

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, JUNE 14, 2021 - 6:00 P.M. - 8150 BARBARA AVENUE**

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, June 14, 2021, in person and via Zoom Video Conferencing (Hybrid Meeting). Mayor Bartholomew called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

Mayor Bartholomew stated tonight they are honoring the passing of Mike Wright who served with the City of Inver Grove Heights as an Engineer Technician until last year. He was a valued, respected, well liked member of the city team. He is missed and remembered every day. Our prayers and support are with Mike, Mike's loved ones, friends, family, and colleagues. There was a moment of silence for Mike Wright.

2. ROLL CALL:

Present In-Person: Mayor Bartholomew, Council Members: Piekarski Krech, Murphy, Gliva, and Dietrich; City Clerk Kiernan, Administration Specialist Wonick, Interim City Administrator/Community Development Director Rand, City Attorney McCauley Nason, Finance Director Hove, Associate Planner Botten, City Planner Hunting, Interim Public Works Director Eckles, and Environmental Specialist Sutherland.

Also Present: Brad Falteysek, Abdo Eick & Meyers.

3. PRESENTATIONS:

2020 Comprehensive Annual Financial Report

Finance Director Amy Hove stated Brad Falteysek is present from the Auditing Firm Abdo Eick & Meyers. He will be presenting an overview of how the 2020 Financial Year ended along with the Financial Statement.

Brad Falteysek, Abdo Eick & Meyers presented the 2020 Comprehensive Annual Financial Report: Auditor's Opinion:

- Issuing an un-modified or clean opinion on the city financial statements. This is the opinion one looks for when having an audit performed.
- This states all audit information in the report is presented in accordance with generally accepted accounting principles.
- The city has applied for the Certificate of Achievement for Excellence in Financial Reporting in the past and will apply for it this year. The city has been awarded in the past. A lot of that dictates how the financial statements are put together and the format they are in.

He stated the Council would be accepting and receiving the report as well as the presentation. In the past this was done on separate nights. Previously it was presented at a Work Session and then at a regular Council Meeting. There are no changes they can make to the financial statements as far as presentation or how it's put together. The format was changed and this was brought to the Council in one meeting.

Minnesota Legal Compliance:

- The State Auditor requires them to go through a series of checklists to ensure different State Statutes are followed.
 - They require them to test as a part of the Financial Statement Audit.

- They go through that and issue a Legal Compliance Report on the different State Statues required to test.
- Not reporting any legal compliance findings. It is a clean report.

Single Audit:

- This is an audit the Federal Government requires when spending \$750,000 or more of Federal expenditures and are required to spend it.
 - The city received the CARES Act funding this past year. That triggered a single audit.
 - Different compliance tests were required around the Federal Award.
 - They are not reporting any non-compliance with the Federal Awards and how they were spent.

Results: General Fund – Fund Balances:

- Annual Budget: There was a slight decline from 2020 to 2021. The city changed the way they were budgeting for the transfer to the Pavement Management Fund.
- The City would record those funds directly into the Pavement Management Fund instead of recording the tax levy in the General Fund and transferring it into the Pavement Management Fund next year.
- This is one of the reasons why there is a decrease in the budget line item.
- There is a Fund Balance Policy that was adopted several years ago to keep the minimum reserve level at 40-45% of the following year’s budget.
- At the end of 2020 the city is just over 50%. Slightly above minimum requirement.
- In the past the city has been at or above the minimum. Staying consistent.

Actual Results: Budgeted amounts compared to actual amounts and the variants:

- Revenues were \$121,000 over budget. Within .4% of the actual budget.
- Expenditures came in just slightly over 1%. \$250,000 over what was budgeted.
- Transfers In. Transferred \$2.6 million dollars in. More than what was budgeted.
 - Had to do with the CARES money.
 - Deposited the CARES funding into a special revenue fund and transferred money into the General Fund to reimburse the General Fund for eligible expenditures that fell under the CARES program.
- General Fund increase fund balance, \$1.4 million dollars, to finish at 12.9.

General Fund Revenues by Type:

- Taxes make up the majority of how the city supports general operations. \$22 million dollars. Increase has been slight each year, but consistent from 2018-2020.
- License and Permits were down slightly from 2019.
- Transfers were up. (Due to CARES funding)
- Other: Includes interest, charges for services. Up slightly.

