

MINUTES
CITY OF DELANO
City Council/Economic Development Authority
Tuesday, October 20, 2020
7:00 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 City Council/Economic Development Authority meeting of Tuesday, October 20, 2020 to order at 7:00pm.

3. Roll Call and Approval of Agenda

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

Also Present: Phil Kern, City Administrator; Alan Brixius, City Planner; Shawn Louwagie, City Engineer; Paula Bauman, Administrative Services Coordinator

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

4. Minutes

Motion by Holly Schrupp, seconded by Betsy Moran to approve the minutes as submitted; motion carried.

A. September 15, 2020 - Regular Meeting

5. Speakers, Presentations and Awards

6. Consent Items

Motion by Holly Schrupp, seconded by Jon Sutherland to approve consent items 5A, 5B, 5C, 5D, 5F, 5G, 5H, 5I as submitted; motion carried.

A. Consider bids for Central Park parking lot fencing improvements

Mayor Graunke stated anodized aluminum would be the preferred material for the newly installed fencing citing the longevity and low maintenance of the project.

Motion by Dale Graunke, seconded by Betsy Moran to authorize bids for Central Park parking lot fencing improvements with the upgraded material; motion carried.

B. Pay Request No. 5 for the 2020 Infrastructure Improvements Project

- C. Pay Request No. 5 for the CSAH 30 Reconstruct Project
- D. Authorize gambling application from the Church of St. Maximilian Kolbe
- E. Authorize the installation of community gardens

Bryce Prior presented his request for an Eagle Project to install community gardens along Highway 12 across from Peppermint Twist. Mr. Prior is requesting to install six 4x8 raised garden beds in the green space near the new pickleball courts and parking lot.

Holly Schrupp questioned the long-term use of the area

Betsy Moran questioned who will take reservations. Mr. Prior stated he is proposing to build the beds, the City will need to manage the use of the garden.

Holly Schrupp and Betsy Moran questioned if Mr. Prior and Staff had looked into other locations for the community garden. Both Mr. Prior and Nick Neaton discussed the benefits of the proposed location stating it is a central location, easy access with onsite parking and not within a neighborhood park. Council discussed looking further into alternative locations. Mr. Prior requested, due the timing of the Eagle Project to approve the construction of the boxes and re-evaluate the locations at a later date.

Motion by Betsy Moran, seconded by Jason Franzen to approve the construction of the community garden boxes and further discuss the community garden location to be finalized at a later date; motion carried

- F. Consider a reduction of the letter of credit (LOC) for Liberty Landing 2nd Addition
- G. Adopt resolution appointing additional Election Judges
- H. Appoint Tim McKean to probationary firefighter status
- I. Consider request from Lupine Brewing Company for a 1-4 Day Temporary Liquor License
- J. Approval directional signage for KLN, 141 McKinley Parkway

Council discussed the size of the proposed signs; Betsy Moran questioned only one entrance sign. Alan Brixius stated as far as the number and location of the entrance signs, staff will let the applicant determine what is needed.

Motion by Betsy Moran, seconded by Jason Franzen to approve the directional signage for KLN, 141 McKinley Parkway; motion carried.

Dale Graunke stated, although its already been approved, he would like to further discuss the Central Park fencing.

Motion by Betsy Moran, seconded by Jon Sutherland to reconsider item 5A: “Consider bids for Central Park parking lot fencing improvements”; motion carried.

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

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

A. Discuss the distribution of CARES business grants

The City of Delano has received approximately \$466,000 of CARES funding from the State of Minnesota to be spent by November 15th. The federal government has set specific guidelines for the allocation of CARES money. The cost must be incurred between the times of March 1st and November 15th and be a COVID related expense.

The City would like to dedicate \$100,000 for business grants which would be distributed in the amount of \$5,000 for a total of 20 grants. Applicants can request up to \$5,000. If fewer than 20 businesses apply or there are leftover funds the grant amounts may be increased. Businesses within Delano City limits that can show a demonstrated loss of income due to COVID and are registered with the MN Secretary of State are eligible to apply. Ineligible businesses include national or corporate owned chains and in-home businesses. Local franchises and in-home, licensed childcare are eligible. Businesses may use the funds on eligible expenses incurred between March 1 and November 15 which include: rent/mortgage, utilities, payroll, and COVID related expenses (PPE, hand sanitizer, plexiglass barriers, etc). Ineligible uses for the grant would be: non-COVID related expenses, supplementing for lost revenue, or expenses already covered by PPP, EIDL, state or county economic relief grants, insurance, or other 3rd party grants. More information on eligible and ineligible expenses can be found on the IRS Website.

