

City Council Meeting

Monday, September 8, 2025 6:00 PM

Agenda

Pledge of Allegiance

1 Approve or Amend Agenda

2 Sheriff's Report

3 Consent Agenda

Those items on the Council Agenda which are considered routine or noncontroversial are included as part of the Consent Agenda. Unless a Councilmember specifically requests that an item on the Consent Agenda be removed and considered separately, items on the Consent Agenda are considered under one motion, second and vote. Any item removed from the consent agenda shall be placed at the end of General Business.

3.1 Minutes of the August 18, 2025 City Council Meeting

3.2 Approve Quote for Pothole Patching on Casey Parkway

3.3 Approve Payment of Claims (Bills) and Transfer Requests as Presented.

4 Open Forum

The public forum is intended to afford the public an opportunity to address concerns to the Council. The public forum will be no longer than 30 minutes in length and each presenter will have no more than five (5) minutes to speak. Topics of discussion are restricted to local governmental topics rather than private or political agendas. The Council may discuss but will not take formal action on public forum presentations.

5 Presentation(s)

6 Public Hearing(s)

7 General Business

7.1 Resolution 2025-30: A RESOLUTION APPROVING A 0.02-ACRE VARIANCE FROM THE 10-ACRE MINIMUM FOR HOME EXTENDED BUSINESSES

7.2 Resolution 2025-31: A RESOLUTION APPROVING AN INTERIM USE PERMIT TO ESTABLISH TWO HOME EXTENDED BUSINESSES AT 18525 TEXAS AVE

7.3 Scott County Ditch 4 Abandonment

7.4 Settlement Agreement with CliftonLarsenAllen, LLC

7.5 Discussion to have a City Council Workshop on City Governance and Developing a Code of Conduct for Elected Officials

7.6 Quotes for Ditch Mowing Services

7.7 Discussion about City of Credit River Apparel

8 Staff and Council Member Reports

9 Adjourn



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE: September 8, 2025

SUBMITTED BY: Lynda Jirek, Clerk

ITEM TYPE: Agenda Report

AGENDA SECTION: Consent Agenda

SUBJECT: Minutes of the August 18, 2025 City Council Meeting

SUGGESTED ACTION: Approve Minutes of the August 18, 2025 City Council Meeting

ATTACHMENTS:
[08.18.2025 City Council Draft Minutes.docx](#)

Present: Mayor Chris Kostik, Councilmembers Bill Markert, Jay Saterbak, Leroy Schommer and Abe Zanto

Absent: None

Also Present: City Administrator Steve Jelinski, City Finance Director Sue Iverson, City Attorney Peter Mikhail, City Planner Chris Janson (via Zoom) and City Engineer Shane Nelson

The Mayor called the meeting to order at 6:00 pm.

Pledge of Allegiance

1. Approve or Amend Agenda

Motion to remove General Business item 7.5, by Councilmember Markert

Second: Councilmember Zanto

Motion fails 2-3, Mayor Kostik and Councilmembers Schommer and Saterbak dissenting

Motion to change General Business item 7.5 to be a discussion only by Councilmember Zanto

Second: Councilmember Markert

Motion fails 2-3, Mayor Kostik and Councilmembers Schommer and Saterbak dissenting

Councilmember Zanto questioned if the minutes were updated. City Administrator Jelinski affirmed the minutes were updated.

Councilmember Schommer requested ditch mowing be added to a future agenda.

Motion to approve Agenda, by Councilmember Schommer

Second: Councilmember Saterbak

Motion passes 3-2, Councilmembers Zanto and Markert dissenting

2. Sheriff's Report

None

3. Consent Agenda

Those items on the Council Agenda which are considered routine or noncontroversial are included as part of the Consent Agenda. Unless a Councilmember specifically requests that an item on the Consent Agenda be removed and considered separately, items on the Consent Agenda are considered under one motion, second and vote. Any item removed from the consent agenda shall be placed at the end of General Business.

3.1 Approve the Minutes of the August 4, 2025 City Council Meeting

3.2 Approve Payment of Claims (Bills) as Presented.

3.3 Resolution 2025-28 A Resolution Approving Transfer of Local Board of Appeal and Equalization Duties to Scott County

3.4 Q2 Financial Reports

3.5 Approve Updated Development Agreement for The Yellowstone of Credit River 3rd Addition



Motion to approve the Consent Agenda, by Councilmember Schommer
Second: Councilmember Saterbak
Motion passes 5-0

4. Open Forum

The public forum is intended to afford the public an opportunity to address concerns to the Council. The public forum will be no longer than 30 minutes in length and each presenter will have no more than five (5) minutes to speak. Topics of discussion are restricted to local governmental topics rather than private or political agendas. The Council may discuss but will not take formal action on public forum presentations.

The following residents approached the podium for comments regarding General Business item 7.5 Approval of Lease Agreement with Krueger Properties for office and equipment storage space:

Mike Haberlack, 7905 165th Street E
Tom Briant, 7697 Cress View Drive
Clare Hoelderle, 19685 Oak Grove Ave
Steve Wolf, 19070 Towering Oaks Trail, choose not to speak.
Steve DeGroote, 19061 Margaret Lane
Betty Toenyan, 7175 196th Street E,
Cathy Haugh, 17570 Murphy Lake Blvd
Bruce Brush, 20101 Texas Ave
Vern Platt, 7210 165th Street E

5. Presentation(s)

None

6. Public Hearing(s)

None

7. General Business

7.1 Holmen 2nd Addition Final Plat

City Planner Janson explained that the City received an application from Haven Development LLC for the final plat for Holman Second Addition. The site is along Texas Avenue, 210th Street East and Longview Lane. The final plat consists of five homes sites measuring at least 2.5 acres and one outlot that will be served by individual well and septic. The parcels are all zoned rural residential. A right-hand turn lane off of Texas Avenue onto Longview Lane along with park land dedication are required. Outstanding engineering were identified and will require updates prior to the release of the final plat for recording however, did not have an issue going ahead and working through this as a condition of approval. The City Council is being asked to review and approve, with conditions, the final plat for Holman Second Addition.

Councilmember Markert questioned if it is in writing that the County will not be asking the City to pay for the turn lane. Janson confirmed the resolution requires the turn lane to be funded by the county and the developer.

Motion to approve resolution 2025-30 approving the final plat with conditions for the Holman 2nd Addition by Councilmember Markert
Second: Councilmember Saterbak
Motion passes 5-0



7.2 Yellowstone 4th Addition Final Plat

- a. Resolution 2025-29 Approving a Final Plat for a Development Known as Yellowstone of Credit River Fourth Addition

City Planner Janson explained that the City received an application from ME Development Company for the final plat for the Yellowstone of Credit River Fourth Addition. The site is located north of Territory, southeast of Tara Farm and west of Ranch of Credit River. The final plat consists of six homes sites measuring at least 2.5 acres and one outlot, which will be served by individual well and septic. The parcels are zoned rural residential. Janson mentioned that park dedication is in the developers' agreement and there are outstanding engineering issues listed in the resolution to be addressed. Council is being asked to review and approve, with conditions, the final plat for Yellowstone of Credit River Fourth Addition.

Motion to approve resolution 2025-29 approving the final plat development with conditions for Yellowstone of Credit River Fourth Addition by Councilmember Markert
Second: Councilmember Schommer
Motion passes 5-0

- b. Development Agreement for Yellowstone Fourth Addition

Motion to approve development agreement for Yellowstone 4th Addition subject to final approval by City Engineer and City Attorney by Councilmember Schommer
Second: Councilmember Zanto
Motion passes 5-0

7.3 Scott County Ditch 4 Abandonment Discussion

City Engineer Nelson presented a brief background regarding Ditch 4 and Scott County's consideration of the possibility of abandonment of the ditch. Scott County will make a decision regarding the abandonment of Ditch 4 on September 18, 2025. Nelson provided options for the City to assume responsibility and financing options associated with Ditch 4 or to take no action.

Council discussion included the following:

- Concerns if the County decides to abandon Ditch 4, what condition the ditch is in
- Is a liability being passed to the City if the City chooses to take over responsibility of Ditch 4
- Would like to see the County update the maintenance of Ditch 4 before the City considers taking responsibility of Ditch 4
- Effectively capture resources to pay for a maintenance program as most residents use a ditch, drainage, storm sewer, storm sewer overflow pond on their properties
- Would like to see a partnership between the County and the City for maintenance of Ditch 4
- Concern regarding a person who spoke at the County meeting that stated that the County has a real mess and could take about \$1 to \$2 million to fix this ditch
- Concern with assuming responsibility without knowing the cost to fix it
- The ravine is not part of the ditch system, however, is part of the problem
- Mentioned in the past, the County contributed financial support to Credit River to help with the repair of a gravel road that Credit River took over; negotiate financial support from County to help maintain Ditch 4
- The County has different rules for governing the maintenance of ditches which makes maintenance unattainable if easements disappear
- Questioned how funding at the County level is currently taking place
- County's fund balance for assistance was negative
- A previous assessment by the County had taken place for a ditch in Credit River



- Ability to assess taxes for this project
- One additional City Council meeting before County's decision on abandonment
- Questioned if procedure was the same for abandonment by the County for a Township or City
- Questioned how many property owners received letters and how many responses were received
- Councilmember requested a copy of the letter the County sent out

City Attorney Mikhail clarified that he was not aware of an utility fund that could be assessed to taxes and mentioned the City could create a district and then could use assessments for collection. Mikhail further explained that creating a district would require funding to determine who the benefactors would be and this would only fund the work for that district. Mikhail also explained an utility fee could be City wide that could handle all stormwater infrastructure for the City however, is not an assessable type of fee.

After Council and staff discussion, Council directed staff is to talk to the County and seek financial assistance or a partnership in maintaining Ditch 4 and research any other cities that have an all-city district.

7.4 City Clerk position recommendation

City Administrator Jelinski advised that the City had received 14 applications for the City Clerk position and interviewed three qualified candidates with municipal experience. The City Clerk Hiring Committee recommended appointing Lynda Jirak to the position.

Motion to approve hiring contract for City Clerk position by Councilmember Saterbak

Second: Councilmember Zanto

Motion passes 5-0

7.5 Approval of Lease Agreement with Krueger Properties for Office and Equipment Storage Space

Mayor Kostik stated he has had some conversations with the property owner regarding this space. A committee was formed to work on finding solutions for protecting the health, welfare and security of employees while the City worked on some long-term needs. Kostik explained that this opportunity came up and, in his opinion, answered solutions to a short-term need while the City continues to work on long-term needs. Kostik further stated that this opportunity comes with a timeline.

Councilmember Markert mentioned that, in his opinion, the Mayor has no right to go out and negotiate a lease for space without Council approval. Markert continued that the work done by Mayor Kostik was a City Administrator's duty and not a Mayor's duty. Markert explained that he would like to see Council discussion regarding the issues with City Hall take place at the scheduled September 16 Work Session before voting on a lease agreement.

City Attorney Mikhail clarified the motion by Councilmember Markert.

Motion to table Approval of Lease Agreement with Krueger Properties for Office and Equipment Storage Space until after the discussion of the Work Session held on September 16 by Councilmember Markert

Second: Councilmember Zanto

Motion fails 2-3, Mayor Kostik and Councilmembers Schommer and Saterbak dissenting



Councilmember Markert questioned City Attorney Mikhail what can happen if a Councilmember or Mayor negotiates a contract, on behalf of the City, without Council approval.

City Attorney Mikhail clarified that only the Council can delegate that authority, and typically, such negotiations are the responsibility of the City Administrator. However, the lease on the agenda does not obligate the City and may be voted on.

Councilmember Markert expressed that, in his view, this process may violate the City's bylaws.

City Attorney Mikhail confirmed there is no legal barrier to moving forward with the lease vote.

Mayor Kostik clarified that no negotiations occurred, the lease presented is a standard agreement provided by Krueger Properties.

Councilmember Markert raised concerns about the lack of cost details for build-out, stated that other options should be explored, and expressed frustration with the current lease process.

Councilmember Zanto stated confusion about the goals of the lease and objected to moving forward without knowing the total improvements costs. He criticized the process, saying prior discussions were not respected and other options were not properly considered. Zanto opposed voting without thorough review and called for more transparency and planning.

City Attorney Mikhail stated that the City is required to have offices in city limits and research would need to be completed regarding where City Council meetings and voting are held.

Councilmember Zanto maintained that a discussion should have taken place before presenting a lease for approval. He emphasized disappointment in the process and urged the Council not to approve something without understanding its full implications.

Mayor Kostik responded that the lease was not ready at the last meeting, which is why it is being presented now.

Councilmember Markert agreed, urging the Council to consider multiple options and not just one lease offer.

Councilmember Schommer noted limited local building availability and stated that an air test was approved, and septic has approval for changes. He acknowledged costs are still unknown but emphasized the lease's flexibility and the option to exit.

Councilmember Saterbak stated he reviewed the lease, visited the property and met with the lessor. While initially skeptical, he concluded the lease is a strong option that could serve current and future needs. He estimated build-out costs between \$80,000 to \$130,000 and suggested the lease include an extension option. He listed benefits such as safety, compliance, location and move-in readiness. Saterbak supported moving forward, though not without some reservations.

Councilmember Schommer supported proceeding with the lease.

Mayor Kostik recommended addressing a few remaining concerns before final approval. Councilmember Markert disagreed with individual Councilmembers evaluating the lease independently.



Councilmember Zanto clarified that his motion earlier was to table the item for discussion, not to proceed toward approval. He reiterated his opposition and pointed out that a Work Session had already been scheduled. He suggested the need for a costly lease when air filtration solutions might be much cheaper.

Mayor Kostik stated the intent was to present an opportunity for City staff and residents. He expressed openness to delaying the vote if more research is needed.

City Attorney Mikhail confirmed the item can be voted on or the Council can choose to continue the matter.

Motion to table approval of lease agreement with Krueger Properties for office and equipment storage space pending further answers on cost and various pieces brought up tonight and bring back to a future meeting by Mayor Kostik

Second: Councilmember Zanto

Motion passes 5-0

7.5 2026 General fund & Debt Service Discussion

City Treasurer Iverson stated that work on the preliminary budget for the General fund and Debt Service, which affect the tax levy, has started. Iverson attached worksheets for discussion for the councilmembers and staff to refine and revise

City Attorney Mikhail advised Council that questions regarding the budget should be sent directly to Treasurer Iverson.

After a brief Council discussion, Councilmembers decided to set a Work Session for September 3, 2025 at 6:00 pm continued to September 8, 2025 at 5:00 pm (if needed) to schedule discussions for the preliminary budget.

Motion to schedule a Work Session for budget purposes on September 3, 2025 at 6:00 pm and continue on September 8, 2025 at 5:00 pm by Councilmember Saterbak

Second: Councilmember Schommer

Motion passes 5-0

8. Staff and Council Member Reports

Mayor Kostik: reminded Council of the meeting in the park – Creekwood on Tuesday, August 19 at 600 pm.

Councilmember Saterbak: provided an update on last Scale meeting which included a presentation on Fire Services with Scott county.

City Engineer Nelson: provided a construction projects update.



9. Adjourn

**Motion to Adjourn, by Councilmember Zanto
Second: Councilmember Schommer
Motion passes 5-0**

Meeting adjourned at 8:23 pm.

Recorded by:

Approved by:

Lynda Jirak, City Clerk

Chris Kostik, Mayor





Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE:	September 8, 2025
SUBMITTED BY:	Shane Nelson,Engineer
ITEM TYPE:	Quote
AGENDA SECTION:	Consent Agenda
SUBJECT:	Approve Quote for Pothole Patching on Casey Parkway
BACKGROUND:	There are currently potholes on Casey Parkway (west of John Deere Drive). The Quote is for filling the potholes to improve drivability until the temporary overlay is constructed in 2026.
FINANCIAL IMPACT:	The financial impact is \$2834.
SUGGESTED ACTION:	Approve the Quote
ALTERNATIVES:	1. Do not accept the Quote. This may result in complaints over the next 8-9 months.
ATTACHMENTS:	Estimate_2025355_from_Prior_Lake_Blacktop_Inc.pdf

ESTIMATE

Prior Lake Blacktop, Inc.
P.O. Box 1271
Prior Lake, MN 55372

Plblacktop@outlook.com
+1 (952) 447-6003



CITY OF CREDIT RIVER:CASEY PARKWAY PATCHING

Bill to
CREDIT RIVER TOWNSHIP
18985 MEADOW VIEW BLVD.
PRIOR LAKE, MN 55372

Estimate details

Estimate no.: 2025-355
Estimate date: 09/04/2025
Expiration date: 10/04/2025

#	Product or service	Description	Qty	Rate	Amount
1.	SALES	PATCHING ON CASEY PARKWAY	1	\$2,834.00	\$2,834.00
Total					\$2,834.00

Note to customer

Thank you for the opportunity to bid your project.

Expiry date 10/04/2025

Accepted date Accepted by



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE: September 8, 2025

SUBMITTED BY: Sue Iverson, Finance

ITEM TYPE: Agenda Report

AGENDA SECTION: Consent Agenda

SUBJECT: Approve Payment of Claims (Bills) and Transfer Requests as Presented.

SUGGESTED ACTION: Approve Claims for Payments and Transfer Requests - See Attached.

