

**INVER GROVE HEIGHTS CITY COUNCIL MEETING  
MONDAY, JUNE 11, 2018- 8150 BARBARA AVENUE**

**1. CALL TO ORDER 2. ROLL CALL:**

The City Council of Inver Grove Heights met in regular session on Monday, June 11, 2018, in the City Council Chambers. Mayor Tourville called the meeting to order at 7:00 p.m.

Present were: Councilmembers Piekarski Krech, Bartholomew, Hark, and Perry; City Administrator Lynch, City Attorney Kuntz, City Engineer Kaldunski, City Planner Hunting, and City Clerk Tesser.

Absent were: Recording Clerk Yourczek.

**3. PRESENTATIONS:**

There were no Presentations this evening.

**4. CONSENT AGENDA:**

**A.** i. Minutes of May 7, 2018 City Council Work Session.

ii. Minutes of May 29, 2018 City Council Meeting.

**B. Resolution 18-115** Approving Disbursements for Period Ending June 5, 2018.

**C.** Consider Pay Request No 1 – Dasher Board Package – West Rink Floor Project – City Project 2018-1722.

**D. Resolution 18-116** Approving a Revised Final Plat for Blackstone Vista 3rd Addition.

**E. Resolution 18-117** Approving a Wetland Replacement Plan for the 65th Street Construction Project.

**F.** Approve Proposal from Barr Engineering to Conduct Bituminous Roadways Noise Study.

**G.** Approve Additional Official Depository for 2018.

**H.** Consider **Resolution 18-118** to Approve Participation in the Performance Measurement Program Established by the State of Minnesota.

**I.** Consider Approval of Individual Massage Therapist License for Delci Rae Pierick with the Oasis Massage Center, 1870 50th Street East Suite #2.

**J.** Consider Approval for Hiring the Firm Cost, Planning and Management International, Inc. (CPMI) for Professional Services for an Owner's Representative for the Bidding and Construction for Fire Station #2.

**K.** Consider Change Order No. 3 for Aggregate Popout Issue for 2017 Pavement Management Program, City Project No. 2016-09E – Bancroft Area Reconstruction.

**L.** Approve Custom Grading Agreement and Permanent Drainage and Utility Easement for 3527 68th Street (Lot 13, Block 1, South Grove No. 11).

**M.** Consider **Resolution 18-119** Receiving Quotes, Awarding Contract, and Approving Change Order No. 1 for City Project No. 2018-07 – 2018 Pedestrian Ramp ADA Compliance.

**N.** Consider **Resolution 18-120** Accepting Proposal for Professional Engineering Services for City Project No. 2017-03 – NWA Trunk Watermain Improvements (65th Street Loop) Hwy 3 to Blackstone Ridge and City Project No. 2017-24 — T.H. 3 Intersection Improvements for the 65th Street Project.

**O.** Consider **Resolution 18-121** Approving Permanent Water, Sanitary Sewer, Fiber Optic and Telecommunications Easement Agreement, Temporary Construction Easement for Utility Installation Agreement, and Temporary Construction Easement for Boring and Access Agreement on Lot 1, Block 1, Arbor Pointe 11th Addition for City Project Nos. 2018-08 – Fire Station No. 2 Sewer and Water Improvements and 2018-11 – Fire Station No. 2 Fiber Optic Improvements.

**P.** Approval of a Negotiated Settlement Agreement between Clyde and Sandra Wille and the City of Inver Grove Heights related to the Acquisition of Easements for the Trunk Highway 3 Intersection Improvements for the 65th Street Project – City Project No. 2014-24 and for the Installation of Trunk Watermain in the NWA of the City on 65th Street between Trunk Highway 3 and Blackstone Ridge – City Project No. 2017-03. **Resolution 18-122.**

**Q.** Approval of a Negotiated Settlement Agreement between Thomas C. Lund and Deborah L. Lund and the City of Inver Grove Heights related to the Acquisition of Easements for the Trunk Highway 3 Intersection Improvements for the 65th Street Project – City Project No. 2014-24 and for the Installation of

Trunk Watermain in the NWA of the City on 65th Street between Trunk Highway 3 and Blackstone Ridge – City Project No. 2017-03. **Resolution 18-123.**

R. Personnel Actions.

S. **Resolution 18-124** Approving 5039 Brent Avenue Purchase Agreement.

Councilmember Piekarski Krech requested to pull Agenda Item 4Aii.