The City will use a tier system for deciding which businesses are awarded grants. Personal statements and supporting documents will be considered in case of a tie. Please find a summary of the tier system and general eligibility attached. The grant will open on October 21st. Applications and supporting documents are due by November 4th at 5:00pm. Grant money will be awarded on November 13th. Receipts and reporting are due November 20th. Any unused funds or funds used on ineligible expenses must be returned to the City.

Motion by Betsy Moran, seconded by Jason Franzen to approve the distribution of CARES business grants; motion carried.

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

- A. Consider bids for Central Park parking lot fencing improvements

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

- A. Consider actions related to the Granite Works Redevelopment Project

- 1. Consider Planning Commission recommendation regarding preliminary plat, rezoning, and site and building plan reviews for both Ebert Construction and Ron Clark Construction

Over the last twelve months, the City has been working with the Granite Works ownership group to come up with a strategy for acquiring the site and pursuing potential development companies capable of undertaking the site redevelopment. The City and site ownership have entered into a purchase agreement for the site acquisition.

Through a request for qualification process, the City has attracted two development companies that are interested in the Granite Works redevelopment. Ebert Construction/Michaels Development and Ron Clark Construction and Design have been selected to assist the City in this long-awaited project. The redevelopment project is similar to the 2017 concept plan proposing up to three apartment buildings having a maximum density of 200 units. At this time, only two buildings are proposed for approval consisting of 125 units. Ebert Construction/Michaels Development will be undertaking the 70-unit market rate apartment building located along River Street. Ron Clark will be building the 55 unit affordable / work force housing at the western side of the site. The middle lot has the potential for up to 75 future units but does not have a builder and will be a future development phase.

The project has now progressed to the submission of a development application, consistent with the 2017 approvals, with the following recent 2020 actions:

- 1. PUD Zoning District Concept Plan was approved on July 21, 2020
- 2. Comprehensive Land Use Map amendment was approved on July 21, 2020
- 3. An EAW was completed and distributed for comment, conclusion of the comment period, response to comments, the Council approved resolution declaring a negative declaration on the EAW on September 15, 2020

With the approval of the PUD concept plan and completion of the EAW review process, the following subsequent steps are now being pursued.

- 1. Submission of State Grant applications in November 2020 and February 2021.

2. The City has filed application process the PUD Zoning - Development Stage, Preliminary plat and variances from the Shoreland Overlay District Standards related to density and building height.
3. Ebert Construction/Michaels Development and Ron Clark Construction Design have submitted applications for PUD- Development Stage and Site and Building Plan review for the sites they selected for development.

The Granite Works site located at 265 River Street North is shown on the project site map (See Exhibit A). The site consists of eight different parcels owned by BBS Granite LLC. and Vander LLC, four parcels currently owned by the City, including parcels identified as the Sleypen parcels previously owned by B Sleypen LLC. The City Engineer has surveyed the entire redevelopment site and estimates the total site area to be 17.3 acres.

The development site is comprised of 14 parcels occupied by 18 adjoining and freestanding structures. The overall site has encountered various levels of development and activity for over 100 years since at least 1900. Previous development activities at the site include agricultural practices on the north portions of the site and various industrial uses on the south portion of the site include flour mills, sawmills, and granite mills. The Delano Granite Works had the longest tenure at the site. The Granite Work closed in the early 1970s. With their departure, they left the site in deteriorated and dangerous condition characterize by buildings that were constructed between 1917 and 1953 with numerous additions, repairs, and remodeling throughout the years. The buildings are constructed of concrete block, metal, or wood. The conditions of the buildings are poor. Only one of the buildings currently has running water or sanitary sewer service.

The northern 9.4 acres of the site contained large piles of waste granite; dilapidated unsound buildings and structure; inoperable vehicles, machinery and equipment; loose wire and granite cutting ribbons embedded with the piles of granite and other waste, garbage, decaying wood and other debris. The condition of the site presented a dangerous, unsafe property within the center of the city. The City working with Brandon Sleypen, doing business as B Sleypen Properties LLC, has successfully had this area mined of the granite resource and cleared of unsafe junk and debris. These parcels have been conveyed to the City and are publicly owned at this time.

The existing site is currently zoned Industrial. The southern portion of the site has had a number of industrial businesses with tenants that lease the existing buildings for warehouse, storage, production, and office space. The site consists of broken pavement and hard packed gravel surfacing which is used for outdoor storage, site circulation and parking. Storm water from the hard cover is directed to the Crow River.