ATTACHMENTS:
[Check Summary Council Meeting Sep 8 2025.pdf](#)
[Transfer Request Sep 8 2025.pdf](#)

CREDIT RIVER TOWNSHIP

09/04/25 2:59 PM

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***Check Summary Register©**

Batch: 090425PAY

	Name	Check Date	Check Amt	
10100	Anchor Bank			
12831	ACCESS	9/4/2025	\$68.98	Quarterly shredding service
12832	AIRE SERV HEATING & AIR	9/4/2025	\$149.00	Safety Inspection of the furnace and AC
12833	AMAZON CAPITAL SERVICES	9/4/2025	\$137.47	Office supplies
12834	CHORES AND MORE BY HEIDI IN	9/4/2025	\$110.00	City Hall cleaning service 8/26/25
12835	CINTAS CORP	9/4/2025	\$103.40	City Hall rug cleaning 08/19/25
12836	DAKOTA ELECTRIC ASSOCIATIO	9/4/2025	\$97.51	Intersection lighting - Natchez Ave
12837	ECM PUBLISHERS INC	9/4/2025	\$55.50	Ditch Mowing Operations BIDS
12838	GOPHER STATE ONE CALL	9/4/2025	\$22.95	Utility locates - 17 billable tickets
12839	HAKANSON ANDERSON ASSOC	9/4/2025	\$32,487.00	Engineering Services
12840	KENNEDY & GRAVEN, CHARTER	9/4/2025	\$7,519.25	Legal Services
12841	LEROY SCHOMMER	9/4/2025	\$425.00	Public Works - remove trees, fix road signs, roll
12842	METRO WEST INSPECTION SER	9/4/2025	\$20,515.65	Finalized permits August 2025
12843	MORE IT	9/4/2025	\$378.00	MO 365 subscriptions & dropsuite backup
12844	MSA	9/4/2025	\$14,894.82	Planning Services
12845	NATURAL SYSTEMS UTILITIES M	9/4/2025	\$16,780.63	Monitoring, Vericomm, maintenance
12846	SAFETY SIGNS	9/4/2025	\$625.00	Traffic control sign installation
12847	SCOTT SOIL & WATER CONSV	9/4/2025	\$750.00	FY2025 - Scott Clean Water Education Progra
12848	WESTconsin CREDIT UNION	9/4/2025	\$192.30	August monthly HSA contribution - SDJ
12849	WH SECURITY	9/4/2025	\$39.99	City Hall Security - September 2025
Total Checks			\$95,352.45	

Transfer Request for September 8, 2025

Beginning Bank Balance - September 4, 2025	\$	273,012.75
Outstanding Checks		(\$24,182.46)
Outstanding Deposit	\$	-
Outstanding CC Payment	\$	-
Payroll and Benefits Outstanding	\$	-
Claims - 9/04/25	\$	(95,352.45)
Net Balance	\$	153,477.84

Transfer from Savings to Checking **\$ 100,000.00**

Checking Balance 253,477.84

We approve the above transfer from Savings to Checking:

Chris Kostik

Bill Markert

Jay Saterbak

Leroy Schommer

Abe Zanto



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE:	September 8, 2025
SUBMITTED BY:	Matt Holzworth,Planning
ITEM TYPE:	Agenda Report
AGENDA SECTION:	General Business
SUBJECT:	Resolution 2025-30: A RESOLUTION APPROVING A 0.02-ACRE VARIANCE FROM THE 10-ACRE MINIMUM FOR HOME EXTENDED BUSINESSES
BACKGROUND:	The applicants are requesting a 0.02-acre variance from the 10-acre minimum for home extended businesses, as outlined in Section 8-2-4 of Credit River’s zoning code. This request is being considered concurrently with an Interim Use Permit request to operate two home extended businesses within an existing detached accessory structure at 18525 Texas Ave (PID: 049170232) in the RR District. Home extended businesses are only allowed on lots larger than 10 acres in the UER, UER-C, and RR districts; since the applicants’ property measures 9.98 acres, a variance is necessary to grant the requested Interim Use Permit for a property smaller than the 10-acre requirement. According to the submitted narrative, the property owners are seeking to repurpose an existing shop building for the operation of their two respective businesses: a tattoo shop and a hair salon. Both businesses would see a maximum of 1-2 clients a day (2-4 total visitors to the site each day) and will not have additional employees beyond the homeowners. Exterior modifications to the building and property are minimal, as the project would only require the interior buildout of the shop building. •This lot is zoned RR (Rural Residential) and measures 9.98 acres, per the submitted survey. •Home extended businesses are allowed on lots exceeding 10 acres in the RR district with anInterim Use Permit. Note: This variance is being considered concurrently with an Interim UsePermit request. •The property currently contains an existing single-family home, accessory buildings (includingthe subject 960 ft2 shop building), and cell tower. •Access to the home is off of Texas Ave (County Rd 27).

- There are mature trees along the front property line and most of the property buildings are shrouded in trees. One side of the subject shop building is visible from the road via the driveway access.
- The property is served by a well and individual sewage treatment system.

The 0.02-acre shortfall is negligible and does not materially affect the suitability of the property for the intended use, which is otherwise allowed for properties over 10 acres in this district. Planning staff therefore recommends approval of the variance request as the property's acreage constitutes a practical difficulty as defined by Minn. Stat. § 462.357, subd. 6. A landowner seeking a variance must establish and meet all three practical difficulty requirements to be issued a variance.

The Credit River Planning Commission held a public hearing and considered the applicants' requests for both the IUP and variance at its regular meeting on August 21, 2025. During the public hearing, the applicants answered Commission members' questions related to both requests, but otherwise there was no public comment. The Planning Commission unanimously voted to recommend approval of both requests with conditions.

FINANCIAL IMPACT:

None

SUGGESTED ACTION:

Staff recommends that the City of Credit River City Council:

- Adopt the staff report into the record;
- Accept the application, testimony, exhibits, and other evidence presented into the record;
- Approve the request for a 0.02-acre variance from the 10-acre minimum for home extended businesses (as outlined in Section 8-2-4) in order to establish two home extended businesses within an existing detached accessory structure at 18525 Texas Ave (PID: 049170232); and
- Approve Resolution 2025-30

ALTERNATIVES:

- The City Council could deny the variance request and provide relevant findings of fact; or
- The City Council could table the application and request additional information.

ATTACHMENTS:

[18525 Texas Ave compiled attachments.pdf](#)

[Variance_18525 Texas Ave CC Report.pdf](#)

[Res. 2025-30 Variance Resolution_18525 Texas Ave.docx](#)



10135 47th Ave N

Plymouth, MN 55442

Office/ Cell 612-810-9628

To: Whom it may concern

From: Richard Storlien

Date: 7/18/2025

Project Narrative

Submittal package for Home extended business Interim Use permit

Property located at 18525 Texas Ave and parcel is 9.98 acres per attached survey.

Project is to convert existing detached shop building to home business use for two small single owner businesses. Owners live in the residence on site and there will be no additional employees other than the homeowners.

Existing building is 24'x40' or 960 sq. ft. and is located 66' from existing house garage ,30' from side property line and 280' from Texas Ave.

First area will be for a Tattoo shop operated by Thaddeus Passkey. Property Owner. Typically maximum of 1 to 2 clients per day.

Second area will be for a Hair Salon operated by Coley Passkey. Property Owner. Typically maximum of 1 to 2 clients per day.

There are no commercial vehicles or trailers associated with either business stored or parked on site. No exterior storage of equipment, supplies, or products.

Homeowners vehicles are kept in garage attached to residence.

Existing building is setback from road 280' and protected by existing trees and shrubs

Parking areas provided in front of building for client use.

Noise levels are non-existent

No discharge of waste into soil and contract for trash removal will be provided.

The site is accessed from Texas Ave. which is a blacktop road

Business sign to be provided less than 12 sq.ft. of with information for both businesses. On two sided sign but will not be illuminated. Separate sign permit to be applied for as required.

Individual sewage treatment system will be installed for the new business use.

Checklist items:

Staging and phasing plan N/A there is not exterior construction work being proposed. Building is existing.

No Grading change due to interior finishes only

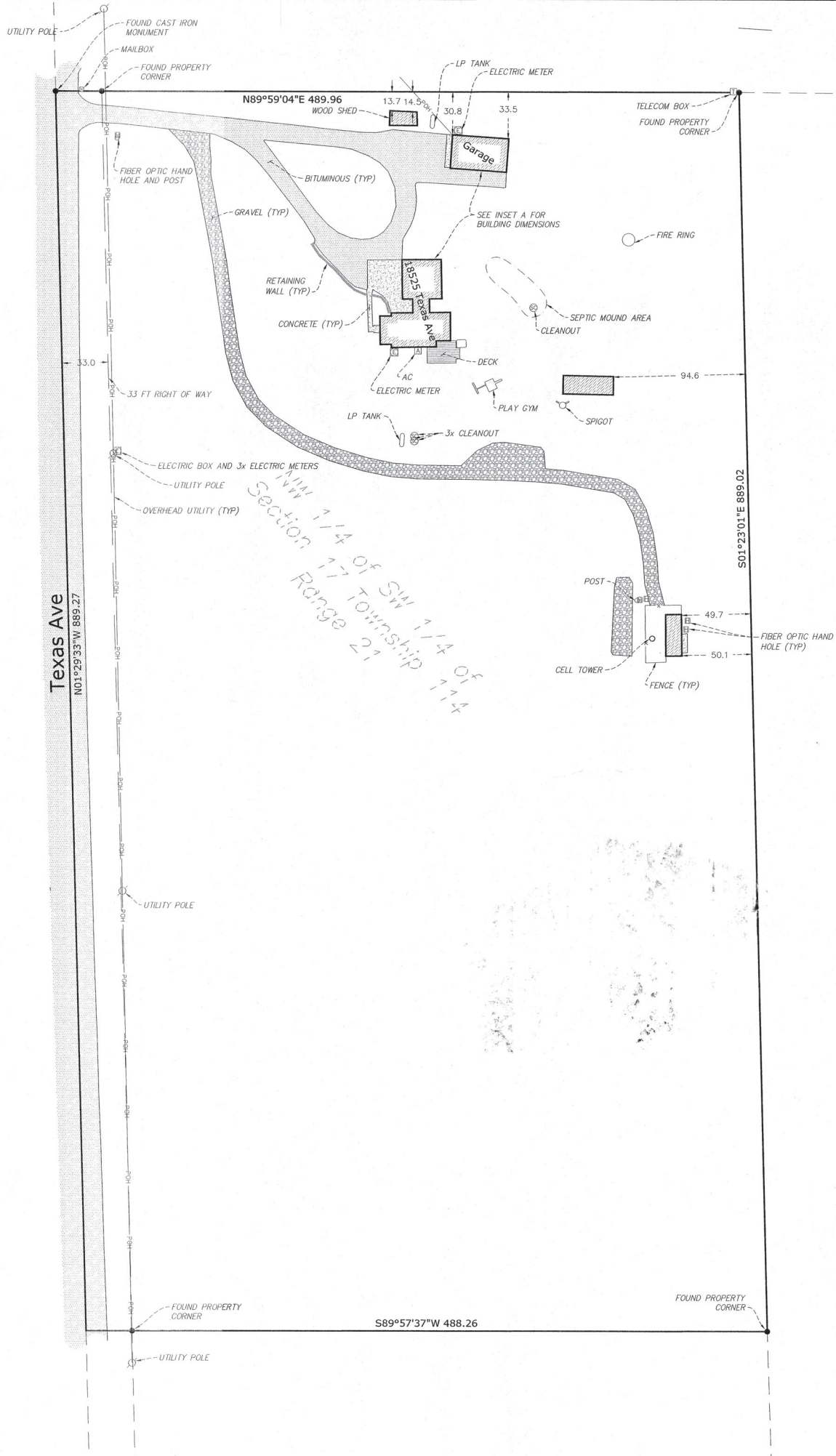
No landscape changes due to interior finishes only. Driveways and landscape areas are existing.

No lighting plan provided due to interior finishes work only

No tree protection required due to interior finishes only and landscaping is existing

Richard Storlien

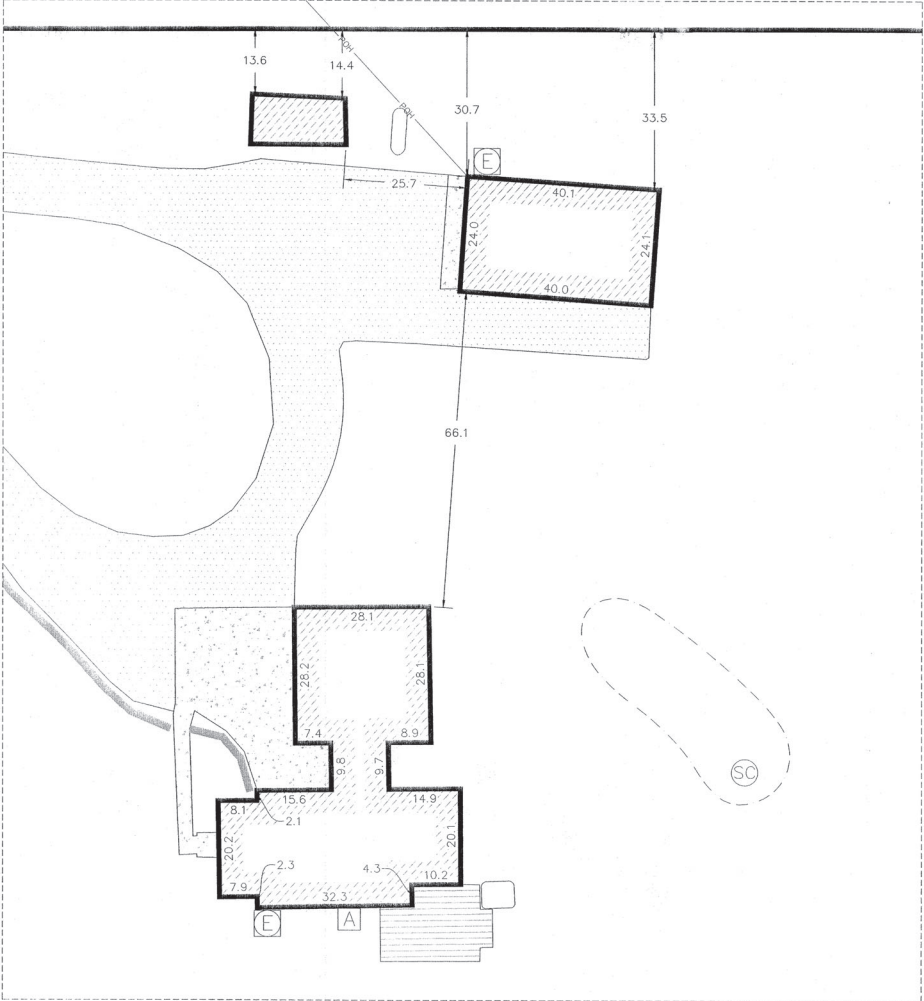
RDS Architects



IMPERVIOUS CALCULATIONS	
	EXISTING
BUILDING (S.F.)	2064.72
TOTAL IMPERVIOUS (S.F.)	32664.07
ROW (S.F.)	29343.17
Parcel Area (S.F.)	405414.79
Gross Area (S.F.)	434757.96
AMOUNT IMPERVIOUS (%)	7.51

- DESCRIPTION OF PROPERTY SURVEYED**
- North 888.98 Feet of the West 490 Feet of Section 17, Township 114, Range 21,
Scott county, Minnesota
- SqFt = 434,758
Acreage = 9.981
- Survey Notes**
1. Bearings are based on the Scott County Coordinate System.
 2. Client Name: Tauer Inc
 3. Site Address: 18525 Texas Ave, Prior Lake, MN 55372
 4. This survey is based on the legal description as provided by the Client
 5. This Surveyor has not abstracted the land shown hereon for easements, rights of way or restrictions of record which may affect the title or use of the land
 6. Do not reconstruct property lines from building ties
 7. Only visible utilities located
 8. Impervious areas include: House, ancillary structures, proposed structures, proposed decks, driveway, concrete pads, paths and decks.
 - 8.1. Building impervious category covers main residence only
 - 8.2. Amount Impervious calculated using Gross Area (ROW plus parcel area)

INSET A
(1" = 20 FT)



MINNESOTA LAND SURVEYOR CERTIFICATION
I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Dated this 17th day of July, 2025.

