

**INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION
MONDAY, JANUARY 6, 2020 6:00 PM - 8150 BARBARA AVENUE**

A. CALL TO ORDER: The City Council of Inver Grove Heights met in Work Session on Monday, January 6, 2020, in the City Council Chambers. Mayor George Tourville called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

Roll Call: Present were Mayor Tourville; Council Members Piekarski Krech, Perry, Bartholomew, and Dietrich. Staff: City Administrator/Interim Deputy Clerk Joe Lynch, Assistant City Attorney Bridget McCauley Nason, Community Development Director Heather Rand, New Finance Director Amy Hove, New City Clerk Rebecca Kiernan, Associate City Planner Heather Botten, and City Planner Allan Hunting.

City Administrator Joe Lynch stated that new City Clerk Rebecca Kiernan and new Finance Director Amy Hove are in attendance this evening. Full introductions will be made during the Monday, January 13, 2020 City Council Meeting.

Amy Hove introduced herself as the new Finance Director. She stated her former job was with the City of Lake City and prior to that she worked for Goodhue County. She is looking forward to working with the City.

Becky Kiernan introduced herself as the new City Clerk. She stated she has over 19 years of experience with City Government and is looking forward to being the City Clerk.

1) Home Occupation - Heather Botten:

Associate City Planner Heather Botten stated the Home Occupation Ordinance Amendment was discussed at the November Work Session. Since that meeting staff brought a generic Ordinance Amendment to the Planning Commission's Public Hearing in December. The Planning Commission provided a number of text changes and suggestions to allow the use of accessory buildings for home occupations. Staff determined bringing those ideas to the City Council for direction. She stated the next step would be to bring final Code language before the Planning Commission for another Public Hearing.

She stated the city currently allows home occupations that comply with Chapter 10-15-26 of the City Code and includes the following requirements:

- The business only being operated by the people living in the dwelling.
- Only when the business is conducted entirely within the principle structure. Not in attached or detached accessory structures.

She stated at the Public Hearing the Planning Commission recommended approval of a change with the following conditions:

- Have a list of prohibited home occupations that all storage and uses would have to be internal to the accessory structure.
- No outside storage allowed.
- No business signs.
- Engaged only by the people living in the principle structure. No outside employees.
- An Interim Use Permit would be required for all home occupations operated out of the accessory building.
- Home occupations that would be out of the principle structure would remain as it is today, as a permitted use.

Associate City Planner Botten stated staff would like further direction on the following items:

- If they would like to limit the minimum lot size and zoning districts that would allow for the use of accessory structures as home occupations.
- Limit or have a percentage of a maximum square footage or space in an accessory building that could be utilized for business purposes.
- If there should there be noise restrictions. She stated the current Unnecessary Noise Ordinance restricts the operation of power equipment and construction and demolition equipment, between the hours of 10:00 p.m. and 7:00 a.m. on weekdays, and 9:00 p.m. and 7:00 a.m. on weekends. She asked if the Residential Business Ordinance should be more restrictive than the Unnecessary Noise Ordinance.

Associate City Planner Botten stated staff continues to not support the change of a Home Occupation Ordinance to allow the use of accessory buildings for business purposes based off the adverse impacts to neighborhoods and the incompatible land uses. There have been discussions about having that potential change. If that is the case, staff suggests the minimum lot size be at least 2.5 acres and be limited to the agricultural and estate zoning districts. She stated staff would not support having any maximum percentage of space utilized for the business in an accessory building as it could be difficult to enforce and regulate.

Councilmember Bartholomew stated he was concerned about any change and would only support changes that occur in large lots. He commented there are still adverse effects on neighbors. He stated he is leaning towards leaving it as it and going with staff's recommendation of not making any changes at this time. He commented that he would be open to discussion regarding the possibility of lot size and zoning.

Mayor Tourville stated a question has been raised asking if there is a group of people wanting this change to take place. He commented that this could look like they are just trying to do something to do something. Councilmember Piekarski Krech stated people who operate these businesses are not aware that the city could come and shut them down. She commented if enforced and businesses that were operating this way were shut down, there would be a huge outcry. A majority of people doing this don't even know they are out of compliance.