This site also lies within the 100-year flood fringe of the Crow River. The existing site and buildings are subject to periodic flooding.

The project would involve the demolition of all existing structures within the site. The existing site is absent of a storm sewer system, and discharges storm water runoff to CSAH 17 or directly to the river. The new redevelopment plan includes improvements to storm water management.

Other conditions specific to the site that must be addressed through the redevelopment project include poor soil conditions, flood plain, and shoreland restrictions.

The value of the land and the physical site conditions that must be overcome to prepare the site for any future reuse require a development density to make the project financially feasible.

PUD Development Stage Plan. The approved concept plan (Exhibit E) includes three rental apartment buildings. The accumulative number of dwelling units is proposed to be 200. The apartments are concentrated on the Granite works properties with the Sleypen properties preserved as open space, flood storage, storm water ponding and outdoor recreation. The 200 units over the 17.3-acre site resulting in a density of 11.5 units per acre.

Land Use. The high-density residential land use is the chosen land use for the following reasons.

1. The cost of redevelopment includes property acquisition, building demolition and removal, site clean-up / contamination removal, soil corrections, site grading, site storm water management, street, and utilities. A financial analysis of this project shows that the proposed density and values of the multiple family buildings will provide sufficient tax revenues to allow the project to financially break even without additional funding from other city financial resources. The redevelopment project's density and building values are needed to generate revenues through Tax Increment Financing to make the overall site redevelopment financially feasible. Alternative land uses cannot generate the tax base need to make redevelopment practical.

The City has examined alternative residential land uses for the site including lower density single family, townhomes, and found that these land use do not provide the needed values to make redevelopment financially feasible. The analysis showed a potential redevelopment project deficit in excess of two million dollars using the lower density housing. This deficit would have to be made up through substantial contributions from other public funds, including but not limited to the City's property tax levy, and was deemed as not viable as a result.

Redevelopment using industrial use works contrary to the City's comprehensive land goals. Commercial land uses did not provide a practical alternative land use due to the site's location within the City. Both of these land uses also present nuisance concerns for the adjoining land uses.

Some have suggested redeveloping the site as a park/ open space. Without any development of the site, the entire cost of redevelopment would fall to the City without any revenue return to cover the redevelopment costs and again would burden other funds, including the potential for property tax levy increases.

2. The City needs a variety of housing types to provide work force housing for the City's growing industries. The first phase of the redevelopment project will include a 70-unit market rate rental apartment to be built along River Street by Ebert Construction/Michaels Development. This will be an attractive high amenity apartment building that is not currently available in Delano. Ron Clark Construction and design will build a 55-unit work force apartment building that will offer a broad range of amenities and quality housing with affordable rents for working individuals and families.

3. The river corridor offers an attractive environment for the apartment buildings. The Sleyden property provides open space for the apartment residents and trail connections to Central Park and Downtown Delano.

4. The apartments' proximity to the downtown provides convenient market support for the City downtown businesses.

5. The site floodplain restrictions can be overcome through the apartment design. Each of the apartment buildings will have underbuilding parking that raises the dwelling units above the flood elevations. The need for flood protection or floodproofing makes lower density housing options impractical for the site.

6. The project is intended to improve the river corridor both aesthetically and environmentally through the elimination of the blighted buildings and outdoor industrial uses. The project will reduce the amount of hard surface on the site; establish a comprehensive storm drainage collection and treatment plan; increase available flood storage; clean-up contaminated soils; provide for greater building setbacks from the river; stabilize and establish natural vegetation on the riverbank, and remove the old and poor condition buildings from the site.

The Development Stage plans are consistent with the approved PUD Concept plan. The Development Stage plans include the following design features:

Streets / Traffic:

1. The Preliminary Plat shows a variable width right of way with a maximum width of 60 feet to accommodate a 28-foot-wide public street connecting River Street

to Oak Avenue will provide access to three apartment buildings. As a public street, it is designed to accommodate two-way traffic and on-street parking on one side of the street. The street will be designed and constructed by the City and will meet all City standards.

2. Concerns have been expressed regarding the traffic on Oak Avenue and River Street. The City has conducted a Traffic Impact Study for the proposed land uses in the redevelopment site dated July 31, 2020 that offers the following conclusions.