Kelly D Ness Minnesota License No. 45847

Linetype & Symbol Legend

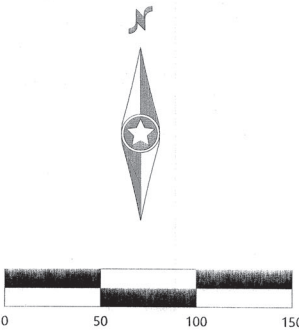
- FOUND IRON MONUMENT
- SET IRON MONUMENT

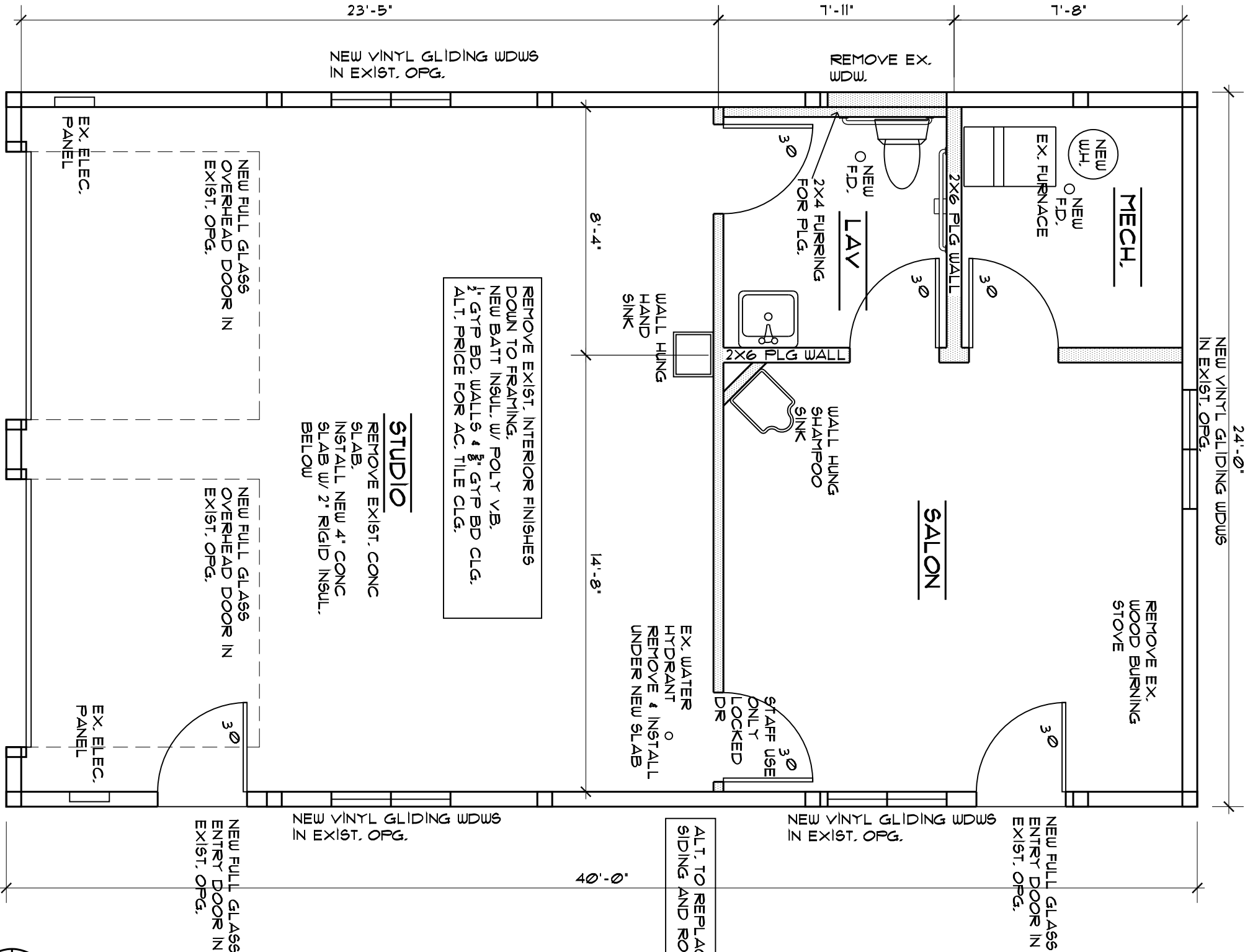


5775 Wayzata Blvd #700
St Louis Park, MN 55416
info@skysurv.us

Certificate of
Survey

Project No.	
Drawn By	
Checked By	
Date	
Page	





1
A1

FLOOR PLAN

SCALE: 1/4" = 1'-0"

REMODELING FOR THE

PASSKEY RESIDENCE

18525 TEXAS AVE.
PRIOR LAKE, MN

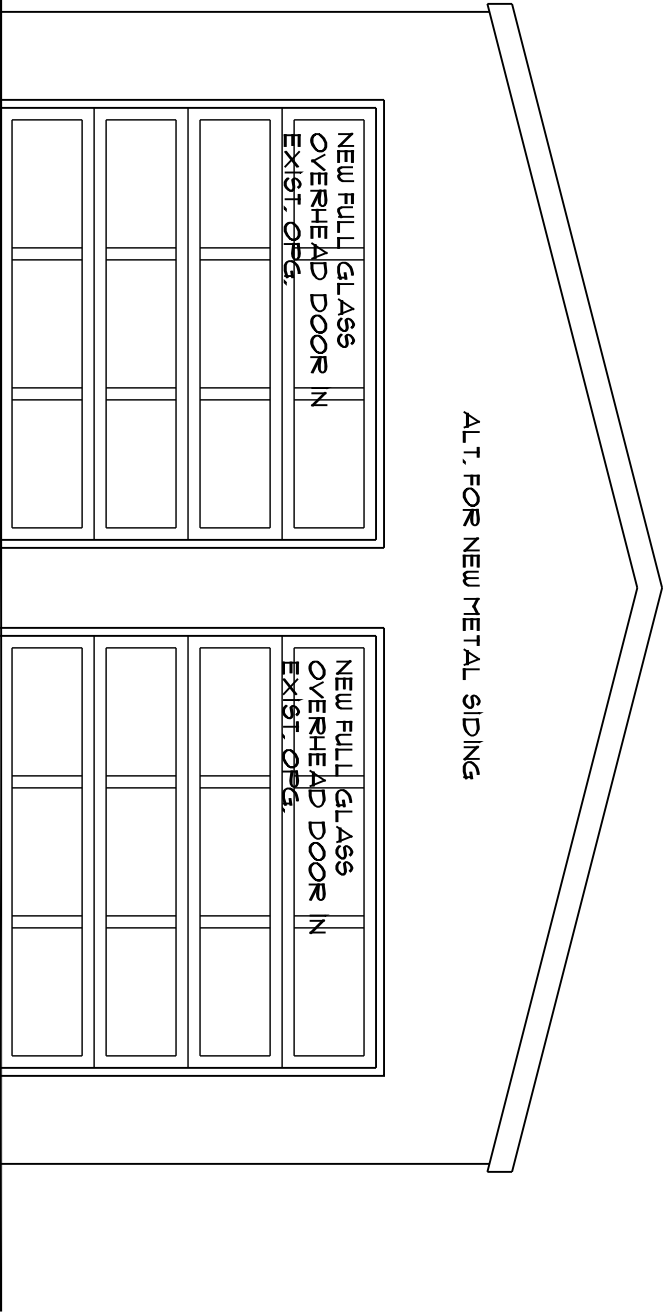


TAUER INC.
RESIDENTIAL CONTRACTOR

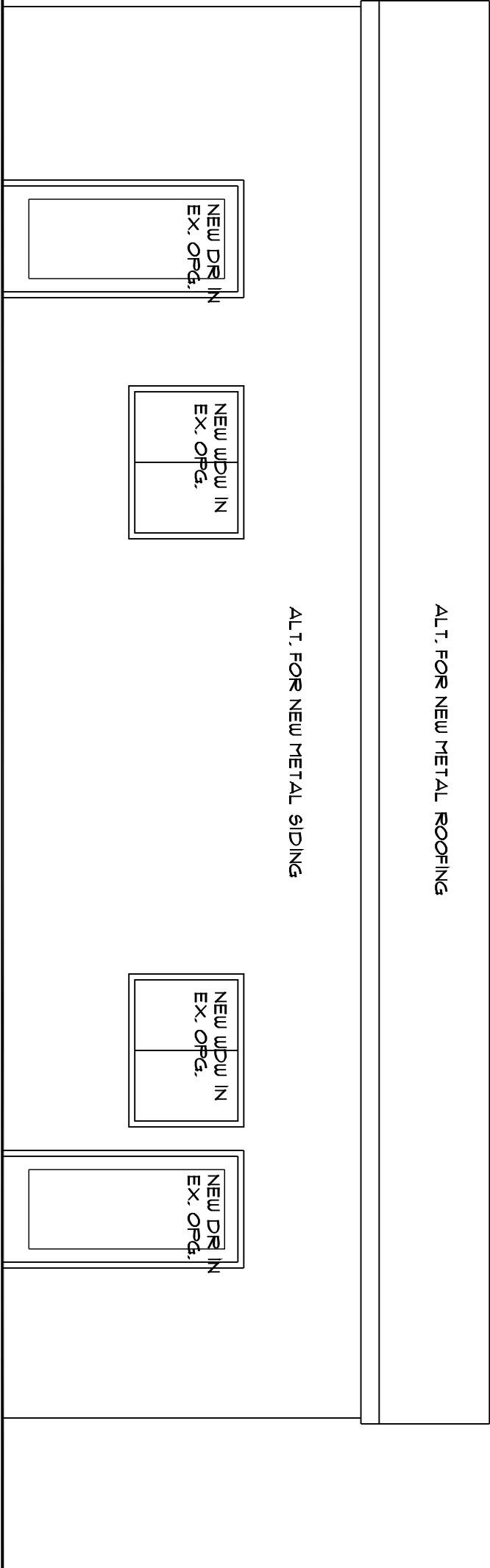
2060 OAKWOOD RIDGE
CHANHASSEN, MN 55317
612.251.1314
Info@tauerinc.com
www.tauerinc.com
License #BC633895

ISSUE
JULY 18, 2025
REVISIONS

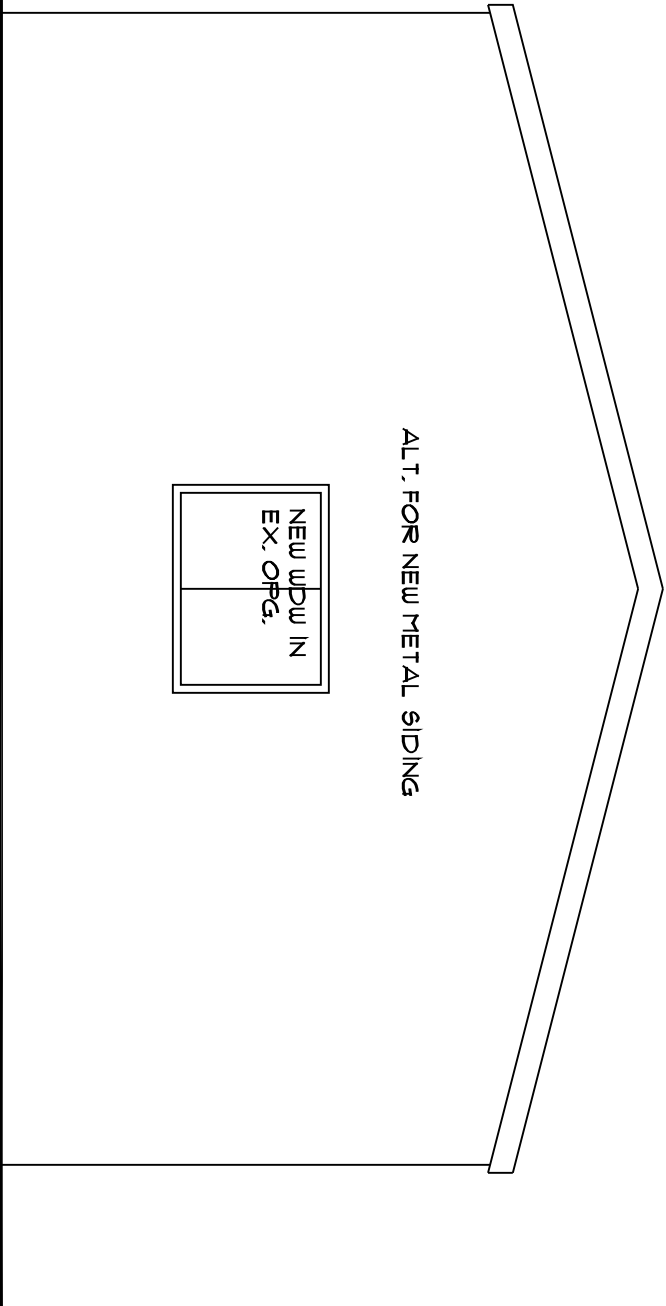
JOB #253003
SHEET #
A1
OF A3



1 FRONT ELEV.
A2 SCALE: 1/4" = 1'-0"



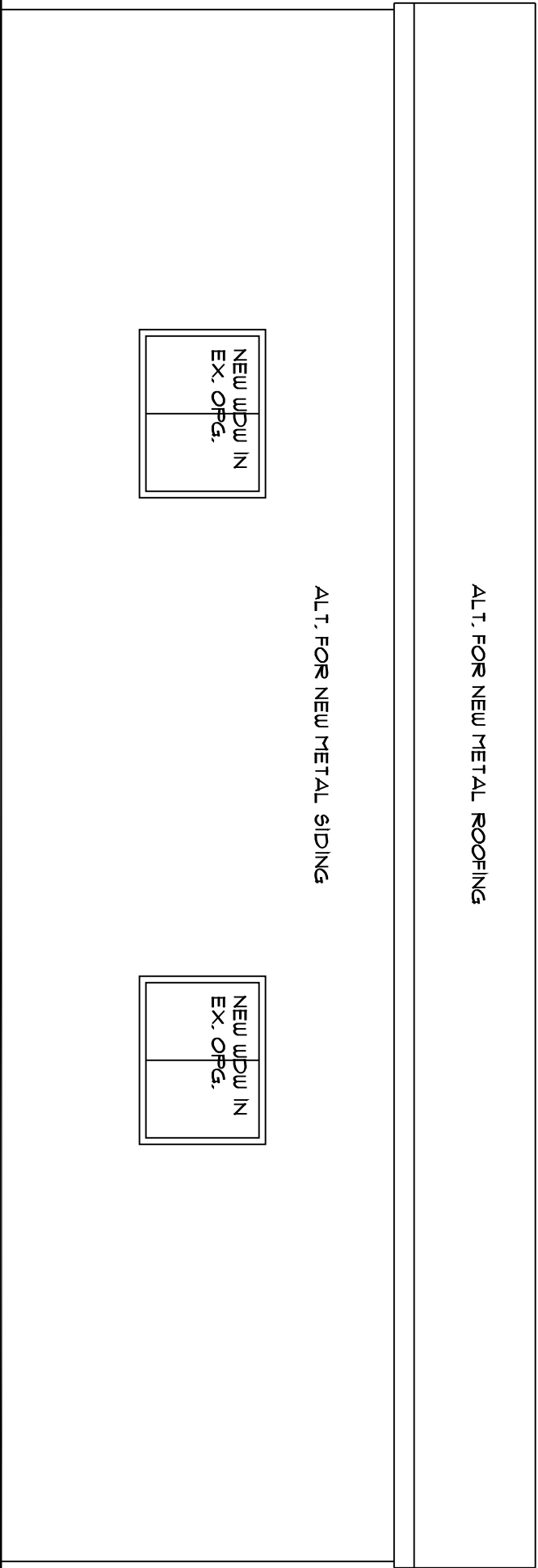
2 SIDE ELEV.
A2 SCALE: 1/4" = 1'-0"



1
A3

REAR ELEV.

SCALE: 1/4" = 1'-0"



2
A3

SIDE ELEV.

SCALE: 1/4" = 1'-0"

To: City of Credit River City Council
CC: Steve Jelinski, City Administrator
From: Emily Herold, Planner
Date: September 4, 2025
Re: VARIANCE Application for Home Extended Businesses at
18525 Texas Ave (PID: 049170232)



Background and Summary of Request

The applicants are requesting a 0.02-acre variance from the 10-acre minimum for home extended businesses, as outlined in Section 8-2-4 of Credit River's zoning code. This request is being considered concurrently with an Interim Use Permit request to operate two home extended businesses within an existing detached accessory structure at 18525 Texas Ave (PID: 049170232) in the RR District. Home extended businesses are only allowed on lots larger than 10 acres in the UER, UER-C, and RR districts; since the applicants' property measures 9.98 acres, a variance is necessary to grant the requested Interim Use Permit for a property smaller than the 10-acre requirement.

According to the submitted narrative, the property owners are seeking to repurpose an existing shop building for the operation of their two respective businesses: a tattoo shop and a hair salon. Both businesses would see a maximum of 1-2 clients a day (2-4 total visitors to the site each day) and will not have additional employees beyond the homeowners. Exterior modifications to the building and property are minimal, as the project would only require the interior buildout of the shop building.

- This lot is zoned RR (Rural Residential) and measures 9.98 acres, per the submitted survey.
- Home extended businesses are allowed on lots exceeding 10 acres in the RR district with an Interim Use Permit. Note: This variance is being considered concurrently with an Interim Use Permit request.
- The property currently contains an existing single-family home, accessory buildings (including the subject 960 ft² shop building), and cell tower.
- Access to the home is off of Texas Ave (County Rd 27).
- There are mature trees along the front property line and most of the property buildings are shrouded in trees. One side of the subject shop building is visible from the road via the driveway access.
- The property is served by a well and individual sewage treatment system.

The 0.02-acre shortfall is negligible and does not materially affect the suitability of the property for the intended use, which is otherwise allowed for properties over 10 acres in this district. Planning staff therefore recommends approval of the variance request as the property's acreage constitutes a practical difficulty as defined by Minn. Stat. § 462.357, subd. 6. A landowner seeking a variance must establish and meet all three practical difficulty requirements to be issued a variance.

Variance Request Compliance with Credit River City Code

35-1 Rural Residential Purpose

This district is intended to promote reasonable rural residential growth in those areas where supportive infrastructure and similar growth patterns exist and high-density rural development is designated in the Comprehensive Plan. This district encourages residential cluster developments to enhance the sense of rural community and preserve quality natural resources. An overlay zoning district may apply to this district.

2-7-1 Criteria for Granting Interim Use Permits

A Variance may be granted only where practical difficulties exist and upon making the following findings:

1. Granting of the variance will not be in conflict with the Comprehensive Plan.
2. Exceptional, unique, or extraordinary circumstances apply to the property which do not generally apply to other properties in the same zoning district or vicinity, and result from lot size or shape, topography, or other circumstances over which the owners of property since the enactment of this Ordinance have had no control.
3. The literal interpretation of the provisions of this Ordinance would deprive the applicant of rights commonly enjoyed by other properties in the same district under the terms of this Ordinance.
4. That the special conditions or circumstances do not result from the actions of the applicant.
5. That granting the variance requested will not confer on the applicant any special privilege that is denied by this Ordinance to owners of other lands, structures, or buildings in the same district.
6. The variance requested is the minimum variance which would alleviate the practical difficulty.
7. The variance would not be materially detrimental or will not essentially alter the character of the property in the same zoning district.
8. Economic considerations alone do not constitute practical difficulties.

