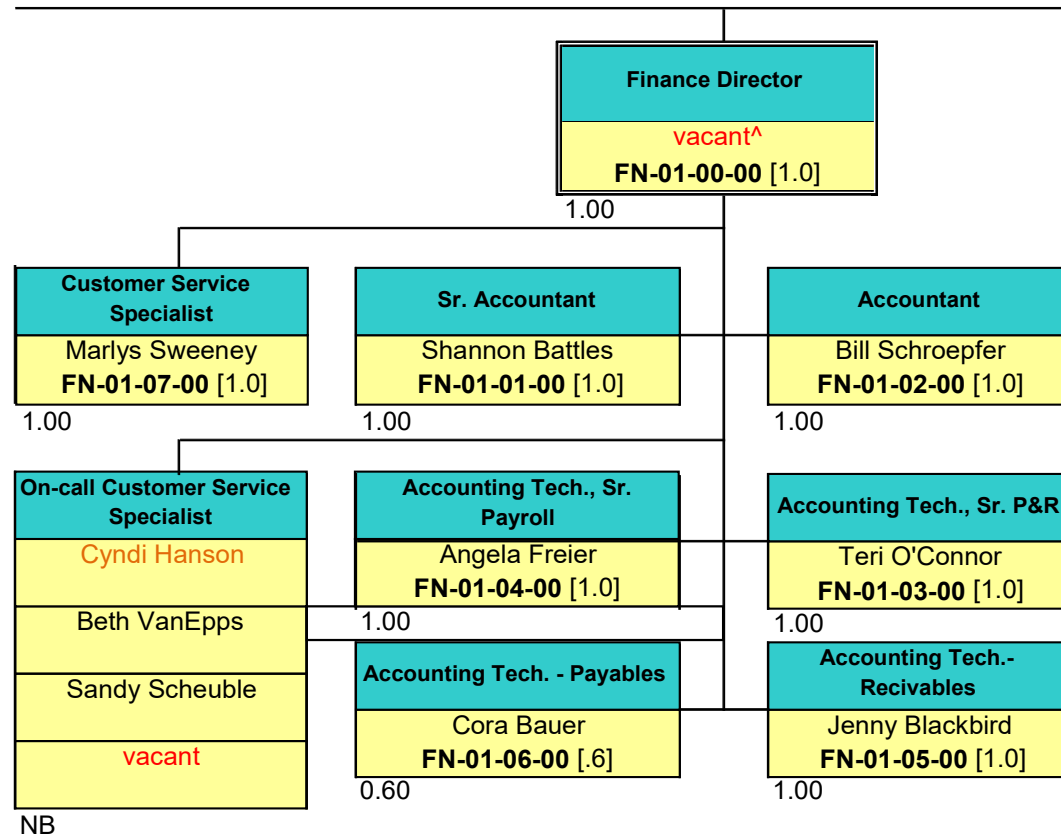
# Existing Administration Department

## Existing Finance and Administration Departments



# Existing Finance Department

Existing Finance Department



7.6 FTE's

^Shannon Battles = interim



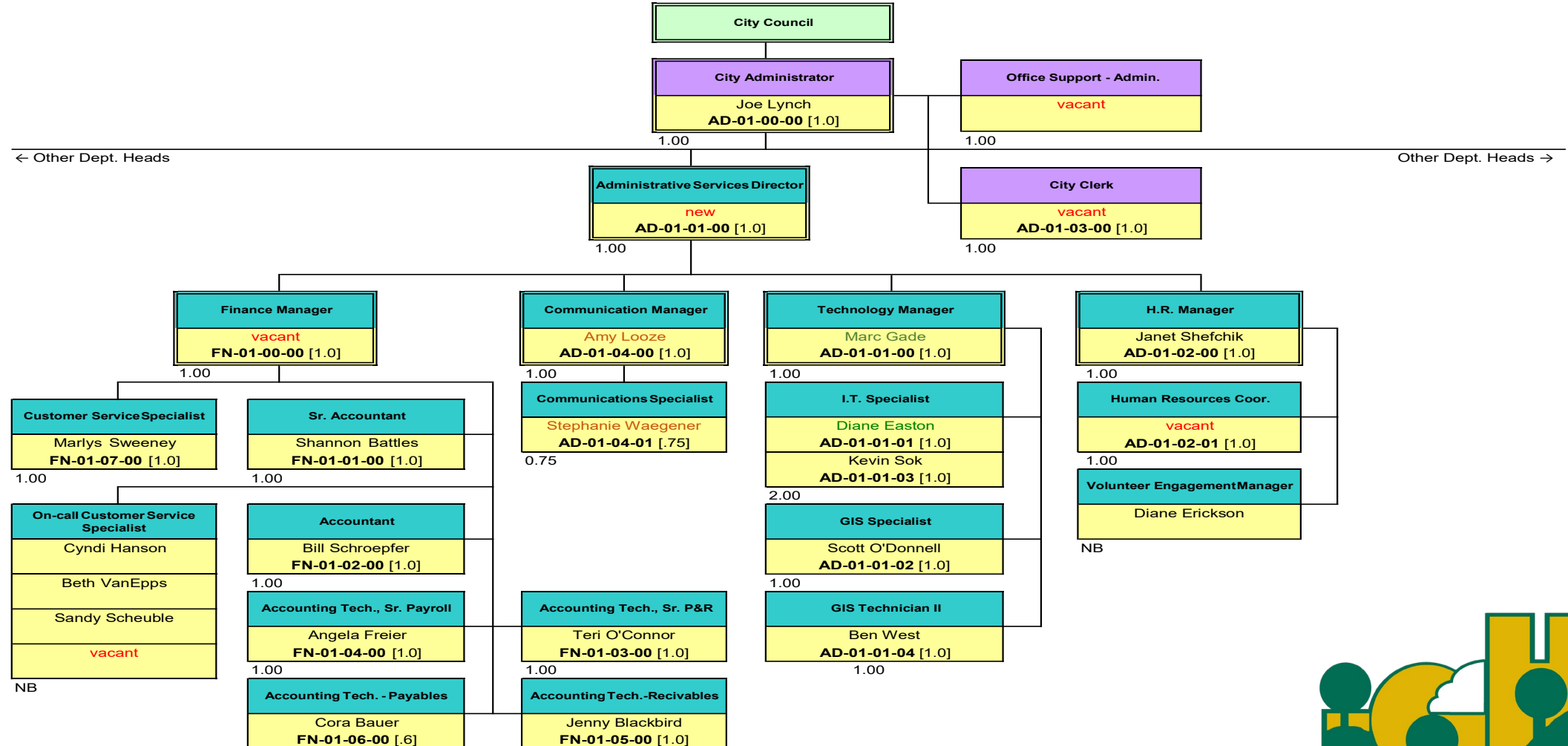
# Proposed Structure

- Director of Administrative Services
- Oversees I.T. Mgr., H.R. Mgr., Comm. Mgr. & Finance Mgr.
- Create Finance Manager position
- Oversees daily operations & management of department
- Keep Finance Dept. @ 7.6FTE
- Sr. Acct position can offer promotional opportunities.
- Accountant position can offer promotional opportunities.



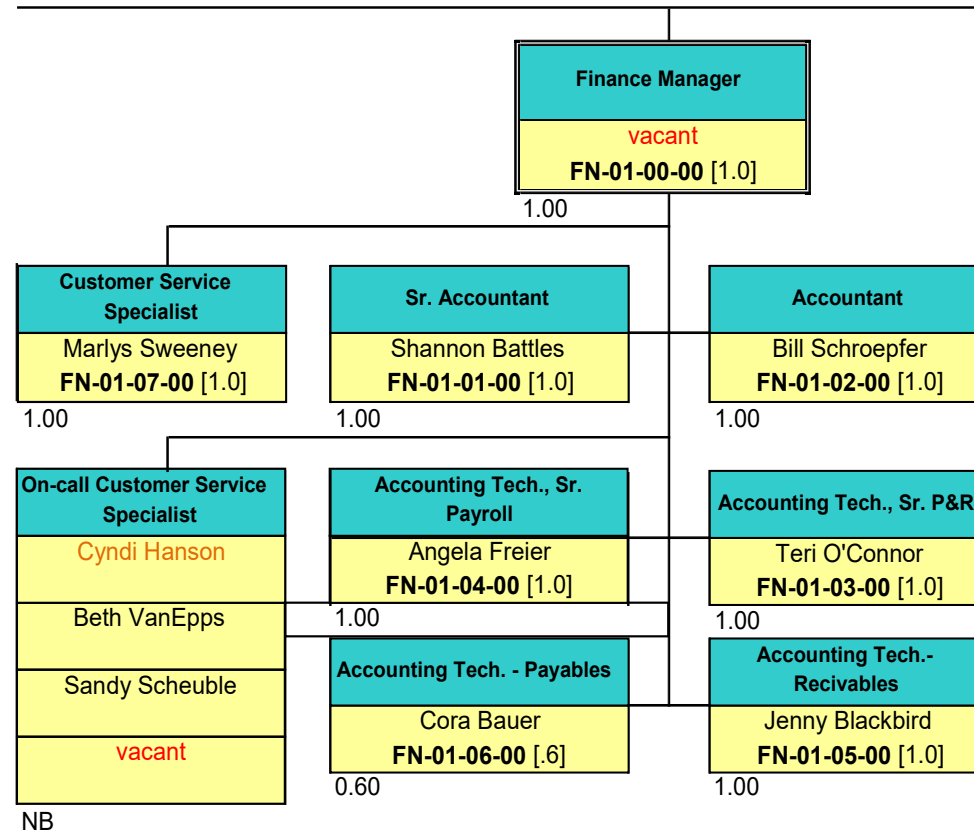
# Proposed Administration Department

## Proposed Administrative Services Director



# Proposed Finance Department

## Proposed Finance Department



NB

7.6 FTE's



# Proposed Structure in Comparison to Other Departments

- Parks & Recreation has four divisions overseen by three Superintendents (3) and a Guest Service Supervisor
- Public Works has three divisions overseen by two Superintendents and the City Engineer (3)
- Community Development has a four divisions overseen by the City Planner, Chief Building Official and Director – Housing & Economic Development
- Police has three divisions overseen by a Deputy Chief and 2 Commanders (3)
- Fire has two divisions overseen by an Assistant Fire Chief and a Fire Marshal (2)
- Administration would have four divisions overseen by Managers (4) (Communications, Human Resources, Finance, Information Technology)
- City Administrator would manage six department heads and City Clerk



# Complete Structure Changes

- Change Administrative Services Coordinator to Human Resources Generalist
- Create Office Support – Administration position – support City Administrator and provide elections support during elections
- Eliminate Management Analyst position
- Write and review new, or revise current job descriptions
- Scale and determine compensation levels
- Job descriptions, scale and compensation brought back to City Council for approval



# Timeline

- City Council Approval August 12<sup>th</sup> – change in structure, draft/change job descriptions
- Send to Bjorkland Compensation Consulting for review – 8/13-8/20
- Return to City Council for final approval 8/26
- Advertise & seek applicants - various time frames 8/30-9/20
- Interviews – 9/25-10/4
- Contingent offers – 10/7
- City Council Approval – 10/14 or 10/28





CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

**Pavement Management Program Update**

Meeting Date: August 5, 2019  
 Item Type: Work Session  
 Contact: Scott D. Thureen, 651-450-2571  
 Prepared by: Scott D. Thureen, Public Works Director  
 Reviewed by: 

**Fiscal/FTE Impact:**

|                                     |                                    |
|-------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> | None                               |
| <input type="checkbox"/>            | Amount included in current budget  |
| <input type="checkbox"/>            | Budget amendment requested         |
| <input type="checkbox"/>            | FTE included in current complement |
| <input type="checkbox"/>            | New FTE requested – N/A            |
| <input type="checkbox"/>            | Other                              |

**PURPOSE/ACTION REQUESTED**

Pavement Management Program update.