The Traffic Impact Study dated July 31, 2020 examined weekday a.m. and p.m. peak hour traffic impacts of the proposed redevelopment at the following intersections:

1. TH 12/Bridge Avenue
2. Bridge Avenue/River Street (CSAH 17)
3. River Street/Elm Avenue
4. River Street/Oak Avenue
5. River Street/proposed access (future only)

The conclusions drawn from the information and analyses presented in the study are as follows:

- a. The proposed development is expected to generate 72 net trips during the weekday a.m. peak hour, 88 net trips during the weekday p.m. peak hour, and 1,088 net weekday daily trips.
- b. Traffic generated by the proposed development has minimal impact on intersection operations. No improvements are needed at the intersections analyzed to accommodate the proposed project.
- c. A comparison of trip generation scenarios shows the number of trips generated by the apartment use is higher for all time periods than industrial uses assuming reuse of the existing buildings. Assuming construction of new industrial buildings, the number of trips from the apartment use is the same in the a.m. peak hour and higher in the p.m. peak hour and during a typical weekday. The industrial uses will generate between 29 and 64 truck trips depending on the building scenario.
- d. Trips generated by the proposed project are expected to have minimal impact on vehicle queues at all intersections in the study area.
- e. Based on the results of the intersection level of service analysis,

observations made at the site, and peak hour operations, Oak Avenue west of River Street is expected to have adequate capacity to accommodate the forecasted volumes. The daily traffic volumes on Oak Avenue is within acceptable levels for a residential street.

- f. Due to the location of the proposed project, it is likely that a portion of the additional traffic would use Elm Avenue East as an access route to and from the project location. The City is evaluating options that would encourage traffic distribution away from Elm Avenue East.
- g. The level of service analysis and expected left turn queue lengths on River Street indicate the location of the proposed access point on River Street will not interfere with traffic operations at Elm Avenue.
- h. The project owner is encouraged to provide bicycle spaces to promote bicycle use by residents. Long-term spaces for residents within the building and outside racks are recommended. The provision of a bicycle maintenance station will also help encourage bicycle use by residents.
- i. Connections to the existing City sidewalk and trail system are proposed with the project. An additional pedestrian crossing consisting of concrete bump-outs, and the installation of a RRFB signal is being constructed on the north side of the CSAH 17/Oak Avenue intersection to facilitate pedestrian crossings from the west side to the east side of CSAH 17.

3. The primary access point is intended to be from River Street. The site design provides the site access for the southern two apartment buildings at locations that make the River Street intersection the most convenient means for site access and egress. This access to River Street is subject to the review and approval by Wright County.

4. The street design has a curvilinear design to calm traffic and reduce travel speeds through the project site.

5. The site plan will provide 1.75 parking stalls per unit, with one under building parking space for each dwelling unit. This parking count is a PUD flexibility suggested by the City's Traffic Engineer based on the ITE studies of similar multiple family projects. Staff is recommending the reduced parking standard to reduce hard cover and recognizing that the public street exclusive to this project is being designed to allow on-street parking.

Building Locations

1. The buildings are located along the river meeting the required 50-foot shoreline building setback and providing a significant separation from the single-family homes to the northeast. Measured to the nearest property line, the 55-unit

building is 70 feet from the property to the east and the 70-unit market rate is setback 100+ from the property to the north.

2. One half of the required 50-foot Shoreland Overlay District building setback is defined as a shoreline impact zone. Within the shoreline impact zone the proposed Development Stage plans include a shoreline clean-plan that removes old granite waste from the river, select tree removal, slope stabilization, and restoration and the planting of the low-maintenance native grasses and prairie between the river and the proposed riverside public trail.

3. The Ebert Building will be located with a 20-foot setback along River Street. Consistent with the approved concept plan; this building placement is intended to contribute to Downtown streetscape with a reduced building setback and street side landscaping.

4. The Development Stage plans provide setbacks, green space and extensive landscaping north of the proposed street to provide additional screening and separation between the apartments and the single-family homes.

5. The apartment's outdoor recreational areas for their residents are located along the river side of the buildings. These locations move these outdoor activities away from the single-family neighborhoods and use the buildings to shield the single-family lots.

6. A public trail will be designed along the river to provide an attractive public trail corridor between the downtown and Central Park. Internal sidewalks will provide pedestrian connections between buildings, the public trail, the public street and downtown Delano.

Proposed Residential Development

The project will include the construction of three multi-unit apartment buildings. Based on market research conducted by the City to evaluate rental housing needs within Delano, the planned apartment complexes are expected to consist of:

1. 55-unit affordable housing unit
2. 70-unit market rate housing unit
3. A potential future 75-unit mixed senior rate/market rate/affordable housing unit

The housing units are planned to be placed within a 7.72-acre area on the south half of the 17-acre site which will include a public street, parking areas, pedestrian trail system, and area greenspace. The PUD Development Stage site plan for the new apartment buildings is provided as Exhibit F. Development of the site will require fill

to raise the site to levels where the floor elevations of the underground parking will be above the 100-yr flood elevation. While the development is concentrated on the southern portion of the redevelopment site, the residential density over the entire 17-acre site is 11.5 units per acre with more than 70% of the total site area preserved as green space and storm water ponding.

