

**INVER GROVE HEIGHTS SPECIAL CITY COUNCIL MEETING  
TUESDAY, OCTOBER 19, 2021 - 8150 BARBARA AVENUE**

**A. Call to Order and Roll Call:**

The City Council of Inver Grove Heights met in a Special Session on Tuesday, October 19, 2021, in the City Council Chambers. Mayor Bartholomew called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

Present In-Person: Council Members: Piekarski Krech, Dietrich, Gliva, and Murphy; City Administrator Kris Wilson, City Clerk Rebecca Kiernan, City Engineer Tom Kaldunski, Interim Public Works Director Klay Eckles, Community Development Director Heather Rand, City Planner Allan Hunting, Interim Parks and Recreation Director Bob Bierscheid, and Finance Director Amy Hove.

Also Present: Jessica Cook, Ehlers; Brad Scheib, Hoisington Koegler Group Inc. (HKGi); and Brian Harjes, HKGi.

**1. NWA Development Infrastructure & Financial Implications - HKGI & Ehlers**

City Administrator Kris Wilson stated this is the third presentation on this topic this year. They are gradually working their way through extending utility infrastructure in the northwest area and financing that infrastructure.

Jessica Cook, Ehlers, 3060 Centre Pointe Drive, Roseville, stated this was a joint presentation/effort between herself, Staff, and Brad Scheib from HKGi. The topic is about the extension of the Capital Improvements to finish the sewer, water, and stormwater system in the northwest area. This has been something this Council and previous Councils, have been working on for years. There is good news to share tonight. They are trying to frame up decisions because how that area finishes developing will impact the financial ability of the city to pay for that infrastructure. Because a lot of the infrastructure is already in the ground, they need to determine how they can get fees from development to pay that back. She said she would like discussion on where the Council would like to see growth and how they would like to see growth in that area. The following was presented:

Historical Funding of Northwest Area (NWA) Utility Infrastructure

There are three utilities being accounted for separately in the northwest area:

- Water Utility:
  - Historically there has been cash available in the water connection fund for the city as a whole.
    - Connection Fund for the city as a whole
    - Connection Fund for the northwest area
  - There was money available in the Connection Fund for the city as a whole to pay for improvements extending into the northwest area with cash.
  - The intent was the fee revenue would pay the fund back.
  - There has not been enough fund revenue to pay the fee back.
  - Have not had to finance those improvements.
  - Expect the fund balance in the Northwest Area Connection Fund to be \$3.7 million dollars at the end of 2021.
- Storm Water Utility:
  - Improvements can happen more gradually.
  - Paid for as development fees are collected.
  - Cash balance is expected to be \$1.4 million dollars at the end of 2021.
- Sanitary Sewer Utility (most financially challenged):
  - Was not a source of cash to pay for the extension of utilities. (2007 start).
  - There have been three Bond issuances plus refunding of those Bonds to finance those improvements between 2007 - 2015.

- Since that time, some improvements were paid with cash resulting in an expected deficit in the Northwest Connection Fund of -\$3.3 million dollars.
- Options will be given on how to fill that gap.
- Annual debt service is \$1.2 million on existing debt.

Capital Improvement Costs to Complete Utility Systems (in today's dollars):

This shows what the most recent engineering estimates are to complete the infrastructure in the northwest area. It shows a comparison to an estimate they had the last time an analysis was done in 2018, the current estimate, and the difference.

- Water:
  - In 2018: \$16.3 million was the estimated cost to finish the system
  - Currently: \$14.9 million
  - The Difference: \$1.460 million less than then a prior estimate
- Stormwater:
  - In 2018: Was not looked at
  - Expected to be \$16.2 million in today's dollars
- Sewer:
  - In 2018: \$21.6 million dollars
  - Current estimate: \$5.145 million
  - \$16.5 million reduction in the estimate to fix the sewer system from 2018 to 2021

Councilmember Piekarski Krech asked if that was because more was done in the meantime. Ms. Cook responded that was part of it.

Ms. Cook stated there were two factors:

1. Significant extensions of the utility. Some of the \$16 million is in the ground now, not being counted going forward.
2. In 2018, after completing their work, there was a redesign of how the sewer trunk system was going to deliver in the area.
  - The redesign determined the trunk lines did not have to be as deep.
  - Many of the lines that were previously trunks would be laterals.
  - The city pays for trunk lines; developers pay for laterals.
  - Reduced the amount of the system that had to be built out by the city.
  - A majority of the sewer system is now complete.

She said this gives the Council more options about how to solve the financial struggle that the Sewer Fund in the northwest area has had.

Brad Scheib, Hoisington Kogler Group Inc. (HKGi), 123 North Third Street, Minneapolis, stated at the last meeting a map was shown that tried to highlight properties platted since they started the northwest area project back in 2007. At that time, a second map was shown with sewer infrastructure, with a third map showing water infrastructure. Those maps indicated what was in the ground and what was proposed. He said at that time a question was asked if those maps could be combined and displayed together. He said he tried to simplify that. A map was shown of Key Sewer CIP Projects:

Red dots indicate key sanitary sewer projects that are left. Everything outside of those dots has trunk sanitary sewer system in place. All areas can be developed with exception to those two areas:

- Loch Gregor Area to the northeast
  - Requires a Lift Station
- Alverno/82<sup>nd</sup> Street - South of 55
  - Requires a Lift Station and Forcemain

Areas shaded in greys/whites reflect plats occurring since 2007. Those have been removed from land use calculations, specifically current ones since 2018 since the Comprehensive Plan was updated.

Councilmember Murphy asked if the \$5.4 million dollars mentioned takes care of the two areas indicated with red dots. Mr. Scheib responded it takes care of those two areas and a couple of other minor improvement projects.

Mayor Bartholomew asked if those areas were indicated by the three red stars. Mr. Scheib responded:

- There is one Lift Station that would serve the Loch Gregor area.
- There is a Lift Station that would serve Alverno, south of 55.
- A Lift Station that would potentially serve Ace in the Hole would likely not be needed. (Not included in the \$5.4 million figure).
- One is subject to the Small Area Study under discussion. May not be needed. (Not included in the \$5.4 million figure).
- One located on the east side is included in the \$5.4 million, including force main. There is a small area of development potential there.

That leaves three areas included in the \$5.4 million dollar amount. There are two other minor projects (For comparison, these are \$200,000 or less in cost compared to a major project) located:

- Near Allen Way. Improving a gravity system, making it deeper.
- Project on 80<sup>th</sup>, realignment. When the frontage road is realigned will also make it deeper.

Mayor Bartholomew requested clarification to be sure they are going from a proposed \$16 million dollar need to a \$5 million dollar need (rounding dollars). Mr. Scheib agreed in terms of the cost of the infrastructure.

Mr. Scheib stated the Comprehensive Planning process was discussed at the last meeting. State Law requires every city go through that process. Every parcel of land in the city is guided a certain land use designation. Land use designations used in the city have not changed since the last update in 2010.

Residential Land Use Types Include:

- Low Density Residential (LDR)
  - 1-3 units per acre
  - 60-80-foot-wide lot frontage
  - Single family home
  - Typically seen in the 2-2.5 unit per acre density range
- Low-Medium Density Residential (LMDR)
  - Done in the Comprehensive Plan in 2010. As many cities have done, tried to make density categories a little more flexible to have a variety of housing types.
  - Move to an attached rural house/townhouse type product.
  - May still have small lot single family.
    - Some places have done as low as 40-foot lots.
  - 3-8 units per acre assumes a mix of twin home/townhome product types.
- Medium Density Residential (MDR)
  - Denser pattern. Side by side rural house with tuck under garages.
    - Can include one or two stall garages.
    - Vertical oriented. Side by side orientation.
    - First floor consists of tuck under garage, second floor, and three-story building.
  - 8-12 units per acre.
- High Density Residential (HDR) and Mixed Use (MU)
  - Only difference between the two would be in a mixed-use environment may have a ground floor or the first two floors being something other than residential.
  - Vertical orientation. Units stacked on top of each other.

- Apartment or renter owned.
- 12 plus units.
  - Northwest area planning projections assumed between 12-35 units per acre. Can get as high as 60-70 units per acre.
  - Typically, not seen in suburban areas.
  - Product is noticed more in areas where there is a good concentration of commercial, walkable environments, park, recreation, open space areas, and civic uses.
- Precedent looked at for Inver Grove Heights, most fall in the 20-30 unit per acre range.
  - Three stories above ground level.
  - Parking, or parking underground.
  - When picking a number for assumptions, 24/25 units per acre is middle ground.

Councilmember Murphy asked when referencing 25-35 or higher units per acre, the highest category the city has is High Density or Mixed Use at 12+. He felt that to be a large gap. He asked if there was another category used elsewhere. He questioned when exceeding 12 per acre by a large number, have they called it mixed use or high density. Mr. Scheib responded the city has not had any mixed-use products, everything in Inver Grove Heights has been high density. There has not been a separate category above 12+ because it would mean vertical orientation. He said the Zoning Ordinance that regulates bulk, design, and dimensional standards starts to control the massing. High density is 13 in the Comprehensive Plan. The Met Council's policy requires a cap be put on it. He believed the cap was 34 units per acre but would have to check the Comprehensive Plan. He said if someone came in wanting to do more than that they would have to do a Comprehensive Plan Amendment.

Mr. Scheib stated every time they have gone through the planning process, they look at how much net developable land area is available for development in the northwest area. When starting in 2003, readily available sources was not what it is today, wetlands, floodways, easements, and certain right of ways. As planning evolved, they have advanced it to take out: more planned roadway corridors, construction impact areas, steep slopes, and greater steep slopes. Doing all this brings them to a type of net/net planning level. This is before surveying the property and walking the boundaries. This provides an estimate of how much net developable area is left (recently platted lots were taken out).

To assume how many units can be assumed, they took the low end of the density range of low and medium density range. Density assumptions for those were:

- Low Density Residential: 2 units per acre.
- Low-Medium Density Residential: 4 units per acre.
- Medium Density Residential: 8 units per acre.
- High Density Residential: 12 units per acre for high density is pretty low. Typically see 20-25 units per acre for high density housing projects proposed. Due to that, 24 units per acre for high density is used.
- For Mixed Use: Policy language in the Comprehensive Plan states 2/3 of the mixed-use areas would be higher density residential.  
1/3 would be commercial, civic, or other.  
Took 2/3 of those areas' times 24 units per acre higher density.

