

MINUTES
CITY OF DELANO
City Council/Economic Development Authority
Tuesday, February 21, 2023
7:00 PM

1. Call to Order

Due to a lack of quorum, the meeting did not begin until 7:40pm. Mayor Schrupp requested Staff review item 8A(1): 2023-2024 Strategic Plan.

Mayor Holly Schrupp called the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, February 21, 2023, to order at 7:40pm.

2. Roll Call and Approval of Agenda

Members Present: Mayor Holly Schrupp, Councilmembers Jason Franzen, and Becky Schaust

Members Absent: Councilmembers Betsy Moran and Mike Mathisen

Also present: Phil Kern, City Administrator; Shawn Louwagie, City Engineer; Alan Brixius, City Planner, Paula Bauman, Administrative Services Director; Scott Dornfeld, Building Official

City Administrator, Phil Kern, recommended adding item 6G: Update lighting at the Delano Senior Center

Motion by Jason Franzen, seconded by Becky Schaust to approve the agenda with the addition of item 6G: Update lighting at the Delano Senior Center; motion carried.

3. Speakers, Presentations and Awards

4. Communications and Announcements

5. Minutes

Motion by Becky Schaust, seconded by Jason Franzen to approve the minutes as submitted, motion carried.

A. February 7, 2023 - Regular Meeting

6. Consent Items

Motion by Jason Franzen, seconded by Becky Schaust, the consent items E, F, and G were approved as submitted; the motion was carried 3-0 by roll call vote.

Motion by Becky Schaust, seconded by Jason Franzen to approve consent items A, B, C, and D as submitted; the motion was carried 3-0 by roll call vote.

A. Pay Request No. 13 – WWTP Modifications Project

Shawn Louwagie stated this pay request is a partial payment and explained the expansion of the project and why it is needed. Jason Franzen, questioned if a tour of the new plant could be scheduled to understand the process a bit better. Phil Kern, capacity overall, the reed beds were built in the late 1990s, and they have served the city for twenty-five years, a great investment. With the growth of the community and industry; we were going to need to evacuate them. The screw press is more efficient and will help with odor issues. There will be an odor improvement around the plant.

B. 2023 Lawn Pro MN mowing contract

Holly Schrupp questioned if there is a possibility to add Krienke Park to this contract. Phil Kern discussed the background stating the upgrades have been completed. The neighborhood has more than covered the costs, we'll talk to Lawn Pro to add to the contract.

C. Amendment to Delano Helping Hands lease at 221 2nd Street N

Helping Hands gave a background on the Helping Hands food shelf.

D. Adopt RESOLUTION: Civil Rights Certification Form HUD-50077-CR

Phil Kern stated the city operates the Crow River Villa through the HUD program. In order to receive federal money, need to operate under federal guidelines. This form certifies our operations. Holly Schrupp, questioned if this comes up annually; Phil Kern stated it does

E. Carpet replacement for Crow River Villa Apartment No. 104 and 302

F. Adopt RESOLUTION reducing the number of Public Safety Commission members

Attachment: Resolution

7. Public Hearing

A. Partial Easement Vacation – 232 Greenway Drive

Shawn Louwagie discussed the grading between these additions, at the time of development, the easement required a wider easement due to storm drains and additional grading. This previously required 20-foot wide easement is no longer required. The standard is ten and five feet. Shawn Louwagie inspected the site, and the 20-foot-wide easement is no longer required and can be reduced to ten. Becky Schaust questioned if it is just this one parcel; Shawn Louwagie confirmed it was.

Motion by Jason Franzen, seconded by Becky Schaust to open a public hearing; motion carried.

Mayor Schrupp called for public comment three times – none was heard.

Motion by Becky Schaust, seconded by Jason Franzen to close the public hearing; motion carried.

Motion by Becky Schaust, seconded by Holly Schrupp to adopt resolution R-23-03 vacating a portion of the public drainage and utility easement along the north lot line of Lot 1, Block 5, Parkview Hills Third Addition, within the City of Delano; motion carried 3-0 by roll call vote.

8. General Business

A. Administration

1. Adopt 2023-2024 Strategic Plan Attachment: Presentation

Motion by Jason Franzen, seconded by Becky Schaust to adopt the 2023-2024 Strategic Plan; motion carried.