Councilmember Hark requested to pull Agenda Item 4Ai.

**Motion by Bartholomew second by Hark to accept the Consent Agenda with the exception of Agenda Items 4Ai and 4Aii.**

**Ayes: 5**

**Nays: 0 Motion carried.**

**Motion by Piekarski Krech second by Hark to approve Agenda Item 4Ai, the Minutes of May 7, 2018 City Council Work Session.**

**Ayes: 3**

**Nays: 0**

**Abstain: 2 (Bartholomew, Hark) Motion carried.**

**Motion by Bartholomew second by Perry to approve Agenda Item 4Aii, the Minutes of May 29, 2018 City Council Meeting.**

**Ayes: 4**

**Nays: 0**

**Abstain: 1 (Piekarski Krech) Motion carried.**

**5. PUBLIC COMMENT:**

There were no public comments at this time.

**6. PUBLIC HEARING:**

**7. REGULAR AGENDA:**

**I.COMMUNITY DEVELOPMENT:**

**A. CITY OF INVER GROVE HEIGHTS; Consider Application of SRF Proposal for Railroad Quiet Zone Implementation.**

City Administrator Joe Lynch stated that during a discussion at a Work Study Session, it was suggested to move forward with the application that did not include 105<sup>th</sup> Street. He stated that it would cost approximately \$10,000 in escrow with mandated changes at an estimated cost of \$250,000. Staff recommends that the escrow would come from the Host Community Fund. He stated that if the Council does not move forward with improvements at this time you would lose the escrow amount.

Mayor Tourville stated that they would be working with the railroad on this item and would know what they would expect and the cost. He commented that Staff has come up with a few funding sources.

Councilmember Bartholomew asked if Community Development Director Tom Link had come up with any other funding sources to date. He stated that the three quiet zones proposed on Concord Avenue did not require any upgrades and that they would be looking for consulting work right now.

City Administrator Lynch responded that there have been no updates on funding sources.

Mayor Tourville commented that he supports this item. He stated that they have to look at getting the engineering completed so they can apply for outside funding as the application is very specific.

Councilmember Hark agreed with Mayor Tourville's comment. He stated that for clarification purposes, if they proceed with this, they have to put \$10,000 in escrow, and if they decide not to move forward, they will have to forfeit that money.

Councilmember Piekarski Krech stated that the longer they wait the more expensive it will become.

**Motion by Piekarski Krech second by Hark to approve to Consider the Application of SRF Proposal for Railroad Quiet Zone Implementation, including 105<sup>th</sup> Street.**

Mayor Tourville commented that this is about quality of life and that the train whistle can blow in that area anywhere from three to ten times a night.

**Ayes: 5**

**Nays: 0      Motion carried.**

**B. INDUSTRIAL EQUITIES; Consider the following actions for property located at Outlot A & D Gene Worrell Church Acres;**

**a) A Resolution relating to Final Plat and Final PUD Development plan for a 110,000 square foot industrial warehouse project. Resolution 18-125.**

**b) A Resolution relating to a Vacation of an existing public street easement over Outlot D and including Release of Special Assessment Agreement, Release of Temporary Street Easement Agreement, Permanent Street, Utility and Drainage Easement on Outlot B and Release of Waiver of Claims and Covenants. Resolution 18-126.**

City Planner Allan Hunting stated that there are two parts to this application. The first is for the Final Plat/Final PUD Plan, which are consistent with the preliminary plans.

