

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, JANUARY 8, 2018- 8150 BARBARA AVENUE**

1. CALL TO ORDER and 2. ROLL CALL

The City Council of Inver Grove Heights met in regular session on Monday, January 8, 2018, in the City Council Chambers. Mayor Tourville called the meeting to order at 7:00 p.m. Present were Council members Bartholomew, Hark, Perry, and Piekarski Krech; City Administrator Lynch, City Attorney Kuntz, Community Development Director Link, City Clerk Tesser, Parks and Recreation Director Carlson, Finance Director Smith, Public Works Director Thureen, City Engineer Kaldunski, Fire Chief Thill, and Recording Clerk Yourczek (absent).

3. PRESENTATIONS:

A. Introductions of 2018 Recruit Firefighters

Fire Chief Judy Thill stated she will be introducing two of three newest volunteer paid/on call recruit firefighters. She stated these recruits were given conditional job offers late last year and passed all the requirements for hire. They began classes last week and will continue on a weekly basis for the next nine months. She stated recruits train weekly for the entire year, however, one thing that is unique about this specific recruit class is that all three of them are also taking medical training at the same time they are taking fire training. She stated they agreed to this accelerated schedule, which will allow them to complete their two most basic training programs in nine months instead of twelve, allowing them to go out on calls three months earlier. Once they complete their basic training next year they will also be required to take advanced firefighter training.

Chief Thill introduced Richard Wagner to the Council stating Richard is a retired Law Enforcement Officer that wanted to continue serving the public and as a result, he applied to be one of our Firefighters. She then introduced Nicholas Wagner stating he is a student presently studying Law Enforcement but also has an interest in firefighting and loves to help people. Both are longtime residents of Inver Grove Heights and both have the same last name. Richard and Nicholas now hold the designation as being the first two firefighters hired for the brand-new Fire Station 2. She stated while we presently have firefighters assigned for that station, all of those firefighters were brought on for the existing stations. She stated these two carry a name familiar to the Inver Grove Heights Fire Department. She stated Rudy Wagner was a long time Firefighter who retired after 35 years, was our third Fire Chief, and was also a very well-known State Rescue Instructor.

Chief Thill stated our third recruit, Dustin Pedersen, could not be here tonight but we would like to welcome him back. She stated being a paid on-call firefighter is extremely time consuming and difficult to balance when you have small children and new jobs. Dustin, after five years, stepped back for awhile and is now back. He brings the number of active Pedersen brothers to three on the Inver Grove Heights Fire Department. She also stated his Grandfather, Denny Baumann, was a retired Fire Officer, and his Uncle Mark Blochinger, was a retired Fire Chief. She stated that family connections are extremely important.

Additionally, Fire Chief Thill thanked Fire Operations Officer Paul Rank for being the Recruit Training Coordinator for the last nine or ten years. He is the one that shepherds each of these recruit classes and makes sure things are taken care of.

Chief Thill also thanked the three 2018 recruit volunteer/paid on-call firefighters for volunteering their time and welcomed them. She stated this is a huge time commitment and it's important to have people like this who want to give back to the Community, which in turn, saves money for the citizens of Inver Grove Heights.

B. Introduction of 2017 Citizen Fire Academy Graduates

Fire Chief Thill stated she will be announcing the graduates of the most recent Citizens Fire Academy which is held jointly between the Inver Grove Heights Fire Department and the South Metro Fire Department. This was the second year they held this joint Academy. The 2017 Academy had eight who attended and six of those were from Inver Grove Heights. She stated while there have been many other Citizen's Fire Academy's in MN and throughout the nation, they are proud that the Inver Grove Heights Fire Department, which is primarily a volunteer/paid on call fire department, and South Metro, which is a fully career fire department, is put together. As a result, those who attend this particular Citizen's Academy get the benefit of both the career and volunteer side.

Chief Thill again thanked Fire Operations Supervisor, Paul Rank. He is the one that worked closely with South Metro to get this program started in 2016 and continuing it into 2017. She stated the graduates receive a certificate of completion at the end of their academy. She also stated that she has a certificate for completing the second Inver Grove Heights Fire Academy. It is their hopes to have one of these academies every year. She stated that if anyone out there is interested, they will be taking applications this summer and will start later on this year.

Chief Thill called the following names to receive their certificates:

Joel Greenberg

Christopher Moen

Cilia Market

Arlan Olson (not present)

Byron Patterson (not present)

Ross Perry

Chief Thill stated these are four of six that attended from Inver Grove Heights, and thanked them for their interest. She stated that hopefully the information they learned will allow more people to become interested in the Fire Academy and to learn how things are done within the Inver Grove Heights Fire Department.

A picture of the group was taken.

Mayor Tourville thanked the academy members, new recruits, firefighters Paul Rank and Chief Thill for the program.

4. CONSENT AGENDA:

A. i. Minutes of November 6, 2017 Work Session Meeting Minutes

ii. Minutes of December 4, 2017 Work Session Meeting Minutes

B. **Resolution 18-01** Approving Disbursements for Period Ending January 3, 2018 C. Consider Pay Request No 2 – Bid Package 3 – East Rink Floor Project - City Projects 2017-05

D. Consider Pay Request No 3 (Final) – Bid Package 3 – East Rink Floor Project – City Project 2017-05

E. Consider Pay Request No 4 – Bid Package 2 – East Rink Floor Project – City Project 2017-05

F. Consider Change Order No 1 – Bid Package 1 – East Rink Floor Project – City Project 2017-05

G. Considering Approval of **Resolution 18-02** Extending the Cable Franchise Agreement with Comcast Cable Company until July 31, 2018

H. Accept Final 2017 Donations & Grants for Various Parks and Recreation Programs

I. Consider Approval of 2018 Sentence to Serve Contract

J. WASATCH STORAGE; Consider a **Resolution 18-03** approving the Improvement Agreement, Storm Water Maintenance Agreement and related agreements for the property located on the south side of 50th Street, west of Blaine Avenue

K. Consider Revised Final Compensating Change Order No. 2, Revised Final Pay Voucher No. 3, Engineer's Final Report, and Resolution Accepting Work for City Project No. 2016-01 - Stormwater Treatment for Mississippi River Discharge (78th and Concord Wet Extended Detention Basin)

Resolution 18-04

- L. Consider Pay Voucher No. 6 for City Project No. 2016-09D – 60th Street Area Reconstruction, City Project No. 2016-10 - 60th Street Area Utility Improvements, and City Project No. 2015-12 (Phase 1) – NWA Trunk Watermain Improvements, 65th Street Loop (Argenta Trail to Babcock Trail)
- M. Consider Pay Voucher No. 5 for City Project No. 2016-09E – Bancroft Way Area Reconstruction
- N. Consider Pay Voucher No. 6 for the 2017 Capital Improvement Program, City Project No. 2017-02 – NWA Watermain Improvements, 65th Street Loop
- O. Final Compensating Change Order No. 1, Final Pay Voucher No. 2, Engineer’s Final Report, and **Resolution 18-05** Accepting Work for City Project No. 2017-09B – Sealcoat
- P. Consider **Resolution 18-06** Approving Part 1 of the Application for Permit Coverage Under the 2018 Reissuance of the MS4 General Permit
- Q. **Resolution 18-07** Accepting Individual Project Order (IPO) No. 33 for Final Design Services for City Project No. 2018-05 – Intersection Improvements at T.H. 3 and Diffley Road
- R. Consider a **Resolution 18-08** Authorizing the City of Inver Grove Heights to Enter into an Agreement with MnDOT for an Agency Delegated Contracting Process Agreement
- S. Consider Resolutions Calling for Hearing on Proposed Assessments, Declaring Costs to be Assessed and Ordering Preparation of Proposed Assessments for the 2018 Pavement Management Program, City Project No. 2015-09D – Broderick Boulevard Reconstruction **Resolution Call 18-09, Resolution Declare 18-10**
- T. **Resolution 18-11** Scheduling a Public Hearing to Consider Ordering City Project No. 2018-05 – T.H. 3 Intersection Improvements at Diffley Road for the Robert Curve Development
- U. Consider Adoption of the Updated City of Inver Grove Heights Emergency Operation Plan (EOP) **Resolution 18-12**
- V. Sale of Real Property for 5039 Brent Avenue
- W. Personnel Actions

Motion by Bartholomew, second by Hark to approve all items on the Consent Agenda.

