

**MINUTES**  
**CITY OF DELANO**  
**City Council/Economic Development Authority**  
**Tuesday, June 20, 2017**  
**7:00 PM**

**1. Call to Order**

Mayor Graunke called the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, June 20, 2017, to order at 7:00pm.

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

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

Also Present: Brian Bloch, Finance Director; Alan Brixius, City Planner; Nancy Drumsta, Delano Wine and Spirits Manager; Makenzie Krause, Administrative Intern; Paula Bauman, Recorder

Brian Bloch, Finance Director, recommended adding the following:

6A: Authorize the purchase of POS Computer Software at the Municipal Liquor Store.

9B1: Consider development agreement for Highland Ridge 5<sup>th</sup> Addition.

9D: Consider Resolution vacating select Drainage and Utility Easements with the ISD879 School Campus

**Motion by Holly Schrupp, seconded by Jason Franzen to approve the agenda for the Delano City Council/ Economic Development Authority meeting of Tuesday, June 20, 2017, with the additions of 6A: Authorize the purchase of POS Computer Software at the Municipal Liquor Store. 9B1: Consider development agreement for Highland Ridge 5<sup>th</sup> Addition. 9D: Consider Resolution vacating select Drainage and Utility Easements with the ISD879 School Campus. Motion carried.**

**3. Minutes**

**4. Speaker, Presentations & Awards**

A. Delano 4th of July Committee

**5. Consent Items**

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

A. City:

1. Consider a reduction of security for Backes Companies, Parkview Hills 6th Addition.  
*Attachments:* Memo from the City Engineer

2. Motion to authorize purchase of a new master diesel mower for Public Works.  
*Attachments:* Bid Documents

3. Approve appointment of two probationary members to the Delano Fire Department and approve the resignation of one Fire Department member.
4. Approve miscellaneous annual licenses for businesses within the City of Delano.

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

- A. *\*Added Item\** Authorize the purchase of POS Computer Software at the Municipal Liquor Store. *Attachments:* Quotes: Keystroke | Zabinski Business Services | Genius & Verifone MX

Nancy Drumsta stated with changing technology and the need to upgrade our chip and pin capabilities for processing credit cards; Delano Wine and Spirits will need to change our software to be able to accept and process credit and debit cards that have the chip embedded in them. Staff has acquired bids from two companies; Total Register and Zabinski Business Services. Nancy Drumsta has recommended accepting the bid provided by Total Register Systems.

Both companies have allowed Staff to demo their software; and Staff has visited stores that are currently using both systems. Total Register Systems (Keystroke) uses Cayan Payment Processing for the credit and debit card processing. Delano Wine and Spirits would rent the terminals from them for \$24.95 per unit per month. Total Register Systems would be responsible for maintenance and updates on the terminals. With this system, the customer would scan their own credit card; staff would no longer be responsible for scanning the card. Cayan Payment Processing also allows us to accept payments from mobile devices.

Total Register Systems (Keystroke) is more user friendly than our current system for staff. It allows for more custom programming to suit Staff's needs at the store. Delano Wine and Spirits has been with Total Register Systems for at least the 24 plus years and their customer service is great.

**Motion by Holly Schrupp, seconded by Betsy Stolfa to authorize the purchase of Point of Sale Computer Software for the Municipal Liquor Store and accept bid from Total Register Systems. Motion carried.**

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 request from El Molcajete for an amendment to a conditional use permit to allow an outdoor dining expansion at 45 Babcock Boulevard. *Attachment:* Exhibits

El Molcajete Restaurant has submitted an application for an amendment to their conditional use permit for outdoor dining. The site currently uses 384 square feet of an existing deck for outdoor dining. The applicants wish to expand their outdoor dining area on the existing deck 10 feet north of the existing gate. This expansion will add 162 square feet to the existing outdoor dining for a total of 546 square feet.

The applicant seeks to relocating the existing railing and gate on the existing deck in order to offer additional outdoor dining during the summer months. The project requires an amendment to their existing conditional use permit which allows outdoor dining.