General Fund Expenditures by Type:

- Other: Includes Culture and Recreation, transfers out, and Community Development.
 - Category with the biggest increase was Community Development, specifically Inspections. Up \$1 million dollars from the previous year.

Special Revenue Fund Balances:

- Have five Special Revenue Funds.
 - Special Revenues Funds are if having a committed or restricted revenue source.
 - A Restricted Revenue Source would be a third party restricting how monies are spent coming in.
 - A Committed Revenue Source would be Council passing a Resolution saying they would only spend these revenues for a specific purpose once they come in.

- Community Center, Convention and Visitor’s Bureau, Recreation, Franchise, and Economic Development Authority.
 - The Community Center. Has a slight increase. Has a deficit of \$1.7 million. Slight increase in fund balance at \$36,000.
 - Franchise Fee Fund. Has \$3.2 million dollars in reserves. This fund would be closed in 2021 and moved into the Pavement Management Fund. The money was committed for pavement management.

They are looking to see if revenue sources are meeting expenditures. Each one listed broke even or increased.

Debt Service Funds: Almost \$3.5 million.

- Total assets \$4.3 million
- Difference between cash and assets would be like taxes receivable, special assessment receivable. Anything receivable they do not have in cash.
- Over the next five years principle and interest payments. \$2.8 to \$2.9 million dollars of debt service requirements related to Governmental Bonds.
- Have almost \$31 million dollars of Bonds outstanding at year end.

Capital Projects Fund Balances:

- Shows how fund balance reserves are split out. Either restricted or assigned sources.
- Have approximately \$5 million dollars of restricted sources.
- \$4 million of that is related to tax increment districts.
- \$1 million dollars is for parks. Collecting Park Dedication Fees.
- Money set aside for equipment purchases or construction projects in the future.

Internal Service Funds:

- These are funds that have a central function that operates for the entire city.
- These funds charge out to other departments.
- Charges on an annual basis.
- Support like Insurance, central equipment purchases, compensated absences, central stores, city facilities.
 - Charging enough to support disbursements.
 - Cash Balances from year to year:
 - 2017 had approximately \$13.5 million dollars.
 - 2020 ended with just over \$15 million dollars in cash reserves.

Water Fund:

- Make sure operating receipts are meeting operating disbursements plus debt service requirements.
- What the city is charging for rates meets the requirements.
- Ended 2020 with \$9.3 million dollars cash.
- Minimum balance not recommended falling below. Takes 100% of the following years debt service requirements, plus six months/50% of the operating expenditures for the year.
- Recommend having a minimum of that on hand.
- The city is well above the minimum.
- Receipts have fallen short of disbursements and debt service requirements on an annual basis.
- With the Sewer Fund, cash has been holding steady due to other revenue sources such as connection fees.
- In 2020 the city received approximately \$500,000 of connection fees. Not included in operating receipts because it is more of a capital type receipt.

Golf Course Fund:

- 2020 had a good year.
- Had Anniversary Memberships for 2021, 2022, and 2023.

- \$1.5 million in revenue. This will record as revenue over the coming years. All the cash came in, in 2020.
- Cash jumped up to \$1.6 million dollars this year.

Cash and Investment Balances by Fund Type:

- Total cash in the city.
- Broken out by General Government, Capital Projects, Debt Service, Special Revenue.
- A majority is in Capital Projects with Enterprise Funds coming in next.
- Finish the year just under \$83 million in cash. Up from \$73 million the year before.

Mayor Bartholomew referenced the General Fund and the 50% stating a good portion of the cash is due to the CARES money received and held. He requested the Finance Director provide an accurate number of what the percentage would be if the CARES money wasn't there. Mr. Falteysek responded CARES money was used for Public Safety Payroll. That allowed for savings in other areas. Mayor Bartholomew stated they need to stay with the policy.

Mayor Bartholomew asked due to COVID and the complexity, he hoped everything went smoothly. Mr. Falteysek responded everything went smoothly. They have been doing remote audits for a while now.

Mayor Bartholomew commented on the presentation asking how long Mr. Falteysek has been doing the audit for the city. Mr. Falteysek responded it has been a little more than four years. Mayor Bartholomew stated the presentation is wonderful, it's to the point, shows important high points. He appreciated that.

