

**MINUTES**  
**CITY OF DELANO**  
**City Council/Economic Development Authority**  
**Tuesday, January 16, 2018**  
**7:00 PM**

**1. Call to Order**

Mayor Graunke called the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, January 16, 2018, to order at 7pm.

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

**Members Present: Dale Graunke, Mayor; Councilmembers Betsy Stolfa, Jason Franzen, Holly Schrupp and Jon Sutherland**

**Also Present: Phil Kern, City Administrator; Alan Brixius, City Planner; Justin Markon, Intern; Paula Bauman, Recorder**

**Motion by Betsy Stolfa, seconded by Holly Schrupp to approve the agenda as submitted; motion carried.**

**3. Minutes**

**4. Speaker, Presentations & Awards**

**5. Consent Items**

**Motion by Betsy Stolfa, seconded by Jon Sutherland to approve the consent items 5A2 and 5B1 as submitted; motion carried 5-0 by roll call vote.**

A. City

1. Authorize purchase membership software from Active Network/Maximum Solutions to be used for the splashpad

Justin Markon briefly discussed the recommended software and its costs associated and annual fees. Council discussed the costs involved and the number of visits to pay for the system. Holly Schrupp asked to look into the software and fees involved at the special workshop in January.

**Motion by Holly Schrupp, seconded by Betsy Stolfa to table the purchase of membership software for the newly constructed splashpad to the January 30<sup>th</sup> meeting for further discussion; motion carried.**

2. Adopt resolution approving a gambling application to conduct off-site gambling permit for the Delano Rage Lacrosse

B. EDA

1. Adopt EDA Resolution approving the Civil Rights Certification Form HUD-5007-CR

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. Consider application and concept plan for annexation of property located on County Road 16 in Franklin Township *Attachments* Engineer's Comments

Langdon View, LLC has submitted an application and concept plan for annexation of property located on County Road 16 in Franklin Township. The parcel is 68.11 acres and is currently a family farm. The applicant has submitted a concept plan that includes 99 single family lots, a park, and two stormwater ponds. An approximate 33-acre outlot is located over the floodplain or wetland areas.

Staff finds that the annexation meets the City's annexation requirements and recommends approval of the annexation. Concept plan review does not convey any development rights or infer any future approvals. Upon completion of the annexation, the following development applications will be required:

1. Rezoning of the property from R-A to R-5.
2. Submission of preliminary plat and all associated documents. The preliminary plat will need to address the concerns and suggestions offered on the concept plan.
3. Final plat and development agreement.

1. Hold Public Hearing to consider annexation

**Motion by Holly Schrupp, seconded by Betsy Stolfa to open the public hearing to consider annexation of property located on County Road 16 in Franklin Township; motion carried.**

Mayor Graunke called for public comment three times. None was heard.

**Motion by Holly Schrupp, seconded by Jon Sutherland to close the public hearing; motion carried.**

2. Adopt Ordinance annexing certain property abutting the City of Delano

**Motion by Holly Schrupp, seconded by Jason Franzen to adopt ordinance annexing certain property abutting the City of Delano; 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.**

**A. Highland Ridge 6th Addition**

In November the City Council approved Highland Ridge 6th Addition. This plat would result in 9 new lots within the Highland Ridge subdivision and the development of a lot for a local church. The City has required, through the annexation agreement (2005) and the preliminary plat approval (2017) that the platting of the property involve the upgrade of infrastructure on the site to an urban standard. This includes normal development work, plus the additional improvements of extending trunk sewer, improving McKinley Parkway to an urban standard (curb, gutter, and storm sewer), and trail extension from Freeman Avenue south to County Road 30.

Following preliminary plat approval, Lennar has stated that these infrastructure improvements would be prohibitive on proceeding with the final plat. The Crow River Church and Lennar have a purchase agreement that requires a final plat approval by the City prior to close, and thus, staff has been working with both parties on a resolution that would allow the parties to proceed. Absent an agreement, Lennar stated it will likely not proceed with Highland Ridge 6th Addition.