In 2015, the owners of El Molcajete received a conditional use permit and variance to operate an outdoor dining area on an existing deck. The deck was too large by the previous zoning regulations to allow outdoor dining as the patio could only be 30% of the indoor dining area; a variance was necessary.

Since the original approval, the City has amended its Zoning Ordinance, expanding outdoor dining to 40% of the interior dining area and allowing the dining area to exceed 40% provided the site meets specific conditions. The proposed expansion will result in 546 square feet of dining area, which is 68% of the restaurants 800 square foot interior dining area.

Upon review of the application, staff recommends approval of the El Molcajete amended conditional use permit to expand their outdoor dining area 10 feet north of their existing dining area with the following conditions:

1. The property meet all Building Code requirements for expanding seating.
2. The outdoor dining area shall be accessed exclusively through the principal building.
3. the outdoor dining area shall have an exit only gate. Said gate must be self-closing and self-latching.
4. The applicant/property owner shall provide expanded on-site parking, meeting City standards if the existing on-site parking is not adequate for the uses. The City will require expanded parking if parking exceeds the available stalls.

1. Adopt Resolution approving a Conditional Use Permit for outdoor dining associated with El Molcajete Restaurant at 45 Babcock Boulevard in Delano, Minnesota.

**Motion by Holly Schrupp, seconded by Betsy Stolfa to adopt Resolution R-17-19 approving a Conditional Use Permit for outdoor dining associated with El Molcajete Restaurant at 45 Babcock Boulevard in Delano, Minnesota. Motion carried 5-0 by roll call vote.**

- B. Consider request from Lennar Homes for final plat approval for Highland Ridge 5th Addition.  
*Attachments:* Exhibits

In 2005, the City approved the preliminary plat for a 171 lot subdivision entitled Highland Ridge. With the approval of the first Highland Ridge Addition, the balance of the undeveloped property was platted as outlots, preserving the preliminary plat for future phases.

Lennar Homes has now submitted an application and final plat of Highland Ridge 5<sup>th</sup> Addition for review for property located between Davidson Avenue SE and 4<sup>th</sup> Street NW (in Delano). The final plat includes 26 single family lots and two outlots.

The site is zoned R-2, Single Family Residential. Under the R-2 Zoning District, single family homes are a permitted use. The site is currently a vacant outlot with approximately 11.58 acres of total space. The site is adjacent to R-E, Single Family Estate Residential zoning to the north; R-2 zoning to the east and south; and TA – Transition Area (Franklin Township) to the west.

Staff finds the final plat is consistent with the approved preliminary plat and the lots meet the performance standards of the Highland Ridge 5<sup>th</sup> Addition final plat with the following conditions:

1. The applicants respond to the plan recommendation of the City Engineer report dated June 6, 2017.
2. Water services to each home be located outside of driveways.
3. The applicants provide a detailed landscape plan for a buffer yard along Davidson Avenue for Block 4. Said plan shall be consistent with the approved concept plan and shall identify the planting species, number, and sizes. Said plan shall be subject to the approval of City Staff.
4. The applicants shall pay a cash contribution of \$1,868 per unit to be collected prior to the recording of the final plat.
5. The applicants shall enter into a development agreement with the City associated with improvements required for the Highland Ridge 5<sup>th</sup> Addition.

1. Adopt Resolution approving the final plat for Highland Ridge 5<sup>th</sup> Addition within the City of Delano.

**Motion by Jason Franzen, seconded by Jon Sutherland to adopt Resolution R-17-20 approving the final plat for Highland Ridge 5<sup>th</sup> Addition within the City of Delano. Motion carried 5-0 by roll call vote.**

2. **\*\*Added Item\*\*** Consider development agreement for Highland Ridge 5<sup>th</sup> Addition.

As part of the final plat approval, the development agreement needs to be approved for Highland Ridge 5<sup>th</sup> Addition. The City Attorney has drafted the agreement, and Lennar has been part of the process finalizing the terms. Staff is recommending approval.