Councilmember Dietrich stated unless the neighbors call and report a violation, the residents she has heard from are the only ones that have neighbors that are complaining. She stated she would like to get feedback from the viewing audience and asked that people email the Council with their thoughts about this.

Councilmember Piekarski Krech asked how this affects daycare homes who have someone coming in and helping them out. She asked if that would be illegal. Associate City Planner Botten responded yes, day cares are a permitted home occupation. There is no special provision to allow them to have an outside employee.

Councilmember Perry agreed with the larger lot sizes and agreed with the need to have a size restriction.

Mayor Tourville asked if there was a lot of feedback from citizens on this topic. Associate City Planner Botten responded no. This stems from a violation from someone who wanted to run their business out of an accessory building. She stated they have not heard from the public about changing the code.

Councilmember Piekarski Krech stated she didn't feel there has been enough publicity about this for people to get a feeling about it. A majority of people do not realize it isn't legal to do some of these things out of their homes, or that there are restrictions. She suggested educating people about the regulation. Mayor Tourville agreed. Councilmember Bartholomew suggested the Communications position could get information out to residents that explains the current Statute and if there are any questions to notify the Council. He suggested the information also be made available on the website.

Associate City Planner Botten clarified what was being requested stating the Council would like to table the Ordinance Amendment. She stated there has been an application in front of the Council from a resident who wanted to operate a business out of his accessory building. She asked if tabling this item would cause the resident to have to stop his business at this time or if it should be considered an allowed use.

Councilmember Bartholomew stated the individual, Mr. Engen, has told the Council that he is not operating a business out of his house at this time, he has a different location. Based off that the individual is in compliance. He stated you can store what you want in your building as long as you are not running a business. He asked if Mr. Engen has made another application. Associate City Planner Botten responded the only application is the original one. The individual has never been told to stop running his business out of the accessory building. Councilmember Bartholomew responded that he thought Mr. Engen was told to stop the business but was allowed to store what he wanted in the accessory building.

City Administrator Joe Lynch responded that was the original enforcement action. He stated discussion was had at Council level to let him continue in that manner while discussion about potential changes to home occupation had been had. Councilmember Bartholomew asked if he was operating a business. City Administrator Lynch responded he has been storing materials in an accessory structure. Previously, he was operating outside, had stockpiles of wood, and was chipping wood. That activity has ceased and gone to wherever he is running his business.

Mayor Tourville stated Mr. Engen could store vehicles in the accessory building but was not advertising an address for a business. Associate City Planner Botten stated there was another request in front of the Council regarding a smaller accessory building that was denied and was told that the individual had to remove.

Councilmember Dietrich asked if he was currently in compliance. Associate City Planner Botten responded she has not been in contact with him. She stated he stores his equipment related to his business in the accessory buildings and comes and goes. Having employees come to that location would be in violation. Councilmember Bartholomew stated storage of equipment is not in violation, which was his interpretation of the Statute. Mayor Tourville suggested there be another visit with Mr. Engen.

Councilmember Piekarski Krech gave an example of owning a dog grooming van. She questioned if that was the address, she uses for her business name, if that wouldn't that be where her business would be located. She stated she could rent a place off site and have the equipment stored there, but the name and address would be the home address. She stated the question could be if operating a business from the home, if that is the address you use, but rent a place somewhere else and park trucks there, but still have some trucks at home. Mayor Tourville stated if clients come to the home everyday for business, then it is being run out of the residence. It becomes an issue of using the home for business.

Councilmember Piekarski Krech asked how to determine what Councilmember Bartholomew has stated. The individual can store his items there, but every morning he gets into the vehicle and drives it out of the premises. Mayor Tourville stated that Councilmember Dietrich made a good point stating people are not coming to this individual with their trees. He stated the point they have seen is that people who are self employed and have their work van for plumbing or electrical work, parks their vehicles at home. He stated we are not against those.