The City Engineer has estimated the costs of the improvements as follows: Trunk Utility Extension (\$245,000); Trail Extension (\$31,000); McKinley Parkway Improvements (\$66,000); Total Improvements (\$342,000)

Lennar has estimated the same improvements (with \$17,000 of additional storm sewer work) at \$346,729. A bid by Lennar's general contractor for the work to be completed in 2018 was \$358,541. Generally, staff believes these numbers are an accurate reflection of the work to be completed.

The City has the expectation with any development that the project itself will pay for the costs of development and extension of utilities. In this situation, the Church has approached the City requesting flexibility due to the significant additional cost of oversizing related to trunk

infrastructure compared to infrastructure related to the service size it needs. The City's policy has been to require all development to fund trunk infrastructure costs that result in implementation of the City's trunk utility plans.

In this instance, the site is constrained with large amounts of wetlands (approximately 60% of the original 40-acre site first platted by the City in 2005). Additionally, the development as a church reduces the on-site demand for utilities as opposed to the previous alternative plan of 70 townhouse units. For these reasons, staff has entertained the discussion about a potential resolution that would involve City participation in the trunk infrastructure.

Staff's discussions have involved the trunk utility extension portion of the project. Staff has maintained it would not support involvement in the trail extension and McKinley Parkway Improvements. Further, staff has stated that it would not support any direct City contributions in the project. Rather, discussion has revolved around two possibilities for City consideration:

1. City construction of improvements, with all costs being assessed against the property (Church and/or Lennar). This would allow the City to complete the improvements and oversee construction while allowing the Church a financial mechanism to help spread costs over time.
2. City issuance of trunk credits to the project to cover the costs of the trunk infrastructure (south of the Highland Ridge residential section only) beyond a service line sizing. Staff estimates this to be around \$125,000.

If the City proceeded with either or both of these options, staff believes it should do so for the following reasons:

1. Accelerating the development of this property and the subsequent improvements – County Road 30 turn lane, trail and McKinley Parkway Improvements, and overall site improvements.
2. Complete the necessary trunk infrastructure development to allow further development of City property (approximately 140 acres) to the south and west.
3. Provide financing flexibility via special assessment bonds for other planned City infrastructure projects.

Staff recommends, for these reasons and the unique circumstances of the property, to proceed with this partnership subject to completion of platting and Development Agreement approval. If Lennar completes the improvement, staff recommends applying the \$125,000 credit to Highland Ridge 5th and 6th Addition and future phases as needed trunk sanitary sewer charges (and water, if approved by DMU). If the City completed the construction the improvements, staff recommends specially assessing all of the improvements, minus the \$125,000, which would be covered by collection of trunk fees on Highland Ridge 5th, 6th, and future developments.

## **15. Other Business**

## **16. Communications and Announcements**

## **17. Claims**

A. City Claims

**Motion by Holly Schrupp, seconded by Betsy Stolfa to approve City Claims as submitted; motion carried.**

B. EDA Claims

1. November, 2017

**Motion by Jon Sutherland, seconded by Jason Franzen to approve the November, 2017, EDA Claims as submitted; motion carried.**

2. December, 2017

**Motion by Holly Schrupp, seconded by Jon Sutherland to approve the December, 2017, EDA Claims as submitted; motion carried.**

**18. Closed Session**

A. Consider purchase agreement from Randy's Rentals for property in the West Metro Business Park

**Motion by Holly Schrupp, seconded by Jon Sutherland to enter into closed session to review two purchase agreements from Randy's Environmental Services and Solution Manufacturing for property located in the Delano Business Park; motion carried.**

**Motion by Jon Sutherland, seconded by Holly Schrupp to exit out of closed session; motion carried.**

**19. Adjournment**

There being no further business to discuss, the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, January 16, 2018, was adjourned at 8:50pm.

Signed:

Dale Graunke, Mayor

Brian Bloch, Finance Director/Clerk

Attest: Paula Bauman, Administrative Services Coordinator