

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

1. Call to Order

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

2. Roll Call and Approval of Agenda

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

Also Present: Phil Kern, City Administrator; Alan Brixius, City Planner; Shawn Louwagie, City Planner; Scott Dornfeld, Building Official; Paula Bauman, Administrative Services Coordinator; Tammy Weber, Housing Director; Ada Moreno, Management Assistant

Phil Kern recommended adding items 6D: Pay Request No. 21 to William Mueller for the 2016 Infrastructure Improvements Project and 6E: Final Pay Request to Matt Bullock for the Wallace Street Levee Removal Project.

Motion by Betsy Moran, seconded by Holly Schrupp to approve the agenda with the additions of 6D: Pay Request No. 21 to William Mueller for the 2016 Infrastructure Improvements Project and 6E: Final Pay Request to Matt Bullock for the Wallace Street Levee Removal Project; motion carried.

3. Minutes

4. Speakers, Presentations and Awards

- A. City Services Highlight: Public Housing - Crow River Villa and Ridge Manor

5. Consent Items

Motion by Betsy Moran, seconded by Jon Sutherland to approve the consent items; motion carried 5-0 by roll call vote.

- A. Motion to hire part-time staff at Delano Wine and Spirits
- B. Approve miscellaneous licenses from the Church of St. Maximilian Kolbe for their annual Harvest Festival, September 6-8, 2019
- C. Approve request from the Delano Area Chamber of Commerce for their annual Taste of Delano event on Wednesday, August 7, 2019
- D. Accept the Public Art Application - Spark the Power of Art utility box covers

- E. Motion authorizing hiring of part-time, temporary Building Inspector/Plan Reviewer
- F. Adopt resolution directing abatement of public nuisances on property located at 600 and 620 Babcock Boulevard West *Attachment: Resolution*
- G. Authorize LG220, Application for Exempt Permit, from Project Evergreen (GreenCare for Troops) for their Band Blitz III event to be held at the American Legion on Saturday, September 7
- H. Approve request from the Delano Athletic Club for temporary liquor license for the baseball tournaments to be held in August and September

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

- A. Consider adoption of rental housing ordinance *Attachments: Tiering System Factsheet*

Alan Brixius recapped past discussions regarding the proposed rental housing ordinance stating the Council tabled the ordinance for further review by staff. Staff met on June 11, 2019 regarding the long-term and short-term ordinance and the tiered rental housing inspection program. After much discussion, several changes were made to better fit the community of Delano regarding its size and existing rental housing stock and to prepare for potential future growth in the available rental properties. The goal was to ensure that the ordinance was clear for all persons involved in the process including landlords, tenants and staff.

Staff is proposing a tiered licensing model to reward property owners who are compliant and responsive to the proposed program. The model is built around a set of criteria regarding the applicant adherence to the programs process and quality of rental properties upon inspection. The model is structured to assign each rental property to one of two tiers throughout the licensing period. Tier 1 properties meet all the process and quality requirements, while Tier 2 properties fail to meet one or more of the tiered licensing criteria. The tiered licensing criteria is as follows:

Process Requirements:

1. Meets all application and fee deadlines
2. Inspections scheduled in a timely manner
3. Compliant with license suspension, revocation and non-renewal policies within the last four years
4. Operates dwelling property with a valid license

Quality Requirements:

1. All corrections identified by housing inspections are corrected within the ordered timeline
2. All verified tenant complains comply with housing inspection orders within the licensing period
3. All life safety requirements are met during the initial inspection and each individual inspection thereafter

Jason Franzen questioned what the mechanism is to remedy safety and health issues. Staff discussed past practices which includes contacting the county and human services. Phil Kern stated on tonight's consent item council approved a resolution to direct abatement of a nuisance issue within the City; Kern explained the process stated it started in April. That process to enforce a simple zoning issue took three to four months. The proposed ordinance will allow for a more streamline process to be proactive as opposed to reactive.

Franzen stated he sees the need for it and discussed he has the impression from property owners and landowners they felt there was a handful of people that have wrecked it for everyone. Other cities have had a similar process where landowners pay the fees and no inspections where done. Other communities had a similar process and ordinance and have decided not to follow through. Franzen questioned if it was staff issues or if the program did not work. Scott Dornfeld stated the City of Watertown it was a combination of staffing the program. At the time the program was implemented, it was a private company that did the inspections for the city and they felt they didn't feel they were reimbursed correctly. Schrupp questioned when Watertown has the program. Dornfeld didn't know the exact date, but felt it was around 2008.

