

**MINUTES**  
**CITY OF DELANO**  
**City Council/Economic Development Authority**  
**Monday, November 9, 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 meeting of the Delano City Council/Economic Development Authority of Monday, November 9, 2020 at 7:00pm

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

**Members Present:** Dale Graunke, Mayor; Council members Betsy Moran, Holly Schrupp (zoom), Jason Franzen and Jon Sutherland (Zoom)

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

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

**4. Minutes**

**5. Speakers, Presentations and Awards**

**6. Consent Items**

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

A. Approve purchase and installation of Automatic doors at Liquor Store

B. Consider a reduction of the letter of credit (LOC) for Neisen Ridge Second Addition

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

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

A. Consider a resolution approving the authorization for the issuance of \$2,565,000 Taxable General Obligation Tax Increment Revenue Temporary Bonds, Series 2020B

The City has approved an intent to establish a Tax Increment Redevelopment Financing District at the Granite Works site. The City also has entered into agreements with developers

for the construction of two multifamily housing units. As part of the agreements it is the City's responsibility to get the site(s) ready for construction.

In order to finance those predevelopment project costs, staff has engaged Baker Tilly Municipal Advisors, LLC to assist the City in the issuance of temporary bonds. The \$2,565,000 General Obligation Tax Increment Revenue Temporary Bonds, Series 2020B (Bonds) would be a term bond due on December 1, 2023. Interest would be paid semi-annually beginning December 1, 2021. These interest payments will be paid using capitalized interest funded by the issuance of these bonds. The City intends to issue long-term bonds or additional temporary bonds to pay the principal and interest due at the end of the term, December 1, 2023.

The bonds are taxable and therefore bank qualification does not apply. In addition, these bonds do not apply to the debt limit of the City. If approved, terms would be sent to banks on November 10. Bids would be required to be received by November 24. A pricing committee consisting of the Mayor, City Administrator, and Finance Director would accept the bids on November 25 and the full Council would award the bond at the Council meeting on December 1. Receipt of the proceeds would occur on December 29. Staff recommends approval of the resolution providing the authorization for the issuance of \$2,565,000 Taxable General Obligation Tax Increment Revenue Temporary Bonds, Series, 2020B.

Betsy Moran questioned to whom the bonds are taxable. Brian Bloch replied to the buyer. Moran questioned if the interest rates currently low, are we doing the right thing given the risk of rates increasing. Kern stated the overall redevelopment cost is \$4 million. At current, the City will only redevelop the front portion at this time. The need to borrow the entire costs is not needed.

**Motion by Jason Franzen, seconded by Holly Schrupp to adopt resolution R-20-46 approving the authorization for the issuance of General Obligation Taxable Temporary Tax Increment Bonds, Series 2020B; motion carried 5-0 by roll call vote.**

B. Approve awards for the CARES business grants

Rebecca Gaida stated the City of Delano received \$466,130 of CARES money from the State of Minnesota. The City had previously budgeted \$100,000 of funds to be allocated for grants to businesses. These grants were anticipated to be capped at \$5,000 per business, with a total of twenty available grants.

The City received a total of fifteen applications from local businesses and organizations. As a result, staff is recommending awarding the maximum \$5,000 grant to all applicants that have applied and met the funding criteria. Additionally, staff is recommending allocating the remaining \$30,000 of unassigned business grant funds based on percentage of revenue lost during the time period covered by the CARES funding grants. Each business was asked to supply this information and has been used to calculate the additions funds provided.

The allocations are as follows:

**Tier 1 (Still Closed)**

- A. None

**Tier 2 (<25% Capacity)**

- A. Emagine Theater - \$7,500
- B. Body Shop Fitness - \$6,000
- C. Crow River Crossfit - \$7,000

**Tier 3 (26-50% Capacity)**

- A. American Legion - \$7,500
- B. Brickside: \$7,500
- C. Dave's Town Club: \$7,500
- D. Delano Lanes: \$7,500
- E. Market 12: \$6,000
- F. Bridge House: \$7,500

**Tier 4 (51-75% Capacity)**

- A. None

**Tier 5 (Any Business)**

- A. Crow River Dental: \$7,500
- B. Delano Eye Clinic: \$7,000
- C. Delano Herald Journal: \$7,000
- D. McDonald's Studio: \$7,000

**Other**

- A. Community Education: \$5,000

**Motion by Dale Graunke, seconded by Betsy Moran to award the CARES business grant awards as recommended by City staff; motion carried.**

- 9. City Strategy No. 3: Conscientious asset/infrastructure management**
- 10. City Strategy No. 4: Manage sustainable and planned growth**
- 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 Jon Sutherland to approve the 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 Monday, November 9, 2020, was adjourned.

Signed:

Dale Graunke, Mayor

Attest: Paula Bauman, Administrative Services Coordinator