Findings of Fact

1. The property is in the RR (Rural Residential) zoning district and contains a single-family home, accessory buildings, and cell tower.
2. Home extended businesses are allowed on lots exceeding 10 acres in the RR district with an Interim Use Permit. Since the property measures 9.98 acres, the applicants are concurrently seeking a variance to allow the proposed home extended businesses on a lot smaller than 10 acres.
3. The surrounding neighborhood consists of single-family homes or undeveloped property, zoned RR and UER (Urban Expansion Reserve).
4. The applicants are proposing to establish two business operations on their residential property, which best align with "home extended businesses" due to the property's size and proposed accessory structure usage.
5. Variances shall only be permitted when the applicant demonstrates by factual presentation that all of the following circumstances exist, as outlined in Minn. Stat. § 462.357, subd. 6:
 - a. "The property owner proposes to use the property in a reasonable manner not permitted by the zoning ordinance."
 - i. "Home extended business" is a permitted use in the RR District and therefore a reasonable use of the property. The 0.02-acre shortfall is negligible and does not materially affect the suitability of the property for the intended use.
 - b. "The plight of the landowner is due to circumstances unique to the property not created by the landowner."

- i. The difficulty arises from the lot's legally subdivided size, which is a unique circumstance not created by the landowner. The parcel and its structures otherwise meet all other zoning and performance standards.
 - c. "The variance, if granted, will not alter the essential character of the locality."
 - i. Granting the variance will not alter the essential character of the locality. The business will operate within existing structures and no exterior modifications are being proposed at this time.
- 6. The proposed variance is not in conflict with the Comprehensive Plan.
- 7. The proposed variance, and the use that it will enable, will not create an excessive burden on public facilities and utilities which serve or are proposed to serve the area.
- 8. The use will be sufficiently compatible with, and adequately screened from, adjacent residential land uses. There is not anticipated to be any deterrence to the enjoyment or development of adjacent properties as a result of this variance and Interim Use Permit.
- 9. Adequate measures have been taken to provide ingress and egress so designed as to minimize traffic congestion, provide adequate access to public roads, and provide sufficient on-site parking.
- 10. No negative direct or indirect fiscal impact on the City, Council, or School District is foreseen from this variance.
- 11. The use is consistent with the purposes of the Ordinance and the purposes of the zoning district in which the applicant intends to locate the proposed use.

Planning Commission Decision

The Credit River Planning Commission held a public hearing and considered the applicants' requests for both the IUP and variance at its regular meeting on August 21, 2025. During the public hearing, the applicants answered Commission members' questions related to both requests, but otherwise there was no public comment. The Planning Commission unanimously voted to recommend approval of both requests with conditions.

Staff Recommendation

Staff recommends that the City of Credit River City Council:

- Adopt the staff report into the record;
- Accept the application, testimony, exhibits, and other evidence presented into the record; and
- **Approve** the request for a 0.02-acre variance from the 10-acre minimum for home extended businesses (as outlined in Section 8-2-4) in order to establish two home extended businesses within an existing detached accessory structure at 18525 Texas Ave (PID: 049170232).

Alternative Actions:

- The City Council could deny the variance request and provide relevant findings of fact; or
- The City Council could table the application and request additional information.

Recommended Conditions

The following conditions shall apply to the Interim Use Permit for the proposed home extended businesses at 18525 Texas Ave:

1. Approval is contingent upon the approval of the requested Interim Use Permit to establish the two proposed home extended businesses.
2. The applicants shall comply with all conditions attached to the Interim Use Permit approval.

Attachments

1. Interim Use Permit Staff Report (dated September 4, 2025)
2. Variance Staff Report (dated September 4, 2025)
3. Project Narrative
4. Property Survey
5. Building Plans (Floor Plan and Elevations)

**CITY OF CREDIT RIVER
SCOTT COUNTY, MINNESOTA
RESOLUTION NO. 2025-30**

**A RESOLUTION APPROVING A 0.02-ACRE VARIANCE
FROM THE 10-ACRE MINIMUM FOR HOME EXTENDED BUSINESSES**

WHEREAS, the City of Credit River is a Minnesota Municipal Corporation, duly organized and authorized to conduct its affairs under the laws of the State of Minnesota; and

WHEREAS, Thaddeus and Coley Paskey (the “Applicants”) submitted an application for a variance for certain real property located in the City of Credit River, identified as:

18525 Texas Ave, Prior Lake, Minnesota 55372 (PID: 049170232)

WHEREAS, the Applicants have requested a 0.02-acre variance from the 10-acre minimum for home extended businesses, as outlined in Section 8-2-4 of the Credit River Zoning Ordinance; and

WHEREAS, the Planning Commission of the City did on August 21st, 2025, conduct a public hearing in relation to the Applicant’s request for a variance; and

WHEREAS, the Planning Commission of the City did on August 21st, 2025 recommend approval of the variance to the City Council; and

NOW, THEREFORE, BE IT RESOLVED, the City Council has considered the proposed application for a variance and it makes the following **findings of fact**:

1. The property is in the RR (Rural Residential) zoning district and contains a single-family home, accessory buildings, and cell tower.
2. Home extended businesses are allowed on lots exceeding 10 acres in the RR district with an Interim Use Permit. Since the property measures 9.98 acres, the applicants are concurrently seeking a variance to allow the proposed home extended businesses on a lot smaller than 10 acres.
3. The surrounding neighborhood consists of single-family homes or undeveloped property, zoned RR and UER (Urban Expansion Reserve).
4. The applicants are proposing to establish two business operations on their residential property, which best align with “home extended businesses” due to the property’s size and proposed accessory structure usage.
5. Variances shall only be permitted when the applicant demonstrates by factual presentation that all of the following circumstances exist, as outlined in Minn. Stat. § 462.357, subd. 6:
 - a. “The property owner proposes to use the property in a reasonable manner not permitted by the zoning ordinance.”
 - i. “Home extended business” is a permitted use in the RR District and therefore a reasonable use of the property. The 0.02-acre shortfall is negligible and does not materially affect the suitability of the property for the intended use.

- b. “The plight of the landowner is due to circumstances unique to the property not created by the landowner.”
 - i. The difficulty arises from the lot’s legally subdivided size, which is a unique circumstance not created by the landowner. The parcel and its structures otherwise meet all other zoning and performance standards.
 - c. “The variance, if granted, will not alter the essential character of the locality.”
 - i. Granting the variance will not alter the essential character of the locality. The business will operate within existing structures and no exterior modifications are being proposed at this time.
- 6. The proposed variance is not in conflict with the Comprehensive Plan.
- 7. The proposed variance, and the use that it will enable, will not create an excessive burden on public facilities and utilities which serve or are proposed to serve the area.
- 8. The use will be sufficiently compatible with, and adequately screened from, adjacent residential land uses. There is not anticipated to be any deterrence to the enjoyment or development of adjacent properties as a result of this variance and Interim Use Permit.
- 9. Adequate measures have been taken to provide ingress and egress so designed as to minimize traffic congestion, provide adequate access to public roads, and provide sufficient on-site parking.
- 10. No negative direct or indirect fiscal impact on the City, Council, or School District is foreseen from this variance.
- 11. The use is consistent with the purposes of the Ordinance and the purposes of the zoning district in which the applicant intends to locate the proposed use.

BE IT FURTHER RESOLVED, the 0.02-acre variance from the 10-acre minimum for home extended businesses, as outlined in Section 8-2-4 of the Credit River Zoning Ordinance, is approved subject to the following conditions:

- 1. Approval is contingent upon the approval of the requested Interim Use Permit to establish the two proposed home extended businesses.
- 2. The applicants shall comply with all conditions attached to the Interim Use Permit approval.

Adopted and approved by the City Council of the City of Credit River effective on the 8th day of September 2025.

Approved:

Chris Kostik, Mayor

Attested:

Lynda Jirak, City Clerk



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE:	September 8, 2025
SUBMITTED BY:	Matt Holzworth,Planning
ITEM TYPE:	Agenda Report
AGENDA SECTION:	General Business
SUBJECT:	Resolution 2025-31: A RESOLUTION APPROVING AN INTERIM USE PERMIT TO ESTABLISH TWO HOME EXTENDED BUSINESSES AT 18525 TEXAS AVE
BACKGROUND:	The applicants/property owners are requesting an Interim Use Permit to operate two home extended businesses within an existing detached accessory structure at 18525 Texas Ave (PID: 049170232). According to the submitted narrative, the property owners are seeking to repurpose an existing shop building for the operation of their two respective businesses: a tattoo shop and a hair salon. Both businesses would see a maximum of 1-2 clients a day (2-4 total visitors to the site each day) and will not have additional employees beyond the homeowners. Exterior modifications to the building and property are minimal, as the project would only require the interior buildout of the shop building. • This lot is zoned RR (Rural Residential) and measures 9.98 acres, per the submitted survey. Note: Since home extended businesses are only allowed by IUP on lots larger than 10 acres, the applicants are concurrently requesting a variance to allow this use on a lot smaller than 10 acres. • The property currently contains an existing single-family home, accessory buildings (including the subject 960 ft2 shop building), and cell tower. • Access to the home is off of Texas Ave (County Rd 27). • There are mature trees along the front property line and most of the property buildings are shrouded in trees. One side of the subject shop building is visible from the road via the driveway access. • The property is served by a well and individual sewage treatment system. Planning staff recommends approval of the requested Interim Use Permit (with conditions) because the proposed operations meet nearly all requirements for home extended businesses in the RR District. The one requirement that is not being met – the 10-acre minimum lot size

for this use – is being considered concurrently with this request.

Proposed Operations

The property owner/applicant has proposed the following operations for the two home extended businesses:

1. Project is to convert existing detached shop building to home business use for two small single owner businesses. Owners live in the residence on site and there will be no additional employees other than the homeowners.
2. First area will be for a Tattoo shop operated by Thaddeus Passkey. Property Owner. Typically maximum of 1 to 2 clients per day.
3. Second area will be for a Hair Salon operated by Coley Passkey. Property Owner. Typically maximum of 1 to 2 clients per day.
4. There are no commercial vehicles or trailers associated with either business stored or parked on site. No exterior storage of equipment, supplies, or products.
5. Parking areas provided in front of building for client use.
6. Noise levels are non-existent.
7. No discharge of waste into soil and contract for trash removal will be provided.
8. Business sign to be provided less than 12 sq.ft. of with information for both businesses. On two sided sign but will not be illuminated. Separate sign permit to be applied for as required. No sign plans have been submitted at this time. Note: at the August Planning Commission meeting, the applicants clarified that they are likely no longer considering a business sign.
9. Individual sewage treatment system will be installed for the new business use. No septic plans have been submitted at this time.
10. No proposed exterior construction work; interior finishes only.

The Credit River Planning Commission held a public hearing and considered the applicants' requests for both the IUP and variance at its regular meeting on August 21, 2025. During the public hearing, the applicants answered Commission members' questions related to both requests, but otherwise there was no public comment. The Planning Commission unanimously voted to recommend approval of both requests with conditions. Any amended conditions have been italicized in the "Recommended Conditions" section below.

FINANCIAL IMPACT:

None

SUGGESTED ACTION:

Staff recommends that the City of Credit River City Council:

- Adopt the staff report into the record;
- Accept the application, testimony, exhibits, and other evidence presented into the record;
- Approve the request for an Interim Use Permit to establish a home-based tattoo studio and hair salon at 18525 Texas Ave with the following conditions; and
- Approve Resolution 2025-31.

Recommended Conditions

The following conditions shall apply to the Interim Use Permit for the proposed home extended businesses at 18525 Texas Ave:

1. Compliance with all necessary County, State and Federal registrations, permits, licensing and regulations, including building and fire codes. The Interim Use Permit does not void other city and state requirements not explicitly listed in the conditions.
2. The hours of operation of both home extended businesses shall be 7 a.m. to 7 p.m. daily.
3. Operations shall be conducted according to submitted plans, specifications and narrative unless modified by a condition or amendment of this IUP.
4. Approval is contingent upon the approval of the requested variance to operate a home extended business on a lot smaller than 10 acres.
5. The applicant must obtain approval for the Individual Sewage Treatment System (ISTS) from Scott County Environmental Services prior to issuance of the Interim Use Permit. No business operations may commence until the septic system is fully installed, inspected, and approved.
6. The applicants shall obtain a sign permit for the proposed sign.
7. All parking for the proposed businesses must occur within the property in the designated area; parking on Texas Ave is prohibited.
8. The applicants shall provide proof of a contract with a waste hauler prior to project commencement and shall maintain adequate waste hauling in agreement with the interim use.
9. In accordance with Sections 2-7-3 and 8-2-5 of the City's zoning ordinance, this Interim Use Permit will expire upon the occurrence of the following events:
 - a. The date specified in the Interim Use Permit;
 - b. Re-subdivision of the property;
 - c. Rezoning of the property;
 - d. Changes or amendments to the Comprehensive Plan that affect the property on which a home extended business exists; or
 - e. The operator or owner or the use changes.
10. Any violation of these conditions may result in the revocation of this Interim Use Permit.

ALTERNATIVES:

- The City Council could deny the Interim Use Permit request and provide relevant findings of fact; or
- The City Council could table the application and request additional information.

ATTACHMENTS:

[18525 Texas Ave compiled attachments.pdf](#)

[IUP_18525 Texas Ave CC Report.pdf](#)

[Res. 2025-31 IUP Resolution_18525 Texas Ave.docx](#)



10135 47th Ave N

Plymouth, MN 55442

Office/ Cell 612-810-9628

To: Whom it may concern

From: Richard Storlien

Date: 7/18/2025

Project Narrative

Submittal package for Home extended business Interim Use permit

Property located at 18525 Texas Ave and parcel is 9.98 acres per attached survey.

Project is to convert existing detached shop building to home business use for two small single owner businesses. Owners live in the residence on site and there will be no additional employees other than the homeowners.

Existing building is 24'x40' or 960 sq. ft. and is located 66' from existing house garage ,30' from side property line and 280' from Texas Ave.

First area will be for a Tattoo shop operated by Thaddeus Passkey. Property Owner. Typically maximum of 1 to 2 clients per day.

Second area will be for a Hair Salon operated by Coley Passkey. Property Owner. Typically maximum of 1 to 2 clients per day.

There are no commercial vehicles or trailers associated with either business stored or parked on site. No exterior storage of equipment, supplies, or products.

Homeowners vehicles are kept in garage attached to residence.

Existing building is setback from road 280' and protected by existing trees and shrubs

Parking areas provided in front of building for client use.

Noise levels are non-existent

No discharge of waste into soil and contract for trash removal will be provided.

The site is accessed from Texas Ave. which is a blacktop road

Business sign to be provided less than 12 sq.ft. of with information for both businesses. On two sided sign but will not be illuminated. Separate sign permit to be applied for as required.

Individual sewage treatment system will be installed for the new business use.

Checklist items:

Staging and phasing plan N/A there is not exterior construction work being proposed. Building is existing.

No Grading change due to interior finishes only

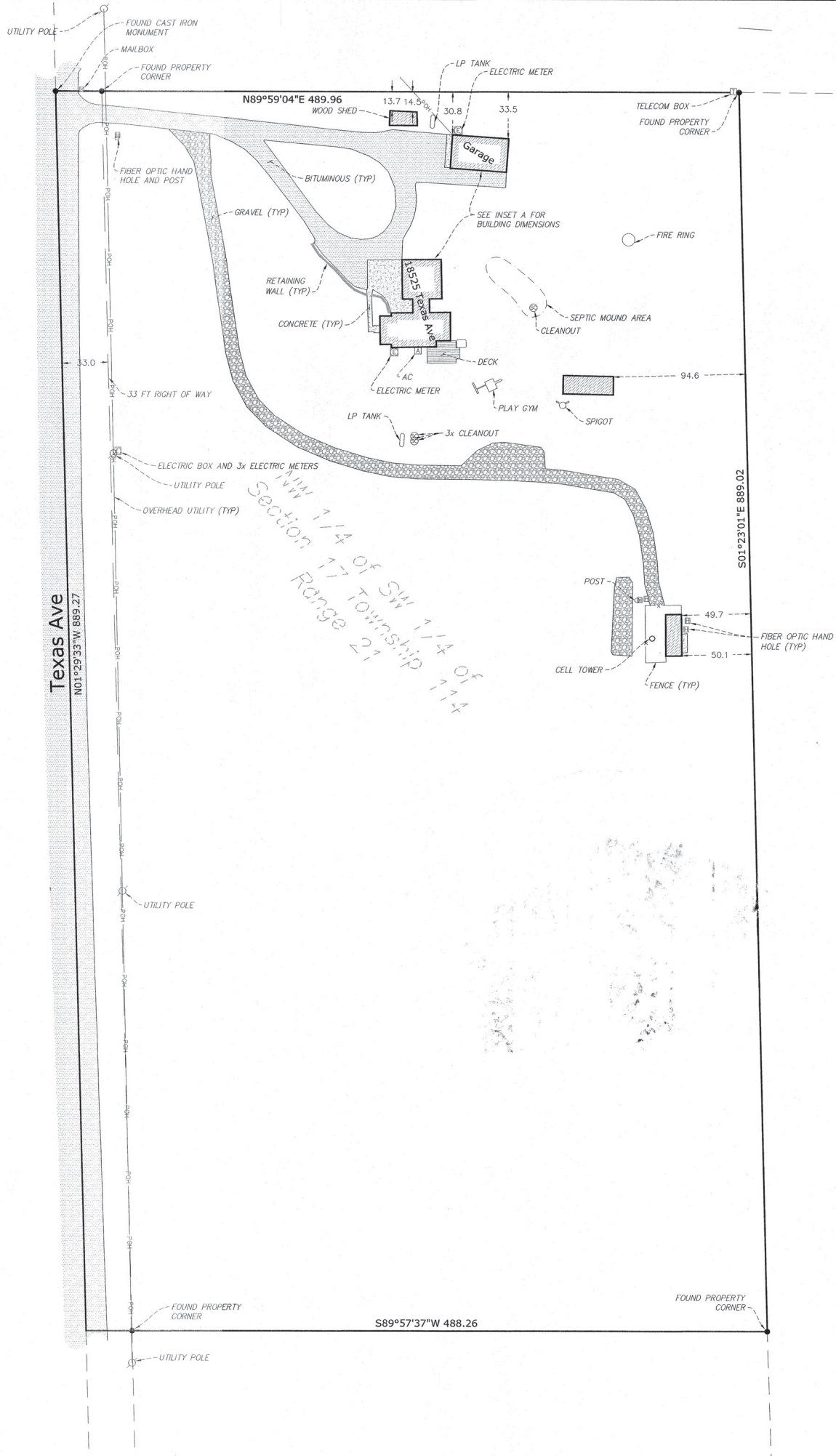
No landscape changes due to interior finishes only. Driveways and landscape areas are existing.

No lighting plan provided due to interior finishes work only

No tree protection required due to interior finishes only and landscaping is existing

Richard Storlien

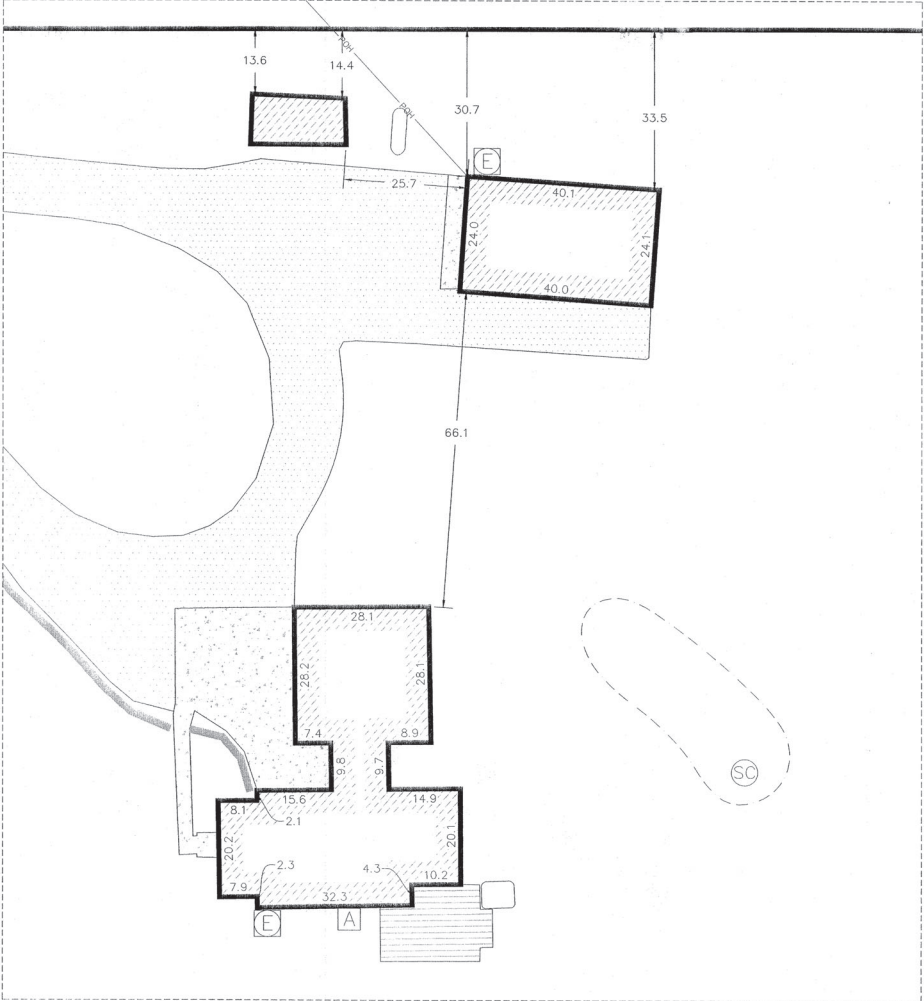
RDS Architects



IMPERVIOUS CALCULATIONS	
	EXISTING
BUILDING (S.F.)	2064.72
TOTAL IMPERVIOUS (S.F.)	32664.07
ROW (S.F.)	29343.17
Parcel Area (S.F.)	405414.79
Gross Area (S.F.)	434757.96
AMOUNT IMPERVIOUS (%)	7.51

- DESCRIPTION OF PROPERTY SURVEYED**
- North 888.98 Feet of the West 490 Feet of Section 17, Township 114, Range 21,
Scott county, Minnesota
- SqFt = 434,758
Acreage = 9.981
- Survey Notes**
1. Bearings are based on the Scott County Coordinate System.
 2. Client Name: Tauer Inc
 3. Site Address: 18525 Texas Ave, Prior Lake, MN 55372
 4. This survey is based on the legal description as provided by the Client
 5. This Surveyor has not abstracted the land shown hereon for easements, rights of way or restrictions of record which may affect the title or use of the land
 6. Do not reconstruct property lines from building ties
 7. Only visible utilities located
 8. Impervious areas include: House, ancillary structures, proposed structures, proposed decks, driveway, concrete pads, paths and decks.
 - 8.1. Building impervious category covers main residence only
 - 8.2. Amount Impervious calculated using Gross Area (ROW plus parcel area)

INSET A
(1" = 20 FT)



MINNESOTA LAND SURVEYOR CERTIFICATION

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Dated this 17th day of July, 2025.

Kelly D Ness Minnesota License No. 45847

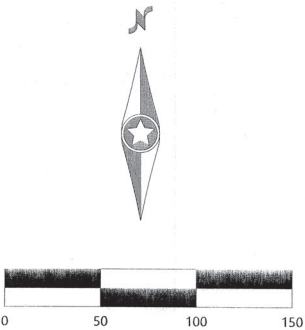
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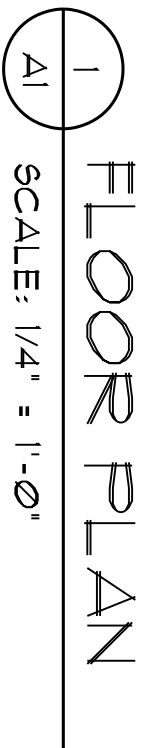
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- SET IRON MONUMENT

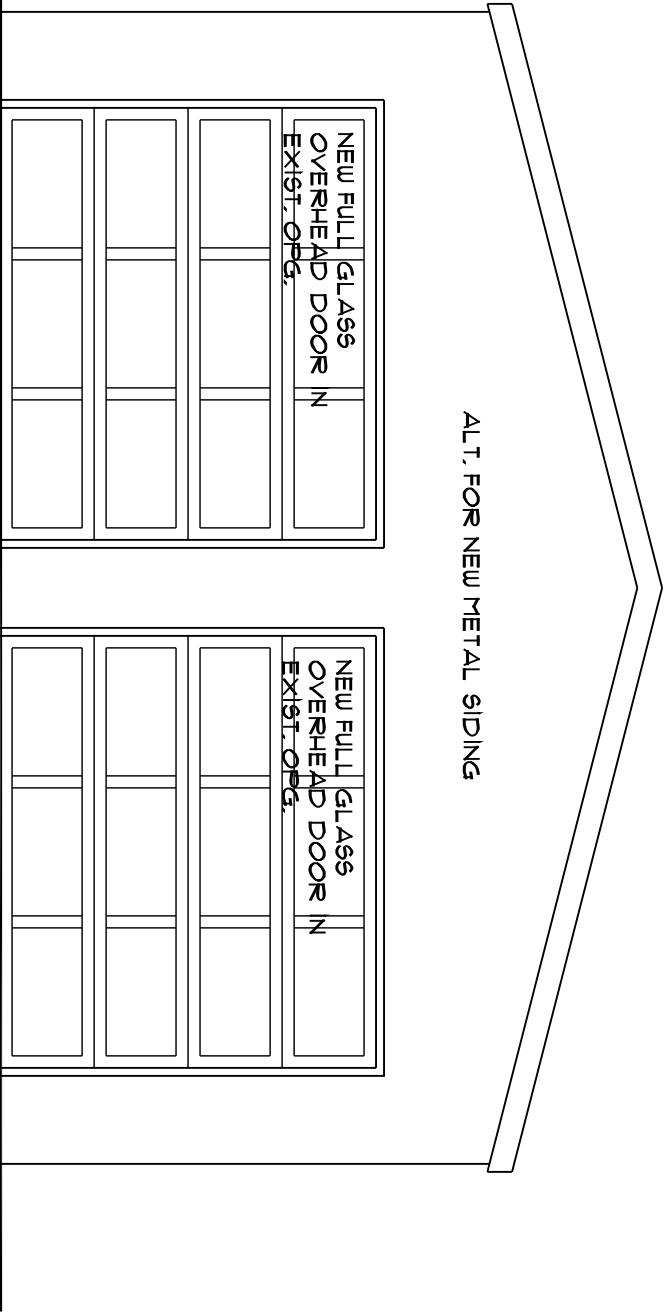


5775 Wayzata Blvd #700
St Louis Park, MN 55416
info@skysurv.us

Certificate of
Survey



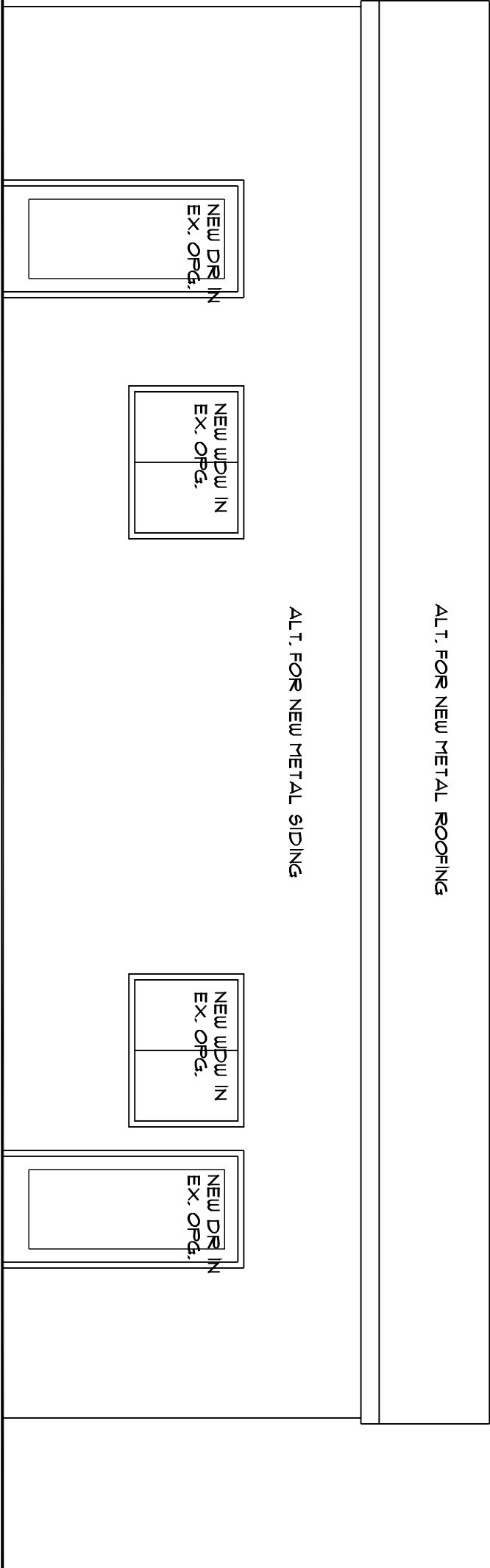




1 FRONT ELEV.

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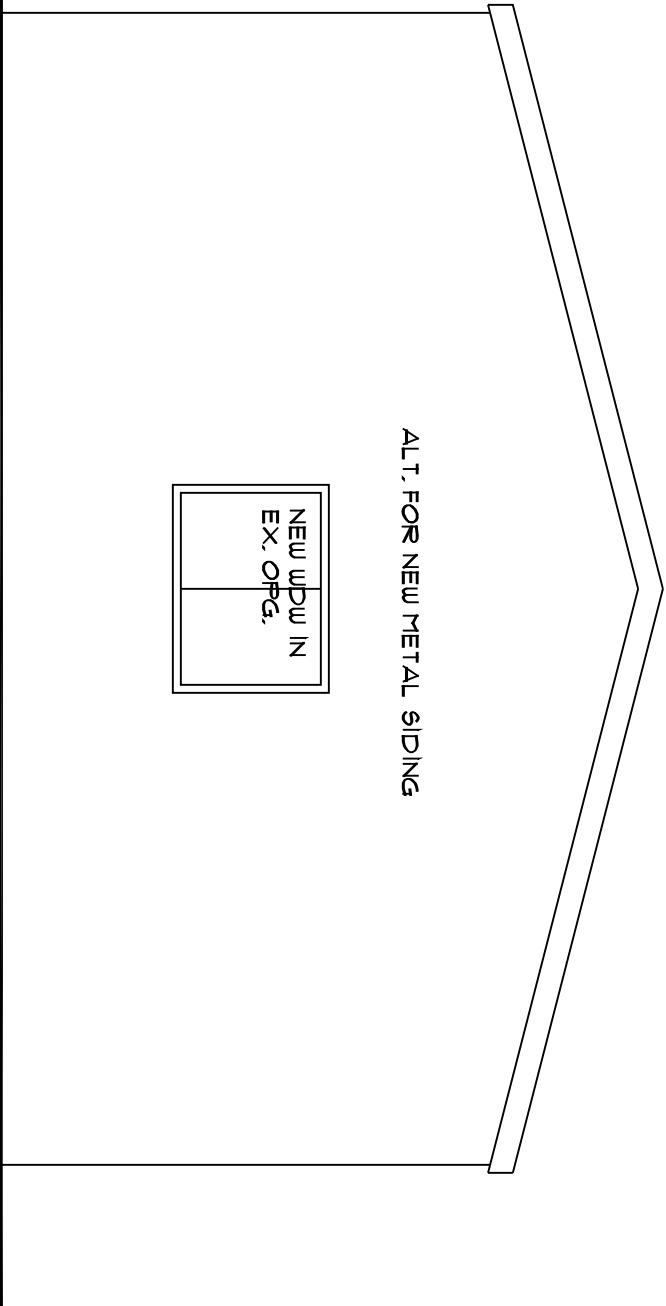
SCALE: 1/4" = 1'-0"



2 SIDE ELEV.

A2

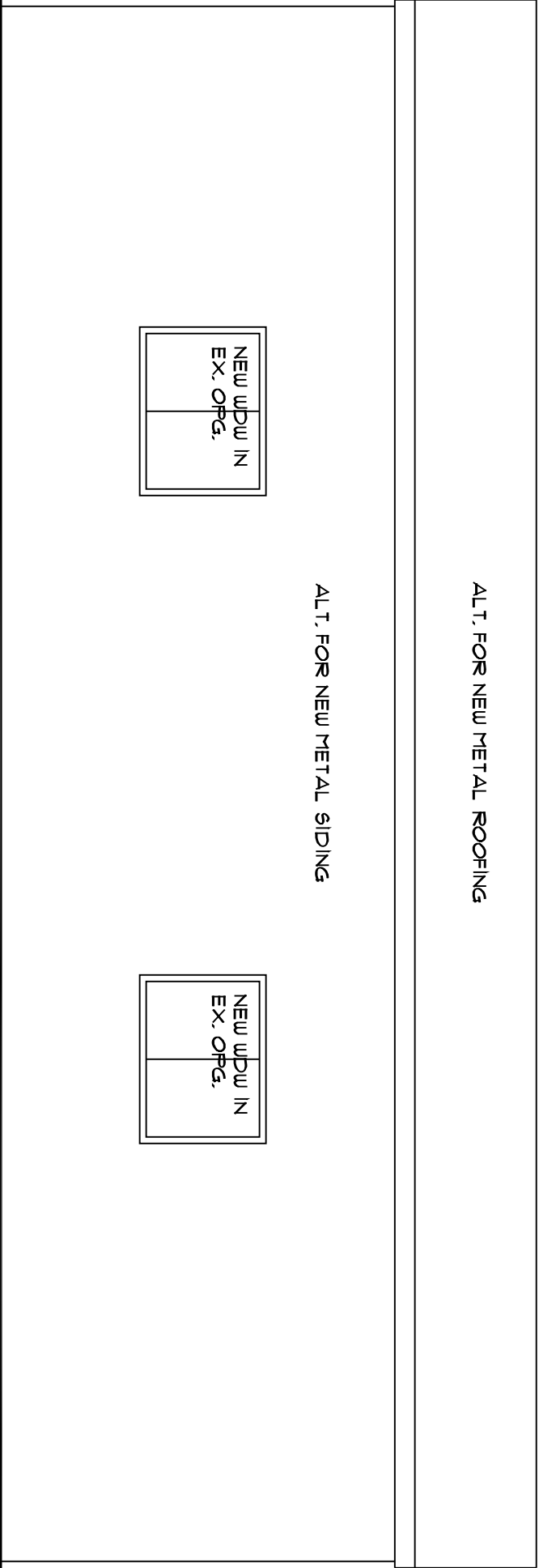
SCALE: 1/4" = 1'-0"



1
A3

REAR ELEV.

SCALE: 1/4" = 1'-0"

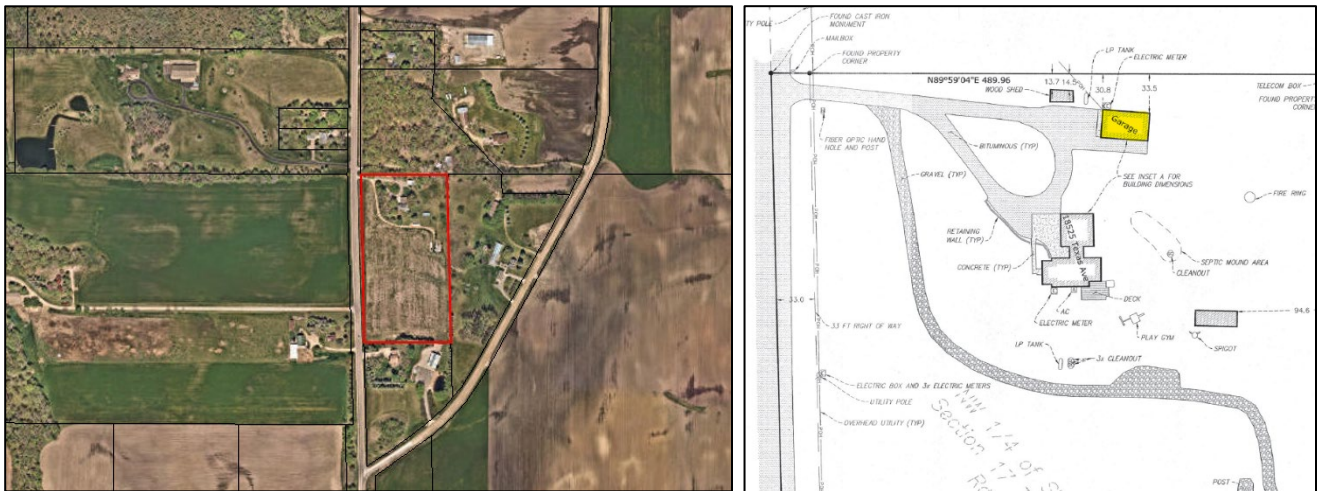


2
A3

SIDE ELEV.

SCALE: 1/4" = 1'-0"

To: City of Credit River City Council
CC: Steve Jelinski, City Administrator
From: Emily Herold, Planner
Date: September 4, 2025
Re: INTERIM USE PERMIT Application for Home Extended Businesses at 18525 Texas Ave (PID: 049170232)



Background and Summary of Request

The applicants/property owners are requesting an Interim Use Permit to operate two home extended businesses within an existing detached accessory structure at 18525 Texas Ave (PID: 049170232). According to the submitted narrative, the property owners are seeking to repurpose an existing shop building for the operation of their two respective businesses: a tattoo shop and a hair salon. Both businesses would see a maximum of 1-2 clients a day (2-4 total visitors to the site each day) and will not have additional employees beyond the homeowners. Exterior modifications to the building and property are minimal, as the project would only require the interior buildout of the shop building.

- This lot is zoned RR (Rural Residential) and measures 9.98 acres, per the submitted survey.
Note: Since home extended businesses are only allowed by IUP on lots larger than 10 acres, the applicants are concurrently requesting a variance to allow this use on a lot smaller than 10 acres.
- The property currently contains an existing single-family home, accessory buildings (including the subject 960 ft² shop building), and cell tower.
- Access to the home is off of Texas Ave (County Rd 27).
- There are mature trees along the front property line and most of the property buildings are shrouded in trees. One side of the subject shop building is visible from the road via the driveway access.
- The property is served by a well and individual sewage treatment system.

Planning staff recommends approval of the requested Interim Use Permit (with conditions) because the proposed operations meet nearly all requirements for home extended businesses in the RR District. The

one requirement that is not being met – the 10-acre minimum lot size for this use – is being considered concurrently with this request.

Proposed Operations

The property owner/applicant has proposed the following operations for the two home extended businesses:

1. *Project is to convert existing detached shop building to home business use for two small single owner businesses. Owners live in the residence on site and there will be no additional employees other than the homeowners.*
2. *First area will be for a Tattoo shop operated by Thaddeus Passkey. Property Owner. Typically maximum of 1 to 2 clients per day.*
3. *Second area will be for a Hair Salon operated by Coley Passkey. Property Owner. Typically maximum of 1 to 2 clients per day.*
4. *There are no commercial vehicles or trailers associated with either business stored or parked on site. No exterior storage of equipment, supplies, or products.*
5. *Parking areas provided in front of building for client use.*
6. *Noise levels are non-existent.*
7. *No discharge of waste into soil and contract for trash removal will be provided.*
8. *Business sign to be provided less than 12 sq.ft. of with information for both businesses. On two sided sign but will not be illuminated. Separate sign permit to be applied for as required.*
No sign plans have been submitted at this time. Note: at the August Planning Commission meeting, the applicants clarified that they are likely no longer considering a business sign.
9. *Individual sewage treatment system will be installed for the new business use. No septic plans have been submitted at this time.*
10. *No proposed exterior construction work; interior finishes only.*

IUP Request Compliance with Credit River City Code

35-1 Rural Residential Purpose

This district is intended to promote reasonable rural residential growth in those areas where supportive infrastructure and similar growth patterns exist, and high-density rural development is designated in the Comprehensive Plan. This district encourages residential cluster developments to enhance the sense of rural community and preserve quality natural resources. An overlay zoning district may apply to this district.

2-7-1 Criteria for Granting Interim Use Permits

The City may authorize an interim use of a property by means of an interim use permit. These interim uses may be utilized in a temporary manner as approved by the City Council. In reviewing the interim use permit application, the City will establish a specific date or event that will terminate the use of the property. In granting an interim use permit, the City Council shall consider the effect of the proposed use upon the health, safety, and general welfare of occupants of surrounding lands. Among other things, the Planning Commission and City Council shall make the following findings where applicable:

1. The use will not create a burden on public facilities and utilities which serve or are proposed to serve the area.
2. The use will be sufficiently compatible with, or separated by sufficient distance from, or screened from adjacent agricultural or residential land uses so that there will be no deterrence to the use or development of adjacent land and uses.
3. If improvements are made, they shall be so designed and constructed that they are not unsightly in appearance to the extent that it will hinder the orderly and harmonious development of the district wherein proposed.
4. Adequate measures have been taken to provide ingress and egress so designed as to minimize traffic congestion, provide adequate access to public roads, and provide on-site parking.

5. Adequate water supply, individual sewage treatment system facilities, erosion control and stormwater management are provided in accordance with applicable standards.
6. All buildings/structures must meet the intent of the State Building Code and/or fire codes.

8-2-4 General Performance Standards for Home Extended Businesses

The following standards apply to home extended businesses in all applicable zoning districts:

1. The business shall be located on the homestead property of the business owner.
2. There shall be no more than one non-resident employee working on-site.
3. The property on which the home extended business is located shall be at least ten (10) acres in size.
4. All buildings used in conjunction with the home extended business shall meet the requirements of the State Building Code.
5. All on-site production, assembly, sales, and service shall be conducted within a building approved for the extended home business.
6. All equipment and vehicles shall be stored within an enclosed structure. Outdoor storage of equipment, supplies, or products is prohibited.
7. A landscape plan may be required that illustrates screening from adjacent public right-of-way and adjacent residential uses.
8. On-site parking shall be provided.
9. Noise levels which constitute a nuisance shall be prohibited as regulated in the Minnesota Pollution Control Agency's Noise Pollution Control Rules (NPCR).
10. No liquid, gaseous and solid wastes resulting from the use shall be discharged into the soil, water or air until the specific methods and means of discharge have been reviewed and approved by the appropriate county, state, or federal agency.
11. The operator shall provide evidence of a contract for the removal of all solid wastes by a licensed hauler to an approved site.
12. The use shall comply with the Scott County Hazardous Waste Management Ordinance.
13. The use shall comply with Minnesota Statutes if the property is enrolled in the Agricultural Preserve Program.
14. The site access shall be from a hard surface road unless access via a gravel road is approved by the road authority.
15. One business sign shall be permitted, no larger than twelve (12) square feet in area per surface. Signs shall not be constructed to have more than two (2) surfaces and shall not be illuminated.
16. An Individual Sewage Treatment System shall be provided for the home extended business in accordance with the Scott County Individual Sewage Treatment System Ordinance No. 4.
17. The use shall comply with all applicable county, state, and federal regulations.
18. If the site conditions or nature of the activity generates excessive dust, appropriate control measures may be required.
19. The home extended business shall be limited to three (3) business associated vehicles.
20. On-site working hours may be set by the City in the Interim Use Permit.
21. For parcels less than fifteen (15) acres in size, the accessory structure use for home extended businesses shall not exceed zoning district standards for non-agricultural accessory building floor area.
22. For parcels fifteen (15) acres and larger in size, the size of accessory structure use for home extended businesses can be increased up to six thousand (6,000) square feet provided the following conditions are met:
 - a. Accessory structures that exceed zoning district standards must be setback at least one hundred (100) feet from all property lines, in addition to all other applicable setbacks.
23. Additional conditions may be imposed by the Planning Commission and City Council to ensure that the proposed use is compatible with the surrounding land uses.

Findings of Fact

1. The property is in the RR (Rural Residential) zoning district and contains a single-family home, accessory buildings, and cell tower.
2. The surrounding neighborhood consists of single-family homes or undeveloped property, zoned RR and UER (Urban Expansion Reserve).
3. The applicants are proposing to establish two business operations on their residential property, which best align with “home extended businesses” due to the property’s size and proposed accessory structure usage.
4. Home extended businesses are allowed on lots exceeding 10 acres in the RR district with an Interim Use Permit.
5. Since the property measures 9.98 acres, the applicants are concurrently seeking a variance to allow the proposed home extended businesses on a lot smaller than 10 acres.
6. The proposed use appears to align with all city requirements for home extended businesses and Interim Use Permits, besides the 10-acre lot size requirement:
 - a. The business operations would be conducted on the homestead property of the business owners. All operations would occur within an existing enclosed space.
 - b. There would be no non-resident employees working on-site.
 - c. There are no business vehicles or exterior storage needs being proposed as a part of these business operations.
 - d. Screening appears to be adequate from public right-of-way and adjacent residential uses.
 - e. On-site parking for clients has been designated directly adjacent to the subject accessory building.
 - f. All noise produced by these business operations will be contained within the subject accessory building. No dust will be generated by these businesses.
 - g. No waste will be discharged into the soil, water, or air. The applicants have indicated that a licensed hauler will be contracted to remove all waste.
 - h. The site is accessible from a hard surface road.
 - i. The applicants intend to have one business sign to support the proposed home extended businesses; the submitted narrative appears to meet signage requirements but will require additional approval through a sign permit.
 - j. The applicants intend to install a separate septic system to support the proposed home extended businesses. This will require separate approval.
 - k. The subject accessory building (in which the proposed businesses will be housed) complies with zoning district standards for non-agricultural accessory buildings.
7. All proposed programmed activities will occur within the existing accessory structure. No exterior modifications will occur besides the addition of a small sign and new septic system.
8. The use will not create an excessive burden on public facilities and utilities which serve or are proposed to serve the area.
9. The use will be sufficiently compatible with, and adequately screened from, adjacent residential land uses. There is not anticipated to be any deterrence to the enjoyment or development of adjacent properties as a result of this Interim Use Permit.
10. Adequate measures have been taken to provide ingress and egress so designed as to minimize traffic congestion, provide adequate access to public roads, and provide sufficient on-site parking.
11. Adequate water supply, erosion control and stormwater management are provided in accordance with applicable standards.
12. The use is consistent with the purposes of the Ordinance and the purposes of the zoning district in which the applicant intends to locate the proposed use.
13. The use is not in conflict with the Comprehensive Plan.

Planning Commission Decision

The Credit River Planning Commission held a public hearing and considered the applicants' requests for both the IUP and variance at its regular meeting on August 21, 2025. During the public hearing, the applicants answered Commission members' questions related to both requests, but otherwise there was no public comment. The Planning Commission unanimously voted to recommend approval of both requests with conditions. Any amended conditions have been italicized in the "Recommended Conditions" section below.

Staff Recommendation

Staff recommends that the City of Credit River City Council:

- Adopt the staff report into the record;
- Accept the application, testimony, exhibits, and other evidence presented into the record; and
- **Approve** the request for an Interim Use Permit to establish a home-based tattoo studio and hair salon at 18525 Texas Ave with the following conditions.

Alternative Actions:

- The City Council could deny the Interim Use Permit request and provide relevant findings of fact; or
- The City Council could table the application and request additional information.

Recommended Conditions

The following conditions shall apply to the Interim Use Permit for the proposed home extended businesses at 18525 Texas Ave:

1. Compliance with all necessary *County, State and Federal* registrations, permits, licensing and regulations, including building and fire codes. The Interim Use Permit does not void other city and state requirements not explicitly listed in the conditions.
2. *The hours of operation of both home extended businesses shall be 7 a.m. to 7 p.m. daily.*
3. Operations shall be conducted according to submitted plans, specifications and narrative unless modified by a condition or amendment of this IUP.
4. Approval is contingent upon the approval of the requested variance to operate a home extended business on a lot smaller than 10 acres.
5. The applicant must obtain approval for the Individual Sewage Treatment System (ISTS) from Scott County Environmental Services prior to issuance of the Interim Use Permit. No business operations may commence until the septic system is fully installed, inspected, and approved.
6. The applicants shall obtain a sign permit for the proposed sign.
7. All parking for the proposed businesses must occur within the property in the designated area; parking on Texas Ave is prohibited.
8. The applicants shall provide proof of a contract with a waste hauler prior to project commencement and shall maintain adequate waste hauling in agreement with the interim use.
9. In accordance with Sections 2-7-3 and 8-2-5 of the City's zoning ordinance, this Interim Use Permit will expire upon the occurrence of the following events:
 - a. The date specified in the Interim Use Permit;
 - b. Re-subdivision of the property;
 - c. Rezoning of the property;
 - d. Changes or amendments to the Comprehensive Plan that affect the property on which a home extended business exists; or
 - e. The operator or owner or the use changes.
10. Any violation of these conditions may result in the revocation of this Interim Use Permit.

**CITY OF CREDIT RIVER
SCOTT COUNTY, MINNESOTA
RESOLUTION NO. 2025-31**

**A RESOLUTION APPROVING AN INTERIM USE PERMIT TO
ESTABLISH TWO HOME EXTENDED BUSINESSES AT 18525 TEXAS AVE**

WHEREAS, the City of Credit River is a Minnesota Municipal Corporation, duly organized and authorized to conduct its affairs under the laws of the State of Minnesota; and

WHEREAS, Thaddeus and Coley Paskey (the “Applicants”) submitted an application for an Interim Use Permit for certain real property located in the City of Credit River, identified as:

18525 Texas Ave, Prior Lake, Minnesota 55372 (PID: 049170232)

(the “Subject Property”); and

WHEREAS, the Applicants have requested an Interim Use Permit to establish two home extended businesses at the Subject Property; and

WHEREAS, the Planning Commission of the City did on August 21st, 2025, conduct a public hearing in relation to the Applicant’s request for an Interim Use Permit; and

WHEREAS, the Planning Commission of the City did on August 21st, 2025 recommend approval of the Interim Use Permit to the City Council; and

NOW, THEREFORE, BE IT RESOLVED, the City Council has considered the proposed application for an Interim Use Permit and it makes the following **findings of fact**:

1. The property is in the RR (Rural Residential) zoning district and contains a single-family home, accessory buildings, and cell tower.
2. The surrounding neighborhood consists of single-family homes or undeveloped property, zoned RR and UER (Urban Expansion Reserve).
3. The applicants are proposing to establish two business operations on their residential property, which best align with “home extended businesses” due to the property’s size and proposed accessory structure usage.
4. Home extended businesses are allowed on lots exceeding 10 acres in the RR district with an Interim Use Permit.
5. Since the property measures 9.98 acres, the applicants are concurrently seeking a variance to allow the proposed home extended businesses on a lot smaller than 10 acres.
6. The proposed use appears to align with all city requirements for home extended businesses and Interim Use Permits, besides the 10-acre lot size requirement:

- a. The business operations would be conducted on the homestead property of the business owners. All operations would occur within an existing enclosed space.
 - b. There would be no non-resident employees working on-site.
 - c. There are no business vehicles or exterior storage needs being proposed as a part of these business operations.
 - d. Screening appears to be adequate from public right-of-way and adjacent residential uses.
 - e. On-site parking for clients has been designated directly adjacent to the subject accessory building.
 - f. All noise produced by these business operations will be contained within the subject accessory building. No dust will be generated by these businesses.
 - g. No waste will be discharged into the soil, water, or air. The applicants have indicated that a licensed hauler will be contracted to remove all waste.
 - h. The site is accessible from a hard surface road.
 - i. The applicants intend to have one business sign to support the proposed home extended businesses; the submitted narrative appears to meet signage requirements but will require additional approval through a sign permit.
 - j. The applicants intend to install a separate septic system to support the proposed home extended businesses. This will require separate approval.
 - k. The subject accessory building (in which the proposed businesses will be housed) complies with zoning district standards for non-agricultural accessory buildings.
7. All proposed programmed activities will occur within the existing accessory structure. No exterior modifications will occur besides the addition of a small sign and new septic system.
 8. The use will not create an excessive burden on public facilities and utilities which serve or are proposed to serve the area.
 9. The use will be sufficiently compatible with, and adequately screened from, adjacent residential land uses. There is not anticipated to be any deterrence to the enjoyment or development of adjacent properties as a result of this Interim Use Permit.
 10. Adequate measures have been taken to provide ingress and egress so designed as to minimize traffic congestion, provide adequate access to public roads, and provide sufficient on-site parking.
 11. Adequate water supply, erosion control and stormwater management are provided in accordance with applicable standards.
 12. The use is consistent with the purposes of the Ordinance and the purposes of the zoning district in which the applicant intends to locate the proposed use.
 13. The use is not in conflict with the Comprehensive Plan.