Councilmember Bartholomew stated regardless of where the address is, if you are running a business and people are coming and going, making sales in that building, and have employees coming and grabbing equipment and going, that is a home business. He stated if you have hired employees showing up, that is a violation.

Councilmember Dietrich stated the home office isn't necessarily synonymous with operating out of your home, the two do not run in tandem all of the time.

Associate City Planner Botten summarized what was being requested stating this item would-be put-on hold, information would be put on the website and social media explaining what the current Code is, get feedback, and then decide whether to move forward.

Councilmember Bartholomew asked for clarification on where we stand with storage of equipment and how to define home. Councilmember Perry asked if information could be put in the next Insights newsletter.

2) Mini-Storage Ordinance Revision Discussion - Allan Hunting:

City Planner Allan Hunting stated discussions have taken place between the Planning Commission and the City Council on whether they have enough storage facilities and if they should allow more. There are currently 12 storage facilities spread throughout the city. Councilmember Bartholomew asked if it could be noted where the newest one would be located. City Planner Hunting pointed out Cahill Avenue and 80th Street and stated the area is B-3 zoning. The application for this would be discussed at Monday's City Council Meeting.

City Planner Hunting stated mini storage is a conditional use in the B-3 and I-1 zones and a permitted use in the I-2 district. He displayed maps depicting the locations of the storage facilities stating some are strictly outdoor storage, one is solely indoor storage, and the others are a combination of indoor and outdoor storage. Within the last 25 years 11 of the 12 have been built. He asked the Council if there were concerns, anything they wanted done with the Ordinance, or if any changes needed to be made to the Ordinance. He stated staff is looking for feedback.

Mayor Tourville stated there is a huge difference between a combination indoor/outdoor storage, and/or no outdoor storage. He stated they look into outside storage very seriously in reference to other development. Outdoor storage next to residential is not popular.

Councilmember Piekarski Krech stated there are different types of indoor storage. She commented she believes it is a poor use of developable property in a city and belong in the industrial area, not near residential areas. City Planner Hunting responded the maps shown determine those locations. B-3 is more centrally located, industrial is off toward the perimeters. He stated Council should consider the following:

- If they do not want it in the B-3 district anymore
- Keep them in the other districts
- If there are enough facilities
- If they should still provide some opportunities for them

He stated as his spreadsheet shows, outdoor only storage does not provide much benefit to the city, there is no tax base, and no employment. He stated indoor and climate controlled have a higher valuation. The proposal coming forward has an investment of approximately \$6 million dollars.

Councilmember Bartholomew asked what the McGough property was listed as out by Target. City Planner Hunting responded some is listed as B-3, but the western half of the land was conditionally given a Comprehensive Plan Amendment for high density residential. They retained the commercial eastern half as B-4 PUD. Currently mini storage would not be allowed on any of that property.

Mayor Tourville stated discussions going around town state that a moratorium needs to be placed on all of them. A moratorium cannot be placed on the most recent one because it has already made application. That discussion

will take place at the City Council meeting on Monday. He commented the one off of Rich Valley was questioned about the advantage to Inver Grove Heights. Councilmember Piekarski Krech stated that one was a rezone. She was concerned about allowing it in the B-3 as she didn't believe it was appropriate anymore.

Councilmember Bartholomew stated there is an application in front of the Council and didn't want to taint the discussion to say they want to limit the B-3. He commented that he didn't believe they should have that discussion until they deal with the application on Monday and then come back and revisit what is being discussed.

Mayor Tourville asked if staff has received any phone calls or emails in reference to this item. City Planner Hunting responded they have received nothing beyond the application. He stated this has been driven by the Planning Commission because they asked staff a few months back if there were enough of these type of facilities around. The Planning Commission wanted Council's input on these in general.

Councilmember Piekarski Krech asked how many per capita does a community need, how much are we serving our community by these, and how much are we serving other communities. She questioned putting in fewer desirable things for the city or to hold off so the city can maximize for its residents. Councilmember Bartholomew agreed and stated he didn't want to see covering up the rest of B-3 with things that are lower employment generators. Mayor Tourville stated some businesses may say they pay taxes regardless of who uses the site. Councilmember Piekarski Krech stated with storage they are providing a service for people. It is not a retail store, restaurant, or business providing other amenities to people, it is a place to park a car or trailer. Mayor Tourville stated that involves outdoor storage and is an entirely different discussion.