4. CONSENT AGENDA:

- A.
 - i. Minutes from the May 3, 2021 City Council Work Session.
 - ii. Minutes from the May 10, 2021 City Council Meeting.
- B. Disbursements for Period Ending June 8, 2021. **Resolution 2021-159**
- C. Consider Approval of Personnel Actions.
- D. Consider Final Pay Voucher No. 2, Engineer's Final Report, and **Resolution 2021-160** Accepting Work for City Project No. 2019-05 – Sleepy Hollow Park Storm Sewer Repair.
- E. Consider **Resolution 2021-161** Establishing a Pavement Management Program Citizen's Advisory Task Force.
- F. Consider **Resolution 2021-162** Supporting Parking Restrictions on 80th Street From Blaine Avenue to Cahill Avenue.
- G. Consider Approval of Encroachment Agreement for Landowner Improvements within City Drainage and Utility Easement for 8360-8389 Bravo Way (Lot 1, Block 1, East Campus Addition).
- H. Consider **Resolution 2021-163** Approving an Easement Encroachment Agreement with Magellan Pipeline for Public Improvements Related to Canvas at Inver Grove Heights Development.
- I. Consider Approval of a Letter of Support for Dakota County CIP and its Transportation Sales and Use Tax Capital Improvement Program (TSUT-CIP) for 2021-2026.
- J. Consider **Resolution 2021-164** Accepting the MS4 Annual Report for 2020.
- K. Consider **Resolution 2021-165** Awarding Contract for City Project No. 2021-08 – Southern Trunk Watermain Improvements.
- L. Consider **Resolution 2021-166** Authorizing Engineering Services Proposal from Kimley-Horn for Assistance in Preparing Program Updates Required by the 2021 MS4 Permit.
- M. Receive 2020 Comprehensive Annual Financial Report.
- N. Consider Approval of a **Resolution 2021-167** relating to the Improvement Agreement, Storm Water Facilities Maintenance Agreement and Permanent Drainage and Utility Easement for the landscape contractor's business located at 2660 – 50th Street.

O. Consider Approval of a **Resolution 2021-168** relating to a Variance for Kellie Kronberg to allow a front yard setback Variance for property located at 3180 70th Street.

P. Consider Approval of a **Resolution 2021-173** Making an Election Not to Waive Statutory Tort Limits for Liability Insurance Purposes.

Q. Consider Approval of the Purchase of Police Radios.

R. Consider Approval of a **Resolution 2021-169** Approving Purchase Agreement with Kurt Rechtzigel.

Motion by Gliva second by Murphy to approve the Consent Agenda.

Ayes: 5

Nays: 0 Motion carried.

5. PUBLIC HEARING:

6. REGULAR AGENDA:

Community Development:

A. JOSHUA & ELIZABETH SCHMIDT – Consider an Ordinance Rezoning the property from R-1C, Single Family Residential District to R-3C, Multiple Family Residential District for property located at 4046 – 66th Street. Ordinance 1413

Associate Planner Heather Botten discussed the request for property located south of 66th Street in between Dawn Avenue and Concord Boulevard. The property is zoned R-1C Single Family Residential District. Surrounding uses have an R-2 District to the west (two family residential district), a School to the south, and other single-family zoning to the north and east. The property is 1.06 acres in size and currently has an existing home and detached garage on the property. The home was built in 1960 and was built and constructed to be used with the option of a tri-plex. The owners are requesting a rezoning of the property to R-3A, Multiple Family District. A future owner could obtain a Rental License to operate a legal tri-plex on the property.

If rezoning is successful, the owners would come in for a Conditional Use Permit. During that process they would be looking at site plan/site plan review. The process also requires neighbor notification and a Public Hearing. There are no changes proposed to the property or to the existing home. The R-3A District is established for multiple family dwellings that are three- and four-unit buildings. Rezoning to R-3A is consistent with the existing Comprehensive Plan designation of LDR (Low Density Residential). Staff believes the proposed lower density multifamily zoning would be compatible with the existing established uses in the neighborhood, current Comprehensive Plan designation, and with the existing home. Staff recommends approval of the request as presented. At the June 1st Public Hearing, the Planning Commission unanimously recommended approval of the request.