BE IT FURTHER RESOLVED, the Interim Use Permit request to establish two extended businesses at 18525 Texas Ave is approved subject to the following conditions:

1. Compliance with all necessary County, State and Federal registrations, permits, licensing and regulations, including building and fire codes. The Interim Use Permit does not void other city and state requirements not explicitly listed in the conditions.
2. The hours of operation of both home extended businesses shall be 7 a.m. to 7 p.m. daily.
3. Operations shall be conducted according to submitted plans, specifications and narrative unless modified by a condition or amendment of this IUP.

4. Approval is contingent upon the approval of the requested variance to operate a home extended business on a lot smaller than 10 acres.
5. The applicant must obtain approval for the Individual Sewage Treatment System (ISTS) from Scott County Environmental Services prior to issuance of the Interim Use Permit. No business operations may commence until the septic system is fully installed, inspected, and approved.
6. The applicants shall obtain a sign permit for the proposed sign.
7. All parking for the proposed businesses must occur within the property in the designated area; parking on Texas Ave is prohibited.
8. The applicants shall provide proof of a contract with a waste hauler prior to project commencement and shall maintain adequate waste hauling in agreement with the interim use.
9. In accordance with Sections 2-7-3 and 8-2-5 of the City's zoning ordinance, this Interim Use Permit will expire upon the occurrence of the following events:
 - The date specified in the Interim Use Permit;
 - Re-subdivision of the property;
 - Rezoning of the property;
 - Changes or amendments to the Comprehensive Plan that affect the property on which a home extended business exists; or
 - The operator or owner or the use changes.
10. Any violation of these conditions may result in the revocation of this Interim Use Permit.

Adopted and approved by the City Council of the City of Credit River effective on the 8th day of September 2025.

Approved:

Chris Kostik, Mayor

Attested:

Lynda Jirak, City Clerk



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE:	September 8, 2025
SUBMITTED BY:	City Admin,Engineer
ITEM TYPE:	Agenda Report
AGENDA SECTION:	General Business
SUBJECT:	Scott County Ditch 4 Abandonment
BACKGROUND:	Maintenance of Ditch 4, (also known as the Credit River) is currently under the responsibility of Scott County as the "Ditch Authority". Since the ditch no longer primarily exists for the agricultural purposes that it was constructed for, Scott County has been considering "abandoning" the ditch maintenance responsibilities. A survey of benefitting properties was conducted with more than 50% agreeing to abandonment. For Scott County to retain maintenance responsibilities, they would have to perform a costly redetermination of the benefitting properties. This cost would be assessed to those properties. The City of Credit River may take over the ditch maintenance responsibilities, this protects the maintenance easements and rights to maintain proper drainage. Since the primary use of Ditch 4 is residential storm water conveyance from development in Credit River, abandonment of maintenance would put properties in the city at risk. Ditch 4 currently has a need for maintenance. An area near County Road 27 has excessive silt accumulation causing high water levels on private property. Scott County has provided an assessment of this area and may be willing to correct this issue prior to abandonment. This correction would likely be the final assessment to the Ditch Fund. Credit River has many other storm water facilities that require or will require maintenance. The City has a need to study and develop a Capital Improvement Plan for storm water. A funding source would also be required to handle these future needs. Ditch 4 could fit into this program if the City takes on the responsibility.
FINANCIAL IMPACT:	Will vary. Impact will result from a storm water CIP and a priority list. This will be an annual ongoing project and/or maintenance impact.

SUGGESTED ACTION:**ALTERNATIVES:**

Choose to transfer responsibility of "Ditch Authority" for County Ditch 4 from the County to the City.

Choose to do nothing. This will likely result in the County abandoning Ditch 4.

ATTACHMENTS:

[Maintenance Assessment - CD 4 Upstream of Texas Ave 08 29 2025.pdf](#)

[CT901_Ditch_4_Abandonment_Discussion_8.18.2025.pdf](#)

Maintenance Needs Assessment of County Ditch 4, Upstream of Texas Ave

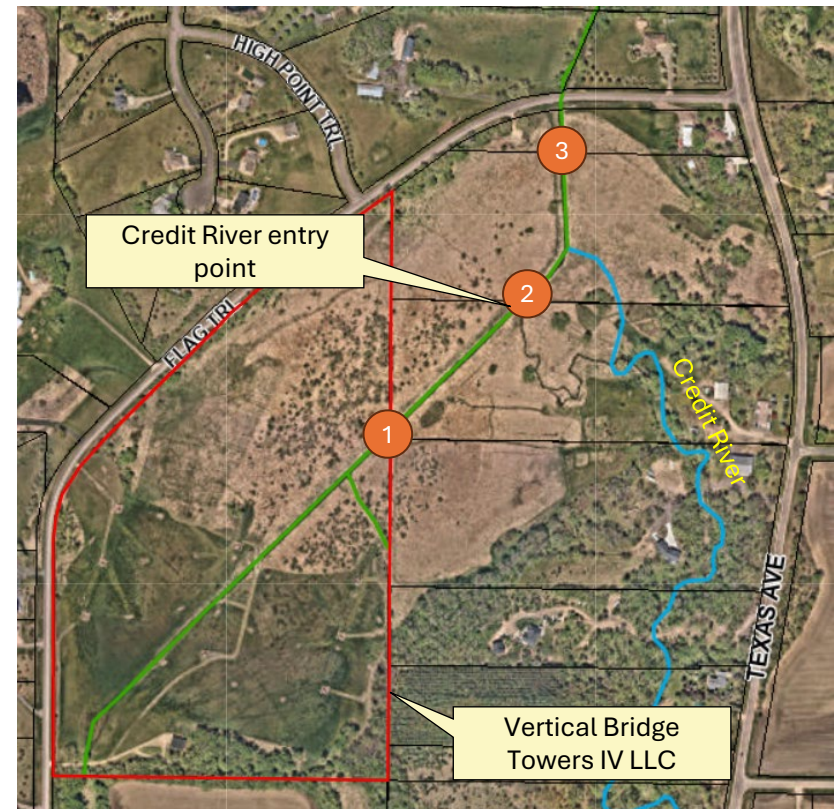
Prepared by Scott SWCD

Aug 29, 2025



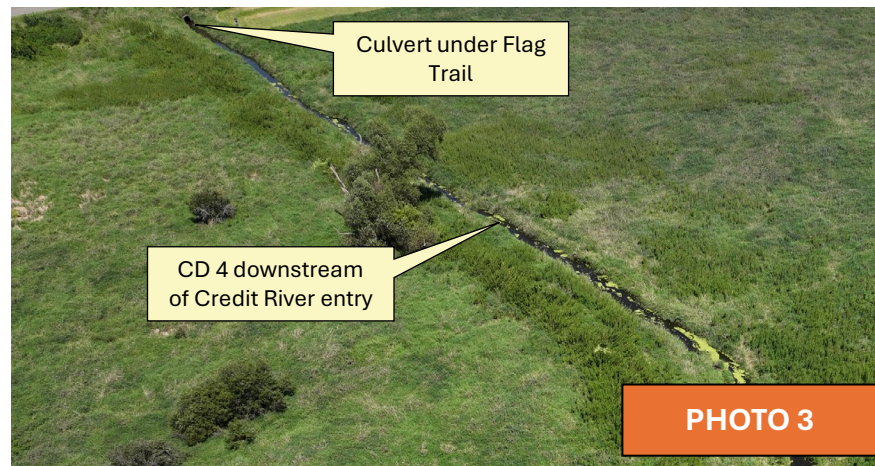
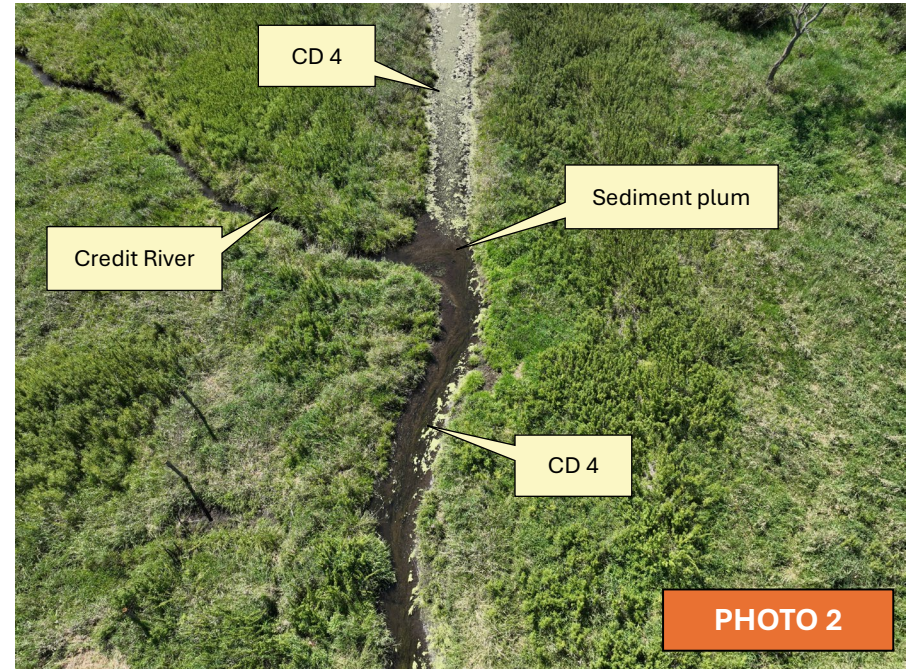
CD 4 Start (southern most end) to Flag Trail

- Land occupier of radio tower property (PID 049300171) contacted SWCD in 2025 with concerns of water not draining (Photo 1)
 - Ditch through active tower area not cleaned in recent history (comm. w/Dan W)
 - Maintenance difficult due to underground wires and tile lines
- Ditch downstream of active tower area spot-cleaned in 2020
- Ditch downstream of active tower area (2200') cleaned in 2021
- Sediment plume forms where Credit River enters CD 4 (Photo 2)
 - River likely carries significant sediment load
- Water flows slowly downstream of Credit River (Photo 3)



● Photos; locations approximate only

CD 4 Start to Flag Trail



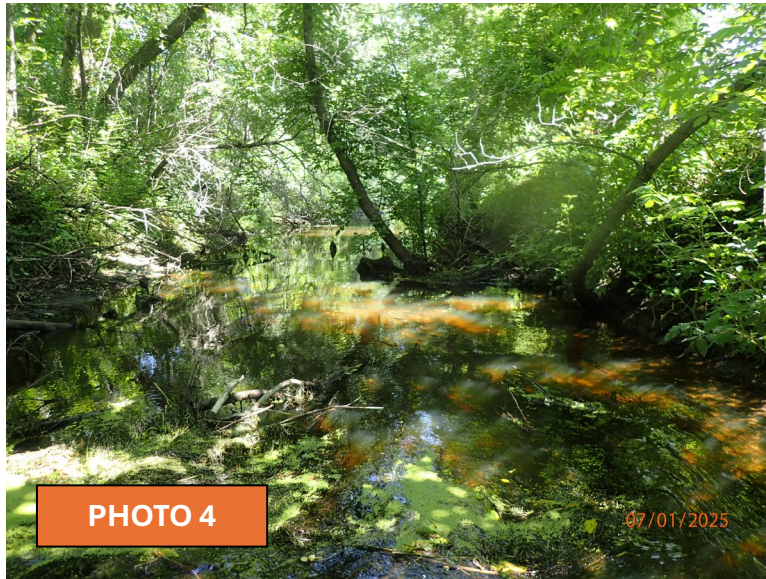
Flag Trail to Voehl Driveway

- Water flow is slow but positive
- Moderate to heavy tree and shrub cover on both banks and in buffer (photos 4 and 6)
- Numerous snags and other flow obstructions (Photo 5)
- One man made rock “check dam”
- Significant sediment deposition in and upstream of driveway culvert (Photo 7)



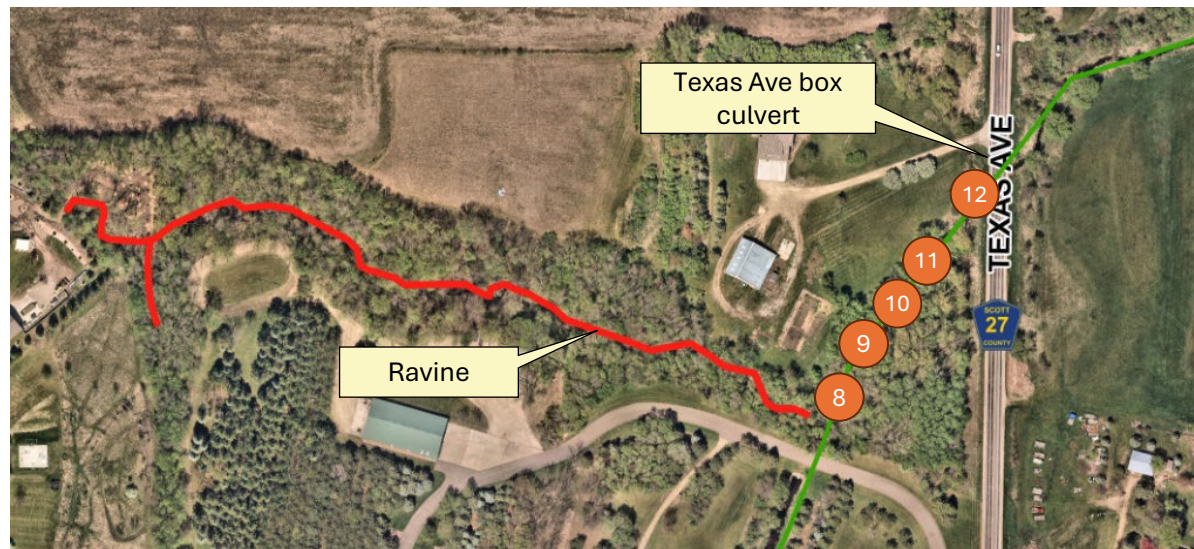
Photos; locations approximate only

Flag Trail to Voehl Driveway



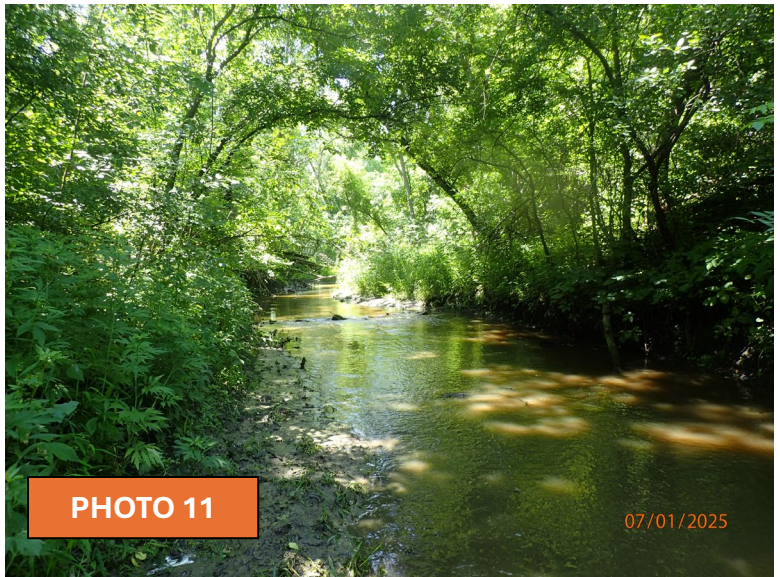
Voehl Driveway to Texas Ave

- Driveway culvert ~ $\frac{3}{4}$ " full of water
- Significant sediment deposition (Photo 8)
- Source mainly from large, severely eroding ravine (~1,300 feet long x 10'+ deep)
- Ditch meanders like a stream for about 300' then begins to straighten (Photo 11)
 - 20' wide through some sections
- Many trees and obstructions along and within the ditch (Photos 9 and 10)
- Sediment in box culvert is up to 2'+ deep (Photo 12)
- Additional surveying needed east of the Texas Ave to determine how far sediment removal is needed to achieve free flow conditions



● Photos; locations approximate only

Voehl Driveway to Texas Ave



Box Culvert under Texas Ave



Summary/Recommendations

- South (upstream) of Flag Trail
 - Sediment removal needed to address complaint of poor drainage on tower property
 - Last cleaned in 2021 (from Flag Trail to tower field, ~2200')
 - Likely necessary ever 5 years or less due to soil properties and sediment load from Credit River
- Flag Trail to Voehl Driveway
 - Significant tree and other woody vegetation in buffer and on banks
 - Removal necessary to gain access to the ditch
 - Costs based on removal from one side only
 - Significant sediment deposition, tree snags and other obstructions
 - Cleaning needed to ensure continued flow from south of Flag Trail
 - Includes sediment, snags, and other obstructions
 - Cost assumes all material hauled offsite
- Voehl Driveway to Texas Ave
 - Significant tree and other woody vegetation in buffer and on banks
 - Removal necessary to gain access to the ditch
 - Costs based on removal from one side only
 - Severe sediment deposition, tree snags and other obstructions
 - Significant risk of sediment redeposition from eroding ravine
 - Removal of sediment from inside box culvert under Texas Ave needed
 - Additional sediment cleanout downstream of Texas Ave likely needed
 - Distance uncertain

Preliminary Cost Estimate

The figures below are very rough estimates based on costs from similar recently-completed work; actual costs may vary significantly. At least these quotes should be obtained before contracting for work.

