

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, NOVEMBER 26, 2012 - 8150 BARBARA AVENUE**

CALL TO ORDER/ROLL CALL The City Council of Inver Grove Heights met in regular session on Monday, November 26, 2012, in the City Council Chambers. Mayor Tourville called the meeting to order at 7:00 p.m. Present were Council members Grannis, Klein, Madden and Piekarski Krech; City Administrator Lynch, Assistant City Administrator Teppen, City Attorney Kuntz, Parks & Recreation Director Carlson, Community Development Director Link, Public Works Director Thureen, Finance Director Smith, Police Chief Stanger, Fire Chief Thill and Deputy Clerk Kennedy

3. PRESENTATIONS:

A. Future of our Parks – Parks and Recreation System Plan

Mr. Carlson provided Council with an update regarding the project to update the Parks and Recreation System Plan. He stated an open house was held on October 16th at the VMCC to provide residents with an opportunity to learn more about the process and provide input on the future of the parks system. Approximately 20 residents attended and the materials presented were made available for review on the City's website. He explained the City also asked interested residents to take part in an on-line survey regarding the parks system and approximately 470 people participated. He noted roughly 67 written comments were also received via display boards that were posted at City Hall and the VMCC.

Mr. Carlson explained the information collected would be used to develop a draft needs assessment. A planning/visioning session would be scheduled with the Parks and Recreation Advisory Commission in December or January, and the City Council would be provided with another update at their January 28th work session. He announced the next open house would be held on March 21, 2013 at the VMCC to gather input on the draft plan.

4. CONSENT AGENDA:

Councilmember Klein removed Item 4A(ii) from the Consent Agenda.

- A. i) Minutes – October 22, 2012 Regular Council Meeting
iii) Minutes – November 13, 2012 Regular Council Meeting
- B. **Resolution No. 12-190** Approving Disbursements for Period Ending November 20, 2012
- C. Pay Voucher No. 6 for City Project No. 2012-09D, Urban Street Reconstruction – 65th Street Neighborhood and Cahill Court
- D. Approve Custom Grading Agreement and Agreement to Remove Existing Home for 10704 Akron Ave.
- E. **Resolution No. 12-191** Approving a Grading and Stockpile Agreement and Addendum No. 1 to Agreement Relating to the Expansion of Regional Storm Water Basin SP-15 with IGH Investments, LLC
- F. Accept Donation from H.W. Michie to Inver Grove Heights Fire Department
- G. Approve **Resolution No. 12-192** Providing for the Sale of Unclaimed Property to a Local Non-Profit Organization
- H. Approve 2013 Proposed Convention & Visitors Bureau Budget
- I. Schedule Public Hearing – Salem Liquor
- J. Schedule Public Hearing – Pawn America
- K. Personnel Actions

Motion by Madden, second by Klein, to approve the Consent Agenda

Ayes: 5

Nays: 0 Motion carried.

A. ii) Minutes – November 9, 2012 Special Council Meeting

Councilmember Piekarski Krech stated she did not attend the special meeting on November 9th to canvass the vote.

Motion by Klein, second by Grannis, to approve the minutes of the November 9, 2012 Special Council Meeting

Ayes: 3 (Grannis Klein, Tourville)

Nays: 0

Abstain: 2 (Madden, Piekarski Krech) Motion carried.

5. PUBLIC COMMENT:

Cindy Nelson, Field Rep with AFSCME Council #5, stated she was assigned to the AFSCME employees working for the City. She addressed the proposed layoffs included in the 2013 budget and expressed concern that her organization had not been approached by the City directly to determine if there was anything that could be done to avoid the situation. She stated she was surprised that the City went directly to their members rather than calling her office to set up a dialogue to discuss possible alternatives. She opined that the members of the Council were allowed to have conversations with their members about their individual situations, but the Council could not negotiate individual contracts. She expressed hope that something could be worked out through conversation between the parties before the next Council meeting.

Mayor Tourville asked Ms. Nelson if she had contacted the City to discuss the situation.

