

**MINUTES**  
**CITY OF DELANO**  
**City Council/Economic Development Authority**  
**Tuesday, May 15, 2018**  
**7:00 PM**

**1. Call to Order**

Mayor Pro-Tem, Betsy Moran, called the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, May 15, 2018, to order at 7:00pm.

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

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

**Members Absent:** Dale Graunke, Mayor; Holly Schrupp Councilmember

**Also Present:** Brian Bloch, Finance Director; Shawn Louwagie, City Engineer; Alan Brixius, City Planner; Paula Bauman, Administrative Services Coordinator

**Motion by Jason Franzen, seconded by Jon Sutherland to approve the agenda as submitted; motion carried.**

**3. Minutes**

**4. Speaker, Presentations & Awards**

A. Tour De Tonka Update

This item was removed from the agenda.

**5. Consent Items**

A. City

**Motion by Jon Sutherland, seconded by Jason Franzen to approve the consent items 5A1,2,4,5,6 and 5B1 as submitted; motion carried 3-0 by roll call vote.**

1. City of Delano's quarterly Financial Report for the quarter ended March 31, 2018

2. Motion to hire part-time staff at Delano Wine and Spirits

3. Approve lease agreement between the City of Delano and Delano Area Chamber of Commerce for July 22-24, 2018

Bradley Falknor, representing the Delano Area Chamber of Commerce, discussed the Chamber's upcoming Circus event held at Kramer Park.

**Motion by Jason Franzen, seconded by Jon Sutherland to approve the lease agreement between the City of Delano and Delano Area Chamber of Commerce,**

**for July 22-24, 2018**

4. Authorize rental of Riverside Commons on Sunday, June 3, 2018
5. Approve and adopt RESOLUTION authorizing various licenses and permits for the annual 4th of July Celebration
6. Approve Delano Fire Department Escort Policy

**B. EDA**

1. Approve the replacement of the carpeting in the Delano EDA/Crow River Villa apartment no. 406

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

- A. Hold a public hearing for proposed Tax Increment Financing (Economic Development) District No. 12 - West Metro Business Park project

Staff received requests from Randy's Environment Services, Pizzey Ingredients, and Insolution Manufacturing for financial assistance for their proposed construction of their facilities in the West Metro Business Park. The TIF assistance would amount to about \$1,700,000. Both have indicated they will need some type of financial assistance to move forward with their project. Staff believes the best solution would be assistance in the form of Tax Increment Financing (TIF). As a result, Staff has been working with Springsted, Inc. (the City's financial advisor) to provide a projected Tax Increment revenue report regarding the project.

The Planning Commission met May 14 to consider a resolution stating the project is consistent with the comprehensive plan. It is staff's recommendation to approve the resolution to establish Tax Increment Financing (Economic Development) District No. 12 – West Metro Business Park.

**Motion by Jason Franzen, seconded by Jon Sutherland to open the public hearing to consider proposed Tax Increment Financing (Economic Development) District No. 12 – West Metro Business Park project; motion carried.**

Mayor Pro-Tem, Betsy Moran, called for public comment three times. None was heard.

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

1. Adopt Resolution R-18-14 approving the Tax Increment Financing Plan for Tax Increment Financing (Economic Development) District No. 12 within Development District No. 4

**Motion by Jon Sutherland, seconded by Jason Franzen to adopt Resolution R-18-14 approving the Tax Increment Financing Plan for Tax Increment Financing (Economic Development) District No. 12, within Development District No. 4; motion carried 3-0 by roll call vote.**

B. McKinley Parkway and Utility Extension Feasibility Report *Attachment: Report*

The Development Agreement for the Highland Ridge 6th Addition development outlines a portion of the improvements shall be completed by the City of Delano, with the costs split between the highland Ridge Developer and assessments to the benefitting properties. The attached Feasibility Report outlines the proposed improvements related to this work, and the extension of trunk utilities to serve development south of CSAH 30. Council reviewed the feasibility report outlining the proposed improvements, the costs associated with the improvements and necessary easements.

**Motion by Jon Sutherland, seconded by Jason Franzen to open the public hearing regarding the McKinley Parkway and utility extension feasibility report; motion carried.**

Mayor Pro-Tem, Betsy Moran, called for public comment three times. None was heard.

