

**MINUTES**  
**CITY OF DELANO**  
**City Council/Economic Development Authority**  
**Tuesday, May 19, 2020**  
**5:00 PM**

**1. *Due to COVID-19, the meeting was conducted via Zoom webinar as allowed under Minnesota Statutes, Section 130.021. All motions were approved by roll call vote.***

**2. Call to Order**

Mayor Graunke called the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, May 19, 2020, to order at 5:00pm.

**3. Roll Call and Approval of Agenda**

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

**Also Present:** Phil Kern, City Administrator; Shawn Louwagie, City Engineer; Brian Bloch, Finance Director; Paula Bauman, Administrative Services Coordinator; Doug Green; Rebecca Gaida, Administrative Intern

**Motion by Jon Sutherland, seconded by Betsy Moran to approve the agenda as submitted; motion carried 5-0.**

**4. Minutes**

**Motion by Holly Schrupp, seconded by Jason Franzen to approve the minutes as submitted; motion carried 5-0.**

A. May 5, 2020 - Regular Meeting

**5. Speakers Presentations and Awards**

**6. Consent Items**

**Moton by Jason Franzen, seconded by Jon Sutherland to approve consent items as submitted; motion carried 5-0.**

A. Approve funding for removal and replacement of the Delano Library's exterior soffit and fascia

B. Consider application from Lakes Ice Cream and Treats to operate an ice cream truck within the City limits

C. Consider a reduction of the letter of credit (LOC) for Liberty Landing

**7. City Strategy No. 1: Provide comprehensive services to meeting community needs**

- A. Consider a request from Delano Vet Clinic for a Site and Building Plan Review, Conditional Use Permit and Variance for property located at 504 Babcock Boulevard East *Attachments: Supporting Documents*

A development application has been submitted to expand the Delano Veterinary Clinic located at 504 Babcock Blvd E. The expansion would bring the existing building from 1,950 s.f to 2,970 s.f. In order to provide for the building expansion, the current site design will also be altered for parking, vehicular access, trash enclosure location, sidewalks surrounding the addition and a new front building entrance.

The expansion will be 1,020 square feet added on to the existing 1,950 sq. ft building. This expansion will include an increase in the number of exam rooms from 3 to 4, a building entrance that faces the parking and vehicular access, accessibility improvements to bathrooms and public spaces, a break room for staff.

The development applications for this building expansion include; site and building plan review, conditional use permits to allow for steel siding and proof of parking. The applicants have also requested variances for a reduced the parking lot setbacks from 5 ft to 3 ft and requesting to not provide curbing at the western and southern edges of the proposed parking lot.

**Site and Building Plans.** In review of the submitted site and development plans City Staff recommends approval subject to the following conditions.

1. The parking area shall be paved, striped and dimensioned to city standards
2. A retaining wall shall be constructed along the west edge of the proposed handicap parking stall due to a steep grade
3. The applicants will need to provide a landscape plan that shall follow the requirements found in Section 51.03 Subd.D.10 of the Delano Zoning Ordinance prior to building permit. The applicants will need to provide a landscape plan that addresses the following:
  - A. Landscaping shall be provided as screening from all perimeter parking stalls. Either a landscape screen or fence shall be installed along the north property line for the full length of parking and proof of parking area.
  - B. Green space treatments and turf establishment to be seeded or sodded to have a mowed and manicured lot
  - C. The landscape plan shall be submitted that illustrate the types, number and location of site plantings
4. Grading and drainage plans shall be subject to the review and recommendations of the City Engineer per the Technical Memo dated April 15, 2020
5. Utility plans shall be subject to the review and recommendations of the City Engineer per the Technical Memo dated April 15, 2020
6. The site or building plans shall be revised and submitted show the location and screening of any mechanical equipment proposed for the building addition.
7. Applicant shall apply and obtain a sign permit prior to the installation of any new signs.

**Conditional Use Permits.**

In review of the Conditional Use Permit requests for steel siding and 3 proof of parking spaces, City Staff recommends approval subject to the following conditions.

1. The applicant shall be required to construct the proof of parking stalls upon notification by the city that the supply of on-site parking stalls does not adequately meet the business' parking demand

**Variations.** In review of the Variance requests for the parking setbacks from 5 ft to 3 ft and to not provide curbing at the western and southern edges of the proposed paving, City Staff recommends approval subject to the following conditions.

1. The applicant shall provide either landscape screen or a fence along the north property line to screen the parking lot and headlight glare from the single-family home to the north.

2. Subject to the City Engineers comments in the Technical Memo dated April 15, 2020.

Betsy Moran questioned the drainage of the property stating the residential property that abuts the Vet Clinic has a lot of drainage towards his yard. Have there been any complaints? Shawn Louwagie stated he has met with the property owner to discuss and stated the proposed concept will improve the situation.

1. Adopt a resolution approving Site and Building Plans, Conditional Use Permit (CUP), and Variations for the expansion of the Delano Veterinary Clinic for the property located at 504 Babcock Boulevard East, within the City of Delano

**Motion by Jon Sutherland, seconded by Betsy Moran to adopt resolution R-20-18 approving site and building plans, conditional use permit (CUP), and variations for the expansion of the Delano Veterinary Clinic for the property located at 504 Babcock Boulevard East, within the City of Delano; motion carried 5-0 by roll call vote.**

## **8. City Strategy No. 2: Maintain financial sustainability and fiscal stewardship**

- A. Adopt a resolution providing for the issuance and sale of the \$3,430,000 General Obligation (G.O.), Series 2020A

On April 21, 2020 the City approved a resolution providing for the issuance of up to \$4,500,000 G.O. Bonds, Series 2020A. Prior to that the City, on Tuesday, April 7, 2020, held a public hearing and adopted the 5-Year Street Reconstruction Plan for the City. Approval was also given for the issuance of street reconstruction bonds to finance those projects in the 5-Year Street Reconstruction Plan.

Not all of the portions of the 2020 Infrastructure Improvement and CSAH 30 projects are to be financed by street reconstruction bonds. The 2020A Bond is comprised of:

- A. street reconstruction bond for the street improvements in the 2020 Infrastructure

Improvement project

- B. special assessment bond for the CSAH 30 improvements.
- C. storm sewer revenue bonds for storm sewer improvements.
- D. sanitary sewer revenue bonds for sanitary sewer improvements.
- E. water revenue bonds for water main improvements.

The street reconstruction bond portion is applicable to the debt limit.

The portion for CSAH 30 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.

To issue special assessment debt the City is required to hold a public hearing ordering the improvements. The public hearing was held on July 16, 2019.

The 2020 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.

The City's debt limit currently stands at about \$9.1M and will be reduced by the issuance of these bonds to an estimated \$6.9M. By the end of 2022 the debt limit is expected to increase to about \$9.4M through market value growth and reduction in debt applicable to the debt limit.

Staff has been working with Baker Tilly Municipal Advisors, LLC, the City's financial advisor, to issue the bonds.

**Motion by Jason Franzen, seconded by Holly Schrupp to adopt resolution R-20-19 providing for the issuance and sale of the \$3,430,000 General Obligation (G.O.), Series 2020A; motion carried 5-0 by roll call vote.**

### **9. City Strategy No. 3: Conscientious asset/infrastructure management**

### **10. City Strategy No. 4: Manage sustainable and planned growth**

- A. Consider a request from JP Brooks Builders for a Planned Unit Development amendment and new subdivision entitled Kings Pointe 3rd Addition. Attachments: Exhibit A | Exhibit B-F | Exhibit G-I | Exhibit J

The City has received application from JP Brooks Builders requesting a Planned Unit

Development amendment and new subdivision entitled Kings Pointe 3rd addition that will replat Lots 1,2,7,8,9,10 Block 1 of Kings Point 2nd Addition into a four-unit townhome lot.