Ayes: 5
Nays: 0 **Motion carried.**

5. PUBLIC COMMENT:

There were no public comments.

6. PUBLIC HEARINGS:

A. Consider Approval of IGH Heat Soccer Premise Permit to Overboard Bar and Grill, 4455 64th Street E. Resolution 18-13

City Clerk Michelle Tesser stated that in front of the Council for consideration this evening is an application from IGH Heat Soccer for a premise permit to conduct lawful purpose gambling operations at Overboard Bar and Grill located at 4455 64th Street East. She stated that IGH Heat Soccer holds a lawful gambling premise permit at Celts Pub as well. The organizations gambling manager, Sarah Westall, has reviewed the ordinance and believes the organization will fulfill the intent of the ordinance. She stated a background investigation was completed. Staff has reviewed the application and asks for approval.

The President of the Inver Grove Heights Youth Soccer Association, Gabe Rojas-Cardona, 9716 Benjamin Trail, came up and introduced himself to the Council.

Mayor Tourville stated for clarification that you can hold two premise permits in Inver Grove Heights.

Motion by Piekarski Krech, second by Perry to close the public hearing at 7:11PM

Ayes: 5
Nays: 0 Motion carried.

Motion by Hark, second by Piekarski Krech to approve the IGH Heat Soccer Premise Permit to Overboard Bar and Grill, 4455 64th Street E. Resolution 18-13.

Ayes: 5
Nays: 0 Motion carried.

7. REGULAR AGENDA:

I. COMMUNITY DEVELOPMENT:

- A. IGH INVESTMENTS, INC.:** Consider the following for property located on the south side of Amana Trail, west of Target:
- a) A Resolution relating to a Comprehensive Plan Amendment to change the land use designation from RC, Regional Commercial to HDR, High Density Residential.
 - b) An Ordinance Amendment to Rezone the Property from B-4/PUD, Commercial Shopping Center District to R-3C/PUD, Multiple Family Residential District.
 - c) A Resolution relating to a Preliminary and Final Plat and Preliminary and Final Planned Unit Development for a 400-unit apartment complex.
 - d) A Resolution relating to a Conditional Use Permit for a 400-unit Multiple Family Development.
 - e) A **Resolution 18-14** relating to making a Negative Declaration Relative for the Need for an EIS

Mayor Tourville stated that we will have a staff presentation first and then the applicant will have a chance to talk about their request. After that we will open it up for public hearing.

City Planner Allan Hunting stated the request before you tonight is a proposal by the applicant to change the Argenta Hills PUD for a two phase 400-unit apartment building. Phase 1 would consist of 253 units, and Phase 2 would be for 147 units.

Allan Hunting displayed the location on a map and stated the comprehensive plan requires a change from its current designation of regional commercial to an HDR (High Density Residential). He stated the staff report includes the definitions and lease policies of both categories for the Council to review. This will help in providing a basis for either retaining the current designation or changing the designation.

He stated the second portion of this is for rezoning. The rezoning would require the land to go from a D4 shopping center district to R3C multiple family, which is consistent with the comprehensive plan designations.

Allan Hunting stated the amendment is for the change from commercial area to residential. He showed a map with the location and stated in 2007 the Council approved the Argenta Hills PUD, which was for 154 residential units and 410 thousand square feet of commercial. He stated there have been slight changes to the amendments in every one of the residential neighborhoods. The number was reduced from 154 to 122 units. There were changes in some single-family as well as changes in townhomes that went to single-family. He stated there were also some changes to commercial as Target decided to go with a smaller plan. Overall, the plan had two big box stores, one at 132,000 sq. ft. and a couple of junior anchors for a total of 50,000 sq. ft., which he displayed on a map for reference.

Allan Hunting referenced a diagram of the site plan stating the first phase would be a 253-unit apartment building on the west side and the second phase would be the 147-unit on the east side. Parking would be both surface and underground for each of the units. The access points would remain the same way they exist today. He stated there are trails and amenities, open space and dog park areas, and more greenspace on the plans. The plan meets all the performance standards of the northwest area.

He stated other topics noted in the report were traffic related, as there would be a reduction in total trips, resulting in less trip generation.

Allan Hunting stated regarding taxes, the apartment building would have more value than a retail big box building. In the northwest area, multiple family would end up generating more utility connection fees than commercial would.

Allan Hunting then touched on the last of those requests being the EAW (Environmental Assessment Worksheet). He stated because this project was over 375 units and was a change to the plan, and that was looked at as part of the AUAR that has been approved and amended, it needs to go through an EAW. He stated the applicant prepared that report and distributed it through the proper channels. Once that was completed they had their comment period and came back with no suggested changes or recommendations. He stated the Environmental Commission also reviewed the request and did not find a need for further additional environmental work.

Allan Hunting stated that staff believes there is merit to the change in the project. He stated that staff felt that larger retail in this area is going to have some challenges, but that additional housing in the area will help generate other commercial and help existing commercial currently there. He stated this change would provide a different housing mix and density that the northwest area looks to achieve.

David Higgins, 3253 Bryant Avenue South, Minneapolis, stated he is with McGough Development. He thanked the Mayor, Councilmembers, City Staff, and City Administrator Lynch, and appreciated the opportunity to come before them this evening to present their project and the requested approvals. He also thanked the Community members who came out as well. He stated McGough has a long reputation at working very hard with their projects and this is an important site. Having the Community be a part of the dialogue is an important thing. He commented that they have had a series of meetings regarding this with the Council, City Staff, and the Community on seven occasions.

He stated also with him this evening is Link Wilson and Petro Megits, who are from the design firm Kaas Wilson Architects, and Ryan Bluhm who is with Westwood Engineering, which has handled civil engineering as well as landscape design for this site.

Mr. Higgins stated McGough's history with the site goes back to the mid 2000's working with the City and City staff on development of the overall site. He displayed pictures of the current site condition, stating that McGough originally designed this site as something more than what we are talking about tonight. This development is part of an overall development to be mixed-use with retail and residential. He stated they have become their own ten-year case study in what has happened with the changes in retail industry. For example, the evolution of retail coming away from bricks and mortar shopping to online shopping, which in turn leads to closures within the industry and a concentration of retail at population centers.

Mr. Higgins stated they have seen considerable change out here, such as the expansion of Argenta Trail. He stated as a part of the Target project they completed three buildings on main street. Most of those spaces are currently empty and have been since they were built. He stated there is a single destination business with the Veterinary Dermatologist as most of their customers arrive based on their existing relationship. They have also had a Sushi restaurant open up, which has made an effort to be successful in the area. He stated the Council may have received emails from those businesses in support of this project and encouraged the increased density in this area.

Mr. Higgins stated there are a couple reasons why they made a change to this use. In the first instance they have had many years of experience with retail not working here. He stated they also looked at the trends for residential living and the existing housing stock in Inver Grove. He stated this change is a catalyst for growth and sustainability in the Community for retail and jobs. There hasn't been a new modern project in Inver Grove built since 2004. He stated the occupancy levels here are extremely low, some of the lowest in the Twin Cities metro. There is also significant employment base nearby that currently has only one option when considering Inver Grove, which is single-family homes. He stated that diverse housing choices are important for sustainable communities. He stated in looking at the history here, a large number of employees are not buying homes, but renting. When businesses are considering Inver Grove, the more options the more attractive it is as a City to locate a business and bring in employees.