**SUMMARY**

Public Works staff will provide a brief update concerning on-going efforts to collect more field data for the street system, update the five-year Pavement Management Program Capital Improvement Program, and renew the five-year Street Reconstruction and Overlay Plan.

SDT/kf

Attachments: Page 1 Map of 2019 geotechnical analysis areas  
 Pages 2-7 Cross sections illustrating PMP strategies  
 Pages 8-11 Cross sections illustrating construction standards for new streets  
 Page 12 Map of proposed 2020-2024 PMP CIP  
 Pages 13-15 Ehlers' financial analysis for proposed CIP with two funding scenarios



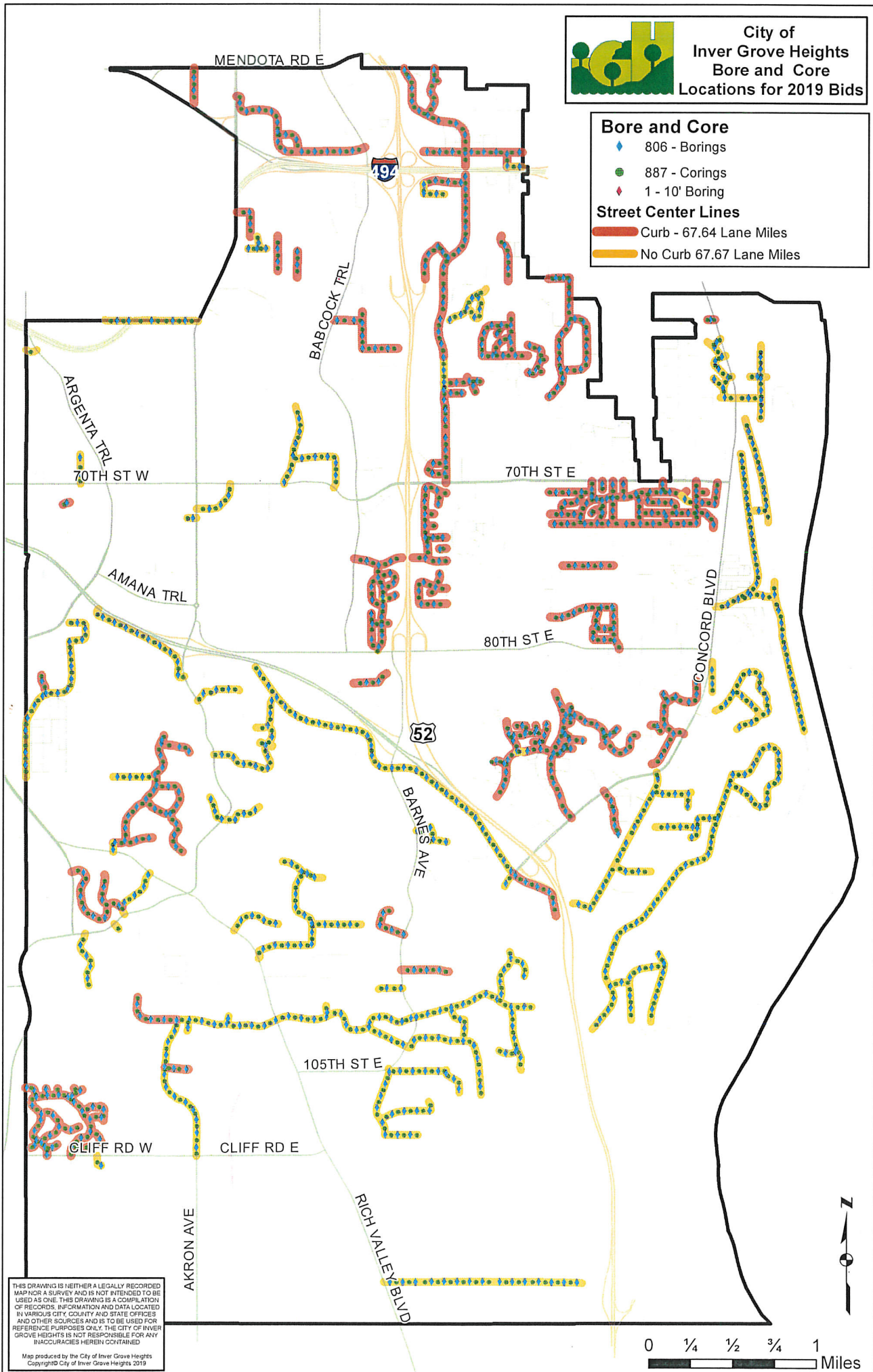
City of  
Inver Grove Heights  
Bore and Core  
Locations for 2019 Bids

**Bore and Core**

- ◆ 806 - Borings
- 887 - Corings
- ◆ 1 - 10' Boring

**Street Center Lines**

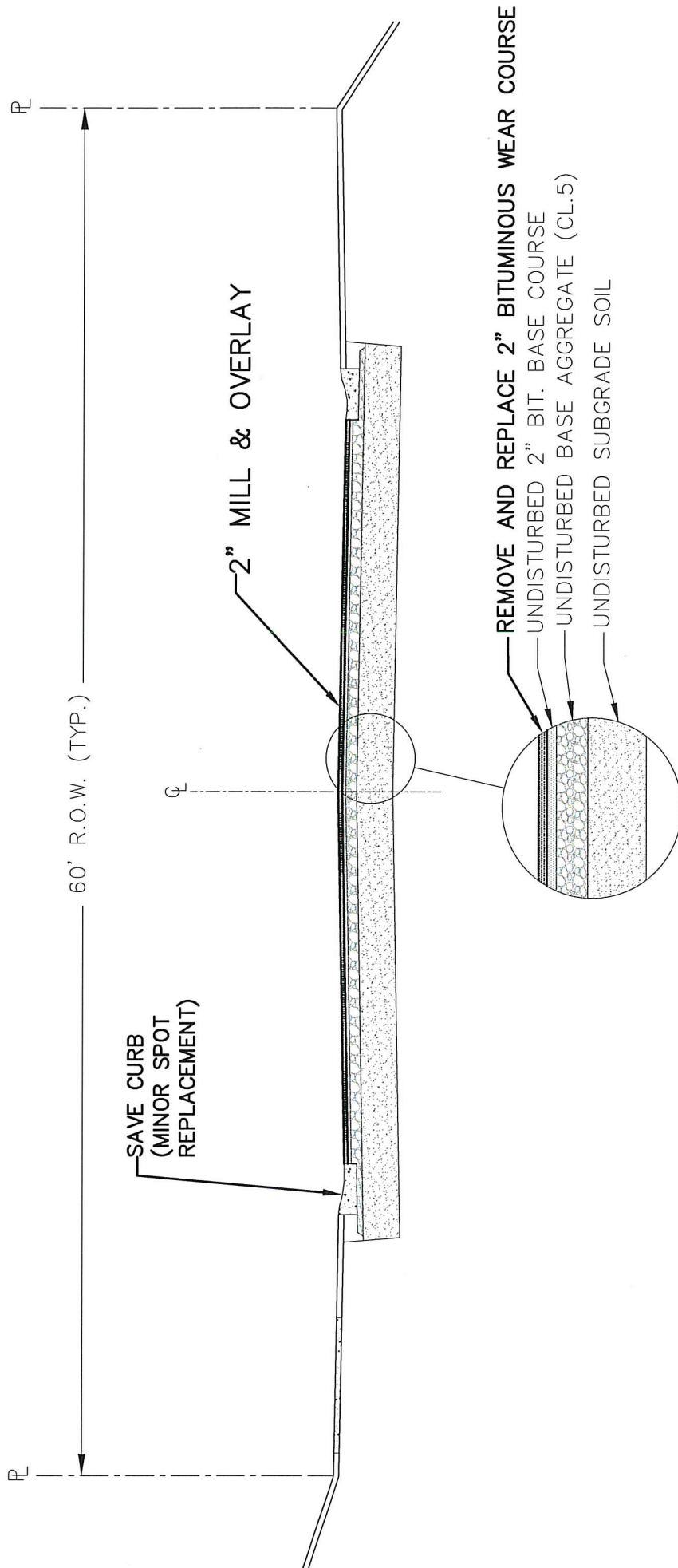
- Curb - 67.64 Lane Miles
- No Curb 67.67 Lane Miles



THIS DRAWING IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS ONE. THIS DRAWING IS A COMPILATION OF RECORDS, INFORMATION AND DATA LOCATED IN VARIOUS CITY, COUNTY AND STATE OFFICES AND OTHER SOURCES AND IS TO BE USED FOR REFERENCE PURPOSES ONLY. THE CITY OF INVER GROVE HEIGHTS IS NOT RESPONSIBLE FOR ANY INACCURACIES HEREIN CONTAINED.