He stated that the request is for a 110,000 square foot building that meets all setbacks and parking standards. The landscape plan was short some trees so they will be providing money to the tree fund. He stated that a development agreement will be coming before the City Council at a future meeting. He stated that the second item is regarding the vacation of an existing public street easement. He commented that when it was platted and approved there was a public street easement placed there. That road is no longer necessary. He stated that the other affected owners agreed to, and signed, the petition for the application.

He stated that there are other actions to be taken care of as follows:

- An assessment agreement on the road, which is no longer necessary and would need to be released.
- There is a temporary easement that needs to be changed to permanent easement as the cul-de-sac would become permanent.
- The Release and Waiver of Claims would have to be signed from the property owners to the north and east. The Agreement states that they understand that they no longer have rights to a public right-of-way.

He stated that staff has asked to add one condition to the Resolution that states, “prior to the commencement of grading, all plans shall be approved by the City Engineer”.

Staff and the Planning Commission recommend approval of the two requests.

Councilmember Piekarski Krech questioned what would happen with the road leading to the cemetery.

Planner Hunting responded that they would be reconstructing a new driveway on the cemetery property. John Allan, Industrial Equities, 321 1<sup>st</sup> Avenue North, Minneapolis, stated that they have agreements in place and are awaiting signatures on a few other items. He stated that his company deals with many different municipalities around the metropolitan area, and that this City has exceptional staff that has been dealing with this complex situation.

**Motion by Piekarski Krech second by Perry to approve INDUSTRIAL EQUITIES; to Consider the following actions for property located at Outlot A & D Gene Worrell Church Acres;**

**a) A Resolution 18-125 relating to Final Plat and Final PUD Development plan for a 110,000 square foot industrial warehouse project.**

**b) A Resolution 18-126 relating to a Vacation of an existing public street easement over Outlot D and including Release of Special Assessment Agreement, Release of Temporary Street Easement Agreement, Permanent Street, Utility and Drainage Easement on Outlot B and Release of Waiver of Claims and Covenants with the addition of grading by the Engineer.**

**Ayes: 5**

**Nays: 0      Motion carried.**

**C. FUEL OIL SERVICE CO. (HOLIDAY GAS STATION); Consider a Resolution relating to a Conditional Use Permit Amendment to construct a new 7,300 square foot gas and convenience store located at 7020 South Robert Trail. Resolution 18-127.**

Mayor Tourville wanted to clarify that the City Council is not shutting down the Holiday Gas Station at the corner of 70<sup>th</sup> and Robert Street. The Gas Station is going to be remodeled while the roundabout and road are under construction.

City Planner Hunting stated that Holiday will be tearing down the existing building of 2,400 square feet and rebuilding a building that is 7,300 square feet. The building will face east/west with similar access points. He stated that all of the performance standards have been met and that storm water ponding for the site will be on the southerly piece and will need to be re-platted so it is all on one lot.

Staff and the Planning Commission recommend approval.

Councilmember Piekarski Krech asked when they will begin the project.

City Engineer Tom Kaldunski updated the Council on the following changes:

- The roundabout project is out for bids. Once the bids are complete, the County Board will be looking at the bids in early July and then will award a contract.
- Construction on 70<sup>th</sup> Street will begin in late July. The four-way stop will become a three-way stop with eastbound traffic on 70<sup>th</sup> blocked off for utility work. He stated that this will help with the 65<sup>th</sup> Street project which will begin after July 18<sup>th</sup> and will result in a complete shutdown of Highway 3 with that portion re-opening in the winter.
- The County will begin work on the roundabout project in spring 2019, weather permitting, with completion taking place in approximately four months.

Councilmember Bartholomew asked if the drain field and pond would have a large enough capacity for drainage.

Engineer Kaldunski displayed a map with the locations and responded that they have a large regional basin for this process.

Mayor Tourville asked when the teardown will begin.