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

1. Resolution receiving feasibility report, holding public hearing on the improvement and ordering improvement

**Motion by Jason Franzen, seconded by Jon Sutherland to adopt resolution R-18-15 receiving the feasibility report, holding public hearing on the improvements and ordering the improvement; motion carried 3-0 by roll call vote.**

C. Consider a resolution approving the competitive negotiated sale of \$2,715,000 General Obligation (GO) Bonds, Series 2018A *Attachment: Resolution*

Brian Bloch noted the amount of the sale has changed from \$2,715,000 to \$3,100,000. The General Obligation Bond, Series 2018A is comprised of:

- A. special assessment bond for the street portion of Railroad Avenue and the McKinley Parkway improvements.
- B. storm sewer revenue bonds for storm sewer improvements.
- C. sanitary sewer revenue bonds for sanitary sewer improvements.
- A. water revenue bonds for water main improvements.

The portion for streets is being issued under Minnesota special assessment statutes. These statutes allow the City to issue debt for a project without going to the voters for approval. By using the special assessment statutes, the City avoids having this debt applicable to the debt limit. The 2016 bond reduced our debt margin to under \$1,000,000. This may limit the amount of debt we can issue in the future unless we use the special assessment statutes (or something similar) to issue debt. To issue special assessment debt the City is required to hold a public hearing ordering the improvements.

The 2018 improvements regarding storm sewer, sanitary sewer, and water main are being financed through revenue bonds. Revenue bonds are not subject to the debt limit and are not subject to a referendum because revenue generated by the indicated sources are paying for the debt. However, the City must show that the sources are adequate to make the necessary payments on the debt. Current projections show there are sufficient funds available and, in the future, to allow the issuance of this debt.

Staff recommends approval of the resolution providing for the competitive sale of GO Bonds, Series, 2018A.

**Motion by Jason Franzen, seconded by Jon Sutherland to adopt resolution R-18-16 providing for the competitive negotiated sale of \$3,100,000 General Obligation Bonds, Series 2018A; motion carried 3-0 by roll call vote.**

- 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 from Insolution for site and building review and conditional use permit for outdoor storage located in Delano West Metro Business Park *Attachments: Exhibits | Engineering Comments*

Insolutions Manufacturing LLC. is purchasing Lot 1 Block 3 of Delano Metro West Business Park to construct a 20,000 sq. ft. Industrial Building with a future expansion of another 15,000 sq. ft. The site is zone I-2 general industrial district, so accommodate the proposed business the following development applications have been requested: 1. Site and Building Plan Review 2. Conditional use Permit in Outdoor Storage of Semi-Trailer

Based on Staff review of the plans submitted on behalf of Insolutions Manufacturing LL. dated April 19, 2018, staff is recommending approval of the site and building plans and the Conditional use for Outdoor storage with the following conditions:

1. The applicant enter into an agreement with the city, that will require the property owner to construct addition parking in the proof of parking area if the city determines that there is need for additional parking is necessary. 2. The applicant shall provide a trunk turning movements for truck accessing and egressing the loading bays. Applicant shall make the plan modifications outlined in the planner's report if needed. 3. Applicant identifies the location and height of roof top equipment and provides the appropriate screening per the options outlined in this report. 4. The applicant must submit a revised landscape plan that addresses the following items: a. Provide screening of loading bays from McKinley Parkway. b. Provide screening along with west side of the parking lot. c. Provide screening along the south and west sides of the outdoor storage areas. The landscape plan must be coordinated with the grading plan to insure plan locations and plant sizes are adequate to screen the trailer storage area. d. Identify all ground covers for the site. Applicant shall identify the proposed seed mix for low maintenance areas identified on the site plan. The landscape plan must include a plan for seeding, germination, and long term management of low maintenance areas. e. Landscape plan shall identify plantings around the perimeter of the building. f. The landscape plan shall identify whether the turf areas will be irrigated. g. Plan shall identify the proposed number, species, and size of all trees and shrubs.

5. The grading and drainage and utility plans shall be subject to the review comments and recommendations of the City Engineer. 6. The FDC and hydrant locations and design shall be subject to the review comments and recommendation of the Delano City Fire Chief.

Conditional Use Permit – Outdoor Storage. Based on our review of the request Conditional Use Permit application for outdoor storage we recommend approval of the Conditional use permit with the following conditions: 1. Applicant provides a screening plan to screen the storage area from adjoining streets and neighboring properties. Said plan shall be subject to the approval of the City Staff. 2. The outdoor storage area shall be used exclusively for the storage of Semi- Trailers. All trailers on the site shall be locked and secured. No fencing will be required. 3. The storage area shall be shifted east to maintain a 30 setback between the west property line and the storage area curb line. 4. Outdoor storage shall be limited to the areas identified on the approved site plan. 5. The outdoor storage area shall not be used for the storage of hazardous materials as defined by federal or state environmental laws.