Assumptions are taken and applied to net developable areas. It is projected they could see 4,238 yet to be built in the northwest area. He stated those are the units Ms. Cook takes for her analysis.

Councilmember Murphy referenced mixed use and the 2/3 of guided land and residential at 24 units per acre asking if would be safe to assume the cap is 36. Mr. Scheib responded he would have to look at the Comprehensive Plan to see what the cap is. City Engineer Kaldunski responded it was 35.

There were Audio/Video issues between 26:38 to 27:29 of the meeting due to a power outage.

Mr. Scheib discussed Growth Assumptions:

- In 2018 what was estimated as likely development.
  - Had about 5,000 housing units.
  - 2 million square feet of commercial office/light industrial development.
- In 2021 data was updated.
  - Took out the plats that have taken place.
  - Now there are 4,238 housing units subject to future platting.
- The difference between 2008 and 2021; close to plats that have happened since 2018.
- Housing units platted but not built, plats that include apartment buildings that have not progressed yet. Due to how fees are paid. He stated Ms. Cook’s formula does not include the 567, until Permits are pulled.
- 2021 estimate.
  - If taking all of the land guided for vertical/stacked higher density and flipping it to residential single-family units at 3 units per acre.
  - 2,235 housing units could be platted based on available land inventory.

Comprehensive Plan Scenario Growth Assumptions:

- Looked at a full buildout by 2051 (30 years).
- Assuming there would be 61 single family units per year. (Single-family detached) 2022-2051
- 71 Medium Density housing units every other year.
- 120 multifamily units every five years.
- 140 mixed use multifamily units every five years.
- Peltier Reserve and Canvas projects are completed. (Includes high density housing).
- Commercial growth staggered every 2-3 years.

All Housing 3 Units/Acre Growth Scenario Assumptions:

- 82 predominately single-family units/year through 2051.
  - Some side by side attached housing units mixed in.
  - Average density of 3 units per acre.
- Commercial growth staggered every 2-3 years.
- No high-density housing units beyond completion of Canvas and Peltier Reserve projects.
- No changes to infrastructure plan.
  - Sanitary sewer trunk systems are mostly completed.
  - Water system trunk mains not reduced in size.

Ms. Cook stated her part of the analysis is basically math, taking the cost of the system, revenues coming in from growth, and asking what those result in.

She referenced the growth that was just discussed into revenues stating fees are collected at plat based off the estimated density of the project. They are also collected at Building Permit time based on the number of units. The higher density is, the more fees per acre collected.

Why does growth pattern make such a difference? Example for sewer:

- For an average single family home development, revenue collected for sewer is \$45,694 per acre.
- For high density, \$189,353 on average, per acre. More than three times as high.

If taking the acreage slotted/planned in the Comprehensive Plan for high density housing and reprogramming it to 3 units per acre, they are taking revenues from \$189,353 down to \$45,694. They wanted to measure the impact of that to understand the financial implications.

Multifamily Fee Comparison:

- The premise of their analysis was that everyone pays all fees.
- Fees for multifamily and commercial development are high in the northwest area.

- The sanitary sewer charge is much higher than other developing communities.
  - This is why developers have requested tax abatement or a reduction in fees.

She said their work is premised on a payment of the full fees, using tax abatement, or other resources.

Ms. Cook stated there is a Comprehensive Plan scenario and what they call a 3 Unit/Acre scenario. Two scenarios were chosen to bookend the analysis giving an example of the difference it makes. Two graphs were shown regarding NWA Water Connection Fund Implications:

One scenario showed projected cash balances in the Northwest Area Connection Fund with 0% fee increase if the northwest area develops according to the Comprehensive Plan under the assumptions made for pace and amount of development.

- \$3.7 million in there currently at the end of 2021 projects.
- Anticipated to climb as cash builds up.
- A big improvement is expected in 15-20 years that would drain that cash.
- Then the fund ends at an adequate cash balance.

If reducing the density of development in the northwest area:

- Fees would need to increase 2%.
- Do not build as much cash.
- Still end up ok.

She said from water there is some flexibility in changing land use and still have a financially viable way of building infrastructure.

The next graph indicated NWA Storm Water Fund Implications:

Stormwater is more manageable because improvements do not need to be done in bulk, in advance of development. It is built gradually as development occurs. Both assume a 5% stormwater development fee increase occurs, because that is what the analysis shows is needed. It is an annual increase.

The graph indicating a 3 units per acre scenario:

- In 2036, 2038, and 2040, are at about \$100,000 a year.
- In 2038 that is not much money.
- 5% would get the city there, but not with much to spare.

Graphs were shown for the NWA Sanitary Sewer Connection Fund Implications:

- Assumes rates would increase at 4%.
- Fund is currently at a deficit of \$3.3 million.
- 4% rate increase is consistent with rate increases in the past. (If raising rates to 4% a year and if developers would actually pay them).
- If the area develops according to the Comprehensive Plan, over time the sewer fund will recover.
- There would be enough funds without looking at other resources to pay for the sewer system in the northwest area.
- If going with 3 Units per acre:
  - Deficit continues to get worse and peaks at \$5.2 million at about year 2030.
  - Gradually gets better.

She said the question becomes if the land use is changed, how do they fund that gap. \$5.2 million for that length of time is more cash than the city has available to devote to this purpose.

Councilmember Murphy asked what the Comprehensive Plan average per acre was. Ms. Cook responded she was unsure what it was overall for all residential, it had the mix of housing units with different assumptions.

Councilmember Murphy referred to development costs in the northwest area asking if there was information on where the remainder of the city was split against the northwest area. He requested information on the two added together for an average. Ms. Cook responded from a developer's experience they are either in the northwest area

or they are not. The average is not meaningful when a developer comes and questions fees. Councilmember Murphy asked how they compare to other cities. Ms. Cook responded cities such as Cottage Grove and Woodbury have different districts with different fees. With this analysis, for example, the Upper Ravine District in Cottage Grove, the disparity between one district and the other in the other cities does not seem to be as high as the disparity between the rest of Inver Grove Heights and the northwest area. She said they could average it, but it will not change a developer's reaction to fees in the northwest area.

Ms. Cook discussed Sanitary Sewer Funding Options & Financial Impacts:

There is a deficit of \$3.3 million, need to fund that deficit, and how.

First Option for Funding:

- There would be a \$3.3 million-dollar Interfund Loan.
- Interest expense is associated with it.
- Loan would be taken out of the sewer fund. (If the sewer fund needed to make other improvements, may have to finance those as there may not be cash available).
- Could the Interfund Loan be used for the 3 units per acre housing scenario.
  - No. Not enough cash available.
- If turning to sewer rates, what kind of increase would be needed city wide.
  - Comprehensive Plan scenario:
    - Interfund Loans
    - No sewer increase needed
  - 3 Units per Acre scenario:
    - 12% increase in sanitary sewer rate city wide

Second Option for Funding:

- If wanting to do a scenario where there is not enough city cash to cash flow this project forth in the next 15 years, what other resources could be looked at.
  - Increasing sewer rates was a potential city wide.
    - Looked at because the bonds on improvements in the northwest area have pledged that the city would charge rates and charges sufficient to pay debt service on the bonds.
    - Backed with a General Obligation Pledge beyond that.
  - The two options would be sewer revenues and property taxes.

Councilmember Piekarski Krech referenced the 12% increase in sanitary sewer rate city wide and asked if it was above and beyond the normal increase. Ms. Cook responded that was correct.

Ms. Cook provided a third scenario:

- Under the Comprehensive Plan scenario:
  - Tax impact would not be needed
    - Can use the Interfund Loan
- 3 Units per Acre Housing Scenario:
  - \$25 tax increase on a \$273,800 (median valued home)
  - Need to raise about \$475,000 levy/year

She stated these were examples of the scope. There is a variety of housing growth options. Both sewer rates and property taxes can be used in some combination to solve this problem. If choosing just one, in the lowest density development scenario, this would be the impact.

Are Special Assessments an option:

- Could assess future improvement costs.
- Encourages people to sell their land for development.
  - Development may occur faster.

- This was a consequence prior Council's intentionally wanted to avoid.
- Could be added to or charged in lieu of future connection fees.
  - Would be difficult to use to raise more money.
    - Can only special assess as much as it benefits the property.
    - Do not see this as an additional revenue source, could be an alternative revenue source.

Councilmember Piekarski Krech stated it does not encourage people to sell their land, it forces people to sell their land. Ms. Cook agreed it could.

Ms. Cook summarized:

- It is good news for the northwest area utility connection funds.
- If following the Comprehensive Plan, water rates would not need to be raised starting in 2022 or 2023.
- If wanting to modify the intended land use for the sewer fund would need to identify some other funding source. The density of development would no longer be sufficient to pay for it by itself.
- This does not address the issue of making Development Fees more competitive with other communities. If choosing to do that, it would require other resources they have not discussed or identified here.

Examples of that would be:

- Tax abatement
- Housing Development Fund
- Other items besides sewer rates and property taxes

Ms. Cook stated she presented a financial analysis. There are many other reasons that go into developing a Comprehensive Plan and planning for a community. She said if she were in the Council's shoes, she would want to think about land use and making land use decisions.

Mr. Scheib stated they live in a region made up of communities, neighborhoods, districts, and parcels. With high density, discussion is needed about the community as a whole, it gets difficult when getting to the parcel level. They have to think about higher density housing, not just in the financial context, but in a different context. For discussion:

- Smaller less diverse labor force, if there is not a higher density mix, creates challenges for economic development goals. Have less of a labor force and a different kind of a labor force.
- Fewer households result in less purchase power.
- Less diversity in housing types reduces the ability to age in place.
  - If having a community made up of one type of housing type product, a person cannot move through the life cycle and stay in that neighborhood.
- Less diversity in housing types creates less sustainable schools.
  - When building a new neighborhood, new families move in, new schools are in demand. New school builds in, kids go through the school system, kids move on, people do not always move on. School gets full, school gets empty.
- Creates challenges maintaining regional planning policies mandated by the Land Planning Act.
  - This is something the regional Government says has to exist. Have to maintain this diversity of housing and density requirement.