Casey Beaton, Holiday Stationstores Corporate Offices, Bloomington, responded that due to delays, they will maintain the current facility until the spring. They hope to begin the retention pond and then escalate the construction schedule in the spring.

**Motion by Piekarski Krech second by Perry to approve FUEL OIL SERVICE CO. (HOLIDAY GAS STATION); to Consider Resolution 18-127 relating to a Conditional Use Permit Amendment to construct a new 7,300 square foot gas and convenience store located at 7020 South Robert Trail.**

**Ayes: 5**

**Nays: 0      Motion carried.**

**D. MCGOUGH DEVELOPMENT, LLC; Consider a Resolution relating to a Comprehensive Plan Amendment to change the land use designation from RC, Regional Commercial to HDR, High Density Residential for the approximate area known as Outlot D, Argenta Hills. Property located on south side of Amana Trail, between Hwy 3 and Argenta Trail. Resolution 18-128.**

City Planner Allan Hunting stated that this is an application for the Comprehensive Plan land use change. If it is successful they would have to come back for rezoning and site plan approvals.

He stated that the original application was for all of the vacant land to the west of Target. The proposal then was changed to High Density Residential with 400 units within two apartment buildings. Council denied the request. He stated that the Applicant has re-submitted a plan to address the issues and concerns the Council had. This request is to have 10 acres changed to High Density Residential with a single building with 220 units, and the balance of the land remaining Regional Commercial. Staff and the Planning Commission are supportive of the land use change as proposed.

Mayor Tourville stated that there would be no change in zoning if the Metro Council and/or the City does not accept the proposal.

Planner Hunting responded that was true. He stated that if the City Council were to take positive action tonight, this would not go into effect until you have approved the rezoning and site plan. If that is not approved, the land use guiding stays as Regional Commercial and the Council's action tonight does not automatically change the category to High Density.

David Higgins, McGough Development, 3253 Bryan Avenue South, Minneapolis, thanked the City Council, City Staff, and the neighbors for their help and interest in the development of this area. He stated that they have reduced the density by 45%, the land they would use has decreased by 42%, and the building size has been reduced and moved away from the neighborhood. He stated that they have addressed the neighborhoods desire to have greenspace and recreation space as well.

Councilmember Bartholomew questioned if the space left would allow for enough parking for an anchor commercial building.

Mr. Higgins responded that there should be adequate parking.

Mayor Tourville responded that there is not a plan yet, but that the difficulty was that if they get the rezoning and develop a plan, if the plan isn't accepted, then they do not get the rezoning. He stated that the Met Council has to approve the change in the Comp Plan and then it comes before the City Council. The neighborhood will also get an opportunity to look at it.

Vin Parker, 7538 Alpine Court, stated that it was a good opportunity for the neighborhood to move forward with this property. He commented that he has lived here for six years and that they were told varying stories about what would go in, some of which was a big box or junior box store. He was concerned about what would happen to that land if this doesn't move forward. He stated that he was not in favor of having an industrial type business going in there due to the traffic that those businesses bring. He commented that this was a good compromise with this plan. He stated that he appreciated the Community meetings that McGough has held and that they have listened to the neighbor's feedback. He stated that he supports this plan.

Samantha Fitzgerald, 7668 Addisen Path, stated that five months was not long enough to wait before making this change. She referenced some comments that the City Council had made at their January Council meeting and stated that none of those issues were addressed by McGough. She urged the City Council not to support this proposed change to the Comprehensive Plan.

Steven McCortney, Business Director at McKeever Dermatology Clinic, 7781 Amana Trail, stated that he has been at this location for four years and that three of those years they have been the only ones there. He commented that going forward with a mixed-use proposal with more residences would bring more traffic to the area.

Councilmember Piekarski Krech asked Mr. McCortney if they would be open five days a week again.

Mr. McCortney responded that they were open five days a week at times, but that they are currently down to being open two days a week due to the lack of a Doctor who is on maternity leave. Once that Doctor returns, they will be back to being open four days a week.