Section	Length	Low	High	Notes
South of Flag Trail	2,800'	\$11,000	\$17,000	Includes cleaning the first 600' of ditch which flows through the active tower area; this may or may not be feasible.
Flag Trail to Voehl Driveway	900'	\$16,000	\$29,000	Assumes clearing trees and re-establishing the buffer on east side only; also assumes hauling all sediment and other debris offsite.
Voehl Driveway to Texas Ave	480'	\$23,000	\$45,000	Assumes clearing trees and re-establishing the buffer on east side only; also assumes hauling all sediment and other debris offsite.
Texas Ave	50'	?	?	Sediment removal from box culvert
CD 4 downstream of Texas Ave	250'	\$3,000	\$6,000	Length is assumed; actual distance not yet known
Est. Total		\$53,000	\$97,000	



Ditch 4 Abandonment Discussion

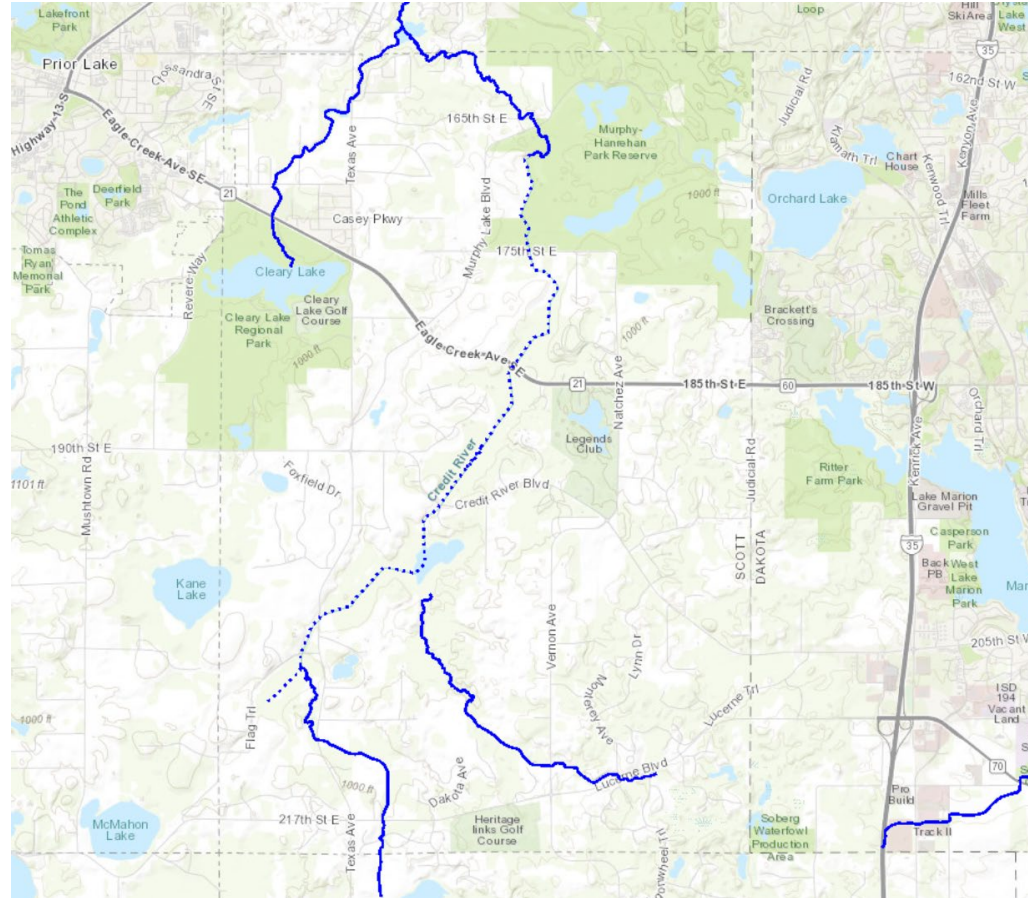


Presentation Outline

- Brief Background
- Discussion of Options
 1. No Action. Scott County abandons ditch and no other entity assumes responsibility.
 2. City assumes responsibility
- Financing Options if City chooses to assume responsibility
 1. Ditch 4 Benefitting Properties only
 2. City wide Stormwater Utility Fee
- Questions / Discussion



Location Map





No Action – County Abandons Ditch

Abandonment Description from Scott County Letter sent to property owners:

Abandonment Option:

Another option available to you is to petition to abandon the ditch. A full abandonment requires a petition signed by at least 51% of the property owners assessed for the construction of the drainage system or by the owners of not less than 51% of the area of the property assessed for the drainage system.

A full abandonment would mean that the responsibility of the drainage authority to perform maintenance of the drainage system ends, and landowners would no longer be assessed by the Drainage Authority for maintenance. Abandonment would allow the system to remain as a natural watercourse. Any future maintenance, repairs, and approvals (i.e. Public Waters Work Permits) would be the responsibility of individual landowners.

Should you have questions, please contact us. Contact Kris Lage with questions regarding fund balances at klage@co.scott.mn.us or 952-496-8771. Contact Joe Hale (Scott Soil & Water Conservation District, contracted County Ditch Inspector) with questions regarding benefit determination for your specific parcel(s) or ditch maintenance questions at jhale@scottswcd.org or 952-492-5422.



No Action - Abandonment

- Existing drainage easements expire
- Creek is under jurisdiction of DNR
- Individual land owners are responsible for all maintenance
- City has no involvement or responsibility
- Possible outcomes
 - It is possible that a blockage on one property will cause flooding on upstream properties
 - Once there is a problem, property owners will likely approach the City for help
 - If the City is open to assisting with a project, once the easements have expired, it would be more difficult for City to assist



No Action - Abandonment

- Upon abandonment, the County is no longer responsible for the maintenance, repair and improvements of the ditch.
- The ditch is also 'Credit River' and as such, is classified as "public waters" which means DNR gains regulatory oversight and enforcement but not maintenance or upkeep duties.
 - There is no statutory right to petition the DNR to actively manage public waters.
- **The City is not legally responsible for river upkeep in this option.**
 - If the City would like to perform work or repair of the river, they can do so but must receive appropriate permits or permission from the State as statutes require.



City Assumes Responsibility

- A major benefit of the City assuming responsibility is that the existing easements would transfer to the City
- Future maintenance activities would likely consist of:
 - Tree and debris removal
 - Periodic Cleaning of the ditch
- Known maintenance requirements at this time
 - Cleaning of segment between Flag Trail and Texas Avenue
- City would have option of charging the costs of maintenance to the benefitting properties and/or residents



City Assumes Responsibility

- The City would assume responsibility through a "transfer" process outlined in State statutes.
- All County responsibility for the ditch ends with the transfer, and the ditch becomes the "work" and "responsibility" of the City.
- **Legal obligations: The City has a duty to maintain the ditch in a reasonably safe manner.**
- The City assumes all rights and interests in the ditch property, along with liabilities and regulatory compliance obligations.



Financing Options



#1 – Create a Storm Water District

- Only the benefitting properties will be assessed / charged
- A study would be necessary to determine methodology for assessments
- Assessments would be levied as projects are completed



#2 Create a City Wide Stormwater Utility Fee

- A city wide stormwater utility fee would be a dedicated funding source for stormwater improvements
- Revenue generated could be utilized at any location within the City for Stormwater purposes
- Many cities implemented stormwater utility fees when they were required to implement the MS4 Permit
- Credit River is required to implement the MS4 Permit



Possible projects that could be funded by a Stormwater Utility Fee

- Ditch 4
- Markley Lake (currently landlocked)
- Krenz Lake (currently landlocked)
- Country Court Wetland (currently landlocked)
- Voehl/Lockrem properties ravine stabilization
- Storm pond inspections
- Storm pond dredging
- Culvert replacements
- Storm sewer replacements / repairs
- Water quality projects



Stormwater Utility Fee Steps

- Minn. Stat. Section 444.075, Subd. 3 allows cities to impose "just and equitable" charges for storm sewer systems to pay for the costs of improvement, maintenance, operation and use of such systems.
 - Charges must be nearly as possible proportionate to the cost of furnishing the service. Storm sewer charges may be set using several different methodologies set forth in Subd. 3b.
- The City would need to explore and propose a proper methodology for determining this fee.
- The City Council would then need to consider and adopt an ordinance which establishes the stormwater utility and sets forth the fee structure.



Stormwater Utility Fee Example – City of Savage

F. Storm Water Drainage Utility - Monthly Fee Structure

Classification/Land Use:

1) Single Family Residential	\$5.75/per unit
2) Townhome/Duplex	\$5.00/per unit
3) Multi Family, Churches, Govt. Bldgs., Education Institutions	\$44.04 /net acre
4) Commercial/Industrial:	
a) Greater than 65% impervious	\$66.73 /net acre
b) 35% to 65% impervious	\$43.39 /net acre
c) Less than 35% impervious	\$23.34/net acre
5) Minnesota River District	\$23.34/net acre
6) Open Space/Vacant Land/Agriculture	\$14.84/net acre



Stormwater Utility Fee Example – City of Lakeville

ENVIRONMENTAL RESOURCES FEE (stormwater maintenance)	
Utility accounts served by water and/or sanitary sewer	
-Single family (residential equivalent utility factor) Environmental Resources Fee	\$15.38/dwelling unit/quarter
Utility accounts NOT served by water and/or sanitary sewer	
Utility accounts not served by water and/or sanitary sewer shall be billed annually.	
-Residential equivalent utility factor Environmental Resources Fee	\$61.52/dwelling unit/year
Other	
New subdivisions, as part of development contracts; one-time fee	\$61.52/dwelling unit
Environmental Resources Fee Calculation:	
<i>The Environmental Resources fee for each tax parcel classified 1 & 2 is the single-family residential fee. The fee for classifications 3, 4, 5 & 6 is the single-family residential fee multiplied by the utility factor. The fee for classifications 7, 8, 9 & 10 is calculated as follows: fee for single-family residential multiplied by the utility factor multiplied by the acreage of the parcel. For tax parcels classified 7, 8, 9 & 10 with less than 42% impervious surface the fee shall be adjusted by multiplying the fee by the percentage of impervious surface and then dividing by 42%. See classifications and utility factors below.</i>	
Classification and (Utility Factor)	
1 - Single Family Residential (1.00)	
2 - Agricultural with a homestead (1.00)	
3- Duplex (0.50)	
4 - Manufactured Homes (0.25)	
5 - Townhomes (0.50)	
6 - Apartments (0.25)	
7 - Commercial/Industrial (4.20)	
8 - Church, School, Institutions (4.20)	
9 - Golf Courses (4.20)	
10 - Parking Lots as a principal use (4.20)	



Timeline

- Scott County Board will make a decision on the abandonment of Ditch 4 on 9/18/2025 @ 10 am



Next Steps

- Answer any outstanding questions from council
- Following Steps are dependent upon direction from council



Questions / Discussion



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE:	September 8, 2025
SUBMITTED BY:	City Admin,Administrator
ITEM TYPE:	Agenda Report
AGENDA SECTION:	General Business
SUBJECT:	Settlement Agreement with CliftonLarsenAllen, LLC
BACKGROUND:	On 7/14/2025, Administrator Jelinski was scheduled to have a "transition meeting" with CliftonLarsonAllen (Sue's current employer and Credit River's interim finance director company). That meeting was a request for Credit River to pay a Placement Fee of 30% of Sue's current CLA salary or the salary that we offered-whichever is higher. That fee would amount to \$39,000. In the City's contract with CLA, it states "The Employee Hire Fee Provision shall not apply where the employee independently applies to a publicly advertised position or if the employee has not provided services to you within the last 12 months prior to their employment." The City advertised the Finance Director position on May 8th, 2025. The City signed the contract with CLA on May 20th, 2025. Sue submitted her application on June 12th, 2025. CLA believes that the City recruited Sue for the position, therefore, they were seeking the Placement Fee. The City Council held a Closed Session on August 4th, to discuss this matter. The Council gave Administrator Jelinski and Attorney Mikhail parameters to negotiate a settlement with CLA. At that settlement meeting, an agreement was reached that the City of Credit River would pay CliftonLarsonAllen, LLC. a sum of \$10,000 to settle the Placement Fee issue. During that meeting, it was made known that the City of Credit River does not believe that there was a Placement Fee owed. The agreement was reviewed by the City Attorney.
FINANCIAL IMPACT:	\$10,000
SUGGESTED ACTION:	Approve Settlement Agreement with CLA

ATTACHMENTS:

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CliftonLarsonAllen LLP
<https://www.claconnect.com>

Date: September __, 2025

Statement of Work Addendum

This agreement constitutes a Statement of Work addendum ("Addendum") under the Master Service Agreement ("MSA") dated May 20, 2025, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA") and City of Credit River ("Credit River"). The purpose of this Addendum is to memorialize the agreement between CLA and Credit River related to Credit River's offer of employment and hiring of Susan Iverson.

Payment for Hiring of CLA Employee

The Statement of Work, dated May 20, 2025, entered into between CLA and Credit River ("SOW") included terms concerning payment to CLA of a Placement Fee under certain circumstances. Credit River extended an offer of employment and thereafter hired Susan Iverson in or about June 2025. Ms. Iverson was a CLA employee who had provided services to Credit River pursuant to the SOW. CLA and Credit River disagree about whether the circumstances of Credit River's hiring of Ms. Iverson triggered a Placement Fee obligation.

CLA and Credit River enjoy a good business relationship and, in the spirit of compromise, hereby agree to resolve the Placement Fee dispute as follows, with neither party making any admissions regarding the dispute. The parties agree that Credit River shall pay CLA the sum of \$10,000 in full and final resolution of any and all claims CLA may have against Credit River arising from Credit River's hiring of Susan Iverson. Credit River shall pay CLA the amount listed above within thirty (30) days after execution of this Addendum and approval by Credit River's City Council.

Except and only to the extent modified by this Addendum, all other terms of the MSA, the SOW, or any other agreement between the parties, shall remain in full force and effect.

CliftonLarsonAllen LLP

City of Credit River



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CITY COUNCIL AGENDA ITEM REPORT

DATE:	September 8, 2025
SUBMITTED BY:	City Admin, City Council
ITEM TYPE:	Agenda Report
AGENDA SECTION:	General Business
SUBJECT:	Discussion to have a City Council Workshop on City Governance and Developing a Code of Conduct for Elected Officials
BACKGROUND:	Agenda item requested by Councilmember Markert. It may be helpful for the City Council to consider holding a facilitated workshop on city governance. Some important objectives of such a workshop might include getting everyone on the same page about rules/expectations, considering if/when some delegations of authority may be useful/cost effective, etc. This workshop would not be a closed meeting. A skilled facilitator, possibly utilizing someone from The League of Minnesota Cities, or another organization, can be very helpful to work through these issues. This facilitator could also help facilitate a Code of Conduct for elected officials as well.
FINANCIAL IMPACT:	Varies. Depending on facilitator fees
SUGGESTED ACTION:	Give direction to City Administrator to find a facilitator to hold workshop(s) to bring back to Council for a decision and scheduling.
ATTACHMENTS:	



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CITY COUNCIL AGENDA ITEM REPORT

DATE:	September 8, 2025
SUBMITTED BY:	City Admin,Administrator
ITEM TYPE:	Agenda Report
AGENDA SECTION:	General Business
SUBJECT:	Quotes for Ditch Mowing Services
BACKGROUND:	The City Council asked to obtain quotes for ditch mowing. We received two quotes by the deadline of Friday, September 5th. The City maintains approximately 35 miles of road ditch. It is mowed twice per year in June and September. The 2 quotes were: Leroy Schommer at \$140.00/hr TGM Services at \$225.00/hr
SUGGESTED ACTION:	Approve quote for Leroy Schommer do perform ditch mowing for remainder of 2025 and 2026 at \$140.00/hr with signed Affidavit of Official Interest in Claim
ALTERNATIVES:	Accept the quote from TGM Services for \$225.00/hr Reject both quotes and go out for more.
ATTACHMENTS:	



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CITY COUNCIL AGENDA ITEM REPORT

DATE:	September 8, 2025
SUBMITTED BY:	City Admin,Administrator
ITEM TYPE:	Agenda Report
AGENDA SECTION:	General Business
SUBJECT:	Discussion about City of Credit River Apparel
BACKGROUND:	A lot of cities have logoed apparel for employees that they can wear at the office, at city events, at conferences and trainings, etc. This helps with branding and advertising for the City. Staff would like Council to consider purchasing logoed clothing for staff to wear at the office as well as other events where staff are representing the city during a function. Initial purchase of apparel would be a little higher so staff can select several options for different seasons and then we can budget less as staff can update at a small scale. Council could also consider this request for the Councilmembers so they apparel for City events as well.
SUGGESTED ACTION:	Give direction to City Administrator to look for vendors and pricing for city apparel
ATTACHMENTS:	