Mr. Scheib responded to an earlier question about what the overall density is in the city saying he did not have the number with him. In 2018 when the analysis was done it was between 3-4 units per acre overall for municipal sewer and water development, not including rural estate. He said they were close to falling below 3 units per acre when they projecting future development. For this community at the Met Council level, they have to be above the 3 units per acre on average. Redevelopment and infill are being discussed in the existing city at a higher density

in order to keep them at 3-4. He said Staff has something called plat monitoring with a running spreadsheet of densities. He said they could get a more exact number for Council.

Ms. Cook discussed Next Steps:

- Get feedback on future land use.
- What kinds of land use decisions the Council would like to see? That financial impact can be refined.
- If an impact, how to pay for it.
- Want to address the competitiveness of fees.

She said based on the answer, looking at potentially restructuring fees for 2023 and/or a potential Comprehensive Plan Amendment. She said they would like Council direction on:

- What kinds of growth models the Council like them to do additional modeling on?
- Requesting feedback if there are designated areas in the northwest area, if any should be guided to lower density housing, and which ones.
- Any areas of higher density that are sensitive or would like to see modeled in a different land use.

Mr. Scheib stated if that is a direction Council wishes to go, it requires moving pieces around. If that is done, they need to do it carefully and be cognizant of the locations. They need to determine if they are appropriate locations for that type of use and if it works from a market or context perspective.

The areas of higher density are along key nodes along major corridors and close to where commercial office and retail services are.

Mayor Bartholomew said they need to contend with the fact there is property owned that was invested and bought at these densities. If someone has purchased and made a large investment based on bulk standards and density, then the city says they are changing the density. Mr. Scheib agreed that was a factor. Councilmember Gliva asked if going with the scenario that it is all low density, if they would meet Met Council's 3-4 units per acre. Mr. Scheib responded if directed to do that they would have to go back and look at the whole city and see if there were other places, they could recapture to get to the 3-4-unit level.

Mayor Bartholomew stated in the meantime, while updating the Comprehensive Plan, the existing land use and densities remain the same. They cannot say to pause and say they are going to adjust densities because they are contemplating moving the densities, they would not allow them to use the densities described in the current Comprehensive Plan. He said they have to adhere to those until they are changed. Mr. Scheib responded they have to honor what the current Comprehensive Plan allows. The Council has the authority to change planning and zoning. Mayor Bartholomew agreed the Council has the authority. He said it would take a Comprehensive Plan change which has to be approved by the Met Council. Until that is done/accomplished, the densities are as stated.

Councilmember Murphy stated without knowing where things stand now and what the future land use units per acre is in the northwest, he would not know how to think about changing what is on the map at this time. He said the Council seems to take it on a case-by-case basis currently, which may/may not have caused problems for the city. He said he feels like they are lacking information about where things currently stand. Mr. Scheib clarified what was said asking if the question was about what the overall density of existing development in the northwest area and the city were. Councilmember Murphy replied when there was current land use and 3 units per acre for the northwest area, he was unsure what the average unit per acre future land use designation is in the northwest area. He said he felt he needed to know that in order to make a decision. Mr. Scheib responded their assumptions for future growth going forward in the northwest area and what they are projecting averages out to about 5.7 units per acre. This takes net developable acres and adds them up, taking \$4,238 divided by net developable acres.

Councilmember Piekarski Krech stated that is just future growth. Added into what has already happened there, she asked what the entire northwest area is. Mr. Scheib responded he could get that number for her. He said it would be lower because all of the projects that have come in have varied. The density numbers would drop from 5.2. Councilmember Piekarski Krech commented they would still need to make up additional from somewhere else. Mr. Scheib responded they would have to look at the rest of Inver Grove Heights which is largely single family, along with moderate and higher density. He said they would have to look at other places in the community where it could/or would make sense to infuse higher density. Greater density affords some of the amenities like underground parking, creative stormwater, and pedestrian connectivity. Allowing higher density helps afford some of those things.

City Administrator Kris Wilson referenced the color-coded density map and highlighted the following areas:

- The realigned Argenta Trail/70<sup>th</sup> in the southwest and southeast corners call for mixed use. There is mixed use north of that at a potential 494/Argenta interchange.
- Two smaller pockets located where near the roundabout at 70<sup>th</sup> and Robert Street.

She said if the Council is comfortable with developing those at that density, which shifts them towards the scenario where they can afford to pay their obligations. If looking at some of those locations and do not believe that would work, Staff needs to know because they would need to try to produce alternatives. She said they could also look for High Density Residential for example:

- North and west of Robert and 70<sup>th</sup>, and west of the Golf Course.

She suggested the Council ask how comfortable/committed they are to keeping those areas at that density.

Another option:

- The south side of 55, the area with the lowest density residential, 1-3 units per acre, then going low to medium density residential and some medium density residential.

This is for a build out of 30 years. If committed to seeing those land uses, when those areas are ready to develop, they can afford to meet financial obligations. If Council does not believe that would work, it is not the land use wanted for the community, they have to consider what signals were sent to the landowners by zoning and guiding it this way. She said they may have to look at rate or tax increases somewhere. If the money does not come from this pattern of development, it needs to come from somewhere, and would need to determine where that would be. She referenced the map representing the Comprehensive Plan and asked if there were alternatives the Council wanted Staff to look at.

Councilmember Piekarski Krech asked how much of the future land use is in the area south of 55. Mr. Scheib responded a decent portion but was unsure off hand. Councilmember Piekarski Krech stated that area would have to be developed in order to pay. Mr. Scheib responded the one major infrastructure to the south which included a Lift Station and force main requires. He said they would not do those until there was a significant development project coming forward.

Councilmember Murphy stated the mixed use on the map and location tends to make sense to him, there is one spot in the northwest area that does not seem like a likely transition. He was unsure if that one needed to be modeled at the moment. He said if the tax base in the northwest area just benefitted the northwest area and not all of the city, more of this would make sense to him. He asked what spreading the cost of development in the northwest area over all of the city would look like. He said he struggles with separating it all the time. He stated at one time all of Inver Grove Heights was expensive to build. Councilmember Piekarski Krech responded all of Inver Grove Heights paid for what they built. This is new development coming in. She mentioned when sewer and water was brought in on Upper 55<sup>th</sup>, the area in Upper 55<sup>th</sup> paid for it, the area south of 55 did not.

Councilmember Murphy stated in the example Councilmember Piekarski Krech noted, the area was assessed, it was chosen not to assess in the northwest area. Councilmember Piekarski Krech responded it was done that way rather than assessments, so people were not forced off their land. Mayor Bartholomew commented there were

large parcels of land owned by few people with the thought that a lot of assessments would force them off their property. Councilmember Murphy stated there are consequences to that decision. He asked if city taxpayers put in that infrastructure and increased the value of that land, where the mechanism was to capture that. He said if the Council decided not to assess, the value of the land went up, those people are selling the land now at an increased value. He questioned if the city did not pay for that. Councilmember Piekarski Krech replied the people who are doing the development are paying for that. The sewer and water funds probably fund the loans or payments, that has to be paid back from the developer's fees. Councilmember Murphy stated the landowner sold it at an increased value, the city is getting it back from the developer. He said taxpayers increased the value of the land, one party got to walk away, and they are getting it back from developers. He said it did not bother him to look at spreading this cost over all of the city. Councilmember Piekarski Krech stated the benefit did not go to all of Inver Grove Heights. Councilmember Murphy asked if the tax base they are building in the northwest benefits all of the city. Mayor Bartholomew responded services are paid as assessed based off the home's value. He said in his opinion, whatever is assessed for a home is their portion. He said the thought was that a person who holds a large track of land, the land became valuable as densities and need came in. It was sold to a developer, the developer comes in, there is a cost already burdened on that piece of property, that developer has to pay that fee for infrastructure that is in the ground in order to develop. He said in his opinion, there was no large gain to the property owner other than time. When the time came there was opportunity to sell, cost of the infrastructure is then covered by the developer. He said in his opinion he did not think it was appropriate to say the landowner gained in value, they should share in more of the cost because the cost is covered by development fees. Councilmember Murphy stated the decision not to assess years ago had possibly set them on a difference course. Mayor Bartholomew stated the value was brought in by development. Councilmember Murphy commented that taxpayers paid for it. Mayor Bartholomew responded the developers are paying for it. Councilmember Murphy asked if that was the case when stubbing in the original sewer and water. He asked if a bond was issued for it. City Administrator Wilson responded cash was paid for the water out of the Water Fund. Bonds were sold for sewer improvements because that fund could not cash flow the improvements.

Councilmember Murphy said he would not mind seeing the numbers run to spread that burden across the city, the tax base being created in the northwest is not just benefitting the northwest area.

Mayor Bartholomew referenced the map with the various uses and asked what the Council's thoughts were. Mr. Scheib responded they try to compress higher densities closer to nodes where commercial services and good transportation access is wanted.

Mayor Bartholomew questioned if they need to look at what would reduce the density in a mixed-use area. He asked what would happen if changing all that to the lowest density. Councilmember Murphy stated the dark green area depicted on the map is on the agenda this evening. Mr. Scheib agreed and replied there is an application, they probably cannot do much with it.

Mayor Bartholomew said that would leave mixed use and if they want Staff to run the numbers on those. Councilmember Murphy said he did not feel as though he has enough details. He was having difficulty with running scenarios and moving parcels around.

Mayor Bartholomew said it is known if they do not meet obligations, they would have to pay obligations through another funding source. It could be another loan or raising taxes. Whatever shortfall they have will become the taxpayer's responsibility.

Mayor Bartholomew asked the Council if they should continue on the path they are on, ask for detail, or ask what happens if changing some of the locations such as mixed use. He said other opportunities in the area are limited.

City Administrator Wilson mentioned the Council does not have to change anything after seeing the maps and numbers. One of the conclusions she's heard is if staying the course of the Comprehensive Plan they should be able to achieve the financial resources needed to meet obligations.

Councilmember Murphy said he understood what the City Administrator is saying. It has been done on a case-by-case basis, he is not saying, as one of five Councilmembers, that he is committing to anything until he sees something he needs to analyze. City Administrator Wilson responded it is difficult for Staff to plan for how to pay for these multi-million-dollar investments with case-by-case decisions. The goal of this was to try to receive a consensus to have more of a long-term plan rather than taking plats as they come in from developers. She said that leaves them year by year if it can be afforded or how to pay for it.