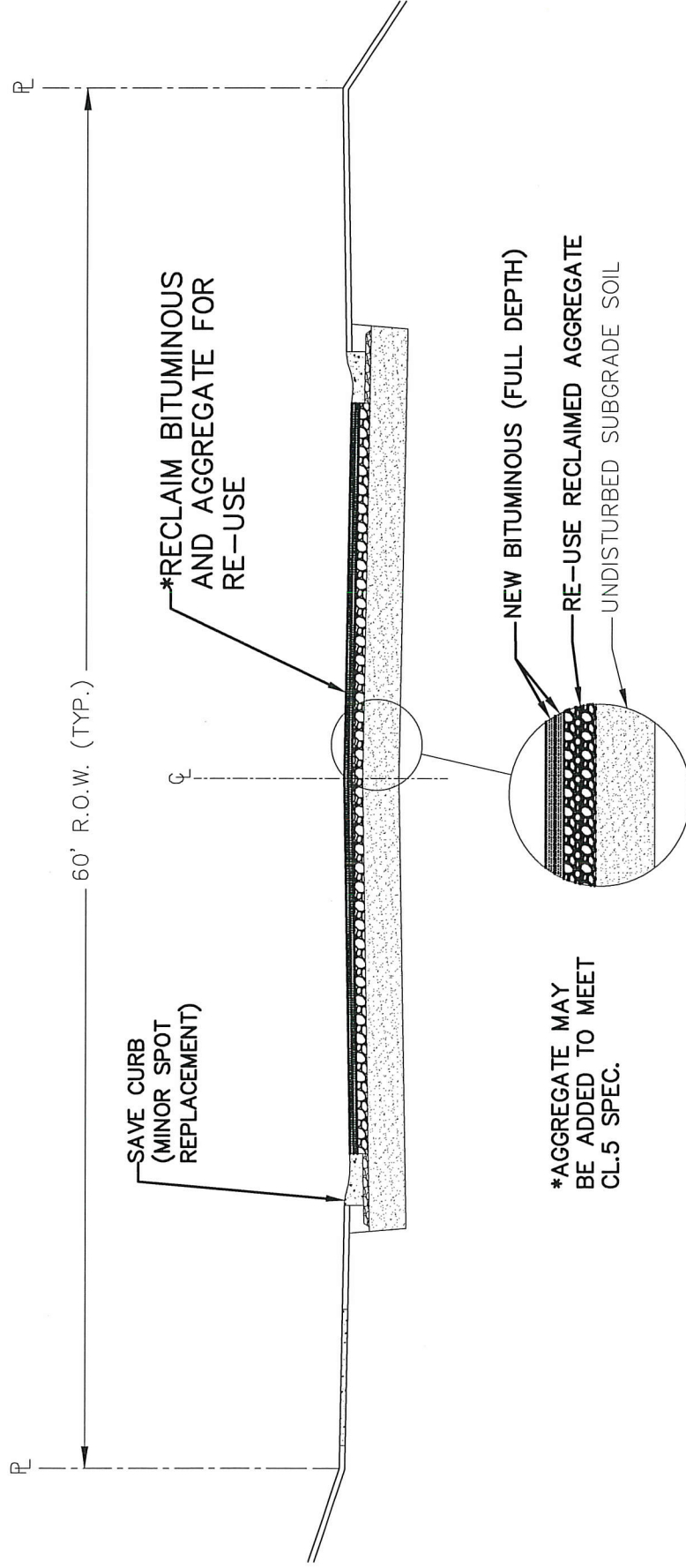
Map produced by the City of Inver Grove Heights  
Copyright© City of Inver Grove Heights 2019

0 1/4 1/2 3/4 1 Miles

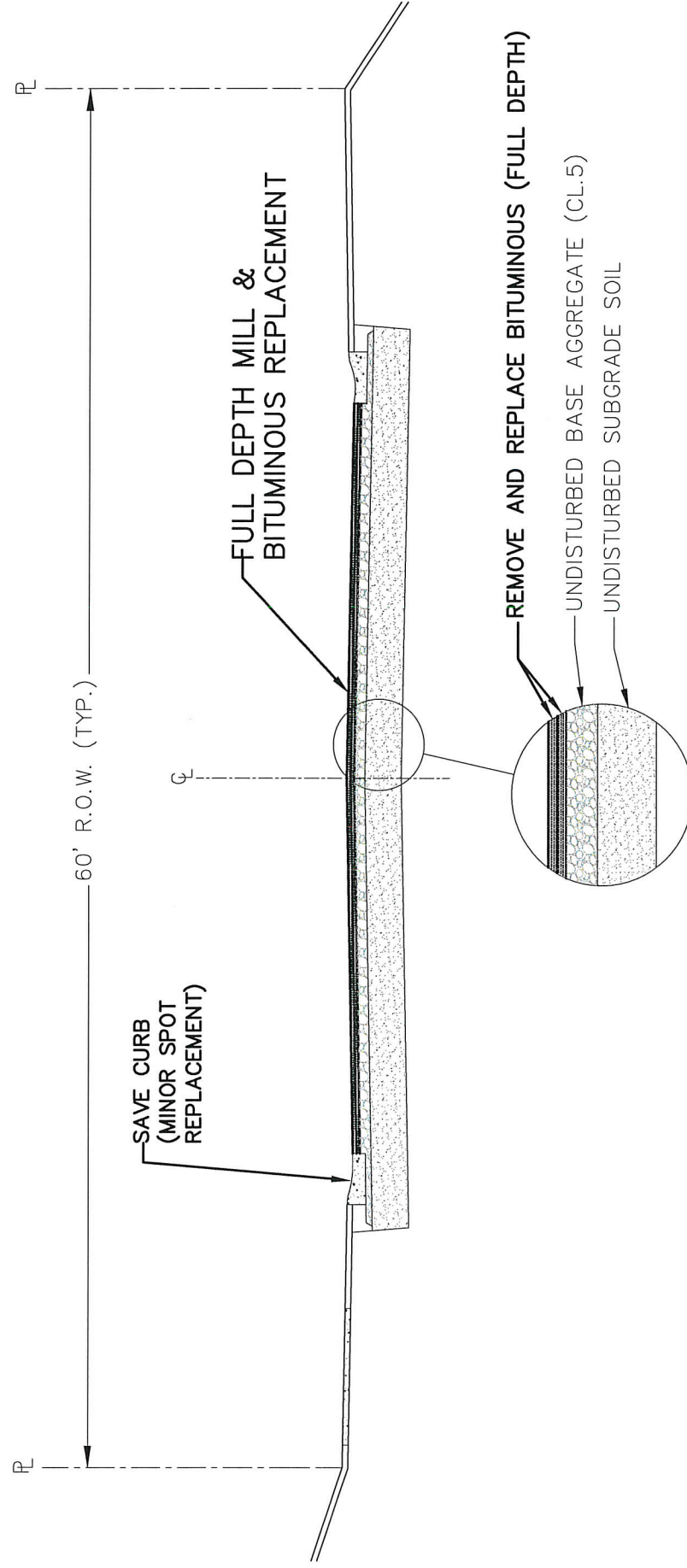


REMOVE AND REPLACE 2" BITUMINOUS WEAR COURSE  
 UNDISTURBED 2" BIT. BASE COURSE  
 UNDISTURBED BASE AGGREGATE (CL.5)  
 UNDISTURBED SUBGRADE SOIL