Jen Helm, 8578 Crismon Court, stated that she was pleased that McGough has come forward with this plan and felt that it supports the Target store and could attract more retail to the development. She stated that this end of the City lacks density and that this project would bring more.

Cheryl Randall, 7577 Alpine Court, stated that she fully supports the new proposal and plan amendment by McGough. She commented that making a portion of this land residential would bring more people, attract more retail, and can bring the Community together to make this a thriving Inver Grove Heights.

Chad Mitchell Peterson, 1528 76<sup>th</sup> Street West, stated that he appreciated that McGough organized the neighborhood meetings. He commented that he wasn't objecting the new proposal but was concerned with giving up the retail.

Jim Wilson, 7511 Autumn Way, stated that it has been a long time since this whole process began and that McGough has tried to get retail in the area and it hasn't happened yet. He commented that this should be a yes vote, as this area could become an eyesore over time. He hoped that the Council would approve the change.

Jaime Besser, 7656 Addisen Path, stated that there has been a lot of thought from McGough and felt this plan was better than the one given in January. She commented that if this does go through there needs to be ample time with the retail portion.

Matt Dian, 7533 Alpine Court, stated that he supports the change in plans. He has lived there for several years and agrees that waiting on retail has not been a good plan up to this point. He agreed that this plan would have less traffic in the area than it would if they had a big box store.

Heather Thornton, 7621 Addisen Path, stated that she was surprised they were back here after five months. She stated that they have met with McGough several times over the last few months and feels that the plan they have come up with this time takes into account the neighborhoods concerns. She stated that she was in favor of approving the Comprehensive Plan Amendment but wanted to find out more about the site plan for both Outlot C and D and felt this should all be dealt with together rather than separately. She was in approval of both Mixed Use Residential and the Commercial.

John Murphy, 7652 Addisen Path, stated that his home backs up to Amana Trail, and that he disagrees with the notion that the houses along there were discounted based on location, as his home price was not. He commented that he disagreed with the efforts that McGough put forth with regards to renting the properties as he was one attempt to do so. He commented that he liked this plan and felt they did a great job of meeting with the Community. He stated that he was concerned that they could be back before the City Council again with a request to put up more residential, but for now, he supports changing this.

William Shetka, 7642 Addisen Path, commented that he was unsure if he was for or against this. He stated that he was concerned about the height of the building.

Karin Stuber, 7557 Auburn Court, stated that she was in support of the plan as presented. She stated that she believed the developer did a traffic study and found that residential produced fewer traffic than commercial would and that this would also have less surface parking. She commented that she was concerned about the viability of Target in this location long term if something doesn't take place.

**Motion by Piekarski Krech second by Perry to accept all correspondence received this evening and over the course of this period for this Agenda Item.**

**Ayes: 5**

**Nays: 0      Motion carried.**

Councilmember Piekarski Krech asked if there were any plans or talk of what could take place with the property located to the west of this area. She stated that the land is open for development and guided Community Commercial. She asked what precedence they will set by putting residential in the area.

Planner Hunting responded that they have not spoken to anyone who owns that piece as it is not a part of the original PUD. He stated that there is an overhead power line that runs through it which could prove difficult.

Mayor Tourville stated that the people that own that parcel, Traditions, have asked if the City would like to buy that parcel for a park. He stated that he didn't know that they were selling it for a park and that they are waiting on power line, road easements, interchange, and right of way items to occur. He stated that Dakota County is the leader on those items and that it may happen next year. He stated that Traditions is typically a home builder, not a commercial developer.

Councilmember Bartholomew stated that he was opposed to this back in January but sees this as a compliment to the Regional Commercial. It adds value to the Regional Commercial that is there, it preserves it, and adds value to the piece that is left. He stated that all of the conditions and compromises should be adhered to when it gets to the site plan and that they should preserve the acre and the setback.