The new development application changes this portion of the Kings Pointe PUD back to its original 2002 site design. This requested PUD amendment and plat design has been presented to the Kings Pointe Homeowners Association and has their support. In review of this application Staff finds this change in building and plat design acceptable with the following comments.

**Comprehensive Plan/Zoning.** The change in the number of units is consistent with both the Delano Comprehensive Plan and the Site's R-6 Medium Density Residential Zoning district.

**Lot Area.** The reduced unit count meets the lot area per unit requirements of the Delano Zoning Code.

**Setbacks.** The proposed new four-unit building shares driveway access with the existing six-unit building unit to the south, as such the driveways do not align. As a suggestion the developer may choose to reduce the building setback along Rockford Avenue to afford a greater setback south of the new building to accommodate more vehicle maneuvering space between the buildings. This is a design suggestion and not a condition of approval. The current design will accommodate automobile turning movements but may present issues for large service vehicle and moving trucks.

**Building Requirements.** JP Brooks is proposing a four-unit townhome building that is different than the previous Kings Point models. The new model mimics a number of the architectural features of the previous models and is acceptable provided it meets the following standards outlined in Section 51.03 Subd. C.3.b of the Delano Zoning Code which establishes minimum building performance requirement for Two family and Townhome construction.

**Unit Width and Size:** The proposed four-unit townhome meets the City's minimum standards and is consistent with the previous Kings Pointe Models.

**Exterior Finishes:** The city has standards requiring 25 % of the combined area of all building facades of the building to have an exterior finish of brick, stucco, or natural or artificial stone, the new building provides a stone veneer wainscot at the front of the building with the balance being a vinyl lap siding. The side building elevations are proposed to be just vinyl siding. These elevations do not meet current zoning standards; however, they are consistent with the townhome architecture throughout the balance of the Kings Pointe PUD. To maintain continuity throughout the neighborhood staff recommend that City approve the building elevations as submitted through the PUD amendment.

**Decks or Porches.** The Building plans illustrate patio doors on the building side elevation. The Site plan must illustrate the size and configuration of a proposed patio, or deck as part of the building permit submission.

**Garages.** The City requires townhome dwellings without basements to provide a 500 sq. ft.

garage (20' x 25'). The building plans show a 20' x 24' garage. The proposed garage size and layout is consistent with the balance of the Kings Pointe PUD, staff is recommending PUD flexibility be grant on this standard.

**Mechanical Equipment.** The Applicant shall show the location and screening of any ground mounted Mechanical equipment. The location and screening of outdoor mechanical equipment shall be approved by the City.

**Utilities.** The utility plan shows that each Dwelling unit will be served by separate utility service lines. The design of the water and sanitary sewer line to the building and entering the units shall be subject to the review and approval of the City Engineer and Delano Public Works.

**Grading and Drainage.** The site grading and drainage plan shall be subject to the review and approval of the City Engineer.

**Landscape plan.** Applicant shall provide a landscape plan illustrating the location, size and species of all new plantings. Said landscape plan shall be consistent with the foundation plantings and open space design of the original Kings Pointe PUD.

**Homeowners Association.** The new plat and units shall become members of the Kings Pointe Homeowners Association and be governed by all the bylaws and restrictions of the HOA. The applicant shall provide documentation that the new units have become part of the Association.

Based on staff review of the JP Brooks application and plan set dated 03 -10-2020 we recommend approval of the Kings Pointe PUD amendment and the preliminary and final plat entitled Kings Pointe 3rd Addition with the following conditions. Plan Unit Development / Preliminary and Final Plat.

1. The City finds the Building plans to be consistent in size and design with the balance of the Kings Pointe PUD and approves the building plans and elevations as shown; granting PUD flexibility from the city standards on exterior materials and garage size.