Ms. Cook stated it has been her understanding with working with Staff that the city is receiving a lot of proposals now and evaluating them on a parcel-by-parcel basis without context of a community wide basis and the financial implications. There is a model built now. That model can be used in a couple of different ways:

- To have a discussion about bigger framework.
- If they like the Comprehensive Plan.
  - Are there things Council wants to change about the Comprehensive Plan
  - If so, model that out.

If that was not the approach the Council wants to consider, can also use:

- The model on a case-by-case basis that says there is a development in front of them, what if they take it out, what if they change the zoning, what if they differ from the Comprehensive Plan, they can run it through the model.

The options get narrower and narrower as more land gets developed, there are less and less options to recover. If the average of what is left to be developed is 5.7 acres, there are not a lot of sites guided for high density and mixed use to be able to take one of those and make it low density. She questioned how that would be recovered. Not only from a city/Met Council perspective but also a financial perspective. She said as consultants, they felt an obligation to alert the Council to this. She said it has always been policy for this and prior Council's that development should pay for itself. If that is still the policy that would indicate a need to follow the Comprehensive Plan.

Mayor Bartholomew said they are in the second year of the new Comprehensive Plan. He said the Council struggles with the numbers, many hearings, knowing where densities had to be, knew where they were going to set the densities at, where to set development growth, and what level the density would be in that area. Anyone could come in and request a Comp Plan Amendment and change it. That would be self-correcting. Anyone could come in and request a variance and the variance could be denied by the Council or Met Council. He said they could sit with what they have here and do nothing. On a case-by-case basis they would come in and want to reduce the density. It would be up to the property owner to reduce the density, not the city, the city knows what the ramifications are. He said they could run that and say what the cost would be.

Interim Public Works Director Klay Eckles stated the Comprehensive Plan is a very complicated document. There's likely 30 years of investment in it and has been refined over the years. He said on the Staff side, lacking a change in the direction from the City Council, this is the city's plan. Staff will continue to bring forward plans that meet the Comprehensive Plan unless the plan is changed. He said it is helpful for Staff to know if this is the plan or not. If not, there is a lot of work to do. At some point it would be good to have clear direction from Council whether they are or are not looking at changes.

Councilmember Murphy asked if there have been changes with the Comprehensive Plan. Mayor Bartholomew responded changes have been made. They are typically for higher density. For example, someone comes in

saying this will not work, requests a higher density, a Comprehensive Plan Amendment would need to be applied for, it goes through the Planning Commission, City Council, and the Met Council for approval.

Mr. Scheib stated there were two kinds of changes that happen with Comprehensive Plans:

1. A full update, driven by regional Government every 10 years.
2. Amendments that take place between updates.
  - a. Driven by individual property owners that come forward with a different vision for their plan. For example: An Amendment that took place off of 80<sup>th</sup>.

Comprehensive Plans are complicated. There is a process if changing them. There are findings, rationale, public process, public hearing, and the Met Council. He said the parcel level is when a project comes in and knows if it fits or not. It could become an issue of site design and how to mitigate impacts through the site design process. If finding they do not want to approve something because the land use is wrong, they would be talking about a Comprehensive Plan Amendment. If that is consistently discussed and are struggling with it, then the Council needs to say they need to change the Comprehensive Plan. He said not all will agree on things, it may not be about a Comprehensive Plan Amendment process, but more with zoning Code and site design standards. He believed that would be the discussion next if the Council is fine with the Comprehensive Plan. He said the city can initiate an Amendment. It does not have to be driven by private property owners.

Community Development Director Heather Rand stated this is the third session where Staff and consultants assist the Council in understanding the implications of land use, public infrastructure, and where the city is going with development patterns. She said it is important to acknowledge the work that Ehlers did, and Finance Director Amy Hove with respect to the ongoing financial obligations with utilities in these areas. She requested direction from Council if they want Staff to identify if there are areas, quadrants, or changes they wanted Staff to explore. Staff can try their formulas and understand what the implications would be looking at costs moving forward. If a majority of Council is not interested in providing direction on potential land use changes, this could be as far as needed to go tonight. She appreciated the consultants and City Administrator Wilsons comments about how Staff would use the Comprehensive Plan when individuals sell land or development teams come forward. Staff would continue to use the map as described this evening. She said there is a danger if Council rejects on a case-by-case basis as a preliminary plat comes forward without greater direction to Staff. There is a concern from the development community that everything seems uncertain. There are also concerns from surrounding property owners.

Mayor Bartholomew stated he is comfortable with where they are at, at this point. He appreciated the input, analytics, and is encouraged to see there is good news. He believes they are on the right track, He said he has supported the Comp Plan as it came out, and previous Comp Plans. He does not see a need for change. He appreciated the input and further detail provided this evening.

Councilmember Murphy mentioned if trying to avoid a case-by-case basis to make it easier on Staff, he respects and understands. He still felt like he does not have all of the information. He said he questions if numbers need to be run where everything is medium density or go with mixed use with the cap of 35. He asked if they should look at mixed use being medium density and run the numbers that way. He said he would like to see more work done around how to spread out the obligation across the entire city. He said he does not believe the tax base in the northwest quadrant benefits just the northwest quadrant, those are General Obligation Bonds.

City Administrator Wilson suggested moving on with the remainder of the agenda because the next item discusses additional specifics about how sections of the northwest area may develop. That would give Staff additional insight into what the Council is thinking. She said additional time has been reserved at the November 1<sup>st</sup> Work Session to possibly have Ehlers back with follow-up. She said they could spend time at the Staff level in the next two weeks or have one on one conversations with the Council, herself, or Community Development

Director Rand. She said direction is helpful but is not something they need in the next hour or two. This will give Council time to think about the information presented and determine if further conversation is needed at the November 1<sup>st</sup> Work Session.

## 2. Small Area Plans

Community Development Director Heather Rand stated Brian Harjes is in attendance from HKGi Planning, to present this evening. She said that HKGi is the firm the city has agreements with for two planning processes; the first is north of Argenta and Highway 55, the other south. The small area plans would provide greater detailed analysis that could enable the Council to look at impacts of: access, transportation opportunities, utility placement, and to have a better understanding of the feasibility of development over the course of the next several years in these areas. This information was presented at the Council's September 13<sup>th</sup> meeting without a lot of background information. The Planning Commission received this with greater detail and approved unanimously. She said the Council requested more background on decision making and how Staff arrived at the recommendations.

Brian Harjes, HKGi, 123 North Third Street, Minneapolis, said he would put into context some of the planning he would be presenting in connection to the previous conversation about potential change areas.

Northwest Area: 70<sup>th</sup> Street realigned Argenta Trail, and Highway 55 to the south.

1. Area of industrial land to the south with access off of Highway 55.
2. 3 large lot residential parcels that have stub streets moving towards them.
3. Larger parcel with steeper topography. Includes a vacant piece and an existing business.

A lot of this plays into access, circulation, how it reflects changes in the roadway to Argenta Trail access, and balances existing conditions present with the single-family neighborhood to the north and east.

The area included:

- Steep slopes, topography, heading down to the regional basin, in the southwest quadrant.
- About 70 feet of grade change in total through that area.
- Fairly wooded.
- Through public engagement, some considerations to consider was:
  - Maintaining perimeter edges of some of the trees for a buffer between existing development.
- Planned use in the area shows:
  - Low to medium density
  - Low density residential
  - Medium density residential
- Transportation Improvements:
  - Showing a planned or potential future interchange at Argenta Trail and Highway 55.
    - Folded diamond
    - On and off ramps for the north side around a portion of an existing stormwater pond.
    - The other configuration has not been determined.
  - Access Points:
    - How to potentially gain access for development of a parcel without allowing trips to come back through existing single-family development.
    - Looking at a possibility of access in a location. The balance of density and land use with potential access was explored as a part of this.
    - ¾ access.
    - Right in, right out access.
    - There is no additional access until getting over to the existing access point into the neighborhood on the far west side.
- Sewer and Water:

- There was a planned Lift Station to serve an area.
  - Have found other ways to reduce the cost and still allow for development of the areas without such a large Lift Station in the location.

He mentioned that a part of their team was Marquette Advisors who was a Market Consultant.

He stated there were three development concepts. Time was spent in the area looking around at the lay of the land, physical conditions, access and visibility, market conditions and trends happening especially on the Highway 55 corridor relative to the proximity to the airport. The analysis resulted in:

- Due to access conditions and steep topography, light industrial use did not make sense in a location.
  - A higher density use, or a medium density townhome use could be a better fit in that location.
- To the north, three different scenarios were explored that had roadway configurations and access closures. Through engagement with landowners to the south, they would prefer to maintain their access. Explored options to obtain sewer and water through the city of Eagan.
- To the north, had limited engagement from the actual property owners. Most of the engagement came from the surrounding neighborhood to the east.
  - Concerns about access to and from that parcel, particularly the change in land use to a light industrial use immediately adjacent to the single-family neighborhood was a concern.
  - Because of some of the surrounding residential from a market standpoint one location did not make sense. Leaned toward existing land use guidance of medium density townhomes.

Proposed Development Concept(s):

1. Higher density land use component gaining access with a temporary street out to Amana Trail.
  - a. If that could not occur by the County's plan and the access could not be granted, the land use change to reduce trips in the area should be lowered to medium density residential, as is currently guided as a part of this plan.
  - b. Wanted to reduce the number of actual trips and maintain existing land use guidance.
  - c. Access circulation was a big consideration. Make sure to work with long term scenarios of a potential interchange whether or not they could get access from Dakota County
2. Property and another area.
  - a. Recommend maintaining existing industrial use.
  - b. Looking at connections for sewer and water with the City of Eagan. Would require an amended Joint Powers Agreement to make that happen.
3. Change on the north reflects more of the conversation from neighbors because of the stub street access and a shared access point that would have to come at a location.
  - a. Desire for a similar development pattern to what is in the neighborhood today.
  - b. The change was made and reflected it to go from low to medium density residential to low density residential.

Councilmember Piekarski Krech asked if that change was made without contacting the owners of those properties. Mr. Harjes responded those property owners were part of the reason the change was made.