Jon Sutherland stated he is familiar with the program as he has worked in communities that implemented the program; Sutherland stated he felt the rental program allowed landlords into the units on a regular basis and was helpful to both residents and tenants. Experience implementing the ordinance did have a positive effect and not a negative one.

Franzen stated he felt Delano is small than the City of Albertville and there is shorter distance administratively from top to bottom. Moran stated she felt that was a good thing. Staff knows many of the landlords and can respond quicker and more personable.

Holly Schrupp questioned if the City will be updating the International Property Maintenance Code. Brixius stated it will. Schrupp discussed a few of the mechanicals of the rental code discussing tenant rights and notice to enter the property.

Jon Sutherland stated he has listened to both renters and landlords and he appreciated their views on input. Sutherland stated after reviewing the ordinance he felt the ordinance is minimal and flexible, the fees are reasonable, great tiered program, allows for separate inspections and believes the City is assistance and ensuring the minimum life safety and habitability of those property.

Holly Schrupp stated if the City would revoke a license, what happens to the renters involved? Alan Brixius stated if the license is revoked, it is because the property is uninhabitable and not safe to live in. Schrupp gave an example of hot water heater issues; Brixius stated in that instance, it could be corrected and the license would not be suspended if the landlord brings the property into compliance within the timeframe given.

Phil Kern discussed staffing and the reason the licensing dates have been set as is, this will allow the inspectors to inspect rental housing during the off-peak season. This can be done during the fall and winter months when building and inspections tend to be slower. The

proposed fee structure will cover the administration and inspection costs. Other cities generate a revenue from this type of ordinance, the city of Delano's fees schedule is not set up that way.

1. Adopt an ordinance adding section 425.01, licensing of rental housing to Delano City Code

Motion by Betsy Moran, seconded by Jon Sutherland to adopt ordinance O-19-04 adding section 425.01, licensing of rental housing to Delano City Code; motion carried.

2. Adopt an ordinance addition Section 426.01, licensing of short-term rental housing to the Delano City Code

Motion by Betsy Moran, seconded by Jon Sutherland to adopt ordinance O-19-05 adding section 426.01, licensing of short-term rental housing to the Delano City Code; motion carried.

3. Adopt Resolution approving a tiered rental license inspection program within the City of Delano

Motion by Betsy Moran, seconded by Jon Sutherland to adopt resolution R-19-17 approving a tiered rental license inspection program within the City of Delano; motion carried 3-2 with Holly Schrupp and Jason Franzen opposed.

- B. Adopt resolution approving a Site and Building Plan review, Conditional Use Permit for outdoor storage, for KLN Foods Inc. plan set dated July 2, 2019, located at Lot 1, Block 1, Delano West Metro Business Park 2nd Addition within the City of Delano *Attachments: Exhibits | Resolution*

On March 19, 2019, the City Council approved Site and Building Plan and Conditional Use Permit applications of KLN Foods to allow the construction of a 201,00 square foot processing/warehouse building upon a 23-acre site located south of U.S. Highway 12 and west of McKinley Parkway. The approved development plans call for several future expansions which total an additional 273,080 square feet (which would result in a 474,080 square foot structure at full build-out).

Since City Council action on the item, construction drawings have been submitted by the applicants as part of an application for building permit. It has been discovered that the submitted construction drawings vary significantly from the plans which were approved by the City Council in March. The changes are a result of the need for KLN to reduce construction costs.

Alan Brixius summarize noteworthy differences between the KLN Foods plans which were approved by the City Council in March of this year and the plans more recently submitted plan set (dated July 2019) received for building permit review.

While the new plan sets present significant changes from the KLN plans approved in March the overall development still represents a significant, quality project for the city. If the council finds the changes to be acceptable, staff recommends that the city council approves the Resolution approving the new KLN plans.

Holly Schrupp discussed her concern of the new design effecting future expansions and truck traffic. Brixius discussed the new plan as it relates to future expansions.