Within a Shoreland Overlay zoning district which extends 300 feet from the River's Ordinary High Water Level; residential density is calculated using an estimated number of single family lots with a density multiplier. In the case of the project site; the Shoreland Overlay district only covers a portion of the site allowing the balance of the site to have a density calculation using City base zoning. The application of the aforementioned methods results in a density calculation of a total unit count of 166 units. This density count is below the project needed unit count of 200.

The City is processing a variance from the Shoreland Ordinance density and building height as part of the overall project review. Approval of the variance allows the overall redevelopment project that will improve the river shoreline conditions, improve storm water quality entering the river from this site, eliminates drain pipes that outlet directly to the river, increase available flood storage within the 100-year floodplain, improve flood protection to adjoining neighborhoods and reduce impervious surface within the overall site. The benefits from this redevelopment project both environmentally and from a land use planning perspective make the density and building height variance reasonable.

Building Height. Fill and grading of the site will raise the building pads for the apartment buildings above the 100-year base flood elevation. Both of the buildings will be designed with the underbuilding parking with the garage floor above the regulatory flood elevation. Above the garage will be three floors of dwelling units. The total building height will be 50 feet. This building height exceeds the 35-foot maximum building height within the Shoreland Overlay district. A building height variance is being processed as part of the PUD Development stage.

Building Design. Both Ebert Construction/Michaels Development and Ron Clark Construction and Design have submitted separate site and building plans for their respective lots. A detailed review of the building and site designs will be presented in separate reports.

Subdivision. The site current currently consists of 14 different properties. To facilitate the redevelopment the entire site will be subdivided to create 3 lots for the apartments and the remaining open space may be platted as 5 outlots. The preliminary plat is shown as Exhibit T. Examination of the preliminary Plat results in the following comments.

Streets. The plat will be accessed via public street extending from River Street to Oak Avenue. The plat shows a variable right of way width ranging from 50 to 60 feet.

PUD flexibility is needed to allow the right of way width below 60 feet. In review of the street we offer the following comments:

1. The street will be a public street through the subdivision.
2. The plat abuts River Street (CR. 17) any plat abutting a county road is subject to county review and approval. The County will comment on street access to the county road.
3. The street will be designed with a 28-foot width to accommodate two-way traffic and parking at one side of the street.
4. A 6-foot-wide sidewalk will be constructed along the south side of the street. The sidewalk layout provides pedestrian connections between the building and to the sidewalk along River Street.
5. The street provides a connection to the alley running behind the River Street single family homes. An alternative to this connection could be a hammer head turn around dead ending the alley before the street connection.

Easements. The preliminary plat shows the required 10-foot drainage and utility easements along the side lot lines of the new lots. The plat also shows the sanitary sewer easement that extends from Oak Avenue west across the River. Additional easements that must be described and recorded separate from the final plat include:

1. Dedication of a public trail easement along the river across the apartment lots to the City.
2. Conservation easement that overlays the Shoreland Impact area that lies between the proposed public riverside trail and the river. This easement will overlay the three new lots will be recorded in favor of the city to protect the natural plantings along the river.
3. Shared access easement over the shared driveway proposed between Lot 2 and 3 of the preliminary plat.

Grading and Drainage. A grading and drainage plan has been prepared by the Delano City Engineer for the entire 17-acre site. The City will be responsible for the sites mass grading that will include the following elements.

1. The creation of the building pads for each of the lots that meet the floodplain protection elevations. The finished fill elevation will result in the garage floor being at or above the required regulatory flood elevation.
2. Establishing the street grades for the new public street.
3. Grading for the public trail.
4. Mass grading of the northern portion of the site improving flood protection, expanding flood storage capacity, and creating and regional storm water pond to treat the storm water drainage from the new development and the residential neighborhood to the east. Storm water will be direct to both storm sewer in River Street and to a newly constructed regional ponding system in the northern portion of the site.
5. The plans include erosion control efforts that will be in-place both pre-

construction and during construction to protect the river and adjoining properties.

The new development will result in less hard cover over existing conditions, improved flood protection, improved flood storage and a storm water management that addresses storm water rate control, storage, and treatment.