B. Community Development

1. Review of Carvici Auto Sales Lot Conditional Use Permit Attachments: Carvici 2020 Plan Exhibits | City Council 2020 Resolution | 2022 Code Enforcement Letter and Photos | Aerial Photo | 2023 Code Enforcement Letter and Photos

On March 17, 2020, the City of Delano approved a change in zoning and a conditional use permit to allow Carvici LLC to operate an automobile sales lot at 925 Babcock Boulevard. Subject to the following conditions being met. 1. The Applicant and property owner shall identify the floor area of each tenant by use (i.e. retail, office, storage, service uses, etc.) to provide a required parking count for the entire site. The number of Sales display stalls may be reduced if adequate required parking is not available. 2. Both the sales display stalls and required parking stalls shall be striped on the paved surface of the lot. 3. Neither the required parking nor the sales display stall shall be used for parking unlicensed or damaged vehicles, or any other outdoor storage. 4. Any new exterior lighting shall comply with the City exterior lighting standards of Section 51.03 Subd. D 2 of the Delano Zoning Code. 5. The building is inspected for the change of occupancy and the tenant space meets the building and fire code for its intended use.

In April 2022 the business was notified in writing that they were operating in violation of the approved conditional use permit.

While some of the violations noted in the April 2022 enforcement letter were addressed. (Payment of the outstanding bills and removal of the banners) the site remained noncompliant with regard to parking and sales lot striping and parking of sale vehicles beyond the paved area. This has resulted in the City notifying the business that due to their non-compliance with the conditions of the approved conditional use permit; the City will move to revoke the conditional use permit for auto sales at this property.

The Planning Commission held a public hearing on the proposed revocation of the conditional use permit. of the auto sale lot at 925 Babcock Boulevard, the Planning Commission upon taking testimony at the public hearing may consider the following recommendations for City Council.

Recognizing the findings of this report and the lack of action to date to correct the violations the Planning Commission may recommend revoking the approved conditional use permit for an auto sales lot at 925 Babcock Boulevard.

The Planning Commission may allow the business or the property owner to submit a plan and timetable to bring the site into full compliance with the approved conditional use and the recommended enforcement conditions as follows.

- a. Stripe the parking and sales lot with properly dimensioned parking stalls
- b. Locate all parking and sales display vehicles on the paved surface of the lot.
1) Establish a physical barrier to prevent parking and or sale vehicles from being located beyond the approved paved area of the lot in the future. 2) The design of the physical barrier shall be approved by the City.
- c. Restore the landscape/ turf area damaged by the parking sales vehicles beyond the approved paved sales area.

Becky Schaust questioned the building that is in question; specifically, where are the designated spots where the vehicle inventory is? Alan Brixius stated the car sales are on the north side of the lot, the lots in front that will be striped and approved by the site plan. Becky Schaust wanted clarification on the property and parking for staff and employees. Chris Keller discussed where the additional parking is stating there are three businesses in one building. Councilmember Schaust expressed her concern about the use of the two properties and the parking.

- a. Adopt RESOLUTION revoking the Conditional Use Permit for an automobile sales lot located at 925 Babcock Boulevard East within the City of Delano, Minnesota

Motion by Jason Franzen, seconded by Becky Schaust to adopt resolution R-23-04 revoking the Conditional Use Permit for an automobile sales lot located at 925 Babcock Boulevard East within the City of Delano Minnesota; motion carried 3-0 by roll call vote.

2. Big Woods Child Care Expansion Attachments: Exhibits | Engineer Memo | Email of Support

Big Woods Child Care at 305 13th Street South in Delano, wish to expand its commercial daycare adding approximately 5,500 sq. ft. of additional classroom and kitchen space to its existing facility. To facilitate this business expansion the

following development applications have been submitted.

Subdivision / Plat: The site must be expanded to accommodate the larger building. The applicant will be purchasing a portion of the adjoining outlot to the west to enlarge their lot. Because the property to the west exists as an outlot, a subdivision property must be processed as a preliminary and final plat.

Utility Easement Vacation: Currently, a sewer utility line runs north and south through the proposed development site. This utility must be relocated, and the existing utility easement vacated to allow for the proposed building expansion. The Utility easement vacation will be subject to a public hearing before the City Council prior to final approval.

Conditional Use Permit / Site and Building Plan Review: The site is zoned B-2 General Business District, which allows commercial daycares by conditional use permit. The applicant has submitted plan sets for the conditional use permit review.

Continued community growth and expanded economic development have increased the demand for daycare opportunities. The Big Woods application to expand its facility at 305 13th Street S is a welcome opportunity to address this community need. In the review of their development applications, we make the following recommendations.

Subdivision: Based on our review, we recommend approval of the preliminary and final plat entitled Delano West Crossing 4th Addition dated 01/10/2023 with the following conditions.

- a. The applicant secures written approval from the property owner of 1262 Crossing Drive for the relocation of their private sanitary sewer service through proposed Lot 1, Block 1 Delano West Crossing 4th Addition. The City approves the existing utility relocation and vacates the existing utility easement per the Preliminary Plat dated 01/10/2023.
- b. The size, location, and configuration of the new easements shall be subject to the review and approval of the City Engineer.
- c. The site plan shows private site improvements (sidewalks, play area, fences, landscaped lawns) encroaching over the relocated utility and new easement. These encroachments may be acceptable with the understanding that if access to the underlying utility for maintenance or repair is required these private improvements will be disrupted and the replacement of the private improvements will be the responsibility of the daycare property owner at their expense. The utility plan shall be revised to reroute the sanitary sewer service around the building and play area to minimize the utility's impact on daycare improvements.

- d. As an alternative to recommendation 3 above, the applicant may pursue an alternative routing of the sanitary sewer service for 1262 Crossing Drive per the City Engineer's recommendation, with the permission of the 1262 Crossing Drive property owner.

Conditional Use Permit/Site and Building Plan: Based on our review of the Site and Civil plans dated 01/10/2023 and the Architectural plans dated 12/14/2022, we recommend approval of the conditional use permit/site building plans for a daycare at 305 13th Street S in Delano with the following conditions.

- a. Applicant shall provide the City with a copy of the State license for the daycare facility and its expanded enrollment.
- b. The applicant is to provide a narrative describing the children's drop-off procedures for the daycare. Will child receiving be conducted at both ends of the building? No parking on St. Peter Avenue.
- c. Additional information shall be provided pertaining to the proposed play area including fence design, gate design, gate latches, and play area surfacing for City approval.
- d. The applicant shall provide a description of the food service proposed for the facility and the types of delivery vehicles that may service the daycare. The type and size of these vehicles must be identified to ensure adequate on-site access, offload, and egress is included in the site design.
- e. Applicant shall identify if the existing trash enclosure is adequate in location, design, and size to serve the trash handling equipment of the expanded facility. If an adjustment in the current enclosure or if additional trash or recycling equipment is needed it must be addressed with the site plan.
- f. The building elevation must identify the proposed exterior siding materials (product name) to demonstrate compliance with the B-2 District Exterior Building Elevations standards.
- g. The site and building plans must identify the location of any new ground-mounted or rooftop mechanical equipment proposed for the new building addition. All new mechanical equipment must be screened from the public street and adjoining properties.
- h. Applicant shall provide details on this freestanding light including a cut sheet on the proposed light fixture showing a 90-degree cutoff fixture with a shielded light source, pole design, pole, and fixture height.
- i. The applicant's lighting plan must identify proposed wall-mounted light

fixtures for the new addition. The lighting plan shall show the location of these fixtures and the light levels produced by the wall-mounted light fixtures.

- a. Hold a PUBLIC HEARING to consider vacating public drainage and utility easements

Motion by Holly Schrupp, seconded by Jason Franzen to open the public hearing to consider vacating public drainage and utility easements; motion carried.

Holly Schrupp called for public comment three times, but none was heard.

Motion by Becky Schaust, seconded by Jason Franzen to close the public hearing; motion carried.

- b. Adopt RESOLUTION vacating public drainage and utility easements along the shared lot line between Lot 1, Block 1, Delano West Crossing Second Addition, and Outlot A, Delano West Crossing Third Addition, within the City of Delano | Resolution Exhibits

Motion by Jason Franzen seconded Becky Schaust to adopt resolution R-23-05 vacating public drainage and utility easements along the shared lot line between Lot 1, Block 1, Delano West Crossing Second Addition, and Outlot A, Delano West Crossing Third Addition, within the City of Delano; motion carried 3-0 by roll call vote.

- c. Adopt RESOLUTION approving a Preliminary Plat and Final Plat entitled Delano West Crossing Fourth Addition, a Conditional Use Permit and Site and Building Plans, for the expansion of the Big Woods Daycare at 305 13th Street, within the City of Delano, Minnesota

Motion by Becky Schaust, seconded by Jason Franzen to adopt resolution R-23-06 approving a Preliminary Plat and Final Plat entitled Delano West Crossing Fourth Addition, a Conditional Use Permit and Site and Building Plans, for the expansion of the Big Woods Daycare at 305 13th Street, within the City of Delano, Minnesota; motion carried 3-0 by roll call vote.

3. West End Condos - PUD Final Stage Attachments: Exhibits | Engineer Memo

In December 2022, the Delano City Council approve a zoning map amendment changing the zoning for Lot 3, Block 3, Delano West Metro Business Park from I-2

district to I-2 / PUD district to allow a development plan that includes 4 buildings on a single site. The buildings are intended to be divided into individual condominium units for separate ownership. The site plan shows up to 41 individual tenant bays.