# MILL & OVERLAY

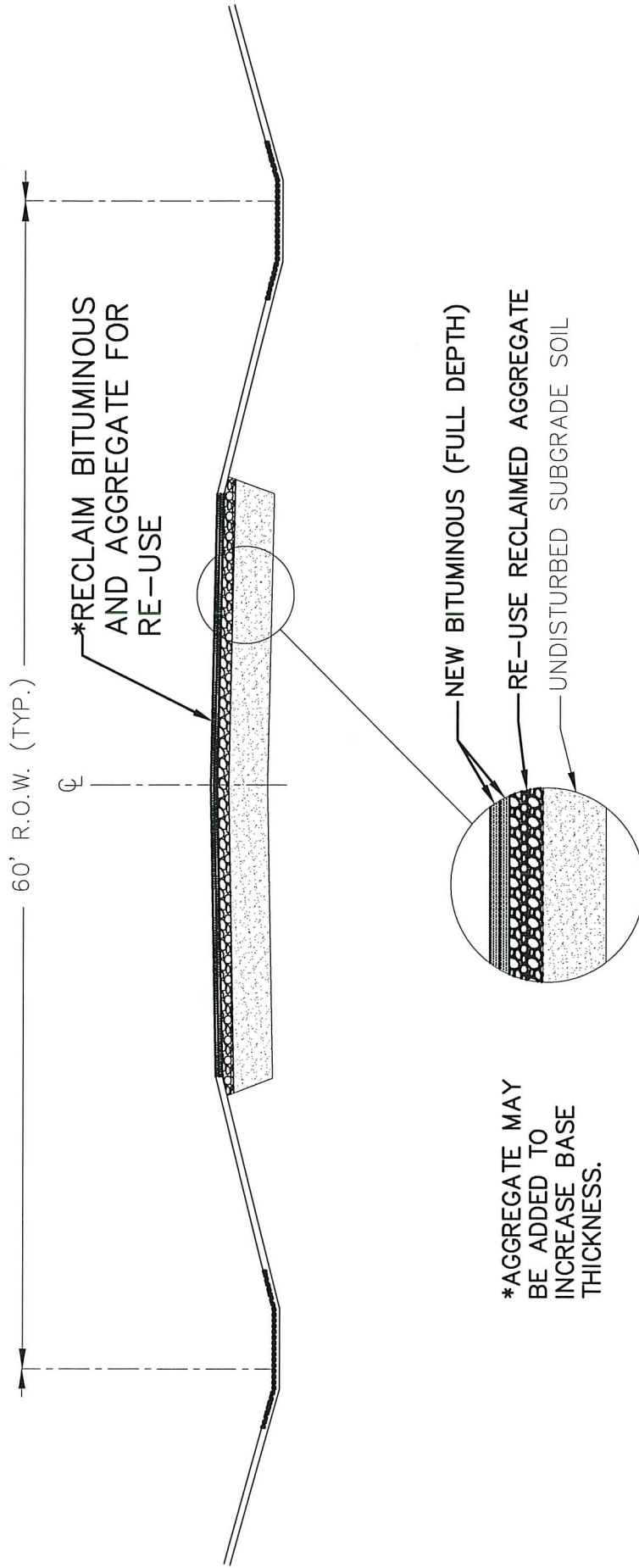


# FULL-DEPTH RECLAMATION (FDR) (URBAN)

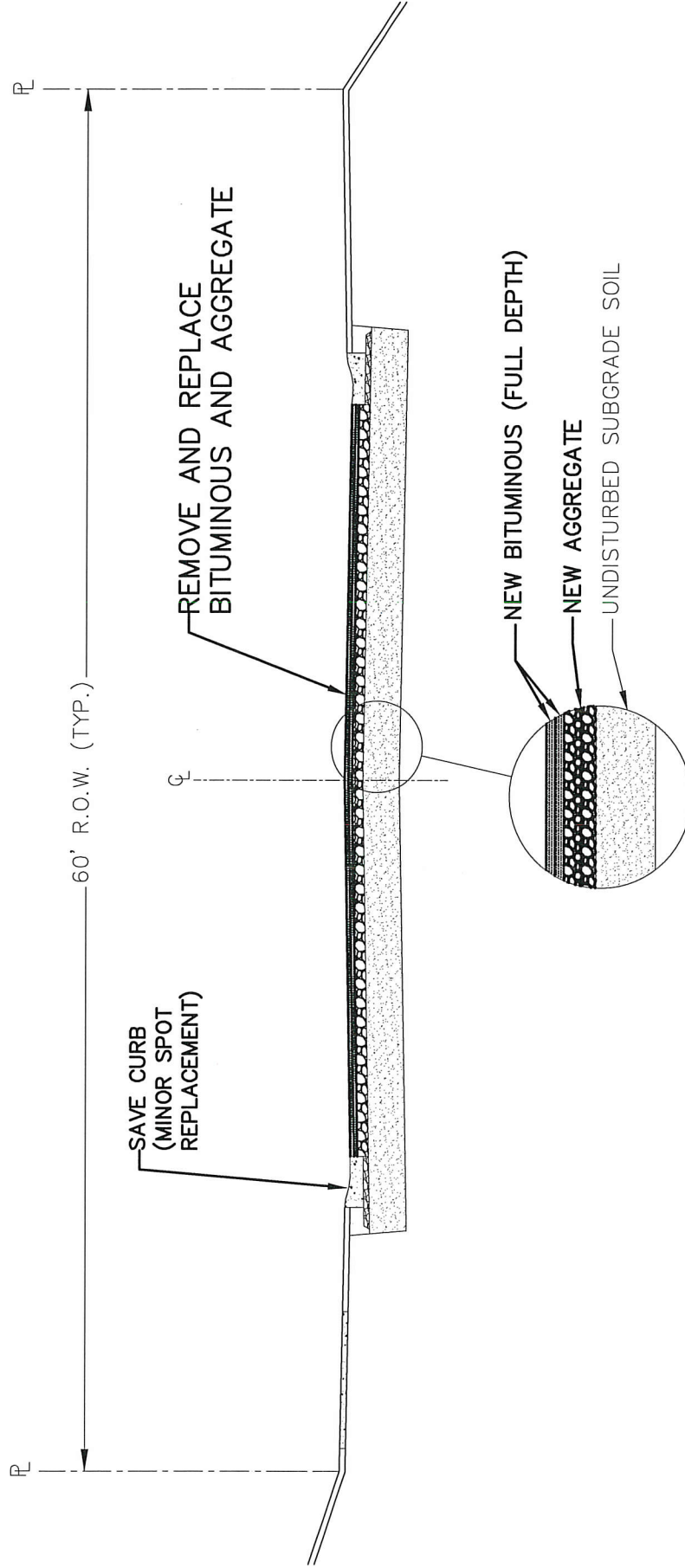


# FULL DEPTH PAVEMENT REPLACEMENT

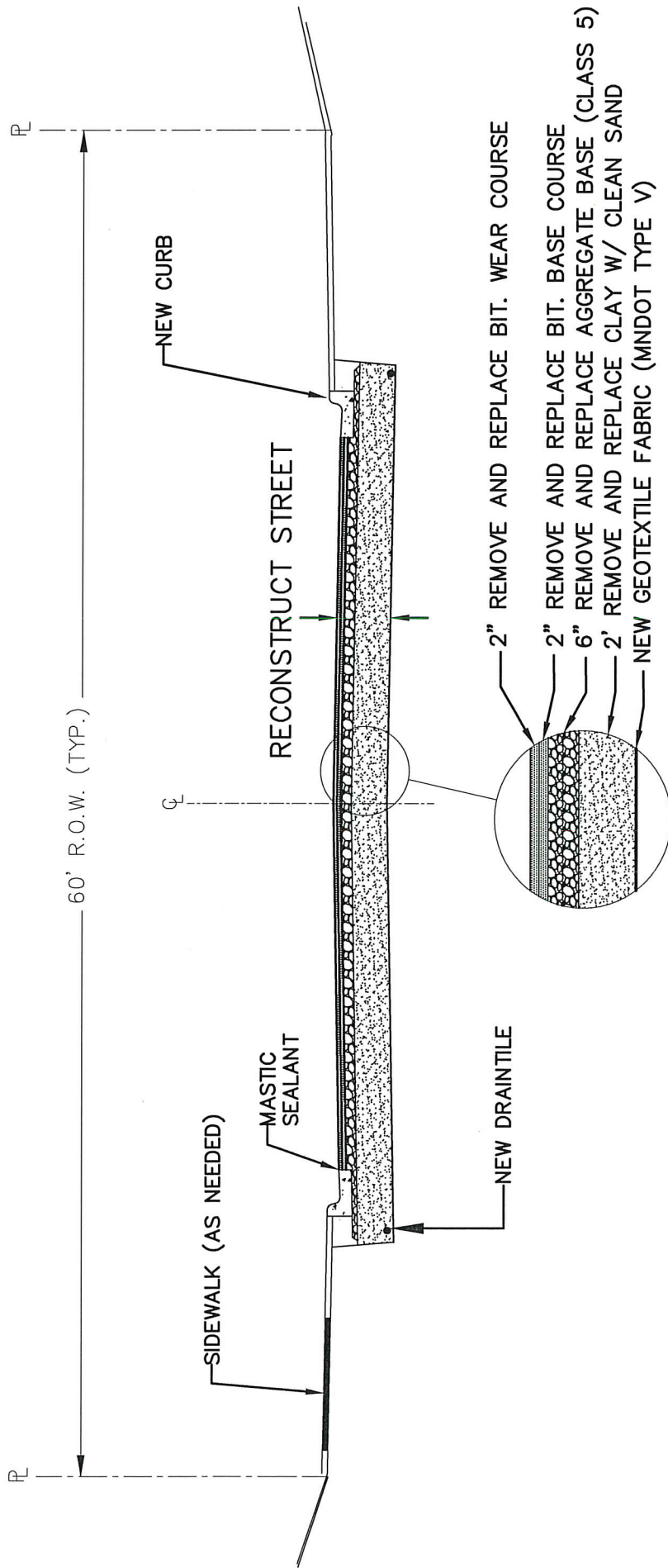




# FULL-DEPTH RECLAMATION (FDR) (RURAL)



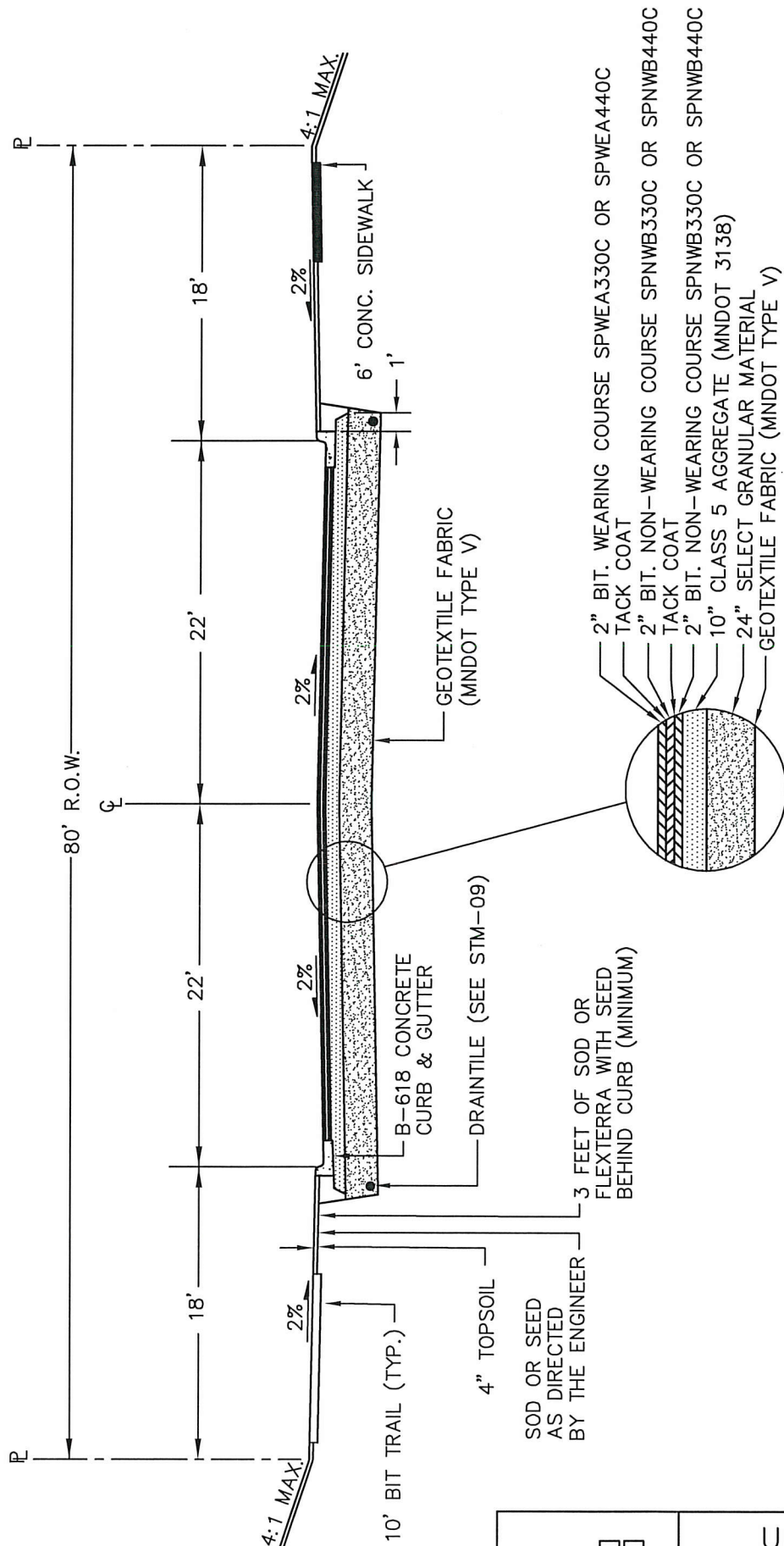
# PARTIAL RECONSTRUCTION



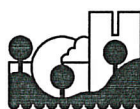
# FULL RECONSTRUCTION

(RESIDENTIAL)





1. ALL RADII SHALL BE B6 CURB AND GUTTER WITH 10' TRANSITIONS FROM EACH SIDE OF RADIUS.
2. FOR CATCHBASIN TRANSITIONS SEE STR-07
3. DRAINTILE SHALL BE INSTALLED AT ALL CATCHBASINS AND AS DIRECTED BY THE ENGINEER.
4. BOTH CONCRETE SIDEWALK AND BITUMINOUS TRAIL TO BE INSTALLED ON URBAN COLLECTOR STREETS.
5. TRAIL SHALL BE INSTALLED ON THE NORTH AND EAST SIDE OF STREET.
6. SIDEWALK TO BE INSTALLED ON THE SOUTH AND WEST SIDE OF STREET.
7. SEE STR-15 FOR TRAIL AND SIDEWALK SECTIONS
8. SIDEWALK AND TRAIL TYPICALLY PLACED 1' FROM PROPERTY LINE.
9. MUST MAINTAIN A MINIMUM OF 6' BOULEVARD FOR SNOW STORAGE.