Councilmember Dietrich stated it would be important for staff to be forthcoming with any applications that come in from today forward to let them know that this discussion is going to be had. City Administrator Lynch stated this item likely won't be discussed until March.

Councilmember Bartholomew asked City Planner Hunting how difficult it would be to get employment figures for the 12 storage areas. Community Development Director Heather Rand responded they could call and survey the businesses to see if they would respond to the question. She stated they could also call some Commercial Real Estate Brokers to see what is going on with current commercial real estate. She commented when she first moved to this community, she felt like there were a lot more storage facilities than she was used to seeing. Due to that, it sparked conversations with the Commercial Real Estate Broker Community and she was told in Minneapolis the storage facilities are referred to as the "next generation" of indoor high-tech state of the art facilities. They are replacing the older generation. She stated the storage facilities with the larger lots and RV's are still out there, but are moving to the exurbs over time. She commented there hasn't been any other commercial real estate activity, other than the newer HyVee stores coming out. She stated for those against commercial storage in a B-3 district, to consider what could go in that area. The commercial real estate market isn't robust in generating new retail opportunities. She stated this isn't the only community that is being approached for these State-of-the-art storage facilities.

Mayor Tourville stated the Business Journal had an article stating that New Gen Storage is coming to urban America. They are not going out into the country; they are coming into the city. He stated they have hit more robust cities such as Minneapolis and St. Paul because some don't have the ability to store items living there.

Councilmember Bartholomew stated there is a finite number of B-3, I-2, and I-1 left, more information is needed between those three places where storage can be accommodated. He stated they need a better understanding

of what the market bears, needs, and what is needed in preparation for the future. He commented if B-3 is hard to fill, that is part of the understanding the Council needs regarding prohibiting or limiting.

Community Development Director Rand summarized what the Council was requesting and stated they were looking for how many people were employed by these locations, and asked that the focus stay in that area in addition to property values. She stated staff can call the 12 locations and see what their predictions or numbers are. Councilmember Bartholomew commented there could be numbers located within their Trade Group.

City Administrator Lynch suggested other data mining not specific to employment but related to land use. He suggested looking into the current total size from a land use that is occupying the B-3 as a percentage. They could find out what it is in neighboring communities, and if we are higher or lower. He stated if the remaining land size is known in the B-3, do they want to continue to keep that as a percentage of the land size remaining, or prefer to increase or lower it. He stated this information may be easier to obtain than employment.

Councilmember Bartholomew stated he liked the idea and how it compares to other cities. He commented they don't want to lose the economic impact either. City Administrator Lynch responded they would try to get both.

Mayor Tourville agreed with Councilmember Dietrich's suggestion of telling anyone that comes in that the City Council is taking a look at this topic.

City Planner Hunting stated he had two other Ordinance changes to discuss. One is the Residential Impervious Surface Conditional Use Permit. Each residential property has a limit on the amount of hard surface they can put on the lot. You can exceed that by 10% and would need a Conditional Use Permit and put in raingardens or some other structure. He stated Engineering has worked to fine tune that down to address the process. He stated with all of these that have come through Council and have been approved, this would be a way of avoiding the public hearing process and speeding up the application process for residents. It would be done through an administrative process. He stated these come through with Building Permits, engineering can work with them, and the City Council would still approve the stormwater maintenance agreement on the Council Agenda.

Councilmember Bartholomew stated it goes through the Planning Commission and then before the City Council. City Planner Hunting responded yes. Councilmember Bartholomew asked if the Engineering Department would let the Council know if the CUP is warranted or was acceptable. He asked if this would take outside engineering staff. City Planner Hunting responded staff would be able to do all of these internally. They are typically smaller scale projects that information can be given out to help any resident. He stated exceeding the 10% kicks in the variance and would still need to go through the process.