Utilities. A Utility Plan has been prepared by the City Engineer for the redevelopment site. The City shall be responsible for the construction of the utilities and street through the site. The utility plan shows:

1. Sanitary sewer is being extended from River Street through the site.
2. Municipal water is being looped through the site with connections at River Street and Oak Avenue.
3. Separate water services are being extended into each lot. One service for potable water and a second service for fire suppression.
4. The Fire Chief and City Engineer have met to identify the required number and locations of fire hydrants.

Landscape Plan. The City Engineer has prepared a landscape plan to be implemented by the city for select areas of the site. Separate individual landscape plans have also been prepared for each of developer's lots. The City prepared overall landscape plan addresses the following elements and the City shall be responsible for the installation of these landscape elements.

1. Shoreline clean-up, landscaping, and slope stabilization
 1. Select removal of diseased, dead, and invasive trees.
 2. Preserve and protect quality significant trees along the river.
 3. Clean-up granite waste and junk along the river.
 4. Establish riverbank turf/ plantings to stabilize the bank and prevent erosion.
 5. Seed the Shoreland Impact area between the river and the proposed public trail with a native grass / prairie seed mix. This will establish a natural buffer strip along the river which will add to the project aesthetics, filter storm water and stabilize the riverbank.
2. Northern open space/ Outlot A
 1. Upon completion of the site grading and creation of the storm water pond; the pond will be surrounded with a buffer planting of Emergent Wetland Mix that will enhance the pond aesthetics and provide a storm water filter strip around the pond.
 2. The balance of the northern area open space will be seeded with a low maintenance grass and prairie seed mix to re-establish turf in this area.

3. Outlots and Street Right of way: Outlots B, C and portions of the public Street right of way will include the following landscape features.

1. The public street is proposed to be lined with deciduous tree (Shade trees) to provide an attractive streetscape and to provide tree canopies that will help break up the views of the apartments.
2. Along the eastern side of the street right of way across from the Ron Clark building will be heavily landscaped to provide a landscape screen the project site and the single-family home.
3. Outlots B and C will be heavily landscaped to provide a landscape screen between the single-family homes and the project site.

4. Lot 2 will not be immediately developed. Upon completion of grading and site improvements the City shall seed this lot with a low maintenance grass and prairie seed mix to establish turf.

Development Phasing. The Ebert Construction/Michaels Development building on Lot 3 of the preliminary plat is anticipated in Spring of 2021. The Ron Clark Construction Design building on Lot 1 of the preliminary plat will be delayed pending approval of tax credit financing later in 2021 allowing a 2022 construction start. Recognizing the different development schedules, the Street and utilities improvements will be phased to manage costs. In this light, the street and utility construction may be completed up to the west lot line of Lot 3, with the balance of the improvements being undertaken with the initiation of the Ron Clark Building. A temporary storm water retention basin will be designed and constructed to address the first phase development storm water needs.

- a. Adopt resolution approving Planned Unit Development Zoning, Planned Unit Development Stage Plans, Variances for the Shoreland Density and Building Height and Preliminary Plat for the Granite Works Redevelopment Project located at 265 River Street North and abutting properties within the City of Delano

Motion by Betsy Moran, seconded by Jason Franzen to adopt Resolution R-20-40 approving the Planned Unit Development Zoning, Planned Unit Development Stage Plans, Variances for the Shoreland Density and Building Height and Preliminary Plat for the Granite Works Redevelopment Project located at 265 River Street North and abutting properties within the City of Delano; motion carried 5-0 by roll call vote.

- b. Consider application from the City of Delano for the following: 1.Zoning Map Amendment 2.Preliminary Plat 3.Variances 4.Flood Use Permit 5.PUD Development Stage Plans: (Exhibits)

The redevelopment of the Granite Works Site has been identified as a long-range goal of the City in its Comprehensive Plan since 1993. The City's redevelopment effort began with the mining and removal of granite waste the clean-up of the Sleypen property. With the successful completion of this effort the City has obtained this land area. The City is now turned its attention to the redevelopment to the remaining southern portion of the property. This industrial site presents issues of land use compatibility, dangerous site conditions, soil issues and proximity to the river. Currently, the site is ripe for redevelopment. The landowners are willing to work with the city on the sale of the property. Ebert Construction/Michaels Development and Ron Clark Construction have been selected as private sector partners working with the City to facilitate the redevelopment of the Granite Works site.

The City has evaluated a variety of land use options for the site. High density multiple family uses have been the selected on the basis of its ability to provide the value and revenues to make the redevelopment financially viable in light of the costs associated with the acquisition, demolition, site clean-up, soil corrections, and site improvements. Additionally, the apartment construction provides a solution to meeting the flood plain protection performance standards with under building parking that is not practical to lower density housing option.