**Motion by Betsy Stolfa, seconded by Holly Schrupp to approve the development agreement for Highland Ridge 5<sup>th</sup> Addition. Motion carried.**

- C. Consider petition for annexation by ordinance from Organix Solutions, LLC, a subsidiary of Randy's Environmental Services, for property located along Highway 12.

Organix Solutions, LLC, a subsidiary of Randy's Environmental Services, have submitted an annexation petition for a piece of land adjacent to the current northern City boundary. The project site is located off Highway 12, adjacent to the existing Randy's Environmental Services materials recovery facility (MRF) property on the north end of Delano. The proposed parcel for annexation is a 5.58 acre triangular parcel.

Randy's Environmental Services is proposing to construct a new facility adjacent to their existing solid waste transfer and recycling station to increase capacity.

The proposed project is consistent with the 2012 Extraterritorial Land Use Map, which designates this a growth area and guides this property for Industrial/Commercial use. Water and sewer service have been extended into this area previously per the Extraterritorial Land Use Plan.

Annexation of land into the city is a policy decision for the Planning Commission and City Council. This annexation request is necessary to provide the proposed site with adequate City services. The request would extend the City boundary north into a designated growth area. If the annexation is deemed acceptable, the following conditions should be included within the annexation agreement.

1. Preliminary concept plan review shows the proposed building and paved surfaces on existing wetlands, which will need to be mitigated and resolved, as stated previously. The preliminary concept plan appears to meet current zoning standards and setbacks, though this does not convey any development rights. A more detailed site and building plan application will need to be submitted prior to any further approvals or site development.
2. A rezoning from R-A to I-2 will be required to allow for industrial land uses on the subject property. The applicant must submit a rezoning application before any site development.
3. Any structure built on the parcel must comply with current zoning standards. This includes setbacks, building size, and building location. The proposed structure shall be designed to fit the current City zoning code.
4. One hundred (100) percent of the cost of extending utilities to the site shall be borne by the applicant. The applicant shall also pay trunk fees per the annexation agreement prepared by the City Attorney.
5. Any SAC/WAC expansion will be paid for by the applicant.
6. The annexed property shall be connected to municipal utilities. All existing wells shall be properly capped per City and County Regulations.
7. Transportation improvements required to accommodate the annexation shall be the responsibility of the applicant, including MnDOT approval of access and MnDOT access permits.

1. Hold Public Hearing

**Motion by Holly Schrupp, seconded by Betsy Stolfa to open public hearing to consider petition for annexation by ordinance from Organix Solutions, LLC, a subsidiary of Randy's Environmental Services, for property located along Highway 12. Motion carried.**

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

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

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

**Motion by Holly Schrupp, seconded by Betsy Stolfa to adopt Ordinance O-17-annexing certain property abutting the City of Delano. Motion carried.**

- D. **\*\*Added Item\*\*** Consider Resolution vacating select Drainage and Utility Easements with the ISD 879 School Campus.

ISD 879 has submitted an application for the final plat and final PUD for the construction underway on the School Campus which was approved at the City Council meeting on December 20, 2016. Part of the Final Plat process involves vacating an existing drainage and utility easement which conflicted with the proposed Intermediate School building.

The easement being vacated was in place for a raw water and domestic water lines to and from the Water Treatment Plant. The water lines were located directly beneath the proposed location for the Intermediate School. These water lines have since been relocated along the School's property line in a new easement as part of the Delano Schools Watermain Relocation Project completed in December, 2016.

1. Hold Public Hearing

**Motion by Holly Schrupp, seconded by Jason Franzen to open the public hearing to consider vacating select Drainage and Utility Easements with the ISD 879 School Campus. Motion carried.**

Mayor Graunke called for public 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 a select drainage and utility easement with the ISD 879 School Campus within the City of Delano.

**Motion by Holly Schrupp, seconded by Jon Sutherland to adopt Resolution R-17-22 approving the vacation of a select drainage and utility easement with the ISD 879 School Campus within the City of Delano. Motion carried 5-0 by roll call vote.**

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

18. **Adjournment**

**Motion by Holly Schrupp, seconded by Jon Sutherland to adjourn the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, June 20, 2017. Motion carried.**