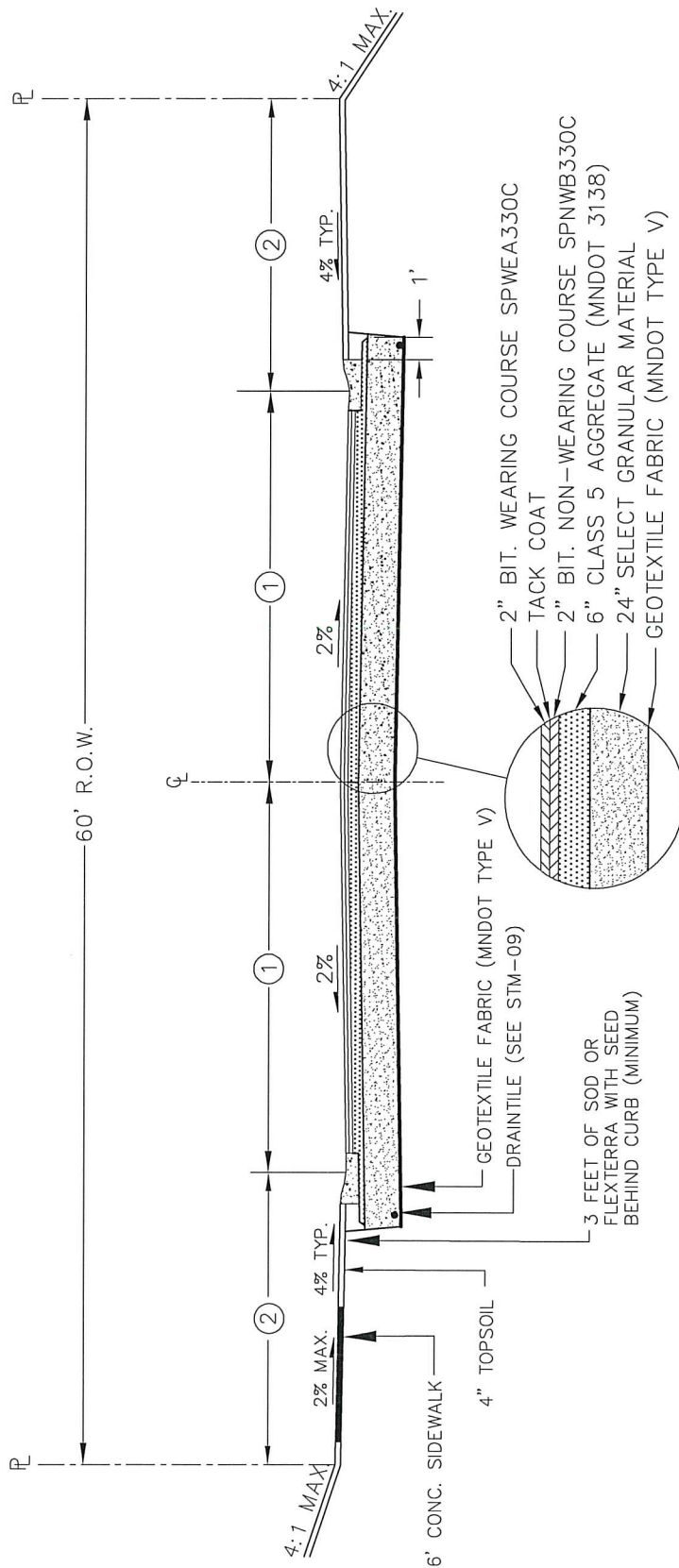


## URBAN STREET DESIGN COLLECTOR STREET W/ SIDEWALK

CITY OF INVER GROVE HEIGHTS  
ENGINEERING DEPARTMENT

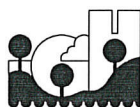
2/18

PLATE NO.  
STR-01



- ① 18' FOR PARKING ON BOTH SIDES OF STREET  
14' FOR PARKING ON ONE SIDE OF STREET
- ② 12' FOR PARKING ON BOTH SIDES OF STREET  
16' FOR PARKING ON ONE SIDE OF STREET

1. ALL RADII SHALL BE B6 CURB AND GUTTER WITH 10' TRANSITIONS FROM EACH SIDE OF RADIUS.
2. FOR CATCHBASIN TRANSITIONS SEE STR-07
3. DRAINTILE SHALL BE INSTALLED AT ALL CATCHBASINS AND AS DIRECTED BY THE ENGINEER.
4. BOTH CONCRETE SIDEWALK AND BITUMINOUS TRAIL TO BE INSTALLED ON URBAN COLLECTOR STREETS.
5. TRAIL SHALL BE INSTALLED ON THE NORTH AND EAST SIDE OF STREET.
6. SIDEWALK TO BE INSTALLED ON THE SOUTH AND WEST SIDE OF STREET.
7. SEE STR-15 FOR TRAIL AND SIDEWALK SECTIONS
8. SIDEWALK AND TRAIL TYPICALLY PLACED 1' FROM PROPERTY LINE.
9. MUST MAINTAIN A MINIMUM OF 6' BOULEVARD FOR SNOW STORAGE.
10. IF STREET IS PLACED ON A 50' RIGHT OF WAY A SIDEWALK EASEMENT WILL BE REQUIRED TO MAINTAIN THE 6' BOULEVARD FOR SNOW STORAGE.

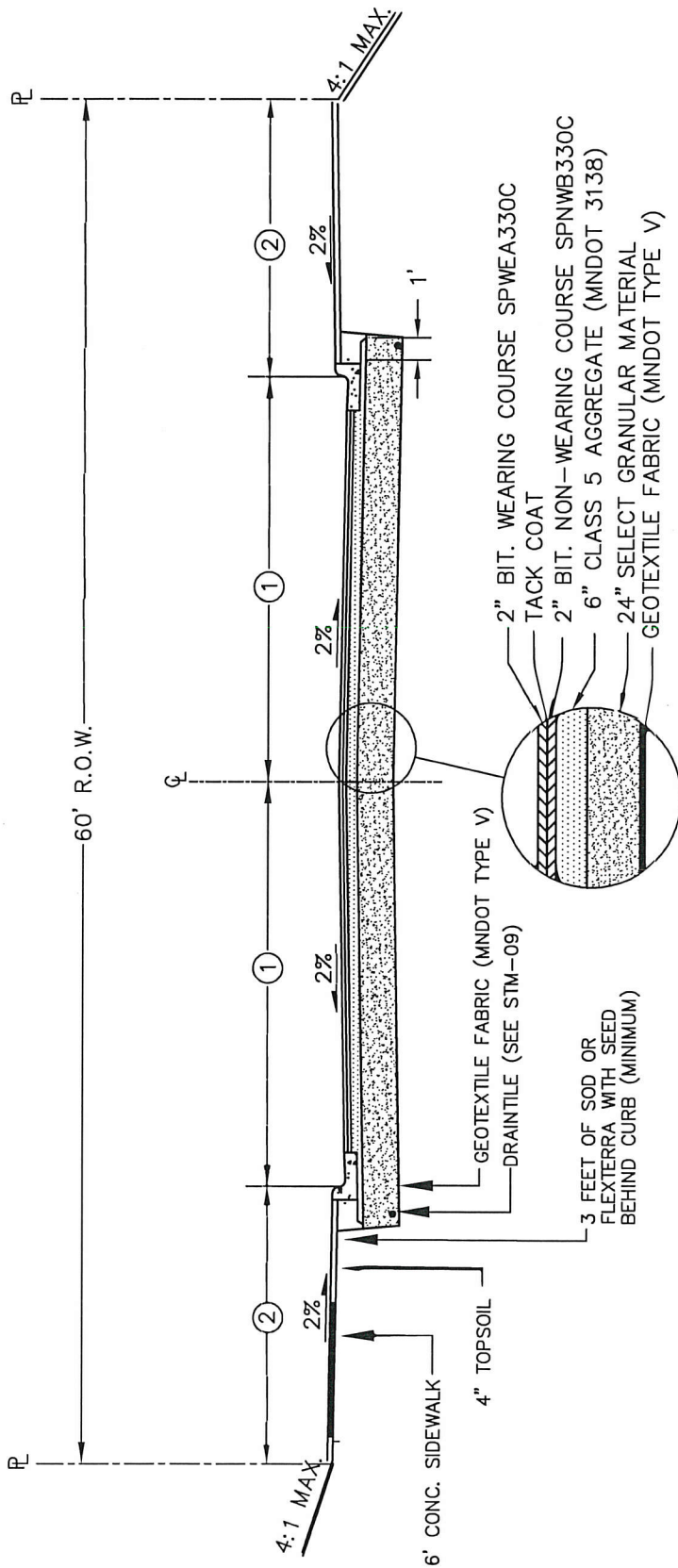


## URBAN STREET DESIGN LOCAL STREET

CITY OF INVER GROVE HEIGHTS  
ENGINEERING DEPARTMENT

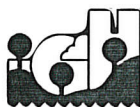
5/19

PLATE NO.  
STR-02



- ① 18' FOR PARKING ON BOTH SIDES OF STREET  
14' FOR PARKING ON ONE SIDE OF STREET
- ② 12' FOR PARKING ON BOTH SIDES OF STREET  
16' FOR PARKING ON ONE SIDE OF STREET

1. ALL RADII SHALL BE B6 CURB AND GUTTER WITH 10' TRANSITIONS FROM EACH SIDE OF RADIUS.
2. FOR CATCHBASIN TRANSITIONS SEE STR-07
3. DRAIN TILE SHALL BE INSTALLED AT ALL CATCHBASINS AND AS DIRECTED BY THE ENGINEER.
4. BOTH CONCRETE SIDEWALK AND BITUMINOUS TRAIL TO BE INSTALLED ON URBAN COLLECTOR STREETS.
5. TRAIL SHALL BE INSTALLED ON THE NORTH AND EAST SIDE OF STREET.
6. SIDEWALK TO BE INSTALLED ON THE SOUTH AND WEST SIDE OF STREET.
7. SEE STR-15 FOR TRAIL AND SIDEWALK SECTIONS
8. SIDEWALK AND TRAIL TYPICALLY PLACED 1' FROM PROPERTY LINE.
9. MUST MAINTAIN A MINIMUM OF 6' BOULEVARD FOR SNOW STORAGE.
10. IF STREET IS PLACED ON A 50' RIGHT OF WAY A SIDEWALK EASEMENT WILL BE REQUIRED TO MAINTAIN THE 6' BOULEVARD FOR SNOW STORAGE.



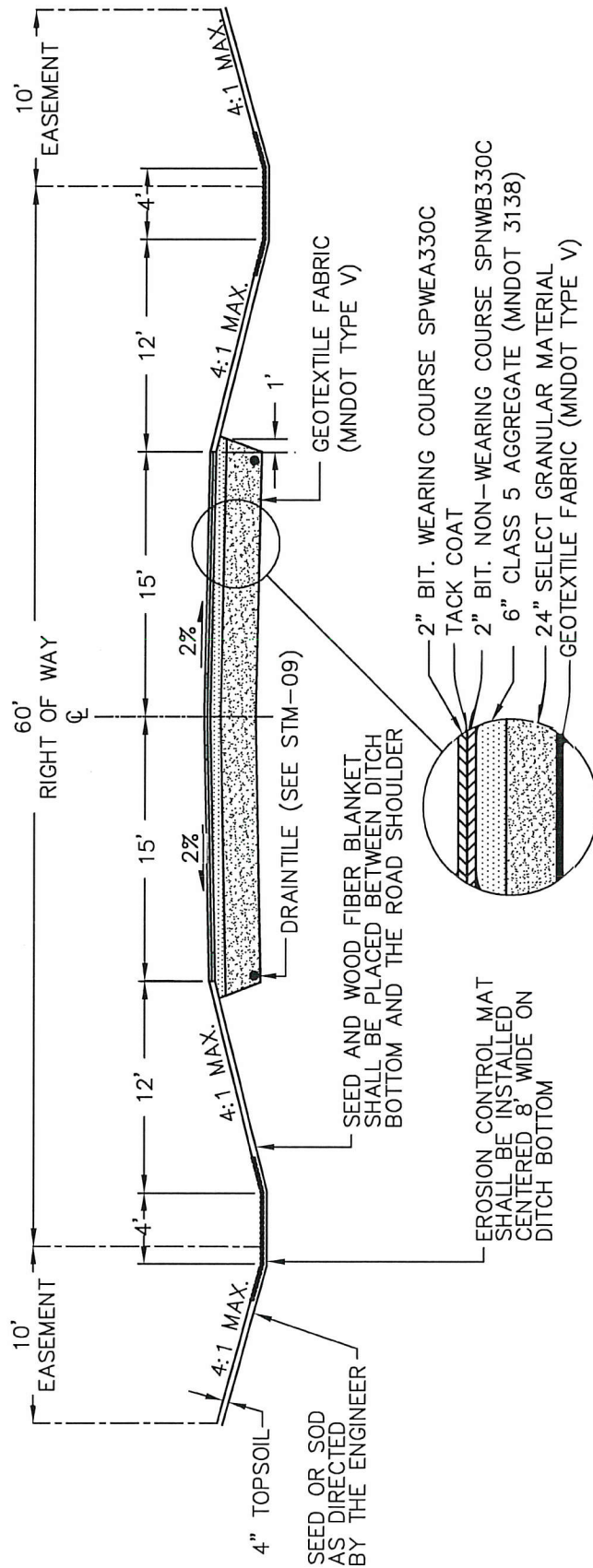
# URBAN STREET DESIGN LOCAL STREET RECONSTRUCT