Councilmember Piekarski Krech said it was commented previously that he only had discussion with people in the houses there now, not the property owners. Mr. Harjes said the neighborhood was highly involved in this planning process. He said they did not have a chance to talk with the three property owners. Notification was sent to them, but they chose not to participate in the process. What was described is the current recommendation. It is recommended to go lower based on the feedback from the neighborhood.

Councilmember Piekarski Krech commented that he looked with the neighborhood, not with the people who own the property. Mr. Harjes responded correct, it goes from low to medium, to low density residential, which is the next step down. Councilmember Piekarski Krech commented if she were a property owner, she would be told a change would be made without input from the owner. Mr. Harjes replied this was the only area in both plans where density is dropped. The others are either the same or suggested different land use configurations such as

commercial or industrial use, mostly due to the access adjacency issues. The development has to share access with the existing development to the east. They do not get their own access because it is a county road.

City Administrator Wilson mentioned that those current landowners were invited. Mr. Harjes said they were notified of both meetings.

Mr. Harjes discussed the proposed land use plan:

There were two scenarios with either higher density with direct access and the temporary condition or medium density housing if not allowed to gain access via the County in a near term condition.

- Existing low density residential and low medium residential in that area.
- Parks and Open Space.
  - Preservation of the tree line to keep separation of the existing development.
  - Adding an additional trail network.
  - Utilization of the Regional Trail due to topography as it heads to the south.
  - Vista Pines Park is currently under construction.

Councilmember Piekarski Krech asked if the connection to the Regional Trail goes through here or if it was further west. Mr. Harjes responded the Regional Trail extends on the higher side and works its way through the park and extends south. It can connect onto future Argenta Trail with pathways on both sides of the road.

Councilmember Piekarski Krech said the big question was what the County would allow to access onto Argenta. She asked if there was a plan for a frontage road all along Highway 55. She said there is currently one part of the way. Mr. Harjes responded there is currently not a plan for one. It only shows a potential for future interchange. Councilmember Piekarski Krech stated if Highway 55 goes to closed access, Eagan has frontage roads planned for their section. She asked if there was anything to hook up to that. Mr. Harjes responded no. City Planner Allan Hunting responded that has been looked at from the city side. There are two large wetlands on the Inver Grove Heights side that are a part of the Stormwater Management Plan. He said the City Engineer has said the frontage road would not work because it would have a major impact on wetlands and stormwater management. It might also be a part of MnDOT management.

City Administrator Wilson asked if both alternatives for the southern portion maintains the tree line providing separation. Mr. Harjes responded that was correct.

Mr. Harjes stated a very similar process was conducted; concerns were:

- Near term interest in development.
- Others had no interest in development in the area.
- The larger UPS facility to the west and some of the trips that happen through the current alignment of Argenta Trail and up, was a negative impact on some transportation patterns.
  - Want to try to address that with the City of Eagan.
- Longer term, Argenta Trail and the combination of Alverno Avenue has a realignment proposed that is similar, from Dakota County and a previous roadway visioning study.
  - Would like an understanding of what those implications would be for potential development of those areas.
  - These are larger tracts of land that are relatively flat. Seen as opportunities for a larger scale development.
- There are some market conditions that make sense.
  - More of a light industrial look for potential uses that fit the landscape better than other conditions in the northwest area.

Existing Conditions:

- Predominately tilled land
- Horse stable operation
- Two larger tracks of land
- One piece owned by John Allen who did a recent light industrial development
- Larger lot single family ownership
- Large lot acreage to the south
- Manufactured home park in the southwest quadrant

Land use:

- Generally guided low to medium density land use
- Medium density for the manufactured home park
- To the east, some of the topographic challenges:
  - Connection of all basins, drainage divide that head down towards the south and east, play into sanitary sewer elevations and stormwater conveyance.

Stormwater:

- There is a larger component of basins. All development works its way through certain sub-watersheds, overtops, and works its way through. Goes down to the south and to the east.

Watermain:

- Joint Powers boundary with the city of Eagan; intended to be serviced through Eagan’s system.

Sanitary Sewer:

- Same as watermain and the divide between them.
- Previous plan had an existing condition. What they worked off of for early planning indicated there was main trunk infrastructure that would get built and come back to the City of Eagan.
- In one area, everything would work towards a Lift Station with gravity service and forcemain.
- Elevations and the topographic relief that is out there were looked into. If there was opportunity to have gravity flow services by an expanded Joint Powers Agreement with the City of Eagan.
  - There were locations that would work elevationally to allow gravity flow sewer to the existing sanitary sewer manholes that were developed as a part of the recent light industrial development on the far west side.
  - Does a quick estimation of overall flow and pipe elevation to understand how/what could potentially be serviceable?

A variety of alternatives were explored in the area. Four concepts were done taking into consideration that there were one or two parcels with interest in near term development.

- With the infrastructure as planned before, the cost of the infrastructure was more exorbitant than what those developments could pay to get those projects moving.
- It would take more cost and development.
- That would have to come from areas that were not ready for development at this time.

That is what led to analyzing further to the east at land they knew had some interest in development and would potentially be a part of infrastructure growth in the future.

- Everything from all light industrial types of uses, mix of uses, general reconfigurations of the roadway alignment from Dakota County, alternative alignments for collector roadways or not continuing collector roadway services through those areas. A number of factors were looked at resulting in the following more preferred development concept:
  - First Phase: Focus on areas of land that would be developed and served by the City of Eagan.
  - A homeowner they spoke with was not interested at this time, but because of the location of Yankee Doodle Road, the anticipation of a larger roadway, and existing uses adjacent, they felt an office use or flex use made more sense in the location.

- Development interests on other parcels. The roadways could get built, and all of the sewer and water infrastructure could come from Eagan as a first phase of development.

Mr. Harjes mentioned they needed to expand the study area to see how remaining areas would develop by carrying forth a Lift Station, force main, and roadway construction. This resulted in looking further to the east to make those connections for development in that area.

- Sanitary sewer infrastructure was the big driver.
- Looked at avoiding a number of basin areas and back lot lines of large lot residential coming through the proposed development.
- Took into consideration existing homesteads on properties that were in between potentially future development areas.
- Tried to site a collector roadway that would serve those future developments to provide an alternative path for connectivity.
- This resulted in a reflection of a development pattern generally based on the Comprehensive Plan. They took a lower end assumption of what the capacity could be to test the sewer and water infrastructure cost throughout the area:
  - About 140 units of low density residential
  - 110 units of medium density residential
  - Accommodate existing wetlands
  - Accommodate the stormwater treatment infrastructure
  - Infiltration areas would extend along the potential Argenta Trail realignment
  - Existing connections to certain neighborhoods
  - Location of the Lift Station based on elevation and grade
  - Analysis was run for sewer and water
  - Land use is more light industrial toward the northwest
  - Low density and medium density residential to the south and to the east

Parks, Trails, and Open Space:

- Looking at a park use near the collector roadway and facilitate park use for adjacent development.
  - Walkable, connected via trail along a collector roadway
  - Series of basins and open space preservation areas adjacent

A diagram was displayed showing near term development:

- Opportunity for service to the City of Eagan
- Longer term development driven by opportunities developers see for the location and potential development
- Additional conversations were had with a property owner
- Inquired about higher density uses in another location to help offset additional development costs. This is a consideration worth noting

Councilmember Piekarski Krech asked how all that would get done without destroying the land and ruining the Marcott Lakes. Mr. Harjes responded the infiltration basins will help absorb a lot of the stormwater treatment for the overall development. Councilmember Piekarski Krech stated there were high hills and deep ditches in the area, where the houses were shown was a steep slope down. Mr. Harjes responded all of the stormwater treatment except for a small portion of backyards would be collected and run back through. Councilmember Piekarski Krech asked how houses would be put in without destroying the whole property. Mr. Harjes responded that is what development would do. They would come through and masquerade the site, set pad elevations, and develop it just like other locations in the northwest area. Councilmember Piekarski Krech said a lot of the other locations have taken into account the topography, the slopes there were very steep.

Councilmember Piekarski Krech referenced one acre lots off of Highway 55 and Rich Valley stating those were developed that way because they wanted bigger development, but there was topography. She said this abuts them on the high side. Mr. Harjes responded a lot of the topography is in the MnDOT Right of Way for Highway 3 as it climbs up the hill. The area referenced has about 40 feet of grade change. That is why there is not access out to Highway 3 in this location. They followed an old, graded road that serves existing homes to create a collector roadway to city standards. Councilmember Piekarski Krech questioned if this was in the original Northwest Area Plan. Mr. Harjes responded that was correct.

Councilmember Gliva asked if all utilities proposed are minimally affecting surrounding property owners who are not ready to develop. She asked if things are being chopped up and going through the middle needing easements. Mr. Harjes responded this location, because the basin can be seen immediately to the north, is the desired location for the future Lift Station. Their approach was to try to find the most logical place for utilities and infrastructure so they can overlap. They could pair the infrastructure with a potential roadway that would serve just the areas intending to develop in the next 5-10 years. He said it includes geometry of the roadway Dakota County is thinking through and existing wetlands.

Mayor Bartholomew said development is a long way off, this is a future plan. He commented that it sounds like Eagan is a big push offering to run the infrastructure through on their side of the development for commercial. He said there seems to be a lot of unwilling participants, the individual along Yankee Doodle Road is not interested yet. He said this is a plan, it is a what if scenario, if everyone is willing, this would be what they would go to. Mr. Harjes responded they heard through engagement that these parcels were interested in development right away. They learned recently that parcels on the east side, are also interested in development near term. Mayor Bartholomew stated his comment was regarding the parcel to the northwest and properties to the south that are not blocked out yet. He understood there was willingness by some developers north. He said he would be mindful of everyone that does not want to develop at this point. He commented this was a good study.

Community Development Director Rand said for the Council's meeting on October 25<sup>th</sup>, Staff would put Resolutions for the Council to consider approval of the Small Area Plans. These are planning documents, similar to a Comprehensive Plan that provides guidance. This helps understand where routes for utilities would be and uses on certain parcels. She mentioned if someone owns land in areas and are not interested in development or ready to sell, their impacts should be minimal. She said Mr. Steve Schmidt, who was just before the Council and has property north of Highway 55, was one of the driving forces behind moving forward with more in-depth planning to prepare a landowner such as himself so they were not negatively impacting surrounding property owners and understood what was happening with utilities and access.

