

MINUTES
CITY OF DELANO
City Council/Economic Development Authority
Tuesday, April 16, 2019
7:00 PM

1. Call to Order

Mayor Graunke called the regular meeting of the Delano City Council/Economic Development Authority meeting of Tuesday, April 16, 2019, at 7pm.

2. Roll Call & Approval of Agenda

Administrator Kern made changes to agenda, by pulling Agenda item 5.C. to underneath 9. C. 1. to be discussed.

Motion by Jon Sutherland, seconded by Jason Franzen to approve the agenda with amendment by Administrator Kern; motion carried.

3. Minutes

- A. Minutes of the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, February 5, 2019
- B. Minutes of the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, February 19, 2019
- C. Minutes of the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, March 5, 2019
- D. Minutes of the special joint workshop of Tuesday, March 19, 2019
- E. Minutes of the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, March 19, 2019
- F. Minutes of the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, April 2, 2019

4. Speaker, Presentations and Awards

- A. Update from Wright County Sheriff Sean Deringer

Sheriff Deringer wanted to thank the citizens for how great it has gone and wanted to celebrate the great community members in Delano and the diversity task force. He is looking to dig deeper in the conversations and is hoping to keep the conversations going. He stated that Delano has been very welcoming to him, and it has been 3 months since he started and wanted to check in. he is humbled by his great staff. He is he to serve and wanted to extended out to ask. Council was appreciative of him coming and his work. He told mayor to keep him updated

on the diversity meetings. Deringer is looking to establish a wellness based for the department to help with officers and reduce the suicide within the field. He hopes to create an incentive-based wellness program for the officers. He is very appreciative.

B. Larry Cook presented on the City Waste Water Treatment Plant

He oversees multiple facilities, and Delano is a great facility. He is here to introduce himself, and wanted to give a face to the name for the council since this is the first time he was able to attend a council meeting. Delano plant was awarded PCA for excellence. He listed off the employees who made it happen. He was celebratory of the employees. They took a picture with the award. The council said thank you to Larry for presenting.

5. Consent Items

Motion by Holly Schrupp to accept items 5: A, B, and D as presented, seconded by Jon Sutherland; motion carried.

- A. Approve the hiring of a part-time senior center driver
- B. Authorize the appointment and placement of Josh Streich as a probationary status Fire Fighter with the Delano Fire Department
- C. Approve Development Agreement and Significant Industrial User Agreement with KLN Family Brands *Attachment: Draft KLN Development Agreement | Draft KLN Significant Industrial User Agreement*
- D. Consider fee schedule for special event licenses applications

6. City Strategy No. 1: Provide comprehensive services to meet community needs

7. City Strategy No. 2: Maintain financial sustainability and fiscal stewardship

8. City Strategy No. 3: Conscientious asset/infrastructure management

9. City Strategy No. 4: Manage sustainable and planned growth

- A. Aquatix by LSI - Site and Building Plan Review and CUP *Attachments: Plans | Engineering Report | Public Hearing Notice*

Alan Brixius report of Aquatix building in business park. Aquatix and Landscaping Structures has submitted an application for a conditional use permit / planned unit development and a building and site plan review to allow for the construction of two Industrial buildings on a 14.8 acre site located west of McKinley Parkway on Lot 1 Block 2 of the Delano West Metro Business Park Second Addition.

The first phase of development consists of a 106,424 sq. ft. industrial building that will house Aquatix and Landscape Structures. The site plan also shows a future 48,548 expansion of the first phase building and second principal building having 84,000 sq. ft. of floor area on the south end of the site.

The subject site is zoned I-1, Limited Industrial, which lists manufacturing, production, warehousing, and office uses as permitted uses. The site zoning ordinance allows for multiple principal buildings on a site with a conditional use permit / planned unit development. The plans also propose a future outdoor storage area which would also need a conditional use permit in the I-1, Limited Industrial zoning district. Made note that the outdoor storage is just a concept. The future areas will need to be approved. access points concerns were raised by planning commission. Wanted to ensure proper sight lines. This would be for vehicles to properly see. 95 parking spots will need to be expanded but are adequate for now, but expansion will need proof of more parking. There will be an area to screen the operation areas. There is a covered outdoor storage area, and want to make sure the design in to code. There will need another hydrant of the west side of the building, with looping the water to accommodate. Staff recommends the approval of the site and building plan review with the following recommendations:

1 The CUP/ PUD is approved the areas of future development and future uses are approved in concept. This does not convey any development rights. These areas and items shall require separate future development applications. The size, configuration and location of future uses will be evaluated on their ability to meet the applicable Delano zoning code performance standards.

2 The City Engineer approval of location, design and traffic visibility of the site access points.

3 The City approves the construction of 95 parking stalls with the first phase building, contingent of the applicant agreeing to enter into a proof of parking agreement requiring the applicant to construct additional parking in approved proof of parking areas at the notification of the city. On-site parking in non- approved parking areas and on-street parking shall be prohibited and grounds for requiring additional on-site parking.