Motion by Jason Franzen, seconded by Jon Sutherland to adopt resolution R-19-18 approving a Site and Building Plan review, Conditional Use Permit for outdoor storage, for KLN Foods Inc., plan set dated July 2, 2019, located at Lot 1, block 1, Delano West Metro Business Park 2nd Addition within the City of Delano; motion carried 5-0 by roll call vote.

C. Consider bids received for the Delano West Metro Business Park Phase II Project

Shawn Louwagie presented the bids received for the Delano West Metro Business Park Phase II project and recommended awarding the bid to Rachel Contracting and not awarding alternate 1 within the bid. Staff intents with alternate 1 is to rebid this winter .

Motion by Holly Schrupp, seconded by Jason Franzen to award the base bad to Rachel Contracting and not award alternate 1; motion carried.

D. Pay Request No. 21 for the 2016 Infrastructure Improvement Project

This pay request is a partial payment on the 2016 Infrastructure Improvements Project in the amount of \$42,390.81. The retainage amount for Change Order number will remain at 5% which covers in excess the remaining work in the contract.

Motion by Betsy Moran, seconded by Jon Sutherland to authorize Pay Request No. 21 to WM Mueller & Sons, Inc. in the amount of \$42,390.81 for the 2016 Infrastructure Improvement Project; motion carried.

E. Final Pay Request for the Wallace Street Levee Removal Project

This pay request is the final payment on the Wallace Street Levee Removal Project in the amount of \$55,287.23. This pay request releases the previous retainage amount of \$2,229.55 for work completed.

Motion by Jason Franzen, seconded by Betsy Moran to authorize the final pay request to Matt Bullock Contract Co. in the amount of \$55,287.23 for the Wallace Street Levee Removal Project; motion carried.

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

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

A. Delano Heritage Center report *Attachment: Proposed RFP | Overview of Project*

The City is addressing the structural issues at the Delano Heritage Center. Because of this, Wenck has prepared a scope of work and an RFP for the structural issues at the buildings southwest corner. Neaton discussed the buildings current uses as it is home to the Delano Franklin Area Historical Society and a community meeting room on its upper level. The building annual maintenance costs are approximately \$15,000, which includes utilities, insurance, cleaning, repair and maintenance and security.

Staff is planning for public input for the future of the space and plan to hold an open house, survey for community members to complete and virtual input.

Jon Sutherland questioned if the city submitted the structural issues to insurance. Kern stated it was submitted to insurance and was denied.

Motion by Jon Sutherland, seconded by Betsy Moran to direct staff to move forward with the request for proposal to repair the foundation support and building repair for the Delano Heritage Center; motion carried.

B. CSAH 30 Reconstruct Project Feasibility Report

The proposed CSAH 30 Reconstruct project extends approximately 1.1 miles, from CSAH 13 to the Delano water tower. As part of the reconstruct project, the intersections of CSAH 13, Darrow Avenue, and McKinley Parkway will be improved to serve future development. A portion of the costs associated with the proposed intersection improvements at Darrow Avenue and McKinley Parkway is proposed to be assessed to the benefitting properties.

1. Hold Public Hearing

Motion by Betsy Moran, seconded by Jon Sutherland to open the public hearing regarding the CSAH 30 reconstruction project and feasibility report; motion carried.

Sue Neisen, 5261 Ehler Avenue SE, questioned if the round about is still being considered. Shawn Louwagie stated it is.

Motion by Jason Franzen, seconded by Holly Schrupp to close the public hearing; motion carried.

2. Adopt Resolution ordering improvements and directing preparation of final plans and specifications

Motion by Jason Franzen, seconded by Jon Sutherland to adopt resolution R-19-19 ordering improvement and directing preparation of final plans and specifications for the CSAH 30 Reconstruction Project; motion carried.

- 9. **City Strategy No.4: Manage sustainable and planned growth**
- 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. Minutes of June 13, 2019
- B. Park and Recreation Commission
- C. Planning Commission
- D. Public Safety Commission
- E. Spirit of Community Commission
- F. Water, Light and Power Commission

15. Communications and Announcements

16. Claims

- A. City Claims

Motion by Holly Schrupp, seconded by Jason Franzen to approve the City Claims as submitted; motion carried.

17. Adjournment

There being no further business to discuss, the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, July 16, 2019, was adjourned at 9:15p.

Signed:

Dale Graunke, Mayor

Attest: Paula Bauman, Administrative Services Coordinator