City Planner Hunting stated these are guiding plans. This would not change the Comprehensive Plan guiding of any parcels. That is still up to individual landowners to do. This gives a plan and pathway so if there were a couple of industrial developments that would come in for application after October 25<sup>th</sup>, if Council adopts, that is the guidance that would be used to design their site. Staff would have to work through roadway systems. He said the only changes were with two industrial on each side of future Argenta and the far northwest corner residential. If a developer comes in this would give a chance to go to some type of office flex industrial. The plan to the far east would be to work off the existing Comprehensive Plan with low density and medium density residential. He said this was more of an exercise to see, based on the existing Comp Plan, if taking some of the area out of the northwest area service area to allow it to be served by Eagan with a Joint Powers Agreement, if there was enough development density to help pay for the lift station and trunk sewer and water. Then the plan would be able to pay for itself.

Mayor Bartholomew stated in the event development comes through, this is a good plan. He was concerned about being mindful of unwilling participants and the water concern with Marcott Lakes. He said he wanted to be

on the record as saying that those were some of his concerns. Another concern was the County and their alignment of roads and development. This scenario shows how this could be approached.

Councilmember Piekarski Krech commented she has no problem with the north side of Highway 55. The problem with the south side is it is large lot residential, there are a lot of people negatively affected by the things being proposed. They do not choose to be negatively affected. She said that is the problem she sees with proposals for the south side. Mr. Harjes responded they are following current land use guidance. Councilmember Piekarski Krech said they are doing a plan, they are not taking into account, which is what she does, the residents in that area. Mr. Harjes responded that he believed they did take residents into account, they put the best lay of the land they could for potential development in the area around large lot residential. The roadway connection on the north side of a property would make connections work for public safety and other components.

Councilmember Gliva said she visited the property; the property owners understanding was that there was going to be utilities that would take down a full row of trees on his property and infringe on another section. She said that was her concern, they have to be cognizant that there are people that are not there yet on developing. Mr. Harjes responded there is detail design that has to be done on the collector roadway alignment. He said part of the reason they show that geometry is because there is an existing high-tension line for power lines. It shifts the roadway to the east due to the location of the poles. Further to the south there is a lot of undeveloped land on the east side of the current roadway alignment for Alverno. It is a logical location for additional right of way acquisition instead of impacting 10-12 more homeowners on the south side.

Mr. Harjes mentioned another component is the existing infiltration basins that they would need to respond to and not impact heavily with impervious surface. Its water quality treatment helping all of the water flow to be treated before heading to the east. Preservations of basins like this are critical for development in this area.

Mayor Bartholomew asked if the area studies would be taken one at a time for the meeting taking place on October 25<sup>th</sup>. Community Development Director Rand responded that was correct.

Councilmember Dietrich asked if there would be an approval and a denial in the Council packets for this item. City Administrator Wilson responded if the approval does not pass, fails to get a Motion, or does not get a majority, which would be the denial. Councilmember Dietrich stated sometimes the packet includes both. City Administrator Wilson responded that takes place occasionally, on a very specific application from a developer. This would be for adopting the small plan. If failing to adopt them, they would be rejecting them.

### **3. Park Development & Financing**

#### **a. Review of Park Dedication Ordinance**

Community Development Director Heather Rand reviewed the City Code as it pertains to Park Dedication, stating as developers develop plats in the city and subdivide, they are required to make contributions to park space. Sometimes it is land, payments in lieu of, or a combination. Chapter 4 of City Code dictates and provides guidance to Council and Staff as they work with developers to determine the parameters. Chapter 4 includes the statement "the preservation of land for park, playground, and public open space purposes as it relates to the use of development of land for residential, commercial, and industrial purposes is essential to maintaining a helpful and desirable environment". She said when talking about parks, it is not a playground or a ballfield, it can also be public open space. There has been a trend over the last 20 years that much of their open space is trail, open, green, and unprogrammed. She said Chapter 4 continues with park, trail, and recreation dedication, or cash in lieu section that says "City Parks and Recreation Advisory Commission will establish minimum community criteria for meeting the needs of the residents of the city when it comes to parks. In order to meet community needs for parks, 10 acres of park shall be required for each 1,000 residents". She stated this was ideal guidance. Chapter 4 also states it gives opportunities for variances to 1,000 residents and 10 acres of park. She said further in the

Code, it states “standards and guidelines of this Chapter for the dedication of land for park, playground, public open space purposes, or cash contributions in lieu of such dedication must occur when subdividing or developing land within the city.” She said it goes on to specify a formula to use when determining:

- What is suitable land for parks
- What the general requirements are to get at that formula for land as it relates to different types of development and zoning, including what payment in lieu of would be or a combination.

The Master Plan for Parks and Development provides guidance for suitability of land. Much of the language is included in the city Comprehensive Plan. Suitability of land factors include:

- Size
- Shape
- Topography
- Geology
- Hydrology
- Tree cover
- Access
- Location

It also requires suitable land must not include a massive number of trees, trash, junk, pollutants, and unwanted structures. This is not deemed acceptable. It makes note that the Parks and Recreation Advisory Commission shall recommend to the city the land and/or contribution as requirements for a proposed subdivision. She said that is a recommendation. Council can take or leave recommendations from Advisory Councils or Commissions. If there is a change in a development or subdivision over time, the Park and Recreation Advisory Commission and the Council can reconsider whatever formula would be determined in development contracts for a subdivision and amend them. There is a provision that talks about additional purchase of land for park dedication and that the city, if feeling that for a certain subdivision and believes it wise to acquire additional parkland, the city may.

Community Development Director Rand said there is a formula for subdivisions where land dedication is required to be complied with. This is for certain types or zoning districts being developed as a subdivision. They are: R-1, R-2, R-3A, R-3B, multifamily. There are different percentages in a plat of land that must be dedicated and/or have fees or payment in lieu fees. For example:

- Residential, single family, and duplexes must have 9% of their land in that plat be dedicated as park, or there must be some kind of payment in lieu of.
- For business properties the formula is 4.5%.
- Higher density housing can be up to 30%.

When it comes to whether land is dedicated, cash, or combination, the Code specifies a cash contribution per residential unit:

- For residential R-1 and R-2 (single family or duplex homes) the fee is \$2,850 per unit
- For multi family or higher density housing, depending on type, \$4,000/\$4,490
- For commercial there is a required cash contribution if there is no parkland. (Payment in lieu of). For the average business district type parcel per acre, it would be \$7,000. For industrial it is \$5,000.

She said Staff does the calculations for certain plats and has Attorneys review them to make sure they are in compliance. To close, the following was stated:

- A combination of cash and land can be taken.
- The Council has discretion when it comes to acquisition and how to go about making those determinations.
- Requires contributions (payment in lieu of) goes into the Park Acquisition and Development Fund. Not spent for other general purposes or expenses the city may have.

Mayor Bartholomew said it was stated the Statute has criteria. A comment stated ten acres per 1,000. He asked if the current parkland acreage was known in total up to this point. Community Development Director Rand responded she does not have that number at this time but could find it and provide the information.

**b. Example of applying Ordinance to a new plat**

City Planner Allan Hunting stated there is criteria within Chapter 4 to use.

If using Land Dedication, what land would be counted. State Statute defines that as "buildable land," which is determined by:

- Taking the gross acres of parcel
  - Subtract any right of way needs for arterial roads (county roads, major roads)
  - Minus the boundaries of wetlands
  - Minus land below the high-water line of any DNR public protected waters
  - Minus any bluffs in Shoreland management overlay districts

There are different percentages for different zoning districts.

For residential zoning, the following apply:

- R-1 and R-2                      9%
- R-3A and R-3B    18%
- R-3C                                30%

Cash Contribution based on per residential units:

- A, E-1, E-2                      \$2,850
- R-1, R-2                         \$2,850
- R-3A, R-3B                     \$4,000
- R-3C                               \$4,900

He discussed examples for a few of the upcoming subdivisions. These are preliminary numbers. Both examples have used both cash and land dedication:

- At Home Apartments
  - Total buildable area of the entire site is 33.56 acres
  - Property, based on zoning and number of units/density R-3C zoning
    - Actual Total Land Dedication:  $33.56 \times 30\% = 10.1$  acres if taking all in land
    - All Cash contribution: Just Phase 1:  $253 \text{ units} \times \$4,900 = \$1,239,700$
  - The proposal has 4 acres in park on the plan. 40% Land Dedication, the balance of 60% would be in cash
    - $253 \text{ units} \times 60\% = 152$  units (Phase 1, west side of the property)
    - $152 \times \$4,900 = \$744,800$  cash plus land

Councilmember Dietrich asked how it was decided if that is an adequate split. City Planner Hunting responded using the Code, total land would be 10 acres, the maximum the city could request without having to pay for more land. The proposal is 4 acres, 40% of what the maximum in the Code would allow. To get to 100% park dedication the balance has to be in cash contribution.

Councilmember Dietrich asked what a 4-acre park looks like for that many residents. City Planner Hunting responded Parks and Recreation would look at that as a part of a later discussion.

Mayor Bartholomew stated there is consideration given as to why they go from 10 acres to 4 acres. He would like to see what that consideration is. City Administrator Wilson responded it is more of an art than a science. It depends on:

- How close other parks in the area might be
- Land topography

She said they do not want 10 acres to have 10 acres, they want to look at what is available.

- What the developer wants and is proposing

The Council has the authority to decide if this is acceptable or not. The developer has the choice to walk away, build/not build. It is a balancing act of what the city wants and what the developer is communicating, what makes their product marketable and financially feasible. This takes place on any given parcel.

Mayor Bartholomew stated the Council wants to make sure they are doing their diligence in knowing what the considerations are. Knowing a reason why it is going from 10 acres to 4 acres. He asked for more information when presenting cash in lieu of to the Council, as a recommendation. How they determine going from land only to land and cash in lieu of, for Council understanding. City Administrator Wilson responded Staff is developing that skill as they go. She said from what she has been told, the city has consistently taken cash. Up until the recent Peltier project, there has not been land dedication for many years.