Mr. Higgins stated we have slides and data that has been shared with you over time. This project will bring more open space here than commercial would have brought. He stated this project will have substantially greater landscaped areas with approximately 50% relative to the commercial use, which was approximately 80% impervious. He stated this project, as Allan Hunting noted, will bring sewer connection fees for the City, it will also bring roughly \$900,000 in Park Dedication fees in the first phase alone. He stated they were looking for something compatible with residential, beneficial to the existing Target store, and the main street retail. He stated the answer is residential in terms of use and is best served by density.

Mr. Higgins stated he will wrap up by highlighting some of the concerns they have heard consistently from the Community. He stated they heard people have retail aspirations. He responded that McGough has spent ten years to make retail happen. He stated people have had concerns over traffic. His response was that a big box store would bring twice the amount of traffic as the currently designed residential. He stated people have spoken about concerns with home values. He responded that McGough has provided information prepared by a third-party research firm that has studied a lower caliber project from the one you have here and those findings show that not only do home values not fall, they don't remain static either and continue to rise. He stated they have also heard about a desire for open space and for parks. He responded that in the course of the design of this project, through some of the feedback they received, they shrank their building footprint adding landscaping to the phase one development parcel to the west, and they designed additional landscaping on the second parcel for the second phase to create a greater enhanced landscape environment that is open to the public. He stated that trails, sidewalks, and connections were also included in those plans.

He stated they were asked if this project will lead to an uptick in crime. He response was that this is a luxury project. Rents will span from \$1,000 to \$2,600 a month, which compares roughly to a \$500,000 mortgage payment. He stated this is going to be a nice building, this is going to have residents who can pay those rents. He stated all residences like these have background checks and income verification. He

stated dense housing has been shown to add eyes on the street to the extent that there are more population and people looking out for the neighborhood.

Link Wilson with Kaas Wilson Architects, displayed slides of the location. The images shown depicted the exterior of the building that consisted of brick, stone, and panel siding, which are condominium quality materials.

Mr. Wilson stated he has heard that there have been conversations and concerns about the fourth story of this project. His response was that density brings quality, which means the quality of the materials on both the interior and exterior of the building. He stated this project has 9,000 sq. ft. of common space on the interior which is unlike any other project in the area. There is also 7,000 sq. ft. of active swimming pool/outdoor space.

Mr. Wilson displayed a few slides of the project and then pointed out a few changes that were made. He stated that they are improving the tree structure. They moved the building back and eliminated a frontage road. Then they continued to move it toward Highway 55 and rotated the building so that they could block the parking lot lights. He stated the parking lot lights are very low level, but he felt these moves and rotations were changes that they made along the way as they heard the concerns.

He stated after they had neighborhood meetings and heard the concern about a lack of walking and park space, they decided to develop a trail and the landscaping in Phase 1. They would connect that trail back to existing retail and trails that are there. They also stayed as far as they could from the neighborhood. He stated the height of the building stays within the residential requirements within the site and the height gives them the kind of density that they need to provide amenities to the residents.

Mr. Wilson went on to talk a bit more about the outdoor common space as well as the swimming pool area, administrative offices, fitness/yoga studio, club rooms, and private movie theatre. There is also green space outdoors. They also have significant amenities inside of each apartment. He stated he has other images available if anyone needs them, but for now will open it up for questions.

Chad Mitchell-Peterson, 1528 76th Street West, stated that he is in opposition to the proposed 400-unit apartment complex and is speaking on behalf of some of his neighbors. He displayed slides for reference of this project.

He stated they know this land will not stay vacant forever and they look forward to the development of this Community. He stated they are aware that big box and junior box retail are highly unlikely, but that doesn't mean all retail and commercial business is out of the question. He showed pictures of the views from his home, as well as a depiction of the view of the apartment complex in that location. For height comparison he showed a picture of his vehicle in front of both the Target store, and in front of a building that would be similar in height to what they are proposing.

He stated there are concerns of losing our future pocket of retail within Inver Grove and lost business opportunity, as we are the first traffic stop coming up from Rochester, as well as the major development that continues all around them. He stated there is available property already zoned for this project, which is being bypassed in his opinion, at the intersection of 70th and South Robert Trail. The density gap that has been touched on will still remain in the northwest project.

Mr. Mitchell Peterson questioned the overall supply and demand of rental properties located nearby as something he would like to see the vacancy rates and nearby competing projects on. He asked what if the Phase 1 doesn't make it and the isolated parcel to the west? If they do not complete Phase 2, we will be left with a pocket. Will we have a division of zoning?

Mr. Mitchell Peterson displayed the current land use map and pointed out the high density living that exists. He then stated what he felt the future could bring and referenced the Mendota Heights retail area that is thriving off of Dodd Road and Highway 110. He stated that area has a lot of development that is very similar to what is structured around here. He stated he would like to see this proposal denied, but at a minimum he asked that they at least push this project out 12 to 24 months so they can see what happens with the Vikings establishment and the employment that will bring.

Keith Carlson, 7634 Addisen Path is opposed to the project as it is proposed today. He stated with density comes quality but also size. He stated the Target building actually has three heights. The proposed height here is 55 feet, but that doesn't lay out if it is elevated for grade. The Target structure today is lower than the road and more than twice the size of a commercial building. He stated that is not something he is comfortable with. When they moved into the neighborhood they could see what was set up to be developed and could see the lights in place to be about 30 feet.

He asked if staff could confirm or deny that height, and commented that those lights are actually higher than the Target building.

Mr. Carlson stated the biggest concern was the size. 55 to 60 feet of height would cut off the skyline and the view. That's not what they signed up for, nor is the best use of the land and what the people of the community have signed up for. He stated that it has been brought up that there is not a lot of density from apartment complexes in the City and he knew of at least 8 and 10. There is quite a bit of apartment development within this City and you can see that going more down by Highway 3 and 70th as was mentioned earlier. He stated a majority of apartment complexes in this City do not have single-family homes abutting them, they either have commercial or businesses or higher density up against them.

Samantha Fitzgerald, 7668 Addisen Path stated their biggest concern is the size. She felt 400 units was too large of a development and would be setting it up for failure right out of the gate. She stated in the City staff report they state that this parcel can only hold 375 units. High density is about 12 units per acre, and this has 23 units per acre. There are only a handful of the apartments in the state that are of this size. She stated those large-scale communities have walkability and access to mass transit and this project has none of that. With numerous luxury projects going up within a few miles of this project she doesn't believe there is a demand. She commented that the other projects came after the retail and restaurants. She stated when McGough came to the neighborhood this wasn't a luxury project, this was a market rate project, she felt when they use terms like luxury it's just a rebrand. She stated if the City feels there is a need for high density housing there are other opportunities for this within four miles of this proposed project. The Vikings facility, the townhomes, and single-family homes, it seems the best path is to see what these amazing developments will bring to Inver Grove Heights. She stated the bottom line is this is too many units for the streets and the paths in this neighborhood. She asked that they please tell McGough they can do better. They can do better for this lot of land, this neighborhood, and they can do better for the City of Inver Grove Heights.

Heather Thornton, 7621 Addisen Path, stated she is a resident of the Argenta Trails neighborhood. Her yard doesn't look over the property in question, she overlooks the trees on the other side. She isn't here as just an Argenta Trails resident, but also as an Inver Grove Heights resident. Her first concern is as a neighbor. She stated they have a walking trail that goes behind their trail that they all utilize, and they know one will be in the development. The area is boxed in by Robert Trail on the east, Argenta Trail on the west, and 55 on the south. They don't have anywhere to go except their own neighborhood. She stated while it will be nice to have the walking trail extended, on the flipside, the people who live in those 400 units will be using this tiny little walking trail that goes behind their homes. She stated this was never built to be used by 800 people walking through their backyards. She stated there is also a sidewalk that covers 21 of their 85 homes and asked where are all these people going to go? If only half the people use that path behind their homes that's 200-additional people walking on a trail that was never intended for that many people. She stated there are concerns with respect for safety and privacy as it wasn't built with that intent.