On July 21, 2020, consistent with the recommendation of the Delano Planning Commission the City Council approved the Granite Works PUD Concept plans for three multiple family buildings containing up to 200 dwelling units for the 17.1-acre redevelopment site. The Council also approved the Comprehensive Plan amendment to allow the new land use and authorized the preparation and distribution of an Environmental Assessment Worksheet (EAW) for the project.

On September 15, 2020, following the 30-day review period, receipt of comments and question from the distribution review and a public listening session pertaining to the Granite Works proposed project, the City Council reviewed the comment and question responses and approved a resolution accepting the EAW and declaring a negative declaration finding that the project was acceptable.

The PUD Development Stage plans and Preliminary Plat are consistent with the approved PUD Concept plan in design and layout. The Development stage plans and preliminary plat meet the design standards of the City Zoning and Subdivision Codes. The overall plan improves on existing conditions will regard to shoreland improvement, storm water and floodplain improvements, land use compatibility and improvements with

regard to public safety through the removal of the industrial uses and buildings.

The Shoreland variances related to density and building height meet the criteria for variance approval as outlined in Section 51.51 Subd. K of the Delano Zoning Code.

Based on staff review of the PUD zoning map amendment, Development Stage PUD, Preliminary Plat, and the shoreland overlay district variances for density and building height, Staff recommends the following.

PUD Zoning Map Amendment. Staff recommends approval of the zoning map amendment change the Granite Works Redevelopment Site from I-2 General Industrial District to PUD District based on the land use, density and design of the PUD Development Stage plans dated 09/01/2020 and submitted to the City dated 09/15/2020.

PUD Development Stage /Preliminary Plat Based on our review of the PUD Development Stage plan and Preliminary plat we recommend approval based on the plans dated 09/01/2020 submitted to the City dated 09/15/2020 and the preliminary plat dated. September 2020 with the following conditions.

1. Wright County review and approval of the plat.
2. City approval of the project density and its distribution within the three lots.
3. City approval of the variable right of way widths for the public street.
4. City approval of the parking ratio of 1.75 spaces per dwelling unit.
5. Create the option of allowing the alley to be either connected to the public street or dead-ended with a hammer head turn around.
6. The submission of a revised landscape plan that illustrates intensive landscape screening in outlot B, C and in the public Street right-of way where the right-of way abuts a single-family house.
7. The landscape plan shall describe method to be used for the revegetation of the riverbank to prevent erosion and insure turf establishment.
8. The City Fire Chief approved the number and locations of needed fire hydrants.
9. Each building shall have a separate water services for potable water and fire suppression systems.
10. Separate from the plat a public trail easement in favor of the City shall be prepared recorded over the river side trail.
11. Separate from the plat a conservation easement in favor of the City

shall be prepared and recorded over the shoreland impact area lying between the river and the public riverside trail.

12. Separate from the plat a cross access easement for Lots 2 and 3 to have a shared driveway access shall be prepared and recorded with the final plat.

- i. Adopt Ordinance establishing a Planned Unit Development Zoning District and Design Performance Standards for the Delano Granite Works PUD in the City of Delano

Motion by Holly Schrupp, seconded by Jon Sutherland to adopt Ordinance O-20-03 establishing a Planned Unit Development Zoning District and Design Performance Standards for the Delano Granite Works PUD in the City of Delano; motion carried.

- c. Consider application from Ebert Construction for the following requests:
1.PUD Development Stage Plans 2.Site and Building Plans - Construction of 70-Unit residential apartment building: (Exhibits)

Based on Staff review of the Ebert /Michaels Site and building plans against the City Delano Granite Works Development Stage PUD, Staff recommends approval the site development plans dated 9/15/2020 and building plans dated 9/9/2020 with the following conditions being satisfied.

- 1. The City approves the proposed building setbacks as part of the PUD zoning and PUD Development Stage
- 2. A cross access easement is prepared and recorded separate from the final plat that preserves the shared drive way access between lot 2 and 3 of the preliminary plat.
- 3. The City approves the required parking count standard of 1.70 stalls per dwelling unit as part of the PUD zoning.
- 4. The preliminary plat and site plan be revised to provide a 5-foot setback between the parking lot and the street right-of-way.
- 5. The site plan be revised to provide a loading area near the lobby entrance and provide additional parking at the west end of the parking lot.
- 6. Applicant shall provide a truck maneuvering template that illustrates how moving vans, delivery vehicles and garbage trucks access, off-load and exit the site.
- 7. Applicant describe how garbage pick-up operations will occur on the site.
- 8. The site and landscape plan show any ground level outdoor activity areas (patio, plaza) if any are proposed.
- 9. The landscape plan is revised to remove 4 Elm trees paralleling the public street and add some understory shrubs along the north parking lot

curb line to screen headlights directed north.

