

**MINUTES**  
**CITY OF DELANO**  
**City Council/Economic Development Authority**  
**Tuesday, April 4, 2017**  
**7:00 PM**

**1. Call to Order**

Mayor Pro-Tem, Betsy Stolfa, called the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, April 4, 2017, to order at 7:00pm.

**2. Roll Call & Approval of Agenda**

**Members Present: Betsy Stolfa, Mayor Pro-Tem; Councilmembers Jason Franzen, Holly Schrupp and Jon Sutherland**

**Members Absent: Dale Graunke, Mayor**

**Also Present: Phil Kern, City Administrator; Makenzie Krause, City Intern; Paula Bauman, Recorder**

**Motion by Holly Schrupp, seconded by Jason Franzen to approve the agenda of the Delano City Council/ Economic Development Authority meeting of Tuesday, April 4, 2017. Motion carried.**

**3. Minutes**

**Motion by Jason Franzen, seconded by Jon Sutherland to approve the minutes A, C and D as submitted. Motion carried.**

Holly Schrupp asked the minutes of the joint workshop could be amended to include the last names of members in discussion; stating since there are more than one “John” it got confusing to read. Staff agreed to amend those minutes and will submit for formal approval at the next meeting.

- A. Minutes of the regular City Council/Economic Development Authority meeting of Tuesday, March 7, 2017.
- B. Minutes of the joint workshop of the Delano City Council and Water, Light and Power Commission of Tuesday, March 14, 2017.
- C. Summary minutes of the joint workshop of the Delano City Council and Water, Light and Power Commission of Tuesday, March 14, 2017, for publication in the Delano Herald Journal.
- D. Minutes of the joint workshop of the Delano City Council and City of Delano Commissions of Tuesday, March 28, 2017.

**4. Speaker, Presentations & Awards**

**5. Consent Items**

**Motion by Holly Schrupp, seconded by Jon Sutherland to approve the Consent items 5A1, 3, 4, 5, and 5B1 as submitted. Motion carried 4-0 by roll call vote.**

A. City

1. Pay Request No. 1 for the Levee Storm Sewer Extension.
2. Consider a reduction of security for Uppal Group, LLC, Clover Springs 4th Addition.

Jason Franzen asked for clarification of why the City would lower the security. Phil Kern stated this is standard practice as punch list items are completed, the City of Delano will release a portion of the funds.

**Motion by Jason Franzen, seconded by Jon Sutherland to approve reduction of security for Uppal Group, LLC, Clover Springs 4<sup>th</sup> Addition. Motion carried.**

3. Consider a reduction of security for Backes Companies, Parkview Hills 5th Addition.
4. Consider request from Northwoods Entertainment, LLC (d/b/a Emagine Theater Delano) for an On-Sale and Sunday Sales Liquor License.
5. Consider request from Adam King, The King's House Restaurant and Bar, for an On-Sale and Sunday Sales Liquor License.
6. Motion approving development agreement for Highland Ridge 4th Addition.  
*Attachment:* Development Agreement

Phil Kern discussed the proposed development agreement for Highland Ridge 4<sup>th</sup> Addition. Because the developer has equipment ready to begin and road restrictions are expected to be lifted, there is language within the development agreement to allow work begin before a few punch list items are completed. The agreement states when items should be completed. There is security in place and the developer will assume all the risks.

**Motion by Jon Sutherland, seconded by Jon Sutherland to approve the development agreement for Highland Ridge 4<sup>th</sup> Addition. Motion carried.**

B. EDA

1. Adopt a RESOLUTION approving the updating of the Delano EDA/Crow River Villa Admissions and Continued Occupancy Policy.

**6. CITY STRATEGY No. 1: Provide and proactively facilitate the delivery of quality public and community services in a planned, fiscally responsible manner.**

**7. CITY STRATEGY No. 2: Ensure the City's continued sustainability and financial stability.**

8. **CITY STRATEGY No. 3: Plan for the maintenance, replacement and efficient operations of the City's equipment, buildings, and infrastructure, energy and utility systems.**
9. **CITY STRATEGY No. 4: Manage the City's growth so that it is high quality and consistent with the city's Comprehensive Plan while maintaining the City's historical culture, characteristics and features.**

- A. Resolution adopting revisions to Revolving Loan Fund Policy. *Attachment:* Resolution | Draft Revolving Loan Fund Policy

Phil Kern explained in November 2015, the City approved the loan funds to Sil-Pro from the Minnesota Department of Employment and Economic Development (DEED) as part of its Minnesota Investment Fund (MIF) program. The funds were essentially passed through dollars from DEED to Sil-Pro, with the City acting as fiscal agent for the transaction. The City and Sil-Pro are managing the repayment of those funds and everything is going smoothly.