Ms. Thornton stated her second concern was as an Inver Grove Heights resident. She moved here three years ago and is all in in this Community. There is a lot to offer around here and she loves where she lives. She stated the Vikings facility is coming to our County as well as Prime Therapeutics. We are going through a boom here and all of this can put increasing pressure on our transit system. She stated as of 2006 roughly 3,300 cars traveled on Argenta Trail just north of Highway 55. Currently Robert Trail carries about 8,000 cars per day. They endorsed connecting Argenta Trail to 494. Connecting that will increase traffic on the same road that carries 3,300 cars to 31,000 cars a day by the year 2030. The traffic on Lone Oak Road and Yankee Doodle are forecasted to carry less than Argenta Trail. She stated 31,000 cars a day is 2/3 as much as County Road 52 is expected to carry and that's a proper highway. She stated she is astounded as to why we would consider rezoning some of what will be considered the most prime commercial property remaining in Inver Grove Heights to high density residential. She stated that over 30,000 cars a day will pass this specific intersection on Argenta and our City is going to let it change to residential? In the future if she were to be commuting up Highway 55, she would cut right by there to get to 494. She stated she understands that there are fears that large retailers are decreasing their space. 48% of Minnesotans in 2016 were employed by small businesses and small business retailers are expected to grow, that's the group that is filling in the spaces left. She stated she didn't think the need for commercial space was dead, people still want a place to go.

She stated she works as a program manager and she understood that new variables are introduced every day. It's her job to assess what the ramifications are. She stated in her job you have to ask questions such as does this move forward? Does this change the company brand? How do the stakeholders feel? She stated she needs to redirect and incorporate those great ideas to the plan she had in time. She urged the Council to thoughtfully consider whether the land should be rezoned. She questioned if there wasn't a company that had the idea to change the land into dense housing, would our City have incorporated the concept to change the land on our own? Retaining the land use designation as commercial allows Inver Grove Heights to capitalize on that growth and satisfies the established desire of our Cities residents to do business locally. Lastly, she stated if you do decide to grant them permission to move forward, she asks that Park Dedication fees be combined with Argenta Hills to facilitate the purchase of a neighborhood park within walking distance.

John Murphy, 7652 Addisen Path stated he lives in one of the homes that will be looking out the back at the new development. He thanked the Council for taking their emails, phone calls, and meeting with them over the last few days, as this is important to their neighborhood. He stated it has been mentioned that

there are concerns over the lost opportunity, over lost retail. We stated this wasn't what we signed up for, but understand that things change. He stated that they have heard testimony from current projects and houses in the area, as well as new businesses. They have heard about the importance of walkability for a development of this size. They as neighbors have concerns over the sheer size of this project. He stated many believe this is a market-timed opportunity and nothing more. He stated this neighborhood will end up suffering when the housing and rental market once again changes. He referenced a book he read and commented that the one thing that stood out was when you understand what incentivizes individuals you can often predict their behavior. He stated he understands McGough's position, the neighborhoods position, and you can understand what Target and the smaller stores there would like. He questioned whether this was a long-term or short-term opportunity for Inver Grove Heights?

He referenced an article from the Star Tribune dated December 16th that speaks about the Twin Cities area as a no renters market, but that will start to tilt in 2017. He referenced another article from August 2017 that stated the Twin Cities apartment market stays hot, driving up rents. He referenced an annual sales report that talks about the rise in rental rates and the decrease in vacancy rates. He also referenced a report from West St. Paul that talks about the need for apartments in our Community. He stated that as of August 2016, Maxfield says that in one of our sister Communities they only need 1,000 more apartments to meet the need. And yet another report stated that we added 3,612 in 2015, 3,700 in 2016, 5,400 in 2017, and about 7,200 will be added in 2018. He went on to state that the National Association of Realtors stated there will be an increase of 8.5% in new home starts in 2018.

He stated two of our neighboring Communities are some of the oldest in Minnesota. They have starter homes and as the population ages in those Communities there will be more starter homes on the market. The supply of rentals available will go up, and supply and demand dictates the prices will go down. He stated Realtor.com predicts that this supply may catch up in the latter half of 2018. He stated he doubts that whoever McGough ends up selling this development to, will let their vacancies go up and not compete on price. If the price goes down the demographics of the development will change.

Mr. Murphy stated he represents a handful of his neighbors, and their conclusions were that this is a market timed opportunity for the developer, but they as residents believe it takes time for retail to develop. Sometimes the retail needs to be there before the people move in. He stated based on the market and new home construction, they also believe the current vacancies in the buildings outside of Target could be rented with the right type of retail. He himself has personally tried to rent one of those spots and it was very difficult. He stated if there is a short-term need, and if predictions are right, the market may turn even before construction is complete. The proposed development is, in their opinion, just an intense over-saturation of that open land. He stated that 700 to 1,000 more people in that small location seems ridiculous. He asks the Council to leave the comprehensive plan unchanged and allow more time for retail to develop. They believe it is in the best interest of the City and their neighborhood and it's not the right time, nor the right place.

Councilmember Piekarski Krech asked Mr. Murphy about the vacant building he tried to rent.

Mr. Murphy responded there was a time when he signed off on the new leases for his firm. When he tried to rent one of the spots to open another branch, they called him because rent was above the market. He stated that wasn't such a big issue and they were comfortable with that, but whoever was representing the developer told us that they would certainly not rent a dance studio, nail salon, or certain restaurants. They wouldn't guarantee a pawn shop for instance, or a massage parlor. He stated that it raised red flags. He

said in addition to that there was a significant penalty for early cancellation, and in the words of their agent at the time, it was one of the worst he has ever seen for someone who wanted to rent the place.

Paul Mandell, 8320 Cleadis Avenue, Inver Grove Heights stated there should be a letter in the agenda packet from the Housing Committee, and as Chair, he said they would love to see some mix of affordable housing in this project. He stated that it has already been mentioned that this will bring less traffic, not more. That this would screen out some of the noise from Highway 52 and some of the light from the parking lot and that it would add more green space than any big box or commercial. He stated that just because Target is of a certain size that doesn't mean that something else wouldn't be twice that size commercially. He commented this also brings far more tax base to the City and the City is already playing a catch-up game. The Committee believes this is a project that is long overdue for the City. He stated while it may not be advantageous to the neighborhood itself, it is advantageous to the City as a whole, not just to McGough. He stated they encourage the City Council to support this project as they think it is one way to accomplish some of the density that has been lost in some of the past development projects.

Mr. Mandell stated they spoke about the Vikings project, but there is a lot of commercial being built over there too. He stated there were some complaints with the expansion of Argenta and that it wasn't going to help Inver Grove, but that it would be pass-through traffic going to 494. He stated residential would support the commercial that is struggling, there are five empty spaces that businesses can thrive in. The reason most people shop at Target, that are not from Inver Grove, is because it is one of the easiest places to get in and out of because its so empty. H

Jim Zentner stated he is also a member of the Inver Grove Heights Housing Committee and lives at 8004 Delano Way. He stated in looking at the information and data, they look at things published by the Metropolitan Council and many other housing and advocate organizations. He stated that they say between now and 2040, in the metropolitan area, there is going to be a need to house an additional 135,000 projected new residents. Inver Grove Heights is still very much a part of the metropolitan area. He stated we have a responsibility to accommodate part of those projected new residents in this area. This project is a small step in that direction. He stated as one of the five members of the Housing Committee he is very disappointed that they didn't consider including some affordability measures in their proposal. We talked about what =that would mean, and in this project, they would be looking at something as minimal as 80% of median income, which would mean a family of two would need roughly \$54,000 of income to live there. At 30% of their income they will still be paying over \$1,300 a month. He stated for example his wife and himself, if they wanted to move out of their home in Inver Grove Heights, they wouldn't be able to consider moving into this particular project. He agreed to vote in favor of supporting the project because we need density. He stated it surprised him that the residents in the area are opposed remembering how strongly the residents at Concord and Cahill were opposed to Walmart. He stated now people don't want to have residential but would rather have retail and just a few years ago it was the opposite. We still can't support the amount of retail people say they want in this City. He stated that experts in the field of Community Development state that it takes 10,000 residents to support just one full-time grocery store. We have 33,000 residents in Inver Grove Heights, and we have roughly three full service grocery stores, and we lost one with the Rainbow closing. He stated we don't have the density to support businesses. He stated at the Planning Commission, the developer who they have met with in regards to 70th and South Robert Trail, wants to build some single-family homes, workforce townhomes, and apartments. In that case the developer stated they have to build the single-family homes first. He felt the apartments have to be built first, otherwise you are going to be faced with the same circumstances you have now, with neighbors of single family homes stating this wasn't what they signed up for, it's too big, it

will destroy the Community they live in, etc. He stated this particular project isn't just about the proposal in front of you, it's about how we continue to develop within Inver Grove Heights and we do need to continue to look at greater density. He has been here since 1978 and has seen his share of changes in the Community, some good, some he doesn't like, but it's our Community. He asked that the Council do the best they can and support this project.

Mr. Mitchell Peterson commented in regards to the mention of the failed grocery store, if we are using the argument that high density is going to increase the retail that exists, there is high density living right behind that failed grocery store with the apartment buildings. He added as far as the current retail and its lack of success, he is wondering if McGough or someone else can address the incentives that were given back then? He had heard that back then the leases were excessive. He would like to know the leasing incentives.

Mr. Higgins stated he would like to address a number of issues that were brought up. Mr. Higgins pointed out that what Target shows to build on the eastern end of the site doesn't necessarily dictate whether or not retail would have been possible or that a big box retailer wouldn't have been built fully to the zoning height. He stated they did present both to the Community, but for the record, they will show a rendering of a full build out for the zoning allowed for a big box on that site had that been possible, set against what our building shows. A rendering was displayed. Mr. Higgins thanked them for the picture that depicted the truck up against the building, but as a practical matter, the visual distance between the homes and what people are going to see are not going to be right up against the building unless they are walking on the landscaped paths. He stated that in one of their slides, the closest home to each of the two buildings would be 380 feet. That puts a football field between a home and the buildings. That distance affects perceived heights. He stated the eaves of the one portion of the building would be perceptible to the height of that big box. The southern wing would be longer as well, but from a height and visual standpoint.

Mayor Tourville questioned the height being proposed. He said for example the street lights out there are 40-45 feet high. The building peak is going to be 55 feet. He sees the building, and he sees the building above and beyond to be 10 to 15 feet taller.

Mayor Tourville stated the people out there are going to say that's bad and you the developer are going to say it's no big deal. He stated he isn't saying that it's bad, it's just what they are hearing.

Mr. Higgins stated they were also asked why we can't do what Mendota Heights did? He stated the latest information he could find on Mendota Heights was that their population was approximately 11,000. The critical issue for Inver Grove, as laid out in a number of different studies, is the challenge is relative to its competitive neighbors for retail. He stated he has heard it being said that maybe the retail should come before the population. That is what the retail business did before the downturn and they don't do that anymore.

He wanted to clarify the statement he heard about retail being dead. He stated the retail they are speaking of is big box and little box for sites like this. They believe the smaller type of retailers, like the dry cleaners, wine shops, coffee shops, are perfect for the main street retail. He stated there is about 20,000 sq. ft. available, and the two unbuilt pads could add 14 – 15 sq. ft. and would love to build them out if the demand was there for that. He stated that adding the kind of density we are talking about is a step in the right direction to draw those types of retail users. For example, a recent tenant broker, when he heard about the potential for 250 apartments in the first phase, said that was great and to let him know when it

gets to 1,000. He reiterated that they are not saying all retail is dead. They are saying the retail that has the potential here is small retail and will come when there is more density.

Mr. Higgins stated there was a question regarding what they are charging for rents. He responded that he can't speak to the early history of renting, but can say that given where the economy was, their brokers had re-released about 50% of the space out there up to the point that Target hit pause on their project. When they hit pause on their project, as the economy was changing, all those tenants went away. He stated space for buildings like they have out there, of the quality that those are, are renting in the high 20's per square foot, at \$26 to \$28 per square foot. He stated they are talking to the market at half of that price. We can't give away the space. He stated offering space at half of what the market offers is a pretty reasonable concession and they do other things in terms of concessions. They don't have the ability to do tax concessions, those are for the City to offer.

Mr. Higgins stated there was a comment about the density problem in Inver Grove Heights. This project isn't going to solve it. There are density targets that if they are not met there are economic repercussions to the City that have the potential to fall back onto the residents if the Community doesn't achieve them separately.

Mr. Higgins stated that Target is a strong player in the retail space. Target has almost as much control over what happens over those two parcels as the City does. He stated if this is approved tonight, they still wouldn't be able to build it without Target's permission. Right now, this use is not allowed by legal agreement with Target on these parcels. If Target felt like there was still hope for commercial and retail on these parcels down the line, they wouldn't be working with us. He stated they have been working with them for a number of months to make the change in the legal agreements because in their estimation this is the next best thing that will help the main street become complete but will help stabilize them in Inver Grove which would make them beneficial.

Mr. Higgins stated that they appreciated the comments they have heard this evening. He stated that someone had pointed out that there are eight or nine other apartments in town. There are, but they are not modern with modern amenities within units. These are the things people can get in other communities, so they go to other communities that have 8,000 to 20,000 residents because they have a variety of options. He stated it takes more than single-family homeowners to establish a population that draws significant retail and employers to boost the tax base and feed further retail.

Mr. Higgins wanted to acknowledge the concerns about the trail system. In his experience, one can't dictate what human nature is going to do with regards to using the trails. He stated people bought homes here knowing there would be change across the road, but they also bought homes knowing the trails are going to be public. There are ways to make those trails into a more positive amenity than they are today.

Mr. Higgins stated that John referenced some studies done in a different community. He stated market studies in one community do not typically apply in another community. The study we have for this community was for about 250 units on this site being sustainable, and this information comes from a very conservative research firm. He also noted that on Friday of last week there was a multi-family conference held in Golden Valley in which 500 people attended. He stated this market was noted as the leading apartment market in the Country. He stated this had to do with the drivers of this entire metro. We have the lowest unemployment in the Country as a metro, we are number six in job growth. This is a large metro and people are going to go where the opportunities are. Those opportunities are places to work,

place to live, and places to shop. He stated having density in this community will benefit it on a number of levels. He thanked everyone for their time and consideration.

Mayor Tourville stated that between the Planning Commission meeting and this evenings meeting, they have received numerous emails. They would like to get them added to the record.

Motion by Piekarski Krech, second by Perry to receive all emails and documentation that we have received this evening that pertains to this project.

Ayes: 5

Nays: 0 Motion carried.

Mayor Tourville stated that we are here this evening because the property needs to be rezoned. If it had the proper zoning there would be a couple items on the agenda but not the rezoning and without the rezoning nothing can happen. He stated he received a couple of inquiries asking why the city forced McGough to take a look at this piece of property. His response was they are equity partners in the property. He stated another item that was also brought up was that Target has first right of refusal of what happens on that parcel.

Mayor Tourville stated he wanted to correct one statement about Target. He stated he will speak for the benefit of them, and this comes from their Regional Managers. They are very happy with the Target store in Inver Grove, and it's not because there isn't anybody there, it's because they are very happy with net new sales. One thing that the big boxes look at is your zip code and phone number, they know the who and what and they are happy with the sales and growth because of net new sales. He stated it wasn't a transfer of sales from other Cities, they have actually gained here and they are happy with the trend and the success of net new.

Councilmember Bartholomew stated the one thing that troubles him is that we are asked to consider a change. The change is needed because of presentation by the equity owner. In order for us to consider the change, we need to consider the dynamics that have changed in the area. The changes have been the improvement to Argenta, the improvement coming to 70th Street, and the things that are happening on the Eagan side. With those dynamics he doesn't see the great rush to change this. He believes it should sit still for a while and give time for the improvements to come to fruition and see if in fact we get some velocity and interest in this property. He stated the Council heard earlier today during their Comp plan update, and were cautioned to preserve our retail space as much as we can. He stated he is looking for preservation of that. We can give this time, 12 months, 24, even 36 months perhaps. He is hesitant and reluctant to approve this request for change.

Councilmember Hark stated if the City denies this we are giving up a lot. We are giving up the park fees, the hook-up fees, the tax base, and future tax base that comes with that kind of development. If that development was built, there is going to be a lot of people, such as Doctors and Nurses from the Mayo Clinic renting. He stated he understands that a lot of them are in Bloomington. The ability to move closer to Rochester would be appealing if that is your employer and this is built here. The City is giving up a lot if we decide against this. He applauded the neighborhood and stated they have been extremely civil. One of the questions was how long they wait to develop this piece of property. The other question that he thought of was what comes first, commercial or residential? He felt that residential probably comes first. He stated the Housing Committee and Planning Commission are both in favor of this. The Housing

Committee brought up good points in density and choices in housing stock. He stated he has been very impressed with the neighborhood and that it is probably not the right time, but at some point, it is going to be the right time. He believes it will happen sooner rather than later and does not know exactly what will be put there if this isn't approved tonight. He stated these decisions are market driven, so you have to respect the fact that they do their research because they don't want to lose money. He stated he just didn't feel it was the right time at this point. He also encouraged everyone to visit those businesses there, because it would be really sad if we lose them. He stated without that residential development there it would be a tough environment for those businesses. You need to go to those businesses and let them know you are happy that they are there.

Councilmember Perry stated that like Councilmember Bartholomew said about the meeting they had before this, they spoke about the need for more affordable housing and this is the exact opposite of that. She stated if you are talking about 30% of your budget needing to go toward your rent, that is at a \$100,000 income. She stated the City may lose tax money or park fees, and yes, we need the money as a City, but she can't take that into her decision. She stated as far as density in the area goes with regards to the neighborhoods behind this development here, it's challenged with topography, but there is a potential for lots to up for sale there too. Her other concern for this particular spot goes back to the little retail strips that were there. When they were built the trend was to have them the way they were set up. That isn't the trend anymore. She stated that the trend now is to have these luxury high-end apartments but is that still going to be the trend in three years? Given that location, she isn't sure that is the best location for that type of housing.

Councilmember Piekarski Krech stated this is a tough decision. We have money and tax base on one hand, and a promise we made to the neighborhood on the other. She stated this was different than the Walmart situation. The people in the Walmart situation had the housing go in first. It was zoned to be Walmart and they chose not to have it be that. It was one of the reasons why when this development came through, and with the discussions with McGough, you have to put in the retail first so that the people buying those homes understands that this is going to be retail. She stated that's what we told the people it was going to be. She envisions if you build 400 units of apartments at the corner of Addisen, Argenta, and Highway 55, all of those people are going to head on over to Eagan by Yankee Doodle. She doesn't see any of them doing much in Inver Grove. That's why she doesn't see housing there at this point. She stated they told the people in that area that it would be retail. She feels we shouldn't give away our retail right now until we know what is going to happen with developments in the communities around us. She stated they do have areas in the northwest area zoned for multi-family or apartments. We need more affordable units.

Councilmember Piekarski Krech stated she doesn't believe that the Doctors and Nurses will do high-end apartments in Inver Grove. They own houses in communities and they rent small places in Rochester when they are working there. She felt very few commuted every day. She stated they need to do something but she is not going to make a decision based solely on finances.

Mayor Tourville stated this would take a 4/5 vote. He stated in some areas of the City where zoning is already in place, it is a much easier decision to take a look at multi-housing as the zoning, but the zoning here needs to be changed. He stated overall this project is great for the city. It adds tax base, connections, adds to an area that may give some of that retail a better shot. He stated the difficulty here is rezoning it to something different. The neighborhood was told it would be something different, but in hearing the comments tonight, they are concerned about the height of the buildings, the size, and the

amount of people in density. He stated in taking a look at the neighborhood, there are not a lot of neighbors that are saying this would be great to have. He stated overall, without the rezoning, the neighborhood stays where it is at. McGough can look at the height, the numbers, etc., and if we don't think there will be junior boxes there. He stated he doesn't see this as a resolution relating to a comp plan.

Mayor Tourville asked Mr. Kuntz if there was another piece they can look at here?

City Attorney Tim Kuntz stated there are five items on the agenda. Four of them relate to standard land use applications. The fifth deals with the question as to whether an EIS is required. He stated before you take any action on any of the four you have to deal with that one. You could find an EIS is not required.

Attorney Kuntz responded they should take action on the EIS/EAW question. That could have been applied for without any of the other applications at this time.

Mayor Tourville didn't think it was needed for this project.

Attorney Kuntz agreed that was correct. It wasn't needed for this project.

Mayor Tourville stated they are not saying an EIS or EAW may ever be needed, but for this project it isn't needed if that is what they decide. Then they need to deal with the Comp plan.

Attorney Kuntz agreed with them not needing the EIS or EAW at this time, but that Council should consider the comprehensive plan separately as that takes four votes. If that fails, then the other three matters would be subject to a motion to deny because the comprehensive plan failed. He stated basically you have to deny the zoning because the zoning isn't consistent with the comprehensive plan. He stated they are suggesting to address the question of the Environmental Impact Statement and then turn your attention to the comprehensive plan and then the other three, and then we can have more comment as that evolves.

Motion by Councilmember Piekarski Krech, second by Bartholomew to move the resolution making a negative declaration a need for an EIS for this project. Resolution 18-14

Ayes: 5

Nays: 0 Motion carried.

Mayor Tourville stated we are now back to taking a look at the comprehensive plan change from regional commercial to high density residential.

Attorney Kuntz stated the issue is the comprehensive plan needs four out of five votes. Typically, there would be a motion to approve, a second, and then a vote, and then if four votes are not achieved there is a statute that states that when a vote on a resolution or a motion to approve fails for any reason it constitutes a denial of the request provided that those voting against the motion state on the record the reasons why they oppose the request. He stated you typically don't make a motion to deny because if it were three votes against that motion then the motion would fail.

Attorney Kuntz stated he needed to bring to the Council's attention one more matter so you know the protocol. It states in the statute that if a multi-member governing body, which is you, denies a request it must state the reason for the denial on the record and provide the applicant, in writing, a statement of the reasons for the denial. If the written statement is not adopted at the same time as the denial it must be adopted at the next meeting following the denial of the request, but before expiration of the time allowed for making a decision under this section. That time is January 16th, 2018. That is the first 60 days but you have another opportunity to extend that by 60 days. He stated it appears by comment of the Council that there might be a motion to deny, which could pass. If that is correct, then we are going to go through a procedure where everyone who voted for that motion is going to be asked by himself (Mr. Kuntz), what your basis is for denial. We will record that as the reasons for denial and bring it back to you at the next meeting.

Mayor Tourville stated in the first 60 days the City Council has a right to extend the first 60 days.

Attorney Kuntz stated that after you have done that procedure you will go to the other rezoning, conditional use and plat, and make a motion to deny based on the fact that the Comprehensive Plan failed.

Mayor Tourville stated they can make a motion for, and then vote accordingly, or make a motion to deny the comprehensive plan change and vote accordingly.

Councilmember Hark questioned that if the resolution was to change the comprehensive plan, and if that doesn't pass, do we give our reasons then on the record, or is it just if it is a negative motion?

Attorney Kuntz responded that in both instances those voting to cause the denial will be required to give reasons for their denial.

Motion by Bartholomew, second by Perry for denial.

Ayes: 5

Nays: 0 Motion carried.

Attorney Kuntz stated there was a motion to deny and the motion passed by a 5-0 vote. It's been denied and now we have to go one by one and identify the reasons.

Councilmember Bartholomew stated he chose to deny because he wishes to preserve our B4 base in this area and see the new dynamics of the area play out and make sure that we preserve all of the opportunity for that retail area.

Attorney Kuntz asked Councilmember Bartholomew to identify some of the new dynamics that he alluded to?

Councilmember Bartholomew responded the new alignment of Argenta Trail, the increase in traffic with the upgrade to 70th Street, the commercial development related to the Vikings to the west in Eagan, and the connection of 494 to Argenta.

Attorney Kuntz recapped the reasons for denial were:

1. To preserve the current B4 zoning and land use.

2. To allow new dynamics to play out with the realignment of Argenta, changes at 70th Street, the Vikings development in Eagan, and the possible future connection of 494 to Argenta.
3. To preserve opportunities for commercial use.

Councilmember Hark stated he would like to use the exact same reasons that Councilmember Bartholomew listed.

Attorney Kuntz wanted to verify that he was stating the same items as Councilmember Bartholomew had listed.

Councilmember Hark responded that was correct.

Mayor Tourville stated he would add to the height of the building, the size in density, number of people, and just the zoning change at this time. He stated he also agrees with the comments made and agreed with Councilmembers Bartholomew and Hark.

Attorney Kuntz stated when you identify height of building, size, and density, are you saying that all those things, as you view it today are negative aspects?

Mayor Tourville responded that was correct. They are negatives.

Mayor Tourville agreed with the Councilmembers Bartholomew and Hark that we wait and take a look at the dynamics. He stated the interchange was just changed at 55 and Argenta, and we will probably have other home builders that will be coming in the next six months to add more rooftops to the northwest area.

Attorney Kuntz questioned Mayor Tourville about his reference to change. He asked if you were referencing the new dynamics to be played out that were pointed out by Councilmember Bartholomew? Councilmember Perry stated she agreed with the points made by Councilmembers Bartholomew, Hark, and Mayor Tourville, and also would like to add that we look for more affordable housing, instead of luxury apartments.

Attorney Kuntz wanted to clarify that Councilmember Perry is identifying the need for affordable housing instead of luxury apartments. He stated you also agreed with Councilmember Bartholomew's reasons, and Mayor Tourville's addition of height, size, and density, as negative aspects. He asked if those were also the same for you?

Councilmember Perry responded yes, agreeing with Councilmember Bartholomew's reasons as well as Mayor Tourville's additions.

Councilmember Piekarski Krech stated she didn't feel the comprehensive plan change is appropriate at this time. She felt we needed to give more time for the opportunity for some of the development to take place in the area. She stated we need to find out what is going to happen with the Vikings development and how that affects Inver Grove. She feels that an apartment building at this corner does not fit with Inver Grove. She also agreed with what everyone else on the Council said as well.

Attorney Kuntz wanted to verify that the reason for denial is that it is not appropriate at this time and you believe more opportunity should be given for development for retail development to occur. He questioned when you stated it was "not a good fit", do you feel it isn't a good fit for this location?

Councilmember Piekarski Krech responded when she said that it wasn't a good fit was because she believes people will just drive to Eagan down on Yankee Doodle instead of going to any Inver Grove Heights places. She also added that she does eat at the Sushi restaurant over there and Dr. McKeever has been here vet for over 30 years.

Attorney Kuntz stated if the thought was to locate house stops at a location to help retail, you don't think it would occur at this location because it would be more pass through? He asked if she also agreed with Councilmember Bartholomew's statement.

Councilmember Piekarski Krech responded yes to both questions.

Attorney Kuntz asked if she agreed with Mayor Tourville about the height, size, and density?

Councilmember Piekarski Krech responded not so much. She hasn't focused on height, size, and density.

Attorney Kuntz stated that the exercise that we have gone through then was that the five voting to deny have individually articulated their reasons for denial. He stated we have memorialized that in a resolution and will bring it back before you at the next meeting for adoption. The adoption is a statement by you as to what was said and that those were your reasons.

He stated now we needed to turn to three agenda items. The zoning, the platting, and the conditional use permit.

Mayor Tourville stated a motion needs to be made because of the comprehensive plan amendment failure to those three?

Attorney Kuntz responded that those three could be denied because they are not consistent with the current comprehensive plan that exists.

Motion by Councilmember Bartholomew, second by Perry to deny the zoning, plat, and CUP as applied, for the reason that they are not consistent with the Comprehensive Plan.

Mayor Tourville stated because of the first item and the comprehensive plan not passing, we don't need to memorialize this, we just need this as a fact that it's impertinent because the comprehensive plan didn't happen.

Attorney Kuntz agreed because you didn't change the comprehensive plan. He stated that under State Law the zoning has to be consistent with the comprehensive plan. You didn't change the comprehensive plan so residential zoning is not consistent.

Ayes: 5

Nays: 0 Motion carried.

Mayor Tourville stated hopefully they can figure out something together with the neighborhood, developer, and Target that we can make work for everyone with some kind of compromise

Attorney Kuntz stated we need to take one more action and make a motion to direct Tom Link and Allan Hunting of the Planning Department to send an extension of time under the 60-day rule, and suggest to extend it until February 16th, which would be a 30-day extension, with the reason being so we can complete the notification process of our actions.

Motion by Piekarski Krech, second by Hark to send an extension of time under the 60-day rule and extend it to February 16th, which would be a 30-day extension to complete the notification process of their actions.

Ayes: 5

Nays: 0 Motion carried.

B. CITY OF INVER GROVE HEIGHTS; Community Development Block Grant Application – Fiscal Year 2018 Resolution 18-15

Community Development Director Tom Link stated this is before the council for your consideration of an application for the 2018 Community Development Block Grant Funds. He stated this is a Federal program we make application for every year through the Dakota County Community Development Agency. The purpose of the program is to benefit low and moderate-income individuals as well as low and moderate-income neighborhoods. He stated last year the City Council increased the allocation of dollars for the housing rehabilitation program for up to 2/3 of the total amount. That program still has strong needs. He stated we have had 13 projects that were done this year, there are four pending, and there is still a waiting list of the eleven projects. He stated they have had close to 100 over the last ten years. Last year the remaining funds were split between the comprehensive plan update, which does not have low and moderate-income qualifications, and the American Disabilities Act, which makes changes to the Cities pedestrian system.

He stated it is staff’s recommendation that, of the total of \$138,000, \$90,000 be allocated to the Housing Rehabilitation Program, \$24,000 goes to the Comprehensive Plan update, and \$24,000 goes to the American Disabilities Act improvements.

Motion by Piekarski Krech, second by Perry to approve the Community Development Block Grant Application for Fiscal Year 2018 as presented. Resolution 18-15.

Ayes: 5
Nays: 0 Motion carried

II. ADMINISTRATION:

C. CITY OF INVER GROVE HEIGHTS: Consider Council Appointments for 2018:

i. Official Depositories

Finance Director Kristi Smith stated the first item on the agenda tonight is to approve the official Depositories for 2018. The list has remained the same the past couple of years and includes: Bremer Bank, Wells Fargo Bank, RBC Capital Markets, Wells Fargo Securities, Morgan Stanley Smith Barney, and Stifel Nicolaus.

Mayor Tourville stated that these banks are chosen because of their size and ability to handle the Cities banking needs.

K. Smith agreed and stated that our primary local banking provider is Bremer Bank.

Motion by Piekarski Krech, second by Hark to approve the Official Depositories for 2018.

Ayes: 5
Nays: 0 Motion carried.

ii. Acting Mayor

Mayor Tourville stated the item regarding Acting Mayor this designation means when the Mayor is not present Councilmember Rosemary Piekarski Krech fills in.

Motion by Bartholomew, second by Hark that we have Rosemary Piekarski Krech as acting Mayor for 2018.

Ayes: 5

Nays: 0 Motion carried.

iii. Council Delegates to Dakota County Communications Center Board

Mayor Tourville stated that alternative Director for Dakota County Center Board Directors are two-year terms and he is appointed as Chair for 2018. He stated it is their ten-year Anniversary this year and an invitation should be going out across Dakota County. It will be held on January 17th.

Motion by Bartholomew, second by Perry to appoint the Council Delegates to the Dakota County Communications Center Board.

Ayes: 5

Nays: 0 Motion carried.

iv. Representatives to North Dakota County Cable Communications Commission

Councilmember Piekarski Krech asked if our citizen still wanted to be reappointed to this?

Motion by Piekarski Krech, second by Perry to appoint the Representatives to the North Dakota County Cable Communications Commission.

Ayes: 5

Nays: 0 Motion carried.

v. Designate Deputy Weed Inspector Brian Swoboda

Mayor Tourville stated by direction Brian Swoboda is designated Deputy Weed Inspector.

D. CITY OF INVER GROVE HEIGHTS; First Reading of Ordinance Amending City Code Section 4-1-6(I) relating to the Distances between an Off-sale Intoxicating Liquor Facility and a School or Church

City Attorney Tim Kuntz stated this is the first reading of an ordinance that amends section 4-1-6 regarding the Code dealing with liquor establishments. He stated the amendment deals with the distance between an off-sale liquor establishment and a church or school. He stated the current ordinance provides for a 500-foot mandatory distance with the measurement being made parcel to parcel. He stated Hilltop Elementary School is about 12.21 acres. The Village Square Shopping Center is close to 10 acres. He stated when you look at a parcel map, there is a spot where they touch each other. He stated that the space is next to the Aldi building. Kuntz stated that he has received communication from a possible tenant who wants to put an off-sale establishment in that Aldi lease space. He stated if you measure parcel to parcel, there isn't 500 feet. If you measure from the nearest line of the school property to the potential lease space, about half the lease space is less than 500, and half is more. The front door is more than 500 feet. The parking area has some that is more than 500 feet, but the handicapped area is less than 500 feet. . He stated he is asking the City Council to see if they would like to amend the

ordinance for instances when you have a strip center with multiple openings and multiple parking in a large area. . He stated that if you have any questions about the specific locations, our City Clerk has a map that shows it. He stated the question being asked is if you want to proceed down that path to see if a change is being made or not.

Councilmember Piekarski Krech asked what about the location of Drkulas?

City Clerk Michelle Tesser responded that Drkulas is an on-sale liquor license premise. This request is for an off-sale liquor license.

Mayor Tourville asked about the fact that they had a temporary off-sale liquor license for that location at one time. He asked if the ordinance was changed.

Attorney Kuntz responded Cameron's Liquor had a temporary liquor license.. The Council believed that there were unique circumstances attached.

City Clerk Tesser displayed a map of the location for the Council.

Attorney Kuntz stated they are presuming they are going to lease all the way from the front door to a spot west by the taco location.

Mayor Tourville stated the question tonight isn't to make a decision on the liquor license but to see if we are interested in taking a look at amending the ordinance. The council agreed to further examine the ordinance change.

Motion by Piekarski Krech, second by Perry to approve the first reading of ordinance amending City Code Section 4-1-6(I) relating to the distances between an off-sale intoxicating liquor facility and a school or church.

Ayes: 5

Nays: 0 Motion carried.

Mayor Tourville stated they should include the existing Dollar Store and the other parcel in the map so we don't have to come back again.

Attorney Kuntz stated under the Ordinance they measure from the front door of any liquor establishment when it is in a multi-building setting such as this.

8. MAYOR & COUNCIL COMMENTS:

City Administrator Joe Lynch stated based on the last discussion regarding the Fire Station and meetings, he has a conflict with the January 17th meeting date that was set. He asked that it be moved to January 18th at 6:00p.m. He stated the date works for Fire Chief Thill and Five Bugles Design Firm. Additionally, February 20th is also a conflict for him, but that the 21st or the 22nd could work as well.

He stated the Mayor is gone on the 26th, but that would be the preferred date to complete a final design and move forward with bids. He wasn't sure if there is an opportunity to get together for a special meeting on the 5th at 5:00p.m which is before the work session.

Mayor Tourville didn't think pushing the date out one or two weeks would matter.

Councilmember Piekarski Krech stated she wasn't sure with the timeline they have set up. She stated they have already pushed them back, she would hate to push them back more.

Mayor Tourville responded we should have all five when we look at sending it off.

Fire Chief Thill stated with all due respect she would love to have the Mayor there, but they are already a month behind. Mayor Tourville asked why they were a month behind?

Chief Thill stated it was because of contract negotiations, or the contract getting signed. She stated that they are behind the February date they were trying to hit with Five Bugles but that now we are pushing it out until April.

Mayor Tourville stated he didn't think seven or eight days was going to make a difference with this contract.

Chief Thill stated now we are putting it out for April instead of March.

Mayor Tourville stated he didn't think it will make that much of a difference. The importance is that it takes away the perception that all five of us have the chance to vote on it. Councilmember Bartholomew asked if they can do it on January 21st or 22nd?

Chief Thill responded that Five Bugles would not be done by then. They have a certain amount of time that they need to put the documents and final design together.

Mayor Tourville stated he doesn't think going to the 5th as having this as part of the work session?

City Administrator Lynch stated it is his recommendation to have a special meeting at 5:00p.m. for the sole purpose of reviewing the final plans and voting on that and then after have the work session. There needs to be a separation of the two actions.

Councilmember Piekarski Krech stated she didn't want to push this out any further.

Mayor Tourville stated we are looking at January 18th. He also felt it was important for Joe Lynch to be in attendance as well.

Motion by Bartholomew, second by Hark to agree to hold the information meeting on January 18th at 6:00 p.m. in the training room.

Ayes: 5

Nays: 0 Motion carried.

Lynch stated they can wait on the other date until they get confirmation from Five Bugles on the 21st or 22nd, or some alternative date. They can bring that before you at the January 22nd meeting date.

Mayor Tourville asked that we tentatively set the special meeting date be held on April 2nd at 5:00 p.m.

Motion by Piekarski Krech, second by Perry to have the meeting on the final design on April 2nd at 5:00 p.m. in Council Chambers.

Ayes: 5

Nays: 0 Motion carried.

Motion by Piekarski Krech, second by Perry that they go into special session.

City Attorney Kuntz stated that the Council needed to identify why they are making a motion to go into Special Session, as there is a Minnesota Statute, 13D.05 subdivision 3(c)2 & 3, which allows the City Council to go into a closed door executive session with the purposes of either:

1. Looking at non-public protected appraisal data
2. Formulating offers and counter offers with respect to the purchase of interest in property.

He stated tonight the Council is using that statute to go into Executive Session and we are asking the Council to do so under the statute that identifies the purpose of discussing acquisition of a drainage utility and ponding easement from Douglas and Gretchen Schaaf for property located at 7376 Courthouse Boulevard.

Motion by Piekarski Krech, second by Perry to approve the statute for going into an Executive Session.

Ayes: 5

Nays: 0 Motion carried.

10. ADJOURN: The meeting was adjourned at 9:59 p.m.

9. EXECUTIVE SESSION:

**Discuss Permanent Easement Acquisition for a Regional Stormwater Basin on the Schaaf Property
7376 Courthouse Boulevard (20-00700-28-012)**