Ms. Nelson stated she sent an email several weeks ago expressing her disappointment with the situation and requesting an opportunity to meet and speak with the City about alternatives.

Annette LaValley, Community Service Officer, requested that the Council consider her personal situation with respect to their decisions regarding the proposed 2013 budgets. She asked for a review of how a cost savings would be achieved through the reduction of her hours. She opined that new police officers would be hired and paid at a higher compensation to fulfill similar duties. She commented she has worked hard for the City over the past 26 years and asked that the City's budgets be managed in a fair and ethical manner with respect to personnel decisions.

6. PUBLIC HEARINGS: None.

7. REGULAR AGENDA:**COMMUNITY DEVELOPMENT:**

A. TRU SEAL AMERICA, LLC; Consider a Resolution relating to a Conditional Use Permit Amendment to Amend the Existing Site Plan to Allow for a 1,680 Square Foot for property located at 11278 Rich Valley Boulevard

Mr. Link stated the property was zoned I-1. He explained the applicant would like to amend the existing conditional use permit on the property to provide for a contractor's yard and outdoor storage. The amendment would also allow for a 1,680 square foot structure and site plan modifications. In 2011 the owner made several improvements to the property and is now attempting to sell to another party who would like to operate an asphalt/concrete company. The property would be utilized in conformance with the existing CUP conditions. The proposed request met the conditional use permit criteria related to the Comprehensive Plan and zoning consistency, land use impacts, landscaping, aesthetics, environmental impacts, public health, and safety impacts. Access to the site would remain unchanged. Both Planning staff and the Planning Commission recommended approval of the request.

Motion by Klein, second by Madden, to adopt Resolution No. 12-193 approving a Conditional Use Permit Amendment to amend the Existing Site Plan to Allow for a 1,680 Square Foot for property located at 11278 Rich Valley Boulevard

Ayes: 5

Nays: 0 Motion carried.

B. TARGET CORPORATION; Consider the following resolutions for property located at 7841 Amana Trail:

- i) Resolution approving a Preliminary and Final Plat for Argenta Hills 6th Addition
- ii) Resolution approving an Amendment to the Argenta Hills PUD to Add One Additional Commercial Lot

Mr. Link explained the applicant requested an amendment to the Argenta Hills PUD to allow the creation of a new lot from the existing Target lot. The request also includes a preliminary and final plat for Argenta Hills 6th Addition. Target proposed to subdivide the northwest corner of their lot into a separate lot for future commercial development and would retain ownership of the lot until a development was proposed. No other changes to the PUD were proposed. Planning staff reviewed the request and found that the existing Target site had more parking than was required for a building of its size because the parking lot was never reduced in size in conjunction with the reduced building size. Currently there is an excess of approximately 285 parking spaces and it is thought that the area would be better utilized for possible future commercial expansion. The Target lot would still contain the required number of parking stalls per the provisions of the Northwest Area Ordinance. It was noted that the current assessment against the Target lot would have to be reallocated with this subdivision and a condition of approval existed whereby Target would have to file a waiver of assessment appeal for the existing assessment to be reallocated. Both Planning staff and the Planning Commission recommended approval of the request.

Mr. Kuntz directed the Council's attention to the resolution approving the final plat for Argenta Hills 6th Addition. He stated with respect to the waiver of assessments, there was a condition in the first paragraph which required the developer/owner to execute a recordable waiver agreement whereby the special assessments on Lot 1, Block 1, Argenta Hills would be allocated (after the split) to Lot 1, Block 1, Argenta Hills 6th Addition. He noted this was essentially the lot where the Target building was located. He explained upon reflection it also seemed prudent to reallocate any proposed assessment, such as for City Project No. 2009-01, against Lot 1, Block 1, Argenta Hills to Lot 1, Block 1, Argenta Hills 6th Addition. He proposed that the condition be rephrased to read, "the developer and owner shall execute recordable waiver agreements pursuant to Minnesota Statute whereby developer and owner waive any special assessment appeals relating to allocating the existing assessments against Lot 1, Block 1, Argenta Hills to Lot 1, Block 1, Argenta Hills 6th Addition and further waive any proposed special assessments for City Project No. 2009-01 against Lot 1, Block 1, Argenta Hills to Lot 1, Block 1, Argenta Hills 6th Addition". He explained the result would be that both assessments would end up against the lot where the building occurs. He noted the original assessment against the Target lot has gone through four (4) of the ten (10) installment payments and was being paid in accordance with the terms that were agreed upon.

Mayor Tourville confirmed that the Target representatives agreed with the proposed change.

John Dietrich, Target Corporation, clarified that the additional waiver agreement pertained to an assessment that was already defined for Lot 1, Block 1, Argenta Hills and it was not a new assessment.

Mr. Kuntz explained at the time of Argenta Hills there was a waiver of assessment with respect to the roundabout (City Project No. 2009-01) and to the extent that waiver covered Lot 1, Block 1, Argenta Hills, it would go with the Target building in the new configuration and not the pad.

Mr. Dietrich indicated his agreement with that condition.

Motion by Klein, second by Piekarski Krech, to adopt Resolution No. 12-194 approving a Preliminary and Final Plat for Argenta Hills 6th Addition and Resolution No. 12-195 approving an Amendment to the Argenta Hills PUD to Add One Additional Commercial Lot with the language as suggested by the City Attorney.

**Ayes: 4 (Klein, Madden, Piekarski Krech, Tourville)
Nays: 1 (Grannis) Motion carried.**

PUBLIC WORKS:

C. CITY OF INVER GROVE HEIGHTS; Resolution Accepting Bids and Awarding Contract for City Project No. 2006-08, Asher Water Tower

Mr. Thureen stated four (4) contractors bid on the project to replace Asher Water Tower. The project was bid with two (2) alternatives. Option #1 was an all steel tower and option #2 was for a composite tower comprised of a reinforced concrete tower with an all steel tank on top. He explained out of the four (4) bids that were received, two (2) contractors bid on option #1 and all four (4) contractors bid on the composite option. In both instances the low responsible bidder was CB&I, Inc. He noted they were also the same contractor who constructed the Arbor Pointe water tower. He stated the bid for option #2 was \$139,000 less than the bid for option #1. After reviewing the bids with the consultant and discussing the options available, staff recommended and preferred the all steel water tower (option #1). He explained the all steel option would offer more interior room and is designed to provide restroom facilities at some point in the future. It also provides the opportunity for the City to continue to lease the space to phone companies for the storage of cell phone use equipment. He noted each of the City's existing water towers were all-steel and choosing that option would promote continuity within the system. Staff also felt the all steel option was more aesthetically pleasing and would provide better opportunities to remove graffiti. He reiterated staff recommended accepting the bid and awarding the contract to CB&I, Inc. for option #1, the all steel tower, in the amount of \$2,187,000.

Motion by Klein, second by Madden, to adopt Resolution No. 12-196 Accepting Bids and Awarding Contract for City Project No. 2006-08, Asher Water Tower to CB&I, Inc. for Option #1 in the amount of \$2,187,000

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

ADMINISTRATION:

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

Ms. Teppen explained this was the third and final reading of the ordinance to amend the City Code to adjust the fees and charges associated with development activities. Water and sanitary sewer connection fees and fees associated with planning activities were set forth in the ordinance. The water and sewer connection fees were proposed to increase between 3.5% and 4.5% and the proposed fees were based financial projections supplied by Ehlers and Associates. It was noted that if the MCES SAC fees came in lower than anticipated for 2013 the City Council would consider amending the ordinance to reduce the fees. She stated no changes were proposed to the ordinance since Council approved the second reading.

Councilmember Madden questioned if the additional fees that were proposed were necessary to cover the costs incurred by the City.

Ms. Teppen responded in the affirmative.