Mayor Bartholomew stated a few emails were received and asked if those have been entered into the record. Those were included at the Planning Commission level.

Elizabeth Anderson Schmidt, 251 Stanley Street, West St. Paul, Joshua Schmidt, same address, introduced themselves to the Council.

Councilmember Gliva asked if the home was currently occupied by three units. Mr. Schmidt responded no, once they learned they needed a Rental License, everyone was moved out and currently sits empty. The intent was to sell and are trying to get it rezoned for that purpose.

Councilmember Piekarski Krech expressed concern about the neighborhood because this has been a single-family residential area. There are a couple of other homes in the neighborhood that could be called duplexes if wanted to divide and used that way. She was concerned about starting to move these things along. The home began as a garage and has been added onto over a number of years to what it currently is. She was concerned about dropping a tri-plex into a R-1C area. The area back on Dawn was developed as duplex lots. This area has always been R-1C. She asked what slippery slope they start. There are two other homes in the block that could become “duplexes” under this scenario.

Ms. Schmidt addressed the neighbors’ letters commenting the letters mention concerns with traffic and a Police Presence. Due to COVID they were unable to remove tenants because of the eviction moratorium. They were advised by various legal professionals and the Police Department to call the Police anytime there was a problem so there was accurate documentation of incidents to assist with an eviction case. They proceeded to trial four times to secure an emergency conviction. She commented in their effort to rezone the property and receive a Rental License, it would add a layer(s) of legitimacy to the process. With a Rental License, having something that is revocable to ensure compliance seems to be the best option.

Councilmember Piekarski Krech commented that this would rezone the property but still do not know if the house would legally meet requirements for a tri-plex rental unit. Associate Planner Botten agreed and stated currently they would be looking at the land use. During the Conditional Use Permit process, engineering, building, and the Fire Marshal would all be looking at the request and doing necessary inspections with Conditional Use Permit (CUP) approval. That would come before the Council for review. Councilmember Piekarski Krech felt the process was backwards, determining whether or not the facility met requirements. Once it’s rezoned then it’s rezoned whether the building meets the requirement or not. Associate Planner Botten responded the Conditional Use Permit process is expensive and timely, they wanted to make sure it was approved for the rezoning first before moving forward with the CUP.

Councilmember Piekarski Krech commented she could see doing it this way if the lot was empty. They would rezone with the house possibly not meeting the requirements of the rezoning. Mayor Bartholomew asked if rezoning would be contingent on the Conditional Use Permit. Associate Planner Botten responded rezoning is an Ordinance Amendment and they don’t typically condition Ordinance Amendments. She stated if the Applicants are open to it, rezoning could be tabled until the CUP is caught up. The Applicant’s have not made application for that yet, so it could be another six to eight weeks.

Ms. Schmidt stated it would likely make sense to table it to give them time to catch up. When beginning the process, they were informed by Code Enforcement that a CUP would not be required in order to make this a legal rental. They were informed 2.5 weeks ago that a CUP was required for the property. Councilmember Piekarski Krech believed it was because it was going to be a tri-plex, if a single-family rental, a CUP may not be required.

Associate Planner Botten stated the CUP is for the tri-plex. Single family and duplexes do not require a CUP. If tabling Council needs to make sure the Applicants are agreeable to extending the 60 days. Mayor Bartholomew asked where they were at with the 60 days. Associate Planner Botten responded it ends June 18th. The 60 days can be automatically extended.

Mayor Bartholomew stated options are to further discuss the request or table and receive an automatic extension of the 60 days. Ms. Schmidt responded they would table.

City Attorney Bridget McCauley Nason recommended tabling to a date certain. 60 days from the 18th would be toward the end of August. The first regular City Council meeting is August 9th. This provides

enough time for the CUP Application to come through the Planning Commission process. Associate Planner Botten responded they would try to make that work and if not, would work with the Applicant to have them extend the review period.

City Attorney McCauley Nason stated the Motion would be to extend the original 60-day deadline out for an additional 60 days and to continue the Agenda Item to the August 9th City Council Meeting.

Motion by Piekarski Krech second by Gliva to extend the original 60-day deadline out for an additional 60 days and to continue the Agenda Item to the August 9th City Council Meeting for Ordinance 1413 Rezoning the property from R-1C, Single Family Residential District to R-3C, Multiple Family Residential District for property located at 4046 – 66th Street.