CITY OF INVER GROVE HEIGHTS  
ENGINEERING DEPARTMENT

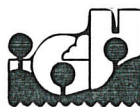
3/16

PLATE NO.  
STR-02A





1. FOR 50' EACH SIDE OF LOW POINTS, THE SELECT GRANULAR MATERIAL SHALL BE DAYLIGHTED INTO ADJOINING DITCH TO PERMIT DRAINAGE OF ROAD SUBGRADE.
2. THIS PAVEMENT SECTION HAS A 12' STRIPED DRIVING LANE WITH A 3' FULL DEPTH BITUMINOUS SHOULDER.
3. NEW SOD SHALL BE PLACED LEVEL WITH THE EXISTING ADJACENT SOD AND THE THATCH OR BASE SOIL SHALL BE APPROXIMATELY ONE INCH BELOW THE TOP OF ADJACENT BITUMINOUS OR GRAVEL SHOULDER
4. BIO ROLLS MAY BE REQUIRED IN DITCH BOTTOM
5. BALE CHECKS ARE NOT ALLOWED IN DITCH SECTIONS



## RURAL STREET DESIGN LOCAL STREET

CITY OF INVER GROVE HEIGHTS  
ENGINEERING DEPARTMENT

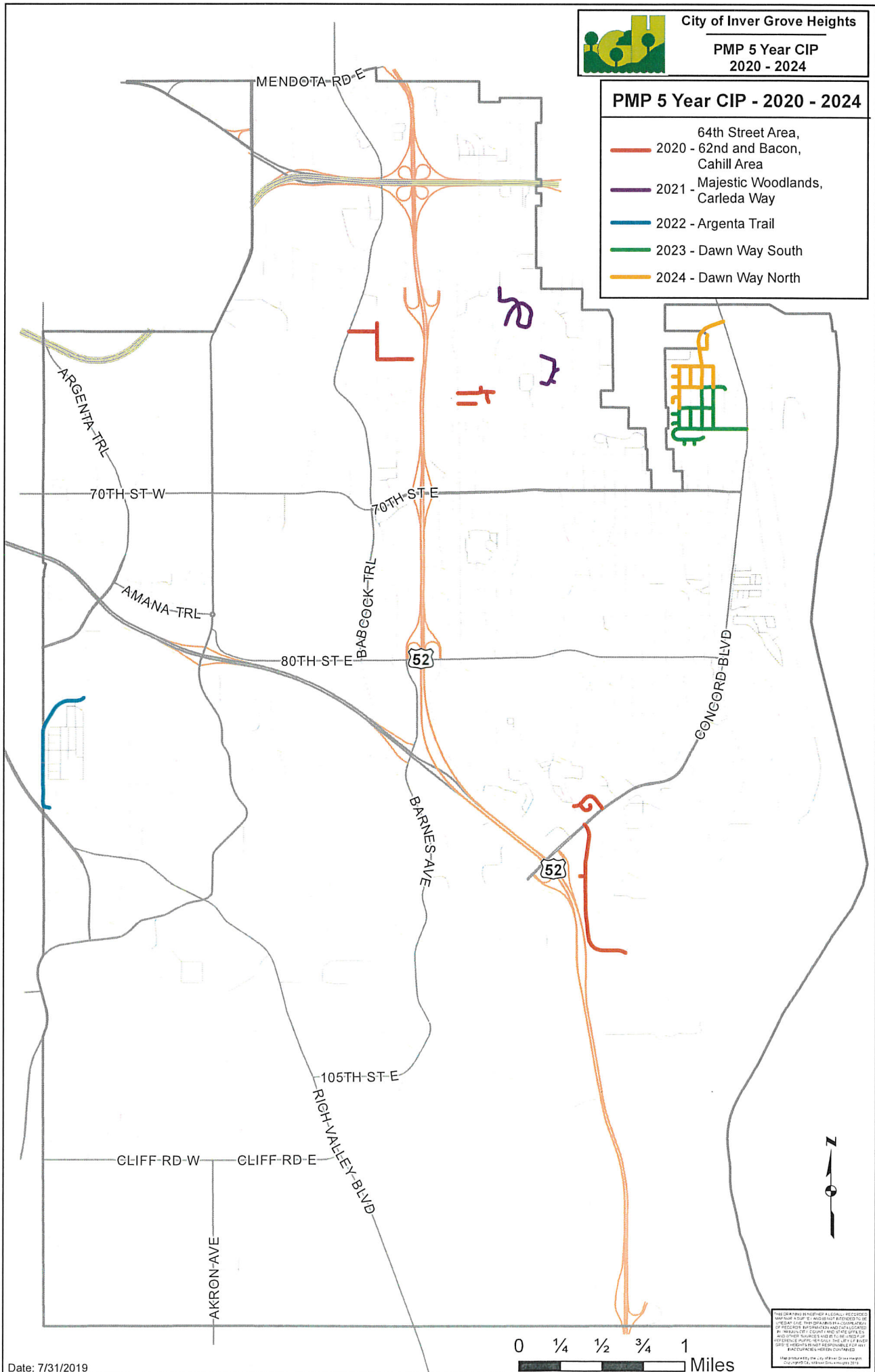
9/15

PLATE NO.  
STR-03



PMP 5 Year CIP - 2020 - 2024

- 64th Street Area,  
2020 - 62nd and Bacon,  
Cahill Area
- 2021 - Majestic Woodlands,  
Carleda Way
- 2022 - Argenta Trail
- 2023 - Dawn Way South
- 2024 - Dawn Way North



CITY OF INVER GROVE HEIGHTS, MINNESOTA  
Pavement Management Fund 440  
Capital Improvement Plan

Inflation Assumptions  
Capital Outlay

| PAVEMENT MANAGEMENT FUND FUTURE PROJECTS - EXHIBIT F |                     |             |             |         |         |         |         |         |         |         |
|------------------------------------------------------|---------------------|-------------|-------------|---------|---------|---------|---------|---------|---------|---------|
|                                                      | Project No.         | Budget 2018 | Budget 2019 | 4.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   | 5.00%   |
|                                                      |                     |             |             |         |         |         |         |         |         |         |
| 1 EXPENSES                                           |                     |             |             |         |         |         |         |         |         |         |
| 2 Broderick Blvd                                     | (2015-09D/2013-09F) | 4,645,259   | -           | -       | -       | -       | -       | -       | -       | -       |
| 3 50th St East neighborhood                          | (2020-09E)          | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 4 Bancroft area                                      | (2016-09E)          | 367,872     | -           | -       | -       | -       | -       | -       | -       | -       |
| 5 Carleida                                           | (1609F)             | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 6 Abigail/93rd St                                    | (2209D)             | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 7 Dawn Way S                                         | (2010-09F)          | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 8 Upper 55th Street                                  | (2015-09E)          | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 9 47th St Neighborhood Recon                         | (2018-09D)          | 161,463     | 464,622     | -       | -       | -       | -       | -       | -       | -       |
| 10 Atwater Path                                      | (2016-09D)          | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 11 60th Street Areat Reconstruction                  | (2018-09F)          | 189,169     | -           | -       | -       | -       | -       | -       | -       | -       |
| 12 55th Street/55th St Court Reconstruction          | (2023-09D)          | -           | 1,185,103   | -       | -       | -       | -       | -       | -       | -       |
| 13 Dawn Way - North                                  |                     | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 14 64th/Bowman/64th Court                            |                     | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 15 Cahill Mill and Overlay                           |                     | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 16 60th/Bacon/62nd                                   |                     | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 17 Majestic Woodlands                                |                     | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 18 Argenta Trail (w/ Eagan)                          |                     | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 19 Park trails and parking lots                      |                     | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 20 Cracksealing, sealcoating                         |                     | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 21 Total Capital Outlay                              |                     | 2,000,000   | 250,000     | -       | -       | -       | -       | -       | -       | -       |
| 22 CAPITAL OUTLAY WITH INFLATION                     |                     | 500,000     | 415,000     | -       | -       | -       | -       | -       | -       | -       |
| 23 Assessable Capital Outlay with Inflation          |                     | 7,863,763   | 2,314,725   | -       | -       | -       | -       | -       | -       | -       |
| 24                                                   |                     | 7,863,763   | 2,314,725   | -       | -       | -       | -       | -       | -       | -       |
| 25 Portion of Projects Assessed                      |                     |             |             | -       | -       | -       | -       | -       | -       | -       |
| 26 REVENUE                                           |                     |             |             |         |         |         |         |         |         |         |
| 27 G.O. 429/Reconstruction Bonds                     |                     |             |             |         |         |         |         |         |         |         |
| 28 Special Assessments 2019                          | 509,281             | 10          | 5.50%       | -       | -       | -       | -       | -       | -       | -       |
| 29 Special Assessments 2020                          | 1,144,503           | 10          | 5.75%       | 67,565  | 67,565  | 67,565  | 67,565  | 67,565  | 67,565  | 67,565  |
| 30 Special Assessments 2021                          | 672,966             | 10          | 6.00%       | 153,673 | 153,673 | 153,673 | 153,673 | 153,673 | 153,673 | 153,673 |
| 31 Special Assessments 2022                          | 105,000             | 10          | 6.25%       | 91,435  | 91,435  | 91,435  | 91,435  | 91,435  | 91,435  | 91,435  |
| 32 Special Assessments 2023                          | 1,115,667           | 10          | 6.50%       | 14,436  | 14,436  | 14,436  | 14,436  | 14,436  | 14,436  | 14,436  |
| 33 Special Assessments 2024                          | 1,102,542           | 10          | 6.50%       | 155,195 | 155,195 | 155,195 | 155,195 | 155,195 | 155,195 | 155,195 |
| 34 Special Assessments 2025                          | -                   | 10          | 6.50%       | -       | -       | -       | -       | -       | -       | -       |
| 35 Special Assessments 2026                          | -                   | 10          | 6.50%       | -       | -       | -       | -       | -       | -       | -       |
| 36 Special Assessments 2027                          | -                   | 10          | 6.50%       | -       | -       | -       | -       | -       | -       | -       |
| 37 Special Assessments 2028                          | -                   | 10          | 6.50%       | -       | -       | -       | -       | -       | -       | -       |
| 38 Special Assessments 2029                          | -                   | 10          | 6.50%       | -       | -       | -       | -       | -       | -       | -       |
| 39 TOTAL REVENUE                                     |                     |             |             | 67,565  | 221,238 | 312,672 | 327,108 | 482,303 | 635,671 | 635,671 |
| 40                                                   |                     | -           | -           | -       | -       | -       | -       | -       | -       | -       |
| 41 Annual Debt Levy (based on year collected)        |                     |             |             |         |         |         |         |         |         |         |
| 42 G.O. Improvement Bonds                            | 2019                | 15          | 3.50%       | -       | -       | -       | -       | -       | -       | -       |
| 43 G.O. Improvement Bonds                            | 2020                | 15          | 3.75%       | -       | -       | -       | -       | -       | -       | -       |
| 44 G.O. Improvement Bonds                            | 2021                | 15          | 4.00%       | -       | -       | -       | -       | -       | -       | -       |
| 45 G.O. Improvement Bonds                            | 2022                | 15          | 4.25%       | -       | -       | -       | -       | -       | -       | -       |
| 46 G.O. Improvement Bonds                            | 2023                | 15          | 4.50%       | -       | -       | -       | -       | -       | -       | -       |
| 47 G.O. Improvement Bonds                            | 2024                | 15          | 4.50%       | -       | -       | -       | -       | -       | -       | -       |
| 48 G.O. Improvement Bonds                            | 2025                | 15          | 4.50%       | -       | -       | -       | -       | -       | -       | -       |
| 49 G.O. Improvement Bonds                            | 2026                | 15          | 4.50%       | -       | -       | -       | -       | -       | -       | -       |
| 50 G.O. Improvement Bonds                            | 2027                | 15          | 4.50%       | -       | -       | -       | -       | -       | -       | -       |
| 51 G.O. Improvement Bonds                            | 2028                | 15          | 4.50%       | -       | -       | -       | -       | -       | -       | -       |
| 52 G.O. Improvement Bonds                            | 2029                | 15          | 4.50%       | -       | -       | -       | -       | -       | -       | -       |
| 53 New Debt Levy (To Page 3, Line 17)                |                     |             |             | -       | -       | -       | -       | -       | -       | -       |



# CITY OF INVER GROVE HEIGHTS, MINNESOTA

## Pavement Management Fund 440

### Option 1: General Fund Transfer Increases \$500,000 per Year

#### Inflation Assumptions

|                               |       |       |       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|
| 1 Revenue (Non-Tax/State Aid) | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| 2 Expenditures                | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3 Interest on Investments     | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% |

| PAVEMENT MANAGEMENT FUND 440 - EXHIBIT F             |                  |                  |                  |                  |                  |                  |                  |
|------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                                      | Actual<br>2017   | Actual<br>2018   | Budget<br>2019   | Projected        |                  |                  |                  |
|                                                      |                  |                  |                  | 2020             | 2021             | 2022             |                  |
| 4 <b>REVENUE</b>                                     |                  |                  |                  |                  |                  |                  |                  |
| 5 Taxes                                              | 130,542          | 112,359          | -                | -                | -                | -                | -                |
| 6 Special Assessments - Existing                     | 524,829          | 378,035          | 147,800          | 194,403          | 158,312          | 135,435          | 114,979          |
| 7 Special Assessments - New                          | -                | -                | 67,565           | 221,238          | 312,672          | 327,108          | 482,303          |
| 8 Special Assessments - City Paid                    | -                | -                | 99,508           | 99,508           | 99,508           | 67,503           | 67,506           |
| 9 Intergovernmental                                  | 380,246          | 2,939,748        | 415,000          | 415,000          | 415,000          | 415,000          | 415,000          |
| 10 Interest                                          | 11,987           | 43,406           | 70,248           | 74,261           | 41,241           | 41,685           | 84,348           |
| 11 Miscellaneous                                     | 28,385           | 100,145          | -                | -                | -                | -                | -                |
| 12 <b>TOTAL REVENUE</b>                              | <b>1,075,989</b> | <b>3,573,693</b> | <b>800,121</b>   | <b>1,004,410</b> | <b>1,026,733</b> | <b>986,731</b>   | <b>1,164,136</b> |
| 13                                                   |                  |                  |                  |                  |                  |                  |                  |
| 14 <b>EXPENSES</b>                                   |                  |                  |                  |                  |                  |                  |                  |
| 15 <b>Current</b>                                    |                  |                  |                  |                  |                  |                  |                  |
| 16 Miscellaneous                                     | 593,060          | 76,564           | -                | -                | -                | -                | -                |
| 17 Debt Service                                      | -                | -                | -                | -                | -                | -                | -                |
| 18 Debt Service - Principal and Interest             | -                | -                | -                | -                | -                | -                | -                |
| 19 <b>Capital Outlay</b>                             |                  |                  |                  |                  |                  |                  |                  |
| 20 Capital Expenditures                              | 1,966,321        | 5,035,019        | 2,686,065        | 6,421,065        | 4,266,234        | 1,348,633        | 6,919,935        |
| 21 <b>TOTAL EXPENSES</b>                             | <b>2,559,381</b> | <b>5,111,583</b> | <b>2,686,065</b> | <b>6,421,065</b> | <b>4,266,234</b> | <b>1,348,633</b> | <b>6,919,935</b> |
| 22                                                   |                  |                  |                  |                  |                  |                  |                  |
| 23 <b>OTHER FINANCING SOURCES / (USES)</b>           |                  |                  |                  |                  |                  |                  |                  |
| 24 Bond Proceeds                                     | 3,505,000        | -                | -                | -                | -                | -                | -                |
| 25 Transfers In - General Fund                       | 700,000          | 1,250,000        | 1,250,000        | 1,750,000        | 2,250,000        | 2,750,000        | 3,250,000        |
| 26 Transfers In - Host Community                     | 500,000          | -                | -                | -                | -                | -                | -                |
| 27 Transfers In - Other                              | -                | 1,442,346        | -                | -                | -                | -                | -                |
| 28 Transfers In - Franchise Fees                     | -                | (1,073,051)      | 1,025,000        | 1,025,000        | 1,025,000        | 1,025,000        | 1,025,000        |
| 29 Transfers Out - Local Improvement Fund            | (3,340)          | (1,073,051)      | (68,000)         | -                | -                | -                | -                |
| 30 Transfers Out - Other                             | -                | -                | -                | -                | -                | -                | -                |
| 31 <b>TOTAL OTHER FINANCING SOURCES (USES)</b>       | <b>4,701,660</b> | <b>1,619,295</b> | <b>2,207,000</b> | <b>2,775,000</b> | <b>3,275,000</b> | <b>3,775,000</b> | <b>4,275,000</b> |
| 32                                                   |                  |                  |                  |                  |                  |                  |                  |
| 33 <b>ENDING FUND BALANCE</b>                        | <b>5,538,455</b> | <b>5,619,860</b> | <b>5,940,916</b> | <b>3,299,262</b> | <b>3,334,761</b> | <b>6,747,859</b> | <b>5,267,059</b> |
| 34 <b>Total Revenues and Other Financing Sources</b> |                  |                  | <b>3,007,121</b> | <b>3,779,410</b> | <b>4,301,733</b> | <b>4,761,731</b> | <b>5,439,136</b> |
|                                                      |                  |                  |                  |                  |                  |                  | <b>5,548,698</b> |

CITY OF INVER GROVE HEIGHTS, MINNESOTA

Pavement Management Fund 440

Option 2: General Fund Transfers Maintained at \$1,250,000 per Year

Inflation Assumptions

|                               |       |       |       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|
| 1 Revenue (Non-Tax/State Aid) | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| 2 Expenditures                | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3 Interest on Investments     | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% |

| PAVEMENT MANAGEMENT FUND 440 - EXHIBIT F      |             |             |             |           |           |           |           |
|-----------------------------------------------|-------------|-------------|-------------|-----------|-----------|-----------|-----------|
|                                               | Actual 2017 | Actual 2018 | Budget 2019 | Projected |           |           |           |
|                                               |             |             |             | 2020      | 2021      | 2022      | 2023      |
| 4 REVENUE                                     |             |             |             |           |           |           |           |
| 5 Taxes                                       | 130,542     | 112,359     | -           | -         | -         | -         | -         |
| 6 Special Assessments - Existing              | 524,829     | 378,035     | 147,800     | 194,403   | 158,312   | 135,435   | 114,979   |
| 7 Special Assessments - New                   | -           | -           | 67,565      | 221,238   | 312,672   | 327,108   | 482,303   |
| 8 Special Assessments - City Paid             |             |             | 99,508      | 99,508    | 99,508    | 67,503    | 67,506    |
| 9 Intergovernmental                           | 380,246     | 2,939,748   | 415,000     | 415,000   | 415,000   | 415,000   | 415,000   |
| 10 Interest                                   | 11,987      | 43,406      | 70,248      | 74,261    | 34,991    | 22,856    | 46,535    |
| 11 Miscellaneous                              | 28,385      | 100,145     | -           | -         | -         | -         | -         |
| 12 TOTAL REVENUE                              | 1,075,989   | 3,573,693   | 800,121     | 1,004,410 | 1,020,483 | 967,902   | 1,126,322 |
| 13                                            |             |             |             |           |           |           |           |
| 14 EXPENSES                                   |             |             |             |           |           |           |           |
| 15 Current                                    |             |             |             |           |           |           |           |
| 16 Miscellaneous                              | 593,060     | 76,564      | -           | -         | -         | -         | -         |
| 17 Debt Service                               | -           | -           | -           | -         | -         | -         | -         |
| 18 Debt Service - Principal and Interest      |             |             |             |           |           |           |           |
| 19 Capital Outlay                             |             |             |             |           |           |           |           |
| 20 Capital Expenditures                       | 1,966,321   | 5,035,019   | 2,686,065   | 6,421,065 | 4,266,234 | 1,348,633 | 6,919,935 |
| 21 TOTAL EXPENSES                             | 2,559,381   | 5,111,583   | 2,686,065   | 6,421,065 | 4,266,234 | 1,348,633 | 6,919,935 |
| 22                                            |             |             |             |           |           |           |           |
| 23 OTHER FINANCING SOURCES / (USES)           |             |             |             |           |           |           |           |
| 24 Bond Proceeds                              | 3,505,000   | -           | -           | -         | -         | -         | -         |
| 25 Transfers In - General Fund                | 700,000     | 1,250,000   | 1,250,000   | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 |
| 26 Transfers In - Host Community              | 500,000     | -           | -           | -         | -         | -         | -         |
| 27 Transfers In - Other                       | -           | 1,442,346   | -           | -         | -         | -         | -         |
| 28 Transfers In - Franchise Fees              |             |             |             |           |           |           |           |
| 29 Transfers Out - Local Improvement Fund     | (3,340)     | (1,073,051) | 1,025,000   | 1,025,000 | 1,025,000 | 1,025,000 | 1,025,000 |
| 30 Transfers Out - Other                      | -           | -           | (68,000)    | -         | -         | -         | -         |
| 31 TOTAL OTHER FINANCING SOURCES (USES)       | 4,701,660   | 1,619,295   | 2,207,000   | 2,275,000 | 2,275,000 | 2,275,000 | 2,275,000 |
| 32                                            |             |             |             |           |           |           |           |
| 33 ENDING FUND BALANCE                        | 5,538,455   | 5,619,860   | 5,940,916   | 2,799,262 | 1,828,511 | 3,722,780 | 204,168   |
| 34 Total Revenues and Other Financing Sources |             |             | 3,007,121   | 3,279,410 | 3,295,483 | 3,242,902 | 3,401,322 |
|                                               |             |             |             |           |           |           | 3,485,411 |