Motion by Piekarski Krech, second by Madden, to adopt Ordinance No. 1260 Amending City Code Title 3, Chapter 4, Sections 3-4-2-2 and 3-4-2-3 and 10-3-8 Adjusting Development Fees

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

E. CITY OF INVER GROVE HEIGHTS; Consider Resolution Approving Certificate of Completion related to Second Disbursement Made Under Contract for Private Development between the City of Inver Grove Heights and IGH Investments, LLC

Mr. Kuntz stated Council is asked to consider a resolution which approves a final certificate of completion of various items required under the contract for private development between the City and IGH Investments, LLC. The City entered into the contract for private development to provide up to \$1,250,000 to assist the development in completion of certain items in the Argenta Hills development. As per the structure of the agreement, two disbursements were to be made to the developer. The first, in the amount of \$549,000 and the second in the amount of \$701,000. The terms of the first disbursement were met and the funds were disbursed into an escrow account where the money has remained awaiting the final completion. A request for the second disbursement has been made and if approved the result of the certificate of completion will be that the money currently held in escrow will be released to IGH Investments, LLC and the second disbursement will also be subsequently issued. The prerequisites for both the first and second disbursements were presented to the Council. The major and material elements were that the Target facility had to be completed and a certificate of occupancy had to be issued. The second major element was that the various site improvements identified in the contract had to be completed and a certificate of completion had to be issued by the City Engineer and the City Administrator. The third major element was that the three (3) additional commercial improvements (three (3) buildings on Main Street) had to be completed, at least in their shell form, to be ready for any necessary tenant improvements once they are leased. A certificate of completion was issued to that effect by the Chief Building Official. He explained with regard to the three (3) major elements of construction completion all requirements had been fulfilled and approval would trigger the release of the escrow funds and the second disbursement.

Mr. Kuntz noted on page 5 of the resolution under item 5, relating to the second disbursement, it was brought to his attention that there is still some reconciliation that needs to be completed with respect to the final number on the core connection fees for the three (3) additional commercial buildings. He explained at the time of building permit application the core connection fees were calculated for sewer and water, and the total came to \$22,380. The development contract at the time of the plat said if the estimated fees in the agreement were more than the actual fees, there would be an adjustment with respect to the Northwest fees being adjusted against the core fees. Upon review there appeared to be some credit and although the building department has begun the reconciliation process, it has not yet been completed. He explained in order to make sure that the reconciliation process occurs it is recommended that a provision be added to paragraph 5 of the resolution which states "subject to either payment on or before December 1, 2012 of \$22,380 for the core connection fees or a reduction of the \$701,000 by an amount up to \$22,380 for payment of sewer and water core connection fees for the additional commercial improvements if applicable credits for the other utility fees which were paid at the time of building permit do not exceed \$22,380, as determined and approved by the Chief Building Official and the City Administrator".

Greg Munson, IGH Investments, stated whichever option is easiest for staff would be amenable to him.

Mr. Kuntz stated as a point of record keeping and the ability to trace the money being exchanged, the City would prefer to have IGH Investments issue a check in the amount of \$22,380 and the City will subsequently issue the second disbursement.

Mr. Munson thanked Council for their support of the project and staff for all of their work.

Mr. Kuntz noted the terms of the agreement hereafter were set forth in the contract. He explained IGH Investments, LLC has issued a promissory note in the amount of \$1,250,000 which becomes payable in a pro rata amount if Target does not stay open for a period of five (5) years after substantial completion.

Motion by Klein, second by Madden, to adopt Resolution No. 12-197 approving Certificate of Completion related to Second Disbursement Made Under Contract for Private Development between the City of Inver Grove Heights and IGH Investments LLC with the addition of language to paragraph #5 of the resolution as suggested by the City Attorney.

Ayes: 4 (Klein, Madden, Piekarski Krech, Tourville)

Nays: 1 (Grannis) Motion carried.

8. MAYOR & COUNCIL COMMENTS:

Councilmember Klein advertised for Holiday on Main Street on December 15th at the VMCC.

9. ADJOURN: Motion by Grannis, second by Klein, to adjourn. The meeting was adjourned by a unanimous vote at 7:50 p.m.