10. The River street tree plantings must be coordinated with the Utility plan to avoid conflicts.

11. The Utility and grading plan shall be subject to the City Engineer's review and approval.

- i. Adopt resolution approving Planned Unit Development, Development Stage Site and Building Plan Review allowing the construction of a 70-unit residential apartment building

Motion by Betsy Moran, seconded by Jason Franzen to adopt Resolution R-20-41 approving a Planned Unit Development, Development Stage Site and Building Plan Review allowing the construction of a 70-unit residential apartment building; motion carried 5-0 by roll call vote.

- d. Consider application from Ron Clark Construction and Design for the following requests: 1.PUD Development Stage Plans 2.Site and Building Plans - Construction of a 55-Unit residential apartment building: (Exhibits)

Based on Staff review of the Ron Clark Site and building plans against the City Delano Granite Works Development Stage PUD, Staff recommends approval the site development plans dated 9/15/2020 and building plans dated 9/15/2020 with the following conditions being satisfied.

- 1. The City approves the proposed building and parking lot setbacks per the site plan as part of the PUD zoning and PUD Development Stage
- 2. The City approves the required parking count standard of 1.70 stalls per dwelling unit as part of the PUD zoning.
- 3. The site plan be revised to provide a loading area near the lobby entrance and provide two additional parking stalls at the west end of the parking lot.
- 4. Applicant shall provide a truck maneuvering template that illustrates how moving vans, delivery vehicles and garbage trucks access, off-load and exit the site.
- 5. Applicant describe how garbage pick-up operations will occur on the site.
- 6. The Applicant shall provide an exterior lighting plan and photometric plan with the application of a building permit. All exterior lighting shall meet the City zoning standards for outdoor lighting.
- 7. The Utility and grading plan shall be subject to the City Engineer's review and approval.

- i. Adopt resolution approving Planned Unit Development, Development Stage Site and Building Plan Review allowing the construction of a 55-Unit residential apartment building

Motion by Betsy Moran, seconded by Jason Franzen to adopt Resolution R-20-42 approving Planned Unit Development, Development Stage Site and Building Plan Review allowing the construction of a 55-unit residential apartment building; motion carried 5-0 by roll call vote.

2. Approve Resolution establishing findings for the Granite Works site, declaring intent for a tax increment financing district, and establishing an interfund loan

Motion by Jason Franzen, seconded by Betsy Moran to adopt resolution R-20-43 establishing findings for the Granite Works site, declaring intent for a tax increment financing district, and establishing an interfund loan; motion carried 5-0 by roll call vote.

3. Approve Resolution authorizing application to the Department of Employment and Economic Development (DEED) Contamination Clean-up Fund

Motion by Holly Schrupp, seconded by Jon Sutherland to adopt resolution R-20-44 authorizing application to the Department of Employment and Economic Development (DEED) Contamination Clean-Up Fund; motion carried 5-0 by roll call vote.

4. Approve an EDA Resolution authorizing closing on the purchase of the Granite Works property

Motion by Jason Franzen, seconded by Betsy Moran to adopt resolution EDA-20-03 authorizing the closing on the purchase of the Granite Works property; motion carried 5-0 by roll call vote.

5. Approve purchase agreement with Ebert Construction/Michaels Development for the sale of Lot 3

Motion by Jason Franzen, seconded by Betsy Moran to enter into closed session to discuss the purchase agreement with Ebert Construction/Michaels Development for the sale of Lot 3; motion carried.

Motion by Betsy Moran, seconded by Jason Franzen to exit out of closed session; motion carried.

Motion by Jason Franzen, seconded by Betsy Moran to approve the purchase agreement with Ebert Construction/Michaels Development for the sale of Lot 3; motion carried.

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**
14. **City Strategy No. 8: Maintain and protect community strengths**
15. **Updates from Commission Liaisons**
16. **Other Business**
17. **Communications and Announcements**
18. **Claims**

A. City Claims

Motion by Betsy Moran, seconded by Jason Franzen to approve city claims as submitted; motion carried.

19. Adjournment

There being no further business to discuss, the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, October 20, 2020 was adjourned.

Signed:

Dale Graunke, Mayor

Paula Bauman, City Clerk