2. The applicant shall provide a revised site / landscape plan showing;

- A. patio locations and configurations

- B. foundation landscaping, turf restoration of disturbed yard during grading and building construction

- C. locations and screening of outdoor mechanical equipment.

3. Subject to the review recommendation of the City Engineer pertaining to the submitted grading and utility plans.

4. The new dwelling units shall become members of the Kings Pointe HOA. Applicant shall provide documentation of their membership.

5. Building and unit addressing assigned by the City

1. Resolution approving a Planned Unit Development (PUD) Amendment and Preliminary and Final Plat entitled Kings Pointe 3rd Addition north of Kings Pointe Drive and south of Rockford Avenue East within the City of Delano

**Motion by Jon Sutherland, seconded by Holly Schrupp to adopt resolution R-20-21 approving a Planned Unit Development (PUD) Amendment and Preliminary and Final Plat entitled Kings Pointe 3<sup>rd</sup> Addition north of Kings Pointe Drive, south of Rockford Avenue East, within the City of Delano; motion carried 5-0 by roll call vote.**

B. Consider Final Plat request for Neisen Ridge *Attachments*: Supporting Documents

Earlier this year, the City approved an application for a final plat to develop a portion of Outlot B of the Highland Ridge 3<sup>rd</sup> addition, known as Neisen Ridge. The developers have now submitted an application for the final plat for Neisen Ridge Second Addition that consists of a 16-lot single family residential subdivision and Outlot A. The subject site overlays Outlot B of the Highland Ridge 3<sup>rd</sup> Addition; located on Franklin Avenue W just south of the BNSF rail line. The subject area is zoned R-2 Single Family Residential. Under the R-2 zoning district, single family homes are an allowed use.

Based on the preceding review of the plans dated April 8, 2020, Planning Staff recommends approval of Neisen Ridge Second Addition final plat subject to the following conditions:

1. The applicant shall satisfy all recommendations of the City Engineer related to streets, utilities, grading, drainage, and storm water management as outlined in his report dated May 6, 2020.
  2. The applicant shall pay all fees including park dedication, utility fees and charges.
  3. The applicant shall enter into a developer's agreement with the City of Delano.
1. Adopt resolution approving the final plat for Neisen Ridge 2<sup>nd</sup> Addition and grading plan for the final plat and surrounding outlots located at the intersection of Franklin Avenue West and West 3<sup>rd</sup> Street, within the City of Delano, Minnesota

**Motion by Jon Sutherland, seconded by Jason Franzen to adopt resolution R-20-20 approving the final plat for Neisen Ridge 2<sup>nd</sup> Addition and grading plan for the final plat and surrounding outlots located at the intersection of Franklin Avenue West and West 3<sup>rd</sup> Street, within the City of Delano, Minnesota; motion carried 5-0 by roll call vote.**

C. Motion approving development agreements for Neisen Ridge 2<sup>nd</sup> Addition and amendment to Highland Ridge 8<sup>th</sup> Addition *Attachment*: Neisen Ridge 2<sup>nd</sup> Addition Development Agreement | Highland Ridge 8<sup>th</sup> Addition Amendment to the Developer Agreement

Now that the Council approved the plat application from Neisen Ridge 2<sup>nd</sup> Addition, staff is recommending approving the development agreement to outline development terms. The agreement is relatively standard, with one exception. The developer has requested the ability to grade the remainder of the preliminary plat – outside of the 2<sup>nd</sup> Addition final plat – to prepare it for future development. While this is an exception to our normal development process, it is not without precedent. On occasion, such as Liberty Landing in 2019, the City has allowed similar requests to help facilitate ease of development and overall project cost reduction. Staff

recommends approval.

Because of the unique nature of Neisen Ridge, and the adjacent Highland Ridge, Lennar is also requesting grading authority for its preliminary plat area at the same time. Both developers would use the same contractor and work the grading together. Again, staff believes this is a good idea to minimize long-term construction activity and take advantage of site balances between the two developments that will reduce the need for hauling materials in-and-out of the area, benefiting the local transportation system. Staff recommends approval.