He stated that he didn't like the idea of a 440 unit in the beginning, but that he sees this as a compromise now.

Councilmember Hark complimented the developer on the process they went through with the neighborhood involvement. He stated that resident Samantha Fitzgerald had mentioned that some Councilmembers suggested that we should take a wait and see approach. He stated that the developer came back in and worked with the neighborhood and compromised with their original plan. He is in favor of this and felt that if something didn't go in over there it may not end well. He commented that this will add needed density to that corner.

Councilmember Hark reiterated that this is just the Comprehensive Plan Amendment. He stated that the developer will have to come in with a site plan and rezoning application and the City Council will have to approve of them. If that isn't approved then the site plan is null and void. He stated that he hopes that the developer will continue to work with the neighborhood as they firm up the plans.

Councilmember Piekarski Krech stated that the City Council keeps hearing that they themselves designed those shops with the parking located in the back. She said that the Council doesn't design these and that whoever owns them does. She stated that she would like to see them build some stores in the leftover outlets that would have parking in the front along with a different configuration. She agreed that if we didn't get more density in at some point, we are not going to have the businesses that are there such as Target. She commented that we need to support the businesses that are within our Community.

Councilmember Perry stated that back in January the City Council met with McGough many times and that this was the first big item that she herself had to make a decision on. She didn't think at the time it made sense to get rid of all that retail space. She stated that this was a great compromise and is in support of this.

Mayor Tourville thanked the residents for staying involved. He stated that McGough has put forth a lot of effort in the last two years.

He stated that there will be a large retail factor over at the Vikings Center as it won't be just housing going in there, there will also be more retail as well. He commented that we could come up with a venue that people will want to come to. He stated that they still needed to look at transportation, trails and greenspace. He commented that the kids in the area there are little now and that they don't want to wait until they are in high school to have something take place.

**Motion by Hark second by Perry for MCGOUGH DEVELOPMENT, LLC; to approve to Consider Resolution 18-128 relating to a Comprehensive Plan Amendment to change the land use designation from RC, Regional Commercial to HDR, High Density Residential for the approximate area known as Outlot D, Argenta Hills. Property located on south side of Amana Trail, between Hwy 3 and Argenta Trail.**

**Ayes: 5**

**Nays: 0      Motion carried.**

Mayor Tourville stated that a lot of people have contacted the City regarding this item on the Agenda. He asked that when they come back for the site plan and other items, they need make sure they have enough contact information so that everyone stays involved.

Planner Hunting stated that the City has always notified the entire residential area of Argenta Hills. Some of the initial notices from the developer may have only gone to some.



**8. MAYOR & COUNCIL COMMENTS:****9. EXECUTIVE SESSION:**

**A. Executive Session – Pursuant to Minn. Stat. § 13D.05, Subd. 3(c)(2) and (3) to consider confidential and protected non-public appraisal data and to consider offers and counteroffers for the purchase of property containing two tax parcels generally located at 6840 Dixie Avenue (Dakota County Tax Parcel No. 20-00200-51-020 and Dakota County Tax Parcel No. 20-39900-00-050).**

City Attorney Tim Kuntz stated that there is a Minn. Stat. § 13D.05, Subd. 3(c)(2) and (3), which allows the City Council to go into a closed-door Executive Session to consider non-public appraisal data and to make offers and counter offers with respect to the purchase of property. The City Council is utilizing that Statute this evening and is being asked to go into a closed-door session to consider the property located at 6840 Dixie Avenue, comprising two tax parcels as identified in the Agenda. He stated that the Session is taped, and that the tape becomes public if the matter is abandoned or if the matter goes to fruition and the purchase occurs. He asked that they make a Motion to move to Executive Session for the purpose that he outlined under the MN statute.

**10. ADJOURN:**

**Motion by Piekarski Krech second by Perry to move into Executive Session at 8:28 p.m.**

**Ayes: 5**

**Nays: 0      Motion carried.**