City Planner Hunting discussed:

- Highlands at Settler’s Ridge (preliminary numbers)
  - Buildable area = 28.72 acres
  - Land Dedication based on R-1C Zoning
    - $28.72 \times 9\% = 2.58$  acres land dedication (full land dedication requirement)
    - All cash contribution:  $48 \text{ units} \times \$2,850 = \$136,800$
  - Proposed land dedication - 0.66 acres which is 25% of full requirement
  - Balance in cash to provide remaining 75% of park dedication in cash
    - $48 \text{ units} \times 75\% = 36 \text{ units}$
    - $36 \text{ units} \times \$2,850 = \$102,600$

He said this was an example of how the Code works from land to cash and sorting out what the recommendations are for land. Staff presents to the Parks Commission for thoughts and recommendations, then it goes before the City Council.

**c. Review of Fund 402 Park Development Fund**

City Administrator Wilson stated the history in the city has been to take cash, which is deposited into a specific account, Fund 402. That fund can only be used for purchasing neighboring parcels to serve as a park, spending the funds on developing the land.

Finance Director Amy Hove discussed where the fund is at for new parks and where Park Dedication fees go.

Fund 402: Park Acquisition & Development:

- At the end of 2020 they had under \$2 million dollars in this fund.
- Progressing through approved projects and reimbursements:
  - Heritage Village Park Phase 3 DEED Grant (Reimbursement Grant) covered cost in 2020 activities. Covering the rest of 2021 expenses on the project.
  - Park Dedication fees so far this year; approximately \$1.5 million dollars.
  - Donations for dog park shelters.
  - Interest.
- Expenses:
  - Finished up the dog park shelters using donations from 2019-2021.
  - New signage.
  - Various expenditures relating to clean up of those projects.
  - Heritage Village Park III (Project expenses that occurred this year).
    - Project has been finalized and reimbursed with the DEED Grant.
  - Work began on Vista Pines Park.
    - As of the end of September, spent just over \$88,500

- Fund Balance at the end of September; \$3.4 million dollars
- Restricted donations are sitting in the fund. Also, in the fund at the end of 2020.
  - \$6,400 toward the inclusive playground at Heritage Village Park. (This does not mean the project will proceed. Means donations were accepted at a Council level, set aside, and restricted for a future purpose).
- Adjusted fund balance available to spend; \$3.4 million dollars.
- 2021 Pending Activities:
  - Remainder of Vista Pines Park to complete.
    - \$88,000 in expenditures spent through the end of September.
    - Overall budget for the project was \$811,000.
    - DEED Grant was received: \$415,000.
    - Net impact to the fund: \$400,000.
    - Balance of that project: \$397,743.
    - Just over \$300,000 to spend in this fund.
  - Dollars returned to this fund: Prior projects that were Heritage Village Park related:
    - Received approved funding out of the fund. City received Grant dollars after the fact.
    - Returning just under \$1.3 million dollars back into the fund to be used toward future new parks.
  - Anticipated Park Dedications Fees:
    - Two checks were received in October. Those have not showed up yet, but equal \$320,000.
    - Peltier Reserve at \$370,000 in park dedication fees to be used towards new parks in the area. (May not receive all of that in 2021).
  - By the end of 2021: Anticipating about \$5.1 million dollars in this fund.

Mayor Bartholomew referenced the dollars coming from local improvement and construction funds 436 and 437, due back to this fund and asked if those were itemized in the consolidated financials. He asked how it was made sure the money taken from that account is reimbursed. Finance Director Hove responded those were carried at year end as available funds in the local Construction Improvement Fund. The transfer will be done to true up those projects and close them out. Mayor Bartholomew asked if at the end of the year they have a due to/due from, from the funds. Finance Director Hove responded no, something formal will be brought forward to move those funds back because they were originally budgeted for and approved by Council to spend on those projects. Those projects did not need those funds. Mayor Bartholomew stated the reason he asked is because they follow the itemized due to/due from very closely.

**d. Potential increase to Cash in Lieu of Fee for Park Dedication**

Interim Parks and Recreation Director Bob Bierscheid presented the following relating to Park Dedication: Used for a variety of projects.

- Cannot be used for maintenance for parks.
- Must be used on acquiring new land or building new parks.
- Basis for Park Dedication.
  - If a new development comes in, asks those causing the development to pay a fee to develop/provide land, rather than existing taxpayers.
  - Like an assessment.
  - Can be taken in land or cash in lieu of.
  - MN Court approved and reviewed for usage.

Two surveys were done of cities that use Park Dedication and what the fees were from 2019 and 2021. Fees of 25 various cities were shown/discussed, the proposal is based on what the difference would be. Inver Grove Heights

was listed towards the bottom as it currently exists for R-1 and R-2 categories. The proposal given would put the city in the middle of the other listed cities.

Mayor Bartholomew said he understands setting the city in the middle, for optics, he thought it was a bit bold. He said he would rather see them in the grouping of \$3,500 along with Mounds View, Woodbury, and Little Canada. Eagan is at \$3,500; he would rather see the city in line with neighbors or a little less. Interim Parks and Recreation Director Bierscheid responded he had a few more points to share before going in that direction.

Interim Parks and Recreation Director Bierscheid stated in terms of cash versus land, it was mentioned that parkland is needed. He said there used to be a standard from the National Parks and Recreation Association that either ½ or ¾ mile from every home there should be a 10-acre park. That is no longer their standard. He said this city is a great example of why that was changed. For example, cities with topography, freeways, water issues, those do not work, a flat space would. It is encouraged to be able to get to a space with a 10-minute walk so kids can get out and get in nature. He said for the cash in lieu of fee, if too low, developers would rather pay the fee than give up the land. If the fee is higher that would encourage developers to provide the land necessary.

Inflation:

- If the city had done a 3% increase each year since, it would stand at \$3,610 for 2022.
- There have been years when land prices have gone up more than 3%.

He recommends moving forward they do not take that long to review, and the fee be looked at every two years. This makes sure it can be increased a little versus the higher amount.

Comparing the following values:

- Neighborhood Park, Open Space, and Trails
- Community Development Rates
- Need for Park Development Revenues

As a result:

- In Inver Grove Heights the number of single-family residential development areas, including many without nearby accessible parks, is increasing.
- The costs of developing park spaces within these developments are increasing.
- Inver Grove Heights clearly needs additional community development resources.
- The Park Dedication Ordinance was last revised in 2014.

Recommendation:

- Based on data from other communities the current demand for housing in Inver Grove Heights would not be deterred by an increase.
- Based on these reviews, it is recommended Inver Grove Heights raise the R-1 and R-2 Park Dedication cash fees from \$2850 to \$3850 per lot.

Councilmember Piekarski Krech asked if this was just for single family. Interim Parks and Recreation Director Bierscheid responded it was based off of R-1 and R-2 in other communities. Councilmember Piekarski Krech asked how that relates to other fees, if it was based off a percentage. Interim Parks and Recreation Director Bierscheid responded he could not find one community where it was exactly the same factor. It partly depends on what the community is based on, how it is developed. He said it is less for commercial and industrial because those come and need to experience parks, but do not live here.

Mayor Bartholomew stated that is why he believed they should be at \$3,500 instead of \$3,850, especially in R-1 and R-2. Interim Parks and Recreation Director Bierscheid stated the amount is up to the Council, this was a way to get the city in the middle of the comparison list. Mayor Bartholomew stated at this level, he felt optics mean a lot.

Councilmember Gliva asked if there were high developer fees for sewer, water, and other, along with raising this fee. Community Development Director Rand responded Park Dedication fees are the same regardless of where development is in the city. Layered on with other infrastructure fees, it could be said the fees in the northwest area are still higher. The current fee for single family or duplex is \$2,850.

Councilmember Murphy commented higher fees in the northwest area were made years ago, those fees carry the consequences through to today. He said it is getting expensive. He was unsure why they segregate the northwest area all of the time.

Interim Parks and Recreation Director Bierscheid said \$2,850 for this community is way too low.

Councilmember Piekarski Krech said she was curious about when they got too low. There was a time it was way too high, and people were asking to have the Park Dedication fee waived or reduced. She asked if other cities had recently raised their fees. Interim Parks and Recreation Director Bierscheid responded the city has not done anything. If the city had done as the others have, which is periodically, then it would not have been the case because it has been such a long time since it has been adjusted.

Councilmember Dietrich asked if the Interim Parks and Recreation Director would recommend doing a cost of living. She said she would hate to not revisit this and do it again in a decade. Interim Parks and Recreation Director Bierscheid responded that is why he recommends revisiting every two years. He said some of his parting comments as he gets ready to leave the city would be in the redoing of the Parks and Recreation Master Plan. Councilmember Dietrich commented if it was not in writing it may not happen. Interim Parks and Recreation Director Bierscheid responded that is what he suggests getting in writing.

Community Development Director Rand mentioned some developers have said Park Dedication fees are too high. Mostly it is high density or multifamily developers that would say that. The fee for multifamily per unit is \$4,900 compared to single family at \$2,850. She said last May, Ehlers did a cost comparison of various types of development fees and found multi family is usually 2-3 times higher than competitive communities. Single family was at the low end. She said the difference about this community compared to Eagan or Fridley who may have lower fees is due to maintaining existing parks. This city is still trying to play catch up and determine how to develop.

City Administrator Wilson asked if this has been taken before the Parks and Recreation Advisory Commission. Interim Parks and Recreation Director Bierscheid responded yes; they recommended the \$3,850 fee.

Councilmember Piekarski Krech said her only concern was that there was something between the different levels. She did not realize they could set whatever was wanted.

Interim Parks and Recreation Director Bierscheid mentioned from his experience, regardless of which community, the first statement often heard from the developer is, "it's way too high." Parks can sell properties. Residential houses next to park land have a higher value than those further away.

Community Development Director Rand stated this item will be on the Council's Consent Agenda for next Monday night.

#### **e. Update on NWA Parks**

Community Development Director Rand updated the Council on the development of parks in the northwest area. She said Staff updates the Northwest Area Park Development Map that denotes created parks and some in various planning stages. The following update has parks listed by number but has no relation to intended order.