Along with the zoning change, the City Council approved the I-2/PUD development stage plans for the Icon Industrial development with conditions outlined in the resolution R-22- 34.

The applicant has renamed the proposed development to West End Condos with the submission of the I-2/PUD Final Stage development plans and submission information. The I-2/PUD Final Stage development plans and narrative address the conditions of approval imposed in the Development Stage plan review.

The applicant's PUD Final stage plan submission does a very good job of addressing the conditions outlined in the development stage approval. Based on our review of the Final stage plan sets we recommend approval with the following conditions

- a. The applicant submission of CIC documents specific to West End Condos for review and approval of City Staff.

- a. The Site plan dated 01/20/23 is approved with the following conditions.
 - i. The Site plan shall construct 5 disability parking stalls with the initial construction.
 - ii. The site and building plans shall show disability access to the individual tenant bays.
 - iii. The proof- of parking shall be constructed upon the direction of the city if parking is occurring on McKinley Parkway or in areas on site that obstruct the planned traffic circulation driveways.
 - iv. No outdoor storage is allowed on the site, all trash and recycling equipment shall be stored within the individual tenant bays or within a City approved trash enclosure.

- a. The Preliminary Building plans and elevations dated 01/19/23 are approved with the following conditions.
 - i. Metal roof design shall meet the City design standard per City Code.
 - ii. The building plans must show ground-mounted and rooftop

equipment including antennas and satellite dishes size, location, and screening for City approval.

- iii. The Plumbing plan dated 01/27/23 is approved by the City Engineer and the City Building Official.
 - iv. The building plans shall illustrate the location of the Fire Department Connection.
 - v. The aforementioned items are included in the detailed building plans submitted for building permit review.
- a. The lighting and Landscape Plan dated 01/19/23 is approved with the following conditions.
- i. The applicant shall submit cut sheets showing the design of the wall-mounted light fixtures. Said fixtures shall be a 90-degree cut off, with a shielded light source.
- a. The utility and grading plans dated 01/20/23 are approved with the following conditions.
- i. The Utility and Grading plans shall be subject to the recommendation of the City Engineer Memorandum dated 02/09/23.
 - ii. The individual building plumbing plans are approved by the City Engineer and City Building Official.

Becky Schaust questioned if anyone talked to anyone regarding insurance requirements for a CIC industrial property.

- a. Adopt RESOLUTION approving West End Condo PUD Development Stage Plans on Lot 3, Block 3, Delano West Metro Business Park First Addition, within the City of Delano

Motion by Becky Schaust, seconded by Jason Franzen to adopt resolution R-23-07 approving West End Condo PUD Development Stage Plans on Lot 3, Block 3, Delano West Metro Business Park First Addition, within the City of Delano; motion carried 3-0 by roll call vote.

C. Community Enrichment

D. Engineering and Public Works

1. Delano Ice Park – Authorization to Bid and Seek CMaR Proposals

At the January 3rd City Council meeting staff presented the site concepts and renderings of the Delano Ice Park complex and requested authorization to further the project design. The agreement between the City and the Hockey Association anticipates a \$4M project budget which would be split between the two parties. The project estimate at the January meeting was higher than the budget amount. Over the past month staff, members of the Hockey Association, and the design consultants have investigated alternative building materials and options to frame the project scope (alternate bid items) to keep the project within budget. These will be presented to the Council for discussion at the meeting.

The anticipated project schedule looking forward is as follows:

February 21st: Authorization to bid and seek CMaR proposals.

March 3rd: Advertisement for bids posted

March 31st: Bids received and opened

April 4th: Council consideration of bids received

April/May: Contracts and the start of construction

Shawn Louwagie reviewed his presentation of the ice park plans.

Becky Schaust questioned if there were any thoughts on fundraising of any kind.

Brian Roers, stated he looked at it's a partnership between the city and the organization. The city is an amenity to the public and community. The hockey association has begun fundraising campaigns, and planning for the project moving forward.

Becky Schaust questioned if the warming house being staffed? Who staffs that? Phil Kern stated one of the layers we need to finalize the private organization and the city. The ice park facility will be shared 50/50. Talking internally, during the time blocks where its community is used, we will likely add some sort of host or welcoming person. Family comes up, someone to greet them, and make sure the right group is on the link. When Hockey is using the facility won't have a staff person there; signage identifies the facility is being used by Hockey. Nick Neaton has started to talk to Community Education to possibly partner with them for events.