Ayes: 5

Nays: 0 Motion carried.

B. KAYAK PROPERTIES – Consider an Ordinance Rezoning the property from R-1A, Single Family Residential District to R-1C, Single Family Residential District for property located at 2644 – 70th Street. Ordinance 1414

City Planner Allan Hunting stated the property is located at 2644 70th Street. The Applicant would like to divide the property and create two additional lots. In order to do this, they request rezoning. It is currently zoned R-1A, which has a 40,000 square foot minimum lot size. In order to divide further they would have to rezone to R-1C which has a minimum 12,000 square foot lot size.

There is an existing house on the site that has access onto 70th. The existing house would remain with a lot created around it. Two additional lots would be created with access onto Bovey. All lot sizes would be a little over 20,000 square feet and in conformance. The density for the project is consistent with the LDR and R-1C. Rezoning is consistent with the area. The balance of single family would be all R-1C. If rezoning is successful, the Applicant would have to come back through the preliminary and final plat application process. Staff would review the plan, the drawings, grading, and utilities. All lots would have to be connected to city sewer and water. Staff recommends approval of the zoning request as presented.

Mayor Bartholomew asked about the original house and if it was currently hooked up to sewer. City Planner Hunting responded it is hooked up to sewer but has its own well water. Once it goes through platting it would have to be hooked up to city water. Mayor Bartholomew stated draining issues were discussed at the Planning Commission, he asked if that would be addressed during final plat. City Planner Hunting responded a resident may have brought that up separately with the Engineering Department. It would be looked at separate from this application.

Councilmember Piekarski Krech asked if it was known where the lot was located that had drainage issues. City Planner Hunting responded he did not know. A resident had spoke at the meeting and contacted Engineering about a current existing situation. Engineering would follow up. It wasn't directly related to what would occur in this location.

Terry Buchanan, 5174 Lexington Avenue, Shoreview, Minnesota, introduced himself to the Council. He believed the person they had been speaking about lived to the south.

Motion by Murphy second by Dietrich to approve KAYAK PROPERTIES – An Ordinance 1414 Rezoning the property from R-1A, Single Family Residential District to R-1C, Single Family Residential District for property located at 2644 – 70th Street.

Councilmember Piekarski Krech commented the lots are larger sized lots.

Ayes: 5

Nays: 0 Motion carried.

C. RACHEL DEVELOPMENT – Consider the following for property located at 7855 Cahill Avenue;

1. A Resolution relating to a Comprehensive Plan Amendment to change the land use designation from CC, Community Commercial to MDR, Medium Density Residential.

2. An Ordinance to change the zoning from B-3, General Business District to R-3C, Multiple Family Residential District. Ordinance 1415

Associate Planner Botten discussed the request for property located on the west side of Cahill across from Cub Foods. The property is on 3.81 acres, zoned B-3 (General Business District), and guided for Community Commercial. The Applicant requests a Comprehensive Plan Amendment and rezoning to change the land use and zoning to a designation that would allow for a multiple family development. The Applicant would like to develop a 40-unit Senior Assisted Living and Memory Care facility. If requests are successful, a Conditional Use Permit Application would be required for site plan design and review. The CUP process is a public process, surrounding property owners would be notified.

The Applicant requests changing the Land Use Designation to MDR (Medium Density Residential). This allows for a density of 8-12 units per acre. The concept plan shows 10.5 units per acre. The Applicant also requests rezoning the property to R-3C multiple family. The R-3 District allows for multiple family dwellings with more than seven units. The concept plan shows a single level facility with forty units.

She stated the property is surrounded by commercial to the south and east, single family to the north, and park property to the west. Staff believes the proposed zoning and land use changes do not appear to be out of character for the surrounding areas. They feel it would be a good transitional use from single family and commercial property. Staff recommends approval of both requests as presented, with the three Conditions listed in the Comprehensive Plan Resolution. The Planning Commission unanimously recommended approval of the request as submitted at their May 18th Public Hearing.

Councilmember Piekarski Krech asked if this was the same location as the previous storage proposal. Associate Planner Botten responded yes. Councilmember Piekarski Krech thought there were drainage issues and asked if this had the same. Associate Planner Botten responded they would have the same requirements the storage facility had. Drainage or grading plans have not been reviewed at the site yet but they are aware of the conditions.