**Motion by Betsy Moran, seconded by Jon Sutherland to approve the development agreement for Neisen Ridge 2<sup>nd</sup> Addition and Amendment to Highland Ridge 8<sup>th</sup> Addition; motion carried.**

- D. Consider purchase agreement for Granite Works Redevelopment Project (*This item may be discussed in a closed session to discuss real estate negotiations.*)

This item was discussed at the end of the meeting during a closed session.

**11. City Strategy No. 5: Foster engaged and informed community**

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

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

- A. Adopt optional MN Building Code Chapter 1306 Special Fire Protection Systems, subpart 3

Chapter 1306 of the MN State Building Code, is a Special Fire Sprinkler optional chapter in the MN State Building Code. This chapter allows Cities with smaller volunteer Fire Departments such as ours, to require fire sprinklers to be installed into buildings at a lower square footage than what currently required in the building code. What this does is aid in the containment of a fire at a much quicker time, which will help our Fire Department when responding to a fire call. This will also help our Fire Department to access the fire once they arrive onto the scene, as whether or not they need to call for mutual aid.

**Motion by Jason Franzen, seconded by Betsy Moran to adopt City ordinance O-20-05 MN Building Code Chapter 1306 Special Fire Protection Systems, Subpart 3; motion carried.**

- B. Discuss the Community Health Emergency and City Services *Supporting Documents:*  
City of Delano Preparedness Plan | City Hall Visitor Use and Traffic Flow

Council discussed options to support local businesses during the shutdown and pandemic. Jason Franzen stated local communities have approved resolutions requesting the governor to allow businesses to open. Betsy Moran stated that decision is not made on a local level as the Mayor and Council do not have the expertise to make those decisions. Jason Franzen stated a

letter of encouragement is appropriate. Phil Kern stated if Council feels appropriate, Staff can draft a document for future approval.

**Motion by Jon Sutherland, seconded by Dale Graunke to direct staff to draft a letter in support of Governor Walz's actions and encourage him to address the effect on small businesses and allow them to open at the earliest opportunity; motion carried.**

Jason Franzen recommended having Phil Kern look at other communities for examples

**Motion by Jason Franzen to direct City Administrator to look at other communities for a range of similar actions to bring to Council to vote. Motion failed due to lack of second.**

Paula Bauman reviewed the City of Delano proposed Preparedness Plan and City Hall Visitor Use and Traffic Flow.

**Motion by Jon Sutherland, seconded by Jason Franzen to approve the City of Delano Preparedness Plan and City Hall Visitor Use and Traffic Flow Plan with Council authorization for additional cleaning services if necessary; motion carried.**

**Motion by Jon Sutherland, seconded by Jason Franzen to authorize the use of playground equipment and picnic areas in public and neighborhood parks with the understanding and public acknowledgement that the facilities cannot be cleaned and sanitized and request health guidance of use of facilities; motion carried.**

#### **14. City Strategy No. 8: Maintain and protect community strengths**

#### **15. Communication and Announcements**

Phil Kern introduced the new Administrative Intern, Rebecca Gaida

#### **16. Claims**

##### **A. City Claims**

**Motion by Jon Sutherland, seconded by Betsy Moran to approve city claims as submitted; motion carried.**

#### **17. Other Business**

##### **A. Consider purchase agreement for Granite Works Redevelopment Project**

**Motion by Betsy Moran, seconded by Holly Schrupp to enter into closed session to discuss purchase agreement for Granite Works Redevelopment Project located at 265 River Street North, Delano MN; motion carried.**

**Motion by Betsy Moran, seconded by Holly Schrupp to exit out of closed session; 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 19, 2020 was adjourned.

Signed:

Dale Graunke, Mayor

Attest: Paula Bauman, Administrative Services Coordinator