**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

**Metro Highway Noise Abatement Program Update**

Meeting Date: August 5, 2019  
 Item Type: Study Meeting  
 Contact: Scott D. Thureen, 651.450.2571  
 Prepared by: Scott D. Thureen, Public Works Director  
 Reviewed by: 

**Fiscal/FTE Impact:**

|                                     |                                    |
|-------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> | None                               |
| <input type="checkbox"/>            | Amount included in current budget  |
| <input type="checkbox"/>            | Budget amendment requested         |
| <input type="checkbox"/>            | FTE included in current complement |
| <input type="checkbox"/>            | New FTE requested – N/A            |
| <input type="checkbox"/>            | Other:                             |

**PURPOSE/ACTION REQUESTED**

Metro Highway Noise Abatement Program Update

**SUMMARY**

Earlier this year two residents, living in different neighborhoods that abut T.H. 52, inquired about the process for requesting noise barriers for their neighborhoods. Both neighborhoods were reviewed, analyzed, and ranked for eligibility by MnDOT in a 2016 study. That study reviewed 235 separate locations in the metro area, including seven (7) locations in Inver Grove Heights. None of those locations were eligible based on the ranking system that MnDOT used. The highest-ranked site in Inver Grove Heights was ranked 116 of 235.

MnDOT modified its Metro Highway Noise Abatement Program in 2018. It is now a solicitation-based system. Cities need to submit an application form and provide information about an area where a noise barrier is being requested. MnDOT then conducts a noise study and ranks the application received based on existing noise levels, length of barrier, number of benefitted homes, and cost effectiveness of a noise barrier. Eligible projects are programmed into MnDOT's four-year State Transportation Improvement Program (STIP). Projects from the 2019 solicitation would typically be constructed four to five years later.

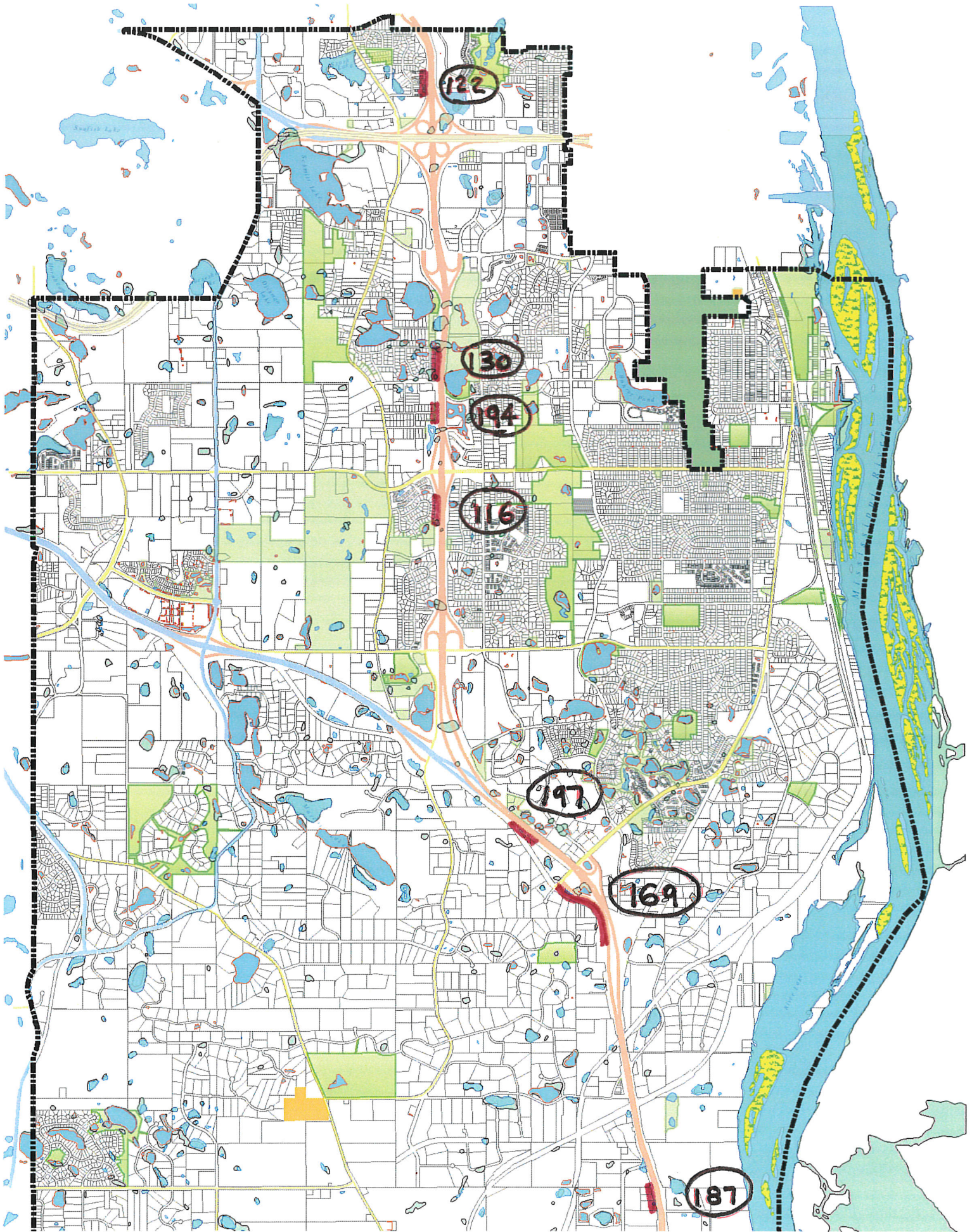
The new program requires a City cost share of ten percent of the construction cost and eight percent of the construction engineering cost. The City cost share is eligible for Municipal State Aid Funding.

I will present a review of the neighborhoods identified in the 2016 study and the details of their ranking. Council direction is requested concerning preparing an application for the 2019 solicitation which opens on September 1, 2019.

SDT/kf

Attachments: Location map  
 Table with site information  
 Application form







### MnDOT 2016 Metro District Highway Noise Abatement Study Rankings

| <b>2016 Ranking</b> | <b>Estimated Length</b> | <b>No. of Residences</b> | <b>Reference Address</b>  | <b>General Location</b>            |
|---------------------|-------------------------|--------------------------|---------------------------|------------------------------------|
| 116                 | 0.30 Mile               | 10                       | 7288 Bancroft Way         | Along Bancroft Way, S. of 70th St. |
| 122                 | 0.44 Mile               | 19                       | 2140 49th Way E.          | Upper 45th St. to 49th Way E.      |
| 130                 | 0.21 Mile               | 7                        | 6460 Beckman Ave.         | 63rd St. to Beckman Ave.           |
| 169                 | 0.39 Mile               | 9                        | 9467 Courthouse Blvd.     | Concord Blvd. to 96th St.          |
| 187                 | 0.15 Mile               | 3                        | 11097 Courthouse Blvd. E. | N. of 111th St. to S. of Clark Rd. |
| 194                 | 0.09 Mile               | 2                        | 2228 67th St. E.          | 67th St. to 68th St.               |
| 197                 | 0.22 Mile               | 1                        | 9190 Courthouse Blvd. Ct. | N.W. of Concord Blvd.              |



# **MnDOT Metro District Standalone Noise Barrier Program**



**DEPARTMENT OF  
TRANSPORTATION**

September 2018



## PROGRAM BACKGROUND

In 1995, the Minnesota State Legislature directed MnDOT (MN Statute 161.125 Sound abatement along highways) to develop a statewide priority list to direct state resources to mitigate traffic noise for locations not adjacent to new roadway construction, when mitigation may be required by federal law.

MnDOT has developed the Standalone Noise Barrier Program in order to address the legislative directive and provide funding for construction of noise barriers along state highways in areas where no noise abatement measures currently exist and no major construction projects are currently programmed. The Metro District currently provides \$2 million in annual discretionary funding to this program. Selected standalone noise barrier projects require a 10% cost share from the city where the noise barrier is being proposed.

In order to determine areas that may be eligible for the Standalone Noise Barrier Program, MnDOT Metro maintains a list of areas within the Metro District where state and federal residential noise standards are exceeded. These areas are ranked based on existing noise levels, number of homes adjacent to the highway, and cost effectiveness of a noise barrier. The ranking list is updated every five years.

The most recent ranking list can be found here:

[MnDOT Metro Standalone Noise Barrier Study](#)

Any noise barriers constructed under this program must meet the criteria for feasibility, reasonableness, and cost effectiveness identified in our policy which can be found here:

[MnDOT's 2017 Noise Requirements](#)

Starting in 2018, MnDOT Metro will begin using a solicitation-based process to select standalone noise barrier projects. Interested cities must fill out an application form and provide information about the area where a noise barrier is being requested. MnDOT then conducts a noise study and ranks the applications received based on existing noise levels, length of barrier, number of benefited homes, and cost effectiveness of a noise barrier. The top ranking noise barrier project(s) is then programmed into the MnDOT 4-year STIP. Applications are received annually from September 1 to December 31 and projects are selected before June of the following calendar year. Projects would typically be constructed 4-5 years out from the time of selection.

This document outlines the MnDOT Metro District process for local governmental authorities to apply to receive funding for standalone noise barriers in the Metro area.

# Application for MnDOT Metro Standalone Noise Barrier

1. Name of governmental authority making application and agreeing to 10% cost share:

2. Highway/Freeway adjacent to area for which application is being made:

3. Current ranking on 2016 Metro District Highway Noise Abatement Study: \_\_\_\_\_

4. Limits of area of application: a map is required; aerial photo is preferred:

Side of Highway:  
(N, S, E, W, Both)

Beginning Point:  
(Cross roads, etc.)

Ending Point:

Estimated length of proposed noise barrier (in feet):

5. Are the residential units located in an incorporated area?

Yes / No

*Note: Only incorporated areas are eligible.*

6. Were the majority of the residential units constructed prior to 1997?

Yes / No

*Note: Only residential areas constructed prior to 1997 are eligible.*

7. Number of residential units (homes and/or apartment buildings) adjacent to the highway/freeway:

8. Existing noise level:

*Note: use MnDOT's Flat Earth Noise Level Estimator Excel Spreadsheet available at [MnDOT's Noise Analysis Homepage](#)*

9. Which fiscal year are you applying for funding?

2023

☐

2024

☐

Both

☐

10. What type of noise barrier is being requested?

Concrete

☐

Wood

☐

TBD

☐

11. Additional comments:

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12. I certify that all the above information is correct.

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Print name and title of local official

Date

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Signature and title of local official

Date