Councilmember Piekarski Krech asked if there were a few where the neighbors had issues. She was concerned about not having a public hearing and neighbors not knowing. City Planner Hunting responded about one that was unrelated to hard surface and had to do with noise. Councilmember Piekarski Krech wanted to make sure we do not get into drainage issues on neighbor properties. City Planner Hunting responded that engineering has not encountered any issues so they are trying to do this as a way to speed up the process.

City Administrator Lynch stated this is only for those that fit within the requirement. City Planner Hunting agreed and stated they fit within the 10%. If someone needed to go further than that they wouldn't remove the variance. That would still go before the Planning Commission and the City Council.

Councilmember Bartholomew asked what the current process and notification was for abutting properties. He asked if they would keep the notification process even if they don't go to a public hearing. City Planner Hunting responded they could keep the notification process with concerns being addressed by engineering.

City Administrator Lynch stated they would proceed in the direction of making it an administrative review and would have to change the Ordinance. City Planner Hunting agreed and stated they would place wording about a mail notice procedure and that they should respond within 10 days to keep the permit process moving along.

City Planner Hunting stated the Accessory Structure Exterior Materials Ordinance has been in place longer. There was always concern about the quality of the older pole barn exterior. The Code says you can have a pole construction barn with vertical sheet metal siding, but needed Council approval. All of those have been approved with the Code included specific criteria. People now bring in more information on what they are using and the quality standards on those items have improved. He stated this would be another example of something coming in through the Building Permit process, it still goes through a review process. If it met the same criteria, staff would be able to sign off on that as part of the Building Permit process. They would keep the same standards, but shorten the review process.

Councilmember Bartholomew asked if the application is very clear based on what the standard is for siding. City Planner Hunting responded yes; specific criteria is listed in the Zoning Ordinance. He stated they would move forward with those changes and bring it before the Planning Commission with a Public Hearing, and then bring it before the City Council.

City Administrator Lynch asked under home occupations, if Council wanted them to say anything that people can react to. He stated the question could arise asking what is being proposed as a change. Councilmember Bartholomew stated he wanted people to understand there is a Home Occupation Ordinance, what it is, and that it would be enforced. City Administrator Lynch stated they could list current conditions. Councilmember Bartholomew stated we are contemplating changes but do not know what they are at this time. He stated input is valued, if you want changes, or see value to changes, what are they.

Councilmember Piekarski Krech stated there has been a request to have it changed and then list what is being requested so people know what they are looking at when they react. Councilmember Bartholomew agreed that was a good point. City Administrator Lynch summarized what was proposed was for Ag and Estate only, minimum lot size of 2.5 acres, and it would be an Interim Use Permit. He asked if that information should be listed or if it should be open ended.

Councilmember Perry stated she watched the Planning Commission meeting. They were not in favor of the Interim Use, but wanted to move toward licensing, which potentially changes the home occupation. Community Development Director Rand responded it was discussed both ways. She stated there was talk of licensing, but then there was talk of possibly needing additional staff, so it was decided to leave it up to City Council and staff to discuss.

Mayor Tourville suggested they ask for thoughts and opinions. City Administrator Lynch asked if people should contact the Council. Mayor Tourville responded it would be better to contact staff with ideas. Councilmember Bartholomew stated they could list that they are contemplating lot size. Councilmember Piekarski Krech suggested use of an accessory structure. Councilmember Dietrich stated she didn't want to incur any more staff time and offered people the chance to contact her. Councilmember Bartholomew suggested if any of the Council Members are contacted to forward that information along to staff. Mayor Tourville suggested the questions be directed to Community Development Director Heather Rand, or to the appropriate department. Councilmember Bartholomew suggested including the City Council. City Administrator Lynch responded they would do both.

B. ADJOURN:

Mayor Tourville stated the next regular City Council Meeting will take place on Monday, January 13, 2020. Town Hall Meetings will take place during the second meeting of the month at 6:00 p.m. The first topic is Administration.

Motion by Dietrich second by Perry to adjourn the meeting at 7:05 p.m.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek.