

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, DECEMBER 14, 2015 - 8150 BARBARA AVENUE**

1. CALL TO ORDER and 2. ROLL CALL

The City Council of Inver Grove Heights met in regular session on Monday, December 14, 2015, in the City Council Chambers. Mayor Tourville called the meeting to order at 7:00 p.m. Present were Council members Bartholomew, Hark, Mueller 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, Police Chief Stanger and Fire Chief Thill.

3. PRESENTATIONS: None.

4. CONSENT AGENDA:

- A. Minutes of November 2, 2015 City Council Work Session Minutes
- B. Resolution Approving Disbursements for Period Ending December 8, 2015
- C. Approve the 2016 City Council Meeting Schedule
- D. Approve the 2016 Meeting Schedule of Advisory Commissions
- E. Approve the 2016 Fee Schedule Amendments
- F. Consider Approval of Guaranteed Energy Savings Agreement
- G. Consider Approval of Agreement with the Minnesota State Armory Buildings Commission
- H. Consider Approval of Contract with Stantec for Development of Plans and Specifications for the VMCC Roofing Project
- I. Approve 2016-2020 Capital Improvement Plan
- J. Consider Lawful Gambling Premise Permit for South St. Paul Lions at the Premise Business Location of Moose Lodge, 5927 Concord Blvd.
- K. Consider Final Compensating Change Order No. 9, Final Pay Voucher No. 9, Engineer's Final Report, and Resolution Accepting Work for City Project No. 2014-09D – College Trail Street Reconstruction and Barbara Avenue Partial Street Reconstruction and 2014-06 Blaine Avenue Retaining Wall Replacement Improvements.
- L. Consider Change Order No. 4 and Pay Voucher No. 6 for City Project No. 2015-09E – 47th Street Area Reconstruction and City Project No. 2015-14 47th Street Area Water and Sewer Improvements and Rehabilitation
- M. County State Aid Highway System Adjustments
- N. Consider Resolution Accepting IPO No. 28 from Kimley-Horn and Associates and Authorizing Preparation of a Feasibility Study for City Project No. 2016-13 – Cahill Trunk Drainage Improvements and Resolution Accepting IPO No. 27 from Kimley-Horn and Associates for Feasibility Study Services for City Project No. 2016-09F – Carleda Way Area Reconstruction and City Project No. 2016-11 – Carleda Way Area Utility Improvements
- O. Personnel Actions

Motion by Bartholomew, second by Hark, to approve the Consent Agenda 4.A- 4.O

Ayes: 5

Nays: 0 Motion carried.

5. PUBLIC COMMENT:

Avery Hildebrand, 5324 Fremont Ave, Minneapolis, MN on behalf of Conservation Minnesota shared his results on an energy survey that Conservation Minnesota conducted throughout the Dakota County Electric territory. The survey was not scientific but provided a good framework on the mindset of residents on renewable energy. 50,000 surveys were completed, 80% of the surveys received were supportive of the renewable energy and to take additional resources in the future to maintain renewable energy. Mr. Hildebrand further went through the survey questions and the results.

Bob Pollock, 7930 Charles Way, Inver Grove Heights, MN 55076 stated his support in Conservation Minnesota and further that the City Council look at city ordinances to see how they can further support residents in renewable energy such as: solar cells.

6. PUBLIC HEARINGS:

I. FINANCE

A. CITY OF INVER GROVE HEIGHTS; Consider Third and Final Reading of an Ordinance 1306 Amending City Code Title 3, Chapter 4, Sections 3-4-2-2 and 3-4-2-3 and 10-3-8 Adjusting Development Fees for 2016.

Ms. Smith summarized the ordinance amendment to the City Code. Ms. Smith stated that this is the third reading of the ordinance. The second reading presented had no additional changes. Staff asked for approval of the ordinance to adjust the development fees for 2016.

Motion by Mueller, second by Bartholomew, to approve the third and final reading of the ordinance.

Ayes: 5

Nays: 0 Motion carried.

II. ADMINISTRATION

B. CITY OF INVER GROVE HEIGHTS; Consider Approval of the 2016 Pawnbroker Renewal Application

The Public Hearing was continued from the November 23, 2015 Council meeting.

City Clerk, Ms. Tesser summarized the memo provided to the Council. She stated that the public hearing is required for the issuance of a pawnbroker's license. The notice was published in the paper. The surrounding residential and businesses within 350 feet of Pawn America were notified of the public hearing. The applicant provided necessary license and background investigation was approved by the Police Department. Ms. Tesser stated that this item was tabled on November 23rd however Chief Stanger discussed on that day the penalties that were issued to Pawn America.

Motion by Piekarski Krech, second by Hark, to close the public hearing.

Ayes: 5

Nays: 0 Motion carried.

Motion by Piekarski Krech, second by Mueller, to approve the 2016 Pawnbroker Renewal Application.

Ayes: 5

Nays: 0 Motion carried.

C. CITY OF INVER GROVE HEIGHTS; Consider Approval of the 2016 Liquor License Renewal Applications

The Public Hearing was continued from the November 23, 2015 Council meeting.

City Clerk, Ms. Tesser presented the public hearing and recapped the memo provided to the Council. She stated that staff would like to amend the notice provided and remove the 3.2 Malt Liquor license from Inver Wood Golf Course. City Attorney Kuntz stated that the 3.2 Malt Liquor license for Sundays is unnecessary because the golf course now has an intoxicating liquor license per MN Statute 340A.403. She further stated that this item was tabled at the November 23rd meeting. However, Chief Stanger discussed the violations from July 2015 with the Council. All the license holder's backgrounds were completed by the Police Department, there were no findings reported that would warrant a recommendation of denial. Ms. Tesser stated all the insurance certificates, fees and alcohol server training information were provided.

Mayor Tourville asked about the earlier year license approval for Inver Wood Golf Course.

City Administrator Lynch stated that the golf course received special legislation for an intoxicating liquor license because the city didn't meet the necessary state statute definitions. The thought was to come back later with a Sunday on-sale intoxicating liquor license to be approved. Mr. Lynch stated that the state statute allows the city to have a Sunday 3.2 malt liquor license. Further, he stated if staff chooses they may come back to the City Council for a Sunday on-sale intoxicating liquor license request for the golf course.

Mayor Tourville asked if license for the intoxicating liquor for Inver Wood Golf Course is being requested today. City Attorney Kuntz stated yes, the approval is for an on-sale intoxicating liquor license. Mr. Lynch stated that state statute allows the city to be granted a 3.2 malt liquor license and does not need to be an additional license approved by the council.

Councilmember Piekarski Krech asked if the King of Diamonds has an on-sale intoxicating license for Sunday. Ms. Tesser stated that the King of Diamonds is closed on Sundays.

Motion by Piekarski Krech, second by Bartholomew to close the public hearing.

Ayes: 5

Nays: 0 Motion carried.

Motion by Piekarski Krech, second by Mueller, to approve the 2016 Liquor License Renewals.

Ayes: 5

Nays: 0 Motion carried.

7. REGULAR AGENDA:

I. FINANCE:

A. CITY OF INVER GROVE HEIGHTS; Consider Approval of Final 2016 Tax Levies and Final 2016 Budgets. Resolutions 15-196, 15-197 and 15-198.

Ms. Smith presented the item. She went over the items provided to the council in the packet including the PowerPoint presentation and the 2016 Proposed Budgets and 2016 Proposed Property Taxes. Preliminary budgets were approved on September 28, 2015. She stated that the levy and budget has to be approved and certified to the County on or before December 28, 2015. The County mailed property tax notices to residents on November 10, 2015.

Ms. Smith presented Power Point slides on the budget and went through each slide. Ms. Smith stated that the public must be allowed to speak during this item.

Mayor Tourville pointed out that the biggest increase is the difference in the residential compared to the business in the market value. In real estate, the market values went up in the residential. He stated the city doesn't set the market value.

Councilmember Piekarski Krech asked Ms. Smith for clarification on the changes that the council had requested at the work session last Monday. Ms. Smith stated in the affirmative. She remarked, that the changes requested last Monday has modified the start date of the Fire Department Duty Crew and Building Inspections but removes the Administration position(s).

Mayor Tourville explained to the audience that there has been a lot of thought that has gone into the budget. The council asked for an additional savings of \$100,000 which staff came up with. He further stated that the budget process prompted a lot of discussion and ideas which was good.

Councilmember Bartholomew complimented city staff on reducing the levy and commented that it is difficult to do when looking at department needs. He thanks staff, Ms. Smith and Mr. Lynch for their cooperation.

Mayor Tourville stated that the budget will be posted on the website. He stated a lot of hard work was put in on the budget process.

Councilmember Mueller complimented Ms. Smith on her good work.

Ms. Smith stated that there was no closure of the said item because this is not a public hearing.

Motion by Bartholomew, second by Mueller, to approve the Final 2016 Tax Levies and Final 2016 Budgets.

Ayes: 5

Nays: 0 Motion carried.

II. COMMUNITY DEVELOPMENT:

B. CITY OF INVER GROVE HEIGHTS; Consider Third and Final Reading of the On-Street Parking Regulations Ordinance No. 1307.

Mr. Link presented the item. He stated the City Council approved the second reading at the November 9, 2015 meeting. No changes were asked by the Council at that time. Mr. Link stated that the city has received frequent complaints about commercial vehicles, boats, trailers, and recreation vehicles being stored on public streets for extended periods of time. In some instances, these may be stored on the city street for an entire season. Residents are concerned about the junky appearance and negative effect in the neighborhood and property values. And also are concerned with the safety impacts with obstructions to the public.

Mr. Link stated the ordinance does three things:

1. In residential zoning districts it prohibits commercial motor vehicles except for school buses and tow trucks, semi-trailers, trailers, watercraft from being parked on city streets, except for the purpose of loading and unloading.
2. In all zoning districts, prohibit vehicles, semi-trailers, trailers, watercraft, recreational truck trailers, recreation vehicles and motor homes from being parked on city streets for more than 20 continuous hours in one place.

3. In all zoning districts, require trailers, semi-trailers, watercraft recreation vehicles, recreation truck trailers, and recreational vehicles combinations that are parked on city streets to be hitched to a motor vehicle.

Mr. Link stated that the staff recommends approval of the third and final reading.

Councilmember Mueller asked if the ordinance amendment will go into effect on April 1st. Mr. Link concurred. Mr. Link stated that in the meantime, we have the winter parking ban on city streets. Councilmember Mueller asks when the notices will be given to the public. Mr. Link stated after before the April 1st effective date. Councilmember Mueller asked about enforcement procedures. Mr. Link stated that the Police Department would be the people to ask about enforcement.

Mayor Tourville stated he would like the steps to be: advertising in the City's newsletter Insights. Secondly, the enforcement should not be complaint driven if there's an ordinance in place. Mayor Tourville stated if vehicles have been illegally parked for four weeks we shouldn't have to wait for a complaint. If officers see the illegally parked vehicle the officer should be able to ticket the vehicle. Police Chief Stanger stated that upon observation from a police officer a ticket will be issued. If a complaint is received the police officer would have to observe the vehicle to make sure the vehicle has been parked for over 20 hours.

Motion by Bartholomew, second by Piekarski Krech, to approve the third and final reading of the on-street ordinance.

Ayes: 5

Nays: 0 Motion carried.

C. CITY OF INVER GROVE HEIGHTS; Consider the First Reading of an Ordinance Amendment to the regulations of parking of vehicles and recreational vehicles in the front yard by removing one of the temporary exceptions.

Mr. Link introduced the first reading of an ordinance amendment to the regulation of parking of vehicles and recreational vehicles in the front yard. The City Council saw this several meetings ago and directed staff to follow-up on this issue. In November of 2014, the City Council approved an ordinance that regulates parking of vehicles in the front yard of houses. There was an exception to the ordinance that the ordinance doesn't apply to temporary parking, meaning parking up to 7 days at a time. Staff found that difficult to administer and enforce. Staff has to document that the vehicles hasn't moved for seven days which is essentially impossible to do. A couple of months ago Council directed staff to hold a public hearing on this matter to consider an amendment to remove that seven day exemption.

The Planning Commission held a hearing on December 1, 2015. The Planning Commission recommended removing the seven day exception clause and staff also is recommending the removal of said exception.

Councilmember Hark stated that it's not effective during the winter months. Councilmember Mueller asked if three notices will be required by the Police Department. Mr. Link responded in the affirmative, he stated it's not effective in the winter months. Further, he stated the Community Development is the enforcer and when a resident is in compliant most of the time the resident is not aware of the regulations. The typical process is to send a second or a third and final notice instead of seeking punitive action. Mr. Link stated 90-95% of the time staff doesn't have to seek punitive action and that most comply with the first or the second notice. Councilmember Mueller asked for the number of citations. Mr. Link stated about 250-300 complaints per year are recieved with 5% of them requiring citations.

The City Council discussed the amount of readings necessary for ordinance approval. The Council stated they didn't intend for the ordinance to be passed as it was in the first place. Councilmember Piekarski Krech stated she wanted the process for approval to go quicker. Councilmember Piekarski Krech asked if the ordinance could be accepted with one reading. Mayor Tourville discussed why having three readings was important because of transparency to public.

Motion by Bartholomew, second by Hark, to approve the first reading of the ordinance.

Ayes: 5

Nays: 0 Motion carried.

D. MIHM CUSTOM HOMES; Consider a Resolution 15-199 relating to a Comprehensive Plan Amendment to change the land use designation from MDR, Medium Density Residential to LDR, Low Density Residential for property located on the west side of Hwy 3, between future 65th and 67th Streets.

Mr. Hunting presented the item. He indicated that the request is a Comprehensive Plan Amendment to change the land use designation from MDR, Medium Density Residential to LDR, Low Density Residential. Mr. Hunting identified the location on the map provided for Council reference. The property located on the west side of Highway 3 between future 65th and 67th Streets. Mr. Hunting noted that the Blackstone Ridge density adjacent to said property was also changed to LDR. He said they are looking at continuing the low density designation throughout as the applicant moves eastward.

Mr. Hunting stated that staff felt that the important issues are:

1. Housing and Diversity
2. Financing

With the Housing and diversity a part of the Northwest Area and Comprehensive Plan policy was to provide a mixture of housing types and life cycle types. Historically he said, it's a 50/50 mix, throughout the years to the different types of single family, multi-use, townhomes, manufactured homes and the like. Mr. Hunting stated that the majority of the residential designation has been single family. He commented that there has been preliminary approval of townhomes but staff won't know when those will get going. Mr. Hunting stated the trend is single family housing.

Mr. Hunting stated that the point is financing and density. Every request we have had is reducing density. The issues are the financing for the trunk utilities for example the proposal is 40 units but the financial assumption was 99 units. Rough numbers on the fees suggest \$350,000 shortfall and doesn't meet expectation. Mr. Hunting asked for a policy decision on what they would like to do in the future, do we keep with the single-family housing designation or require greater density. He then asked the council on how they would like to deal with the financial impacts. He suggested doing a similar process as in 2014, by reducing the said density for the developers and having them pay the development fees based on the original financial assumptions. He discussed that the resolution before the council is to accept the density change but the council also has the option to deny the request.

The Planning Commission recommended approval of the LDR designation along with the developer to pay development fees based on the original financial assumptions that the approval be conditioned upon the new destination but not going into effect until that final plat has been approved for the property.

Councilmember Piekarski Krech asked about the likelihood of the project going through. Mr. Hunting stated that the designation will not go through until the PUD plan is approved by the Council.

Councilmember Mueller asked if staff has gone through the water runoff and ponding requirements with the applicant. Mr. Hunting stated in the affirmative, numerous preliminary meetings were had with the

applicant regarding the open space requirements, storm water and ponding requirements. There plan reflects some of those discussions.

Councilmember Hark asked about land designation in 2014 for the PUD was approved, are there any parcels that have had this designation assigned to the it. Mr. Hunting stated yes, Blackstone Ridge, Blackstone Vista. Ponds does not have the designation but Rolling Heights was approved for the designation but the developer withdrew that project.

Councilmember Bartholomew asked about the 99 lots analysis. Could we get 99 lots in the piece of property?

Mr. Hunting stated that the net available area did indicate through the unit count analysis that on average 99 was the count. He further explained that it's a formula that requires plugging in the numbers. It does changed throughout the years. Councilmember Bartholomew asked about the engineering firms analysis on this project of the low grade and open space requirement. He asked Mr. Hunting if the estimate is feasible. Mr. Hunting stated they are working with the assumptions and with the Comprehensive plan, staff felt the numbers could be accommodated. Mr. Hunting stated that some questions they are getting from developers is the terrain and it may be tricky for the number of units assumed so we are looking at them to see if the assumed units are realistic.

Mayor Tourville asked if this project will have a developer's agreement. Mr. Hunting stated in the affirmative once a PUD is seen. Mayor Tourville stated that we will have an opportunity to look at this more closely. Mr. Hunting concurred, we are not asking for the Council to make a determination on a lot count today. You're recognizing a single family housing designation that is lower housing count. Councilmember Piekarski Krech stated the fees will go with the higher density.

Tom Mihm, 842 Ivy Lane, Eagan, MN the developer of the project stated that they have owned the property for sixteen years. He stated that the terrain and rolling hills makes it difficult to have quads. He stated no one has interest right now in high density. Councilmember Piekarski Krech asked if he understands the previous conversation regarding paying the development fees based on the financial assumptions. Mr. Mihm stated yes, he understands but it will be challenging because they are taking about \$345-\$400,000. Further he stated, if that is what it takes to get it changed then he understands that he will be burdened with that cost.

Mayor Tourville stated the importance of the developers agreement to be agreed upon by both parties.

Housing Committee Chair, Mary T'Kach, 7848 Babcock Trail discussed the impact of the potential down zoning and seals that fate of the Northwest Area. She stated it will have an impact on the diversity of housing but the ability of people from all ages to stay within the community. She stated the Housing Committee doesn't support the designation change. At the very minimum we think you need to cover the upfront financials. She stated staff hasn't completed a long-term financial analysis of the affects of comparing taxable tax capacity of single family vs. multi-family properties. From a housing perspective the Council is going against the Comprehensive Plan and the Housing Policy. Ms. T'Kach asked that the Council look at a long-term vision to make sure they are going in the right direction and follow the Comprehensive Plan in front of them.

Councilmember Pierkarksi Krech, stated the Comp Plan is a changing document. It evolves; we are changing it again in 2018. She compared the Comp Plan to the Capital Improvement Plan. Councilmember Piekarski Krech said she values the Housing Committee but the focus should be in redevelopment.

Chair Ms. T'Kach stated that she respects her view on the Comp Plan however, the challenges we are facing is the changing of the lower density creates less transportation and less retail opportunity. The

housing selection is also deteriorating such as inclusionary housing and affordable housing. She stated that the pattern is starting.

Mayor Tourville stated that higher density and affordable housing are not the same definition. Chair Ms. T’Kach agreed. Mayor Tourville stated that our current existing housing stock does provide the necessary diverse housing that is required. Mayor Tourville stated he believes the higher density will happen in the NW Area. He further discussed his concerns of the housing market. Chair T’Kach emphasized the importance of senior housing stock. New developed houses for seniors are of importance. Mayor Tourville disagreed that there is housing stock available.

Councilmember Hark provided his input that there will be multi-family projects and that the Council has seen them proposed. Chair T’Kach expressed her disbelief in those project coming to fruition. Councilmember Hark stated that the Council cannot require developers to build what the Council thinks is needed. He expressed the difficulty in making these decisions. He stated that higher density has been approved in the NW Area. Councilmember Bartholomew stated we have enough space in the NWA for the higher density to arrive. Councilmember Mueller again stressed to the developer to make sure he understands the run off requirements.

City Attorney, Tim Kuntz stated there should be in addition to “Now Therefore, that the Comprehensive Plan Amendment to change the Medium Density Residential to LDR.NWAPUD, Low Density Residential Northwest Area PUD is approved.

The 4th Whereas would be added to state “And that the Plan shall not be effective until all approvals including a rezoning or development contract and PUD designation have been granted by the Met Council and the City.”

Motion by Tourville, second by Piekarski Krech, to approve the designation to Lower Density Residential with said changes in the resolution.

Ayes: 5

Nays: 0 Motion carried.

III. PUBLIC WORKS:

E. CITY OF INVER GROVE HEIGHTS; Resolutions Establishing Utility Rates for 2016

Mr. Thureen stated that there is three separate resolutions establishing water, sanitary sewer and storm water rates for 2016. This follows that recommendation presented in the 2012 rate study update prepared by Ehlers and Associates which is 2% for water rates and 3.5% for the increase in sanitary sewer rates. The proposed rate increase from sanitary sewer for property inside the Northwest Area includes an additional \$2.00 per 1000 gallon surcharge. Mr. Thureen stated that the storm sewer rates will remain the same.

The council discussed the potential increases according to the Ehlers recommendation in the future. Mr. Thureen stated that compared to rates in other cities we are in the middle of the pack.

Motion by Piekarski Krech, second by Bartholomew, to approve the increase in the rates.

Ayes: 5

Nays: 0 Motion carried.

F. CITY OF INVER GROVE HEIGHTS; Consider Resolution Receiving Feasibility Report, Scheduling a Public Hearing, Authorizing Preparation of Plans and Specifications, Authorizing Land Acquisition Services, and Resolution Accepting IPO No. 26A from Kimley-Horn & Associates for Design Services for the 2016 Pavement Management Program, City Project No. 2016-09D – 60th Street Area Reconstruction and for the 2016 Improvement Program, City Project No. 2016-10 – 60th Street Area Utility Improvements

Public Works Director, Mr. Thureen stated typically this is on consent but because of the lengthy project discussions we put this on the regular agenda portion. Mr. Dodge will present the item and then we will go to the neighborhood again to discuss the project. And then a public hearing will occur in which the council will see this again in a lot more detail.

Assistant City Engineer, Mr. Dodge presented on the item. The projects include Asher Avenue, Asher Court and 60th Street, 59th Court and 63rd Court. These are standard street and water quality improvements. He also specifically outlined all of the project proposed and their uniqueness. He discussed the feasibility report on streets storm water improvements and water quality. Mr. Dodge discussed the estimated cost of the projects and assessments. He stated that Asher Avenue and Asher Court will require easements. The feedback from the residents was provided to the council and comments were taken in to account.

Councilmember Bartholomew asked about the cul-de-sac meeting with the school district. Mr. Dodge stated that they are receptive to the idea of constructing a cul-de-sac upon further conversation.

Mayor Tourville stated that they are not approving the projects today, because there will be public hearings with the public. Mr. Dodge concurred and discussed the ample opportunities residents have to be a part of the public process.

City Attorney Mr. Kuntz, reminded council and staff about the meeting notifications to the public. Mr. Dodge stated they will follow the standard protocol of the meeting notifications. The mailings to the public will go out after Christmas and will be within the time requirement.

Motion by Bartholomew, second by Hark, to approve said projects.

Ayes: 5

Nays: 0 Motion carried.

8. MAYOR & COUNCIL COMMENTS

City Hall will be closed at noon on December 24th and on December 25th and January 1st for the Holidays.

Mayor Tourville discussed the tree lighting ceremony and the anniversary luncheon.

9. EXECUTIVE SESSION:

Executive Session Pursuant to Minn. Stat. § 13D.05, Subd. 3

A discussion of City Acquisitions of properties took place. No decisions were made to prompt a written summarization of the discussion.

10. ADJOURN: Motion by Piekarski Krech, second by Mueller to go into the Executive Session. The meeting was adjourned by a unanimous vote at 9:34p.m.