Jason Franzen shared his concern about the overall costs; might have to have more discussions at the workshop. Difficulty making the target monies and discussed the concept at Central Park. Phil Kern stated in 2018, the park board explored a variety of sites. The general idea was the same as today.

The city is not committing more than a \$4 million project. Expected a two million commitment from Hockey. There will be problem-solving; those conversations will

need to happen. When we get the pricing back, we'll need to hold a conversation. Money beyond two-million dollars. Prioritization of other things will need to change. Throwing educated guesses at this point. The desire now is to get the bids.

Motion by Jason Franzen, seconded by Becky Schaust to authorize staff to advertise and bid on the Delano Ice Park project; motion carried.

Motion by Becky Schaust, seconded by Jason Franzen to authorize staff to seek proposals for CMAr services; motion carried.

E. Finance and Business

1. Approve Amendment to SIU Agreement with KLN/Tuffy's *Attachment: Signed Agreement | Draft amendment*

The City and Tuffy's Treats negotiated a Significant Industrial User (SIU) agreement to provide for the impacts of its operations on the City's wastewater treatment system. Tuffy's is the first user in the city to have an SIU, due to the nature of its business and its impacts on the system. The purpose of the SIU is to accurately reflect the impacts and associated costs in order to provide an ongoing monitoring and payment system that is fair to both Tuffy's and City.

In 2019, prior to the construction of its facility, the City and KLN/Tuffy's projected the impacts of the impending construction project on the City's wastewater infrastructure and operations. The projections supported an agreement that outlined processes for sampling/monitoring, limits for loading amounts, and costs for wastewater discharge, among other things. Because the agreement was speculative and based on projections, the City and Tuffy's placed a provision within the contract that would provide for ongoing evaluation and fine-tuning of the agreement based on actual impacts.

Over the past 12 months, the City and Tuffy's staff have been reviewing the document and discussing changes to the agreement. In April 2022, staff presented the findings and potential recommendations to the Council at its worksession. Since that time, Tuffy's and City staff have continued to review operations and wastewater outflows to make sure any amendments are acceptable to both parties. At this time, the staff is recommending the amendment for approval.

Motion by Jason Franzen seconded Becky Schaust to approve an amendment to SIU Agreement with KLN/Tuffy's; motion carried.

2. Issuance of Bonds for Various Infrastructure Projects and DMU/PW Joint Facility Project

There are several projects the City is planning to do this year and the City intends to

issue bonds to finance these projects. Because of State Statute requirements, the City is required to issue bonds under two different statutes and therefore there is a need for two different bond issuances and resolution as noted above. The first bond would be a General Obligation Street Reconstruction Bond. This bond would cover the City's portion of construction costs for the 2023 Street Project, Southeast Sewer Extension Project, 90th Street Improvements Project, and McKinley Parkway (Greywood) Project, which was mostly completed last year.

A second bond would be a General Obligation Bond to cover the costs of purchasing a building and property in the business park and additional costs to make modifications to the building in order to turn it into a joint DMU/PW facility. Both bonds would require public hearings in March with the final bond sale in April. Staff is recommending approval of both resolutions.

- a. Adopt RESOLUTION calling a public hearing on the proposal to adopt a Street Reconstruction Plan and the intent to issue General Obligation Street Reconstruction Bonds

Motion by Becky Schaust, seconded by Holly Schrupp to adopt resolution R-23-08 calling a public hearing on the proposal to adopt a Street Reconstruction Plan and the intent to issue General Obligation Street Reconstruction Bonds; motion carried 3-0 by roll call vote.

- b. Adopt a RESOLUTION calling for a public hearing on the intention to issue General Obligation Capital Improvement Bonds and the proposal to adopt a capital improvement plan therefor

Motion by Jason Franzen seconded by Becky Schaust to adopt resolution R-23-09 calling for a public hearing on the intention to issue General Obligation Capital Improvement Bonds and the proposal to adopt a capital improvement plan therefore; motion carried 3-0 by roll call vote.

F. Public Safety

9. Updates from Commission Liaisons

A. Park and Recreation Commission

B. Planning Commission (Monday, February 13, 2023)

C. Public Safety Commission

D. Spirit of Community Commission (Tuesday, February 14, 2023)

E. Water, Light and Power Commission

10. Claims

A. City Claims

1. Claims listing for February 8-21, 2023

Motion by Jason Franzen seconded by Becky Schaust to adopt city claims as submitted; motion carried.

B. EDA Claims

11. Closed/Executive Session

12. Adjournment

There being no further business to discuss, the regular meeting of the Delano City Council was adjourned at 9:55pm.

Holly Schrupp, Mayor

Attest: Paula Bauman, Administrative Services Director