Through this program, the City is presently building a reserve fund from DEED to be used for additional revolving loans in the future. That revolving loan fund will total \$100,000 by the time Sil-Pro has completed its repayment of funds. The City will have the ability to loan those funds for similar projects that result in job creation/retention, attracting new business, promotion of the green economy, or attracting addition private funds to a project. Kern discussed the proposed policy stating it will guide the use of these revolving loan funds.

Staff is recommending approval of the resolution to affirm the policy and propose revisions.

**Motion by Holly Schrupp, seconded by Jason Franzen to adopt Resolution R-17-10 (EDA Resolution EDA-R-17-03) establishing revisions to the City/EDA Revolving Loan Fund Policy. Motion carried 4-0 by roll call vote.**

- B. Motion authorizing agreement with BBS Granite, LLC, regarding request for Revolving Loan Funds for environmental study of Granite Works site. *Attachment:* Planners Report

Ron Clark Construction and BBS Granite, LLC, are working towards an agreement regarding the potential redevelopment of the former Granite Works site in downtown. There site is located along the west side of River Street. Prior to reaching an agreement and proceeding with redevelopment, Ron Clark Construction is planning an application to the Minnesota Housing Finance Agency for tax credits to help finance the project. The tax credit program is the same program previously used in Delano for the development of the Gateway Village Apartments. As part of the application, Clark is completing a number of studies and site investigation work to help better prepare the budget for redevelopment.

One of those efforts involves an environmental study, including soil boring and other sampling, to better determine demolition and clean-up costs. Clark and BBS Granite have requested the use of EDA Revolving Loan Funds for this exploration work with the funds being repaid at the time of closing or being assessed against the property. The project is intended to create housing to support the growth/expansion of businesses within the community and, with consideration of policy amendments the use of funds would be consistent.

Kern reviewed the proposed project through a power point presentation, discussing the location and previous housing projects completed by Ron Clark Construction.

Staff is recommending approval of the revolving loan fund request of \$30,000 with the following terms and conditions:

1. Execution of an assessment agreement by BBS Granite, LLC, guaranteeing repayment of the funds in accordance with the request; and
2. Funds to be disbursed as reimbursement to Ron Clark Construction of successful payment for environmental work consistent with scope of work approved by the City Administrator prior to start of work; and
3. The City of Delano is provided copies of all completed environmental studies completed on the project, including but not limited to the work for which revolving loan funds are used; and
4. EDA Funds to be used separate from those provided through DEED MIF program.

**Motion by Jason Franzen, seconded by Jon Sutherland to authorize agreement with BBS Granite, LLC regarding request for Revolving Loan Funds for environmental study of Granite Works site. Motion carried.**

10. **CITY STRATEGY No. 5 Encourage and improve the communication of information and ideas with residents and business owners.**
11. **CITY STRATEGY No. 6: Ensure communication and positive relationships between the Council, City Staff, Employees and Commission members.**
12. **CITY STRATEGY No. 7: Ensure the City has a well-trained, productive and accountable workforce to meet the changing needs of the community.**
13. **CITY STRATEGY No. 8: To ensure the public's safety from crime and manmade or natural disasters.**
14. **CITY STRATEGY No. 9: To ensure the overall aesthetic appeal of the City.**
15. **Other Business**
16. **Communications & Announcements**
17. **Claims**

A. City Claims | By Account

**Motion by Holly Schrupp, seconded by Jon Sutherland to approve the City Claims as submitted. Motion carried.**

B. EDA Claims

**Motion by Jason Franzen, seconded by Jon Sutherland to approve the EDA Claims as submitted. Motion carried.**

**18. Adjournment**

**Motion by Holly Schrupp to adjourn the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, April 4, 2017, at 7:50pm.**