Councilmember Murphy asked what else may go on a property like this when zoned General Business. Associate Planner Botten responded General Business allows for retail, neighborhood services, car sales, restaurants and banks. Storage is no longer allowed in a B-3 District.

Mayor Bartholomew asked if there was a condition regarding the Comprehensive Plan Amendment and if so, if it had to be platted prior. Associate Planner Botten responded the Comp Plan Amendment would be contingent upon CUP approval.

David Stradtman, Rachel Development, Otsego, Minnesota, stated some cities consider this type of facility a commercial use. Those that live in this type of facility don't live independently, don't have cars, drive, or travel on their own. They are there for assistance and memory care. It's a good transitional use adjacent to commercial uses with residential.

Mayor Bartholomew asked what the nearest city was with this type of facility. Mr. Stradtman responded they have one currently under construction in Apple Valley. It has 64 units in a commercially guided site. They have one that just opened in Prior Lake and one nearing completion in Savage. They have several others in process in the metro.

Mayor Bartholomew asked if the Applicant was aware there are some drainage issues on the property. Mr. Stradtman responded they have a Site Project Engineer who will exam in detail all of the stormwater. They would look into it further as they get into the process and detail.

Mayor Bartholomew said he is always reluctant to change from B-3. They have been looking at this property for some time. He believed it was going to be a good fit and they would be a good neighbor. It's a good benefit to citizens in the city, not only for the people requiring it, but for families. He stated he can support the Comprehensive Plan Amendment and zoning change.

Councilmember Murphy struggles with it. He commented it's something that is needed, but there is little space left in the city to put retail businesses for people to shop. Mayor Bartholomew stated the struggle with the area is getting a B-3 in that is acceptable to the neighbors. They have struggled with that for years. He felt it this was an opportunity to have a good business neighbor and helps the city.

Interim City Administrator/Community Development Director Heather Rand stated having had discussions with the Commercial Real Estate Brokers, the site is unique as it has some minor pollution in the ground that would have to be remedied. There are stormwater management issues that would have to be maintained on the site. That increases development costs. This area needs a use that would generate enough revenue to offset the development cost. She has been told by Commercial Brokers who have looked at the site for retail or restaurant, say they can't make a go of it because of the costs. That is why there was the storage facility with three stories that could have generated enough revenue to make it work. She stated this request is for memory care that hopes to generate enough revenue to make a go of the site. With memory care, visitors come and go and hope they would shop and frequent restaurants. That is why Staff supports this. She did not believe small retail was likely in the short term.

Councilmember Piekarski Krech said being against the storage facility in that location, this was more acceptable. The people visiting would shop here, the employees would bring more people in. There are quite a few empty spaces in the city. She was unsure how to fill them, but likely need to work more on infilling, as she hasn't seen any new ideas or plans come forward in the last year or two. She would support his because it would bring more employment into town.

Mayor Bartholomew stated the Comprehensive Plan requires four votes; the rezone is three votes.

Motion by Piekarski Krech second by Bartholomew to approve the RACHEL DEVELOPMENT – for property located at 7855 Cahill Avenue;

1. A Resolution relating to a Comprehensive Plan Amendment to change the land use designation from CC, Community Commercial to MDR, Medium Density Residential.

Subject to the conditions listed in the report.

Ayes: 2

Nays: 3 (Murphy, Dietrich, Gliva) Motion fails.

City Attorney McCauley Nason stated by virtue of the Motion failing is essentially a denial of the Comprehensive Plan Amendment Application. She asks those who voted against approval (the three nays) to state on the record what their reasons for their vote was. A written Resolution would be included in the next Council packets related to the grounds of denial.

Councilmember Murphy stated he voted negative because he wants to preserve the B-3 for future use. He doesn't believe there are enough quality places to put retail businesses to shop for our residents.

Councilmember Dietrich stated her reason was the same.

Councilmember Gliva stated her reason was also the same.

City Attorney McCauley Nason stated there is one more item the Council would need to take action on. They could table the Agenda Item to the next meeting when there would be a Resolution of Denial prepared related to the Comprehensive Plan Amendment failure. They are two separate applications.