Park #1: Vista Pines Park

- Currently under construction

Park #2: Currently known as the Cole Family Trust Park

- Proposed/Preliminary. In the Trust process with family members
- Have been in discussions with the County and Parks and Recreation City Staff, not only on the Inver Grove Heights side but also on the Eagan side
- This Park would be sizeable
- Timeline and boundaries are unknown at this time

Park #3: Agate Trail

- Corresponds to a proposed park with At Home Apartments
- Plat located just north of South Robert, Highway 3, and 70<sup>th</sup> Street

Park #4: Un-named. Located in the Peltier Reserve Development

Park #5: Highlands/Settler's Ridge

Parks were broken down as follows:

Vista Pines Neighborhood Park:

- 8 acres under construction
- Acquisition for this was through Fund 402 Park Dedication fees
- Construction is about 50% complete
- The basketball court has some blacktop on it
- Trails will be blacktopped
- Entrance culvert has been installed
- Two different bike skills courses for different age groups. These are largely installed
- Concrete for a playground area has been installed
- Waiting for the playground equipment
- Scheduled for lighting and final grading later this month
- Park is slated for opening around late June
- The DEED Grant, in the amount of \$415,000, has helped fund this park

Peltier Reserve: Developer Proposal:

- Located on/near a pipeline and stormwater basin that may hold water
- The developer has dedicated a 1.3-acre park
- HKGi Consultants/Park Planners brought forward a potential concept layout for a park to the Park and Recreation Advisory Commission last week
- Playground area has trees
- Developer creates retaining walls in an area in which the developer pays for
- Trying to save as many trees as possible
- A trail/path would come into the area and be ADA Compliant (Not necessarily the case in some of the other proposed parks)

She said she had been told that over one-third of the trails in the city are not ADA Compliant due to challenging topography.

- A 5,000 square foot minimum playground area
  - Divided into different age groups: 2-5-year-old area, 5-12-year-old area
- Rest of the area would be seeded
- The flattest area of land would be a general play area

To note, this has not yet been planned. The Park and Recreation Advisory Commission, with Staff and public input, would make a recommendation for an actual park layout.

Councilmember Piekarski Krech asked if they were accepting the land in the pipeline easement as a part of his park dedication. Community Development Director Rand responded yes, the City Council per the Development Contract with Peltier Reserve, did accept the land in that area, it is the flattest land in that "L" shaped site.

Councilmember Piekarski Krech stated the land could not have been used anyway. She asked how that fit with taking land for Park Dedication because its unusable. Community Development Director Rand responded she could not answer that question. She said this was not a site the Park and Recreation Staff had identified. In trying to maximize the square footage of the land it was determined and incorporated into the Development Agreement. Councilmember Piekarski Krech said she thought the land would just go along with, they would not own it as park, it was the pipeline easement and would be greenspace. The park would be placed there with extra land that could be used. She said she has a problem if giving him land dedication on land he could not have used anyway.

City Administrator Wilson agreed with Councilmember Piekarski Krech's statement. She believed Staff also agrees. She said in the last few weeks there have been numerous conversations about this. This is the first time in a long time they have taken land dedication. Everyone is doing the best they can without a permanent Parks and Recreation Director. She said in conversations with the City Attorney, this is what it is. It was approved by the Council back in April. Moving forward they would not be accepting outlots or lands encumbered by pipes and counting it as park dedication. She said this was a learning opportunity for all. It will be publicly available space; Parks Staff will maintain. It will be benefit for the neighborhood.

Councilmember Piekarski Krech mentioned when this was previously discussed, they would be giving up two lots where the park is. Council believed that to be a great idea because it abuts greenspace. She never realized the intention. City Administrator Wilson stated that was not what was memorialized in the document. That may have been what many understood but was not what was on paper.

Councilmember Murphy agreed a mistake was made. He asked if there was not some obligation on the developer's part and read City Code and attempted to do the right thing and bring it to Council's attention.

Mayor Bartholomew stated this highlights the issue of needing to have more eyes on this and understanding fully what they are getting for cash in lieu of, what the land is, and the remnant of dollar amounts. He said he understood it has been a long time since land has been taken with a development. He said they realize it is a park only partially paid for by the Applicant in this case. They have a large green space, but lost dedication fee. Community Development Director Rand stated fees will continue to come in as the project continues to be developed. They hope to use those fees on acquisitions in the surrounding area for additional park space that is more suitable.

Community Development Director Rand discussed:

Highlands at Settler's Ridge:

- 48 single family unit proposed development
- Borders west of South Robert in the northwest area
- Stormwater basin located nearby
  - They try to locate parks near stormwater basins because those are not filled with water, they have trees, and challenging topography
  - They try to connect everything with trails
  - This connects to Peltier Reserve Park
- 2 single family lots. Being expanded and making them larger with hopes of shifting the stormwater basin more to the west
- Over .5 acres
- Playground area for 5-12-year-old and 2-5-year-old equipment
- Over 5,000 square feet
- Grading in the area is needed

- Retaining walls constructed by the developer. Included in the Development Agreement (Development Agreements or Contracts happen when the Council approves the Final Plat)
- Open play area
- Intend to have a trail (not ADA based on grades)
  - Would either be natural surface or blacktopped. Unknown at this time
- Public input is still needed and intended for all parks

Councilmember Piekarski Krech asked if this was the trail the developer said they would put in or connect. Community Development Director Rand responded there was a bump out of land proposed earlier. In that discussion a trail that dips into a housing development south was something they would have installed. She said at this point they are focused on the two lots.

Councilmember Piekarski Krech asked if they were looking at the land that is already in the ponding easement. Community Development Director Rand responded that would not be in an outlot. If this is the dedicated park, the intention is that it would not be stormwater basin land, but a carve out and dedicated. Councilmember Piekarski Krech responded normally it would be, we are paying for land again that they were not going to be able to use to begin with. Community Development Director Rand responded they did not know exactly what the outlot and stormwater basin configuration and grading would be. They are going off of planning and input from the City Engineer that it can be shifted over and more fully utilized for parkland. She said she was unable to answer the question about if the developer had the opportunity to use it or not, they were not intending to. Staff knew there would be movement on the plan but did not have specifics at Preliminary Plat. Interim Public Works Director Klay Eckles stated if the developer were to use and pay for the retaining walls to create a flat space that becomes more parklike and useable. In another city they would accept that as park contribution. If improved to make it a usable space.

Councilmember Piekarski Krech asked if they would be giving them credit for building the retaining wall and if they were doing it on their dime. City Administrator Wilson responded retaining walls that are necessary to make the parkland useable are on the developer's dime and do not count towards the park dedication or reduce park dedication.

Councilmember Murphy asked if the amount of the required land dedication was known. City Planner Allan Hunting responded based on buildable area and zoning, if it were full land dedication it would be 2.58 acres.

Mayor Bartholomew asked the City Planner if he could send his presentation to the entire Council. City Planner Hunting responded yes.

Community Development Director Rand discussed:

Agate Trail - At Home Apartments:

- Public greenway space
- Trail goes through the greenway space and connects with other trails in the northwest area
- 4.2 acres
- The park was identified by the family members that own the land and was what they felt was an optimal place to build a park.
- Never billed as a 4.2-acre flat space, but as one-third of the area on the northwest side for a public improvement type park area, the remainder being left open for natural uses, trails, open play
- HKGi illustrated what a park in this location would look like and identified:
  - A considerable amount of earth would have to be removed in the area meaning the loss of some trees. Some trees will have to be replanted back.

- Highest bluff
- 5,000 square foot playground area for children of various ages
- Open space area
- Was suggested as the topography changes in an area, could have a sliding hill
- Mountain bike/single track natural surface trails
- Adventure play
- Trail connection to the south

She stated these are concepts. Some are unknown, such as Agate Trail, At Home Apartments and Highlands at Settler's Ridge. Final grading is unknown. She said three Park and Recreation Commissioner's have walked the Agate Trail site location as well as former Parks and Recreation Director Carlson, and Interim Parks and Recreation Directors Oyanagi, and Bierscheid. If grading and trying to make things flat, trees will be lost. She said the Park and Recreation Advisory Commission meeting last Wednesday recommend the city take a combination of payment in lieu of and the parks as illustrated. The hope is that the additional fees can be used with the remaining fund balance to make acquisitions for additional land in the area that has less of a challenge with grades and more suitable for a one-acre ballpark.

Mayor Bartholomew stated there were a number of trails and asked if the developer would be responsible for those. Interim Parks and Recreation Director Bierscheid responded there is not a precise standard or requirement. Very often the developer provides the land, but not necessarily the construction. In some cases, they will.

Mayor Bartholomew said in this case, if the slope is this way, they could make a case for it to be usable the developer should install. He said it was an extensive trail. Councilmember Piekarski Krech responded she thought there could be pushback from the developer on that. She did not believe the developer wanted to put it in, but the park was already slated to be there.

Mayor Bartholomew said it may not be a full 4.2 if considering the slope on the east side. Interim Park and Recreation Director Bierscheid responded the opportunity this park presents is very creative development. It is not a flat parcel, but an outdoor recreation experience. They could get a lot from this parcel. He said almost every community is going to the outdoor adventure area aspect rather than flat. This gives kids the opportunity to be out in nature.

Councilmember Murphy asked if he had been to the land. Interim Parks and Recreation Director Bierscheid responded yes. Councilmember Murphy asked if a parent could take a child to this land and teach them to play catch. He asked if this would be a park for kids or if there was a lot of work to do. Interim Parks and Recreation Director Bierscheid responded there was a lot of work to do on the land. A child can have that experience and other experiences.

Councilmember Murphy asked if this could be done without bankrupting the city to fix it. Interim Parks and Recreation Director Bierscheid responded part of the final negotiation is how much grading takes place. In this case, if there is a need for retaining walls, that should be the developer's responsibility.

Mayor Bartholomew asked how big the play area was. Interim Parks and Recreation Director Bierscheid responded this was all concept, there is no idea yet.

Mayor Bartholomew agreed with Councilmember Murphy's point that there should be an area where football or soccer can be played. Interim Parks and Recreation Director Bierscheid responded they should be able to go out and play wiffleball and frisbee and have an actual designated play space.

Mayor Bartholomew thanked Staff and the Consultants for getting all of the presentations pulled together.

Councilmember Murphy asked if the Council would receive the presentations. City Administrator Wilson responded she would make sure Council receives them.

**B. ADJOURN:**

**Motion by Gliva, second by Bartholomew, to adjourn the Special Session at 9:46 p.m.**

Minutes prepared by Recording Clerk Sheri Yourczek