4 Applicant shall identify the location of trash handling equipment. If outdoors, the equipment and trash closure shall be identified and demonstrate compliance with the City's zoning standards.

5 Rooftop equipment and proposed screening plans shall be submitted and be included on building elevation plans for review.

6 Applicant shall provide building plans and elevations for the outdoor covered storage structure.

7 Grading Plan is approved subject to the City Engineer comments.

8 The applicant shall receive written permission from the adjoining property owner for grading off-site. Applicant shall provide a copy of the written permission to the city.

9 The utility plan shall be revised to provide a hydrant on the west side of the site to meet hydrant spacing standards.

10 The utility plans shall be subject to the recommendations of the City Engineer.

11 The landscape plan shall address the following issues

a. Provide additional understory shrubs in gaps between trees along the future public street

where the parking lot elevation matches the street grades to screen headlights from the parking lot.

b. Provide addition screening of the eastern proof of parking area along McKinley Parkway between the gaps in the trees.

c. Provide a planting and long-term maintenance plan for the no-mow areas of the site. Planting plan must include erosion control and slope stabilization in areas of steep slopes.

d. Snow storage areas shall be identified on the landscape plan to avoid snow storage damaging or killing in-place landscaping.

12 All site signage shall comply with applicable Ordinance requirements and be subject to permit. We would recommend a comprehensive sign plan for the side.

13 All exterior lights shall be 90-degree cutoff fixtures with shielded light source.

Council member Franzen asked what is causing the challenge for the sloping. Alan Brixius answered that the challenges are just the significant changes in grade. Alan Brixius said they need to see something in the final form before the grading is approved. The city attorney is recommending to have a development agreement and asked to have the development agreement added to the resolution.

Sutherland asked if there is anything for city construction, he was looking to see if there was paths for individuals to bike to work. The city is building the street, and will be able to design and control the paths on both sides of the road. Schrupp looked to clarify if the streets are on both sides of the street. Mayor Graunke asked to see if the truck traffic was kept as two way, which then consolidates the truck traffic to the area.

The parking lot and otherwise there is enough room for a large truck to drive and turn around on the lot. Sutherland had another question on the trails, he was hoping to see some of the materials used for the retaining wall and other materials, and would the retaining wall be the city's responsibility. It was clarified that the retaining wall would be owned by the private user.

Trails will be part of the packet for bids on construction, and the plan would have all the details and materials.

1. Adopt resolution approving a site and building plan review, conditional use permit/planned unit development, for Aquatix/LSI, located at Lot 1, Block 2, Delano West Metro Business Park 2nd Addition, within the City of Delano

Motion by Betsy Moran, seconded by Jon Sutherland to adopt Resolution R-19-11 approving a site and building plan review, conditional use permit/planned unit development, for Aquatix/LSI, located at Lot 1, Block 2, Delano West Metro Business Park 2nd Addition, within the City of Delano; motion carried 5-0 by roll call vote

- B. Ordinance Amendment - Outdoor Sales and Display Areas in an I-1 and I-2 Districts
Attachments: Ordinance | Public Hearing Notice

Alan Brixius gave background: In the past, limited outdoor sales and display areas were allowed in Industrial zoning districts. With the 2006 zoning ordinance update, this provision

was omitted. Recent development proposals have included areas to display merchandise, products or equipment used or produced on-site. This is not currently allowed in the I-1 or I-2 districts. In order for these proposals to include outdoor sales and display areas on site, the city must first approve an ordinance to allow for outdoor sales and display areas in both industrial districts. Planning commission had concerns on the view of the products. Landscape structure would be included as a landscape feature. But they are looking to have smaller units. The planning commission had concerns on there is not control on the size of the product being displayed. The planning commission does not recommend the approval, but does think to move the landscape piece as a landscape component such as a tree. All planning commission members had good reasons not to move forward. Council was not in favor of the ordinance.

Jon Sutherland requested discussion, and asked if there an appeal process for showing products. Staff commented that there is not an appeal process, as the traffic is not high in the industrial process. The ordinance would need to be changed to include an appeal process. It is allowed in commercial districts but not in industrial. Discussion was brought to Her-Cu Lift. Betsy talked about I-2 districts on Tiger Dr and other areas which would be hard to get citizens on board. Jason Franzen talked about how Landscape Structures has a bunch of ways to display their products throughout the town.

Motion by Holly Schrupp, seconded by Betsy Moran to not approve the Ordinance Amendment – Outdoor Sales and Display Areas in an I-1 and I-2 Districts; motion carried.

- C. Consider resolution vacating select D&U Easements within the Delano West Metro Business Park First Addition Plat

Alan Brixius described that A portion of the Delano West Metro Business Park First Addition Plat is in the process of replat to accommodate two incoming businesses. The Lots involved in the replat are Lot 1, Block 1 and Outlot A of the Delano West Metro Business Park First Addition Plat. This area will be divided into two lots and a City street right of way corridor as indicated in the following page. The existing easements established along the perimeter of Lot 1, Block 1 and Outlot A would be vacated with new easements re-established along the new proposed property lines of Lots 1 and 2, Block 1 of the Delano West Metro Business Park Second Addition Plat. The drainage and utility easement around the perimeter of the wetland on the northern property would not be re-established in order to allow the land user to pursue mitigation efforts. The vacation of the selected drainage and utility easements would not go into effect until the Delano West Metro Business Park Second Addition Plat is recorded to protect any existing utilities within the easements.