Motion by Piekarski Krech second by Gliva to table to the June 28, 2021 City Council Meeting, the RACHEL DEVELOPMENT – for property located at 7855 Cahill Avenue; 2. An Ordinance 1415 to change the zoning from B-3, General Business District to R-3C, Multiple Family Residential District to reflect the denial and request the Ordinance change at that time.

Ayes: 5

Nay: 0 Motion carried.

D. M/I HOMES OF MINNEAPOLIS/ST. PAUL – Consider the following for the plat of South Grove Townhomes:

- 1. A Resolution relating to a Final Plat and Final PUD Development Plan, Development Contract and eight related agreements for Phase 1 of the plat to be known as South Grove Townhomes. Resolution 2021-171**
- 2. A Resolution Establishing Parking Restrictions within the South Grove Townhomes Subdivision. Resolution 2021-172**

City Planner Hunting stated the site is the old South Grove Elementary School. Clayton Avenue/75th Street is on the north, 77th Street to the south. The request is for the final plat/final PUD for Phase 1, for the western half of the site. It consists of ten single family homes and 36 of the townhomes. Future items would be in Phase 2. Construction consists of the units, grading, stormwater improvements on the site, and constructing all the public streets with Phase 1. Plans are consistent with the preliminary plans that were approved. Engineering and Consultants have reviewed the final grading and stormwater plans and are satisfied they comply with city standards. There are development agreements as a part of this to be reviewed and approved with the project. They would include the Resolution on parking restrictions. There would be no parking on the south side of 76th and no parking on the east side of Cloman Way. Engineering asked that it be included to identify city costs involved with Developer installed improvements with Project 2021-11 that Council ordered on May 10th. He stated it looked like the city portion is \$162,000. The Planning Commission recommended approval of Phase 1. Staff recommends approval of Phase 1 Final Plat, Final PUD Plans.

Mayor Bartholomew asked if the drainage referred to was across the street. Interim Public Works Director Klay Eckles responded there is a pond on the other side of Clayton Avenue that drains to the east and links

up with the new ponding system. The new pond being created becomes interlocked with the system currently there. The system is acting as one and support each other.

Councilmember Murphy commented there were concerns about the Oaks and drainage towards the development. He asked if the pond solves the problem. City Planner Hunting responded his understanding was that those issues would be taken care of in this project. There continues to be existing stormwater issues in the open area designed outflow, unrelated to this project.

Interim Public Works Director Eckles stated the existing neighborhood has its own stormwater system. If that stormwater system did not have enough capacity, there is an emergency overflow where the water flows across the ground instead of through the pipe system. The existing development overflow is what they call less than adequate and should probably be improved, but does not relate to this development. It reduces some risk to downstream properties. Its recommended it occur whether this development stays or goes.

John Rask, M/I Homes, 5354 Parkdale Avenue, St. Louis Park, stated he has read the report, the conditions of approval, the Developer's Agreement, and other agreements. He concurs with the requirements. He stated there are drainage issues but they are not adding to those, they have provided for drainage and rate control on their site. The city project/extension of the storm sewer takes care of the existing problem and helps with some of the Oaks drainage concerns. They are all working together to improve the situation for everyone.

Mayor Bartholomew asked for a brief overview of each of the products and the vision. Mr. Rask responded:

- On the west side of the project there is a combination of single family offering one level living.
 - They will not have basements.
 - Would be 1,700 to 2,400 square feet.
 - Start at around \$400,000.
 - Have two bedrooms and a den. Laundry.
 - Geared for an empty nester who wants to live on one level.
- Townhomes on the west side are urban rural townhomes.
 - Have a rear alley way.
 - Going down Clayton Avenue would see the front of the building, not the garages.
 - Front of the units face out, garages behind.
- Townhomes on the east side are similar rural townhomes.
 - Compliment the rest of the neighborhood.
 - From 1,800 to 2,200 square feet.
 - Starting prices: \$340,000.

The price has increased due to increasing lumber prices. They are excited about the project.

Mayor Bartholomew thought it would be a good addition to the neighborhood. It's a parcel of property that has been empty for a while. He would support the project.