1. Resolution approving a site and building plan review, conditional use permit for outdoor storage, for Insolutions Manufacturing LLC located at Lot 1, Block 3 Delano West Metro Business Park, within the City of Delano

**Motion by Jason Franzen, seconded by Jon Sutherland to adopt resolution R-18-17 approving a site and building plan review, conditional use permit for outdoor storage, for Insolutions Manufacture, LLC, located at Lot 1, Block 3, Delano West Metro Business Park, within the City of Delano; motion carried 3-0 by roll call vote.**

2. Approve Development and Tax Increment Financing Agreement between the City of Delano and IM Properties, LLC (Insolution Manufacturing).

Brian Bloch stated this document is still in flux and asked Council approve contingent upon minor changes Staff and City Attorney would approve.

**Motion by Jon Sutherland, seconded by Jason Franzen to approve Development and Tax Increment Financing Agreement between the City of Delano and IM Properties, LLC (Insolution Manufacturing); motion carried.**

3. Resolution authorizing sale of property in West Metro Business Park to IM Properties, LLC *Attachment:* Resolution

**Motion by Jon Sutherland, seconded by Jason Franzen to adopt resolution R-18-18 authorizing the sale of property in West Metro Business Park to IM Properties, LLC; motion carried 3-0 by roll call vote.**

- B. Consider application from Pizzey Ingredient for site and building plan review and conditional use permit for outdoor storage located in Delano West Metro Business Park *Attachments:* Engineering Comments

Pizzey Ingredients has submitted an application for a building and site plan review for property located along McKinley Parkway. The proposed site plan is for a 15,000 square-foot manufacturing facility. The site is zoned I-1, Limited Industrial. Under the I-1 zoning district, manufacturing is an allowed use. The site is currently a vacant lot. The site is adjacent to I-1 zoning to the north, east, and south; and township land to the west.

Based on Staff preliminary review of the plans submitted on behalf of Pizzey Ingredients dated May 9, 2018, staff recommend approval of the plans with the following conditions:

1. The applicant shall submit a detailed trash enclosure plan on their site elevation page that shows the enclosure's materials and details before a building permit is issued. The trash enclosure must meet the City's requirements.
2. The applicant shall enter into a deferred parking agreement with the City for an additional 14 parking stalls. The applicant shall demonstrate that 14 additional parking stalls will fit on the property.
3. The applicants update their landscaping plan to show the following:
  - a. The gravel area on the west side of the building is unacceptable. Staff recommends that this area be seeded or sodded to create a managed grass turf.
  - b. The area to the east of the loading bay has no screening. Staff recommends screening in the form of conifers or solid fencing be placed in this area.
  - c. The parking lot provides no screening. Staff recommends that shrubs be placed along the east side of the parking lot to provide screening from headlights.
  - d. The landscaping plan shall show the areas intended to be covered with low maintenance seed.
  - e. Fences that are proposed close to the building should be shown on the site plan.
  - f. Additional tree placement at the periphery of the lot shall be provided.
4. The applicant adheres to the comments and recommendations of the City Engineer.
5. The City Fire Chief shall provide comment if additional fire hydrants are necessary. Further, the Fire Chief shall review and provide comment on the access to the FDC.
6. The applicant identifies the location and height of roof top equipment and provides the appropriate screening per the options

outlined in this report.

1. Resolution approving a site and building plan review for Pizzey Ingredients located along McKinley Parkway within the City of Delano

**Motion by Jason Franzen, seconded by Jon Sutherland to adopt resolution R-18-19 approving a site and building plan review for Pizzey Ingredients located along McKinely Parkway, within the City of Delano; motion carried 3-0 by roll call vote.**

2. Approve Development and Tax Increment Financing Agreement between the City of Delano and Lynn Holdings LLC (Pizzey Ingredients).

**Motion by Jason Franzen, seconded by Jon Sutherland to approve the Development and Tax Increment Financing Agreement between the City of Delano and Lynn Holdings, LLC (Pizzey Ingredients) contingent upon minor changes made by City Staff and the City Attorney; 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.**
  - A. Updates from Commission Liaisons
    1. Fire Relief Association
    2. Park and Recreation Commission
    3. Planning Commission
    4. Public Safety Commission
    5. Spirit of Community Commission
    6. Water Light and Power Commission
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 Jason Franzen, seconded by Jon Sutherland to approve the City Claims as submitted; motion carried.**

B. EDA Claims

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

**18. Adjournment**

There being no further business to discuss, the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, May 15, 2018, was adjourned at 8:30pm.

Signed:

Dale Graunke, Mayor

Attest: Paula Bauman, Administrative Services Coordinator