- 1. Conduct Public Hearing

Motion by Betsy Moran, seconded by Holly Schrupp to open the public hearing to consider resolution vacating select D&U Easement within the Delano West Metro Business Park, First Addition; motion carried.

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

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

2. Adopt resolution approving the vacation of certain drainage and utility easements within the Northwest Business Park First Addition

Motion by Betsy Moran, seconded by Jason Franzen to adopt resolution R-19-12 approving the vacation of certain drainage and utility easement within the Northwest Business Park First Addition; motion carried 5-0 by roll call vote.

D. Approve Development Agreement and Significant Industrial User Agreement with KLN Family Brands

Administrator Kern reported on the timing that KLN is planning on, the construction phase will begin soon, and the site will be in operation by July 2021. He presented that the agreement here is the last step to move forward. Agreement is pretty standard besides the TIF district. Kern explained the TIF district and the subsidy the government uses. The TIF district allows for the improvements made to be paid for by the taxes that the businesses pay. KLN is set on an 8 year TIF. The payments to the bonds will be made from the taxes paid by the business. The agreement had the TIF differences. Phil broke down that most of the information is just a change to accommodate the TIF payments. The security was the area that had changes made, this would allow the city to have a security to know that the building would be done to the city standard and that it secures the city. Kern would not see an issue since the project is self-funded. Kern noted this would be closing tomorrow if approved. The other portion that was discussed was then the waste water and how the food processing will be different for waste product. The agreement helps protect the city's major assets, such as the waste water treatment plant. The agreement identifies limits on the quantities of units that the business can send out. In this agreement there is fees outlined as well, which helps for the chemicals used at the plants. The city wants to collect enough to ensure the company is paying the adequate amount. The agreement just looked to meet in the coming months to look at the fees. KLN sees the fees as too high. Staff confidently said that the waste water plant is very able to handle the new business, and we are able to accommodate them. The company also pays the waste water fees as well. The documents are there to protect the city. Moran asked regarding the capacity of the treatment, she asked with high water is that an issue with KLN. Kern stated if there are high waters, KLN would need to not add anymore. And it was clarified that the flow is not the concern, and would not be a problem for the city. Phil stated that there has been changes made to make the plant not have concerns with high water. There is not a massive spike of inflow now with high water, when in the past that was an issue. Peak flow is the biggest issue, and so it was the main concern that the city has for the treatment and intake flow. Franzen made a comment that residents are sharing concerns with this, and that he was happy to see the hard facts and that the treatment plant is able to take more than just this company. The new revenue from the business will help. Mayor Graunke clarified that there is two parts of the motion. Administrator Kern recommends two motions for the agreement and the conditions. Kern is going to create a TIF plan for the council to review, with the new companies included in the

payments and the finances. Kern discussed that the company is willing to pay for the taxes in the value of the building right away, this helps capitalize on all 8 years of the tax payments.

Motion by Betsy Moran to approve the development agreement with the securities and fees with KLN Family Brands, seconded by Holly Schrupp, all voted in favor; motion carried.

Motion by Holly Schrupp to approve the Significant Industrial User Agreement with KLN Family Brands, seconded by Betsy Moran, all voted in favor; motion carried.

10. City Strategy No. 5: Foster engaged and informed community

11. City Strategy No. 6: Ensure a high-performing team of public servants

12. City Strategy No. 7: Manage a safe and healthy community

13. City Strategy No. 8: Maintain and protect community strengths

14. Updates from Commission Liaisons

A. Fire Relief Association

1. February 21, 2019
2. March 14, 2019

B. Park and Recreation Commission

C. Planning Commission

1. January 14, 2019
2. March 18, 2019

D. Public Safety Commission

1. Monday, February 4, 2019

E. Spirit of Community Commission

F. Water Light and Power Commission

15. Communications and Announcements

Administrator Kern wanted to talk about the workshop at the end of the month. Board Review is needed

around that time, and DMU is looking to have a conversation with council to have topics discussed. Kern mentioned that there would 3 items from staff that would also be included at the meeting. The meeting will be long, and he is looking to start at 5:30-6 with DMU, and then move to the board of review at 7 pm. The meeting could be around 4 hours. Council all agreed to move the Council Workshop on April 30th to 5:30 pm.

16. Claims

A. City Claims

Motion by Jon Sutherland, seconded by Betsy Moran to approve City Claims as submitted; motion carried.

17. Attorney/Client Privilege and Closed Meeting

18. Adjournment

There being no further business to discuss, the regular meeting of the Delano City Council/Economic Development Authority of Tuesday April 16, 2019, was adjourned.

Signed:

Dale Graunke, Mayor

Paula Bauman, Administrative Services Coordinator

Attest: Sabrina Hille, Administrative Intern