Motion by Dietrich second by Gliva to approve M/I HOMES OF MINNEAPOLIS/ST. PAUL – Consider the following for the plat of South Grove Townhomes:

- 1. A Resolution 2021-171 relating to a Final Plat and Final PUD Development Plan, Development Contract and eight related agreements for Phase 1 of the plat to be known as South Grove Townhomes.**

2. A Resolution 2021-172 Establishing Parking Restrictions within the South Grove Townhomes Subdivision.

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

E. Consider the Third Reading of an Ordinance Amendment to allow larger detached accessory structures on residential lots 2.5-5.0 acres in size. Ordinance 1411

Associate Planner Botten stated there have been no substantial changes from the Second Reading that took place on May 24th, to the Third and Final Reading. The City Attorney reviewed the Ordinance and made a few minor changes for clarification. Currently the Zoning Code allows lots 2.5 to 5 acres in size one detached accessory structure up to 1,600 gross square feet. This Ordinance Amendment would allow a structure 1,600 to 2,400 gross square feet on lots that are 3.4 to 5 acres in size. The way they would determine the structure size allowed on a lot would be to take the lot size in acres and multiply that times 480. The ratio system would benefit lots that are 3.4 to 5 acres in size. All other lot sizes would remain as the Code currently allows. Staff recommends approval of the Third and Final Reading of the Ordinance Amending Sections City Code 10-15-18.C, Accessory Structures, and 10-7-2B and 10-8A-2.B.

Motion by Gliva second by Murphy to approve the Third Reading of Ordinance 1411 Amendment to allow larger detached accessory structures on residential lots 2.5-5.0 acres in size.

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

City Attorney McCauley Nason stated this would go into effect five days after publication.

F. Consider the Second Reading of an Ordinance Amending Inver Grove Heights City Code Title 5, Chapter 4 adding section related to Temporary Harboring and Keeping of Goats for Prescribed Grazing by Permit.

Environmental Specialist Ally Sutherland presented the Second Reading Amending the City Code to add a section related to the Temporary Harboring and Keeping of Goats for Prescribed Grazing by Permit. At the May 24th City Council Meeting, Council approved the First Reading of the Ordinance. Council suggested parameters for Staff to review. Those three suggestions were:

1. Consider allowing temporary structures
2. Review the Permit duration for larger properties
3. Review methods used for protecting goats

Staff discussed this further and contacted goat rental companies for follow-up information. Staff recommendations are included in the report and are as discussed:

- For item #1: Consider allowing temporary structures:
 Staff updated the Ordinance to allow the temporary structures during the duration of the Permit, subject to Staff review. It is noted that structures are not a common practice for goat rental companies. The change will allow the companies flexibility to request more uncommon uses for them, such as using them for windbreaks as needed, or shelter during winter months.
- To note for #2: Review the Permit duration for larger properties:
 There would be no change to the maximum duration of the Permit. This was related to larger properties. Staff recommended waiting to determine if there is a need based on future Applications. Staff thought it might be possible for other methods to be used that would be more preferable to

the neighbor and the property owner such as increasing the number of goats used for the project instead of extending the duration of the project.

- For #3: Review methods used for protecting goats:
Staff contacted the goat rental company and was told electric fencing is the main deterrent for predators and is required by the Draft Ordinance. She was told that coyotes were not an issue at this time and have never experienced problems with coyotes. She felt this was a non-issue at this point and no additional protection would be needed.

Environmental Specialist Sutherland stated the temporary shelter changes have been incorporated. Staff recommends approval of the Second Reading.

Councilmember Murphy asked if there was a request, or if they were being proactive about goats. Environmental Specialist Sutherland responded they have received several requests over the years. Staff felt it would be beneficial to residents to provide this.

Mayor Bartholomew stated he has received one inquiry with a lot size of .5 acre.

Motion by Gliva second by Dietrich to approve the Second Reading of an Ordinance Amending Inver Grove Heights City Code Title 5, Chapter 4 adding section related to Temporary Harboring and Keeping of Goats for Prescribed Grazing by Permit.

Ayes: 5

Nays: 0 **Motion carried.**

7. PUBLIC COMMENT:

There was no public comment.

8. MAYOR AND COUNCIL COMMENTS:

Councilmember Dietrich stated it was wonderful seeing everyone in person.

9. EXECUTIVE SESSION:

10. ADJOURN:

Motion by Dietrich second by Murphy to adjourn the meeting at 7:14 p.m.

Ayes: 5

Nays: 0 **Motion carried.**