



**CITY OF NEWPORT
REGULAR COUNCIL MEETING
NEWPORT CITY HALL
NOVEMBER 3, 2016 – 5:30 P.M.**

MAYOR: Tim Geraghty
COUNCIL: Tom Ingemann
Bill Sumner
Tracy Rahm
Dan Lund

City Administrator: Deb Hill
Supt. of Public Works: Bruce Hanson
Fire Chief: Steven Wiley
Asst. to the City Admin: Renee Eisenbeisz

AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. ADOPT AGENDA
5. ADOPT CONSENT AGENDA – All items listed under this section are considered routine and non-controversial by the Council and will be approved by a single motion. An item may be removed from the consent agenda and discussed if a Council member, staff member, or citizen so requests.
 - A. Minutes of the October 20, 2016 Regular City Council Meeting
 - B. List of Bills in the Amount of \$181,945.48
 - C. Gambling Permit
6. VISITORS PRESENTATIONS/PETITIONS/CORRESPONDENCE
7. MAYOR'S REPORT
8. COUNCIL REPORTS
9. ADMINISTRATOR'S REPORT
 - A. **Ordinance No. 2016-9** - Amending Sections 1330 and 1350 and Amending the Zoning Map
10. ATTORNEY'S REPORT
11. WASHINGTON COUNTY SHERIFF'S OFFICE REPORT
12. FIRE CHIEF'S REPORT
13. ENGINEER'S REPORT
14. SUPERINTENDENT OF PUBLIC WORKS REPORT
15. NEW / OLD BUSINESS
 - A. Amendment to the Joint Powers Agreement between the City of Newport and Washington County CDA

Agenda for 11-03-16

- B. **Resolution No. 2016-43** - Supporting a Proposed Redevelopment Tax Increment Financing District by the Washington County Community Development Agency
- C. Discussion Regarding Proposed Tax Increment Financing District
 - 1. **Resolution No. 2016-46** - Calling for a Public Hearing on the Proposed Modification to the Development Program for Development District No. 1 and the Proposed Establishment of TIF District No. 3

16. ADJOURNMENT

Upcoming Meetings and Events:

- | | | |
|--|-------------------|-----------------------|
| 1. General Election - Newport Elementary | November 8, 2016 | 7:00 a.m. - 8:00 p.m. |
| 2. Planning Commission | November 10, 2016 | 5:30 p.m. |
| 3. Canvass Board Meeting | November 15, 2016 | 5:30 p.m. |
| 4. City Council Meeting | November 17, 2016 | 5:30 p.m. |



**City of Newport
City Council Minutes
October 20, 2016**

1. CALL TO ORDER

Mayor Geraghty called the meeting to order at 5:30 P.M.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Council Present – Tim Geraghty; Tom Ingemann; Bill Sumner; Tracy Rahm (via telephone); Dan Lund

Council Absent –

Staff Present – Deb Hill, City Administrator; Bruce Hanson, Supt. of Public Works; Fritz Knaak, City Attorney; Larry Osterman, Sergeant; Jon Herdegen, City Engineer;

Staff Absent - Steve Wiley, Fire Chief; Renee Eisenbeisz, Assistant to the City Administrator;

4. ADOPT AGENDA

Mayor Geraghty - I would like to put an agreement with Met Council for a local planning grant on the consent agenda.

Motion by Ingemann, seconded by Sumner, to adopt the Agenda as amended. With 5 Ayes, 0 Nays, the motion carried.

5. ADOPT CONSENT AGENDA

Motion by Ingemann, seconded by Sumner, to approve the Consent Agenda as presented, which includes the following items:

- A. Minutes of the October 6, 2016 Regular City Council Meeting
- B. List of Bills in the Amount of \$181,945.48
- C. **Resolution No. 2016-45** - Correcting Resolution No. 2016-21
- D. Metropolitan Council Local Planning Assistance Program Grant Agreement for \$32,000

With 5 Ayes, 0 Nays, the motion carried.

6. VISITORS PRESENTATIONS/PETITIONS/CORRESPONDENCE

A. Red Rock Corridor Commission Update

Lyssa Leitner, Senior Planner, Washington County Public Works Department, presented on this item as outlined in the October 20, 2016 City Council packet.

Councilman Rahm - I think they've done a very good job on all of this.

Councilman Sumner - What's the possible or current ridership out of Hastings?

Ms. Leitner - Right now there is no service in Hastings so step 1 would be to get them in the taxing district. That's unrelated to Dakota's County indication to withdraw from the transit board. The transit taxing district goes to fund the regular metro transit bus system. Hastings has to opt in to that in order to be provided service.

Councilman Sumner - It looks like there's considerable cost to go to Hastings, would the route continue to exist until you think there's a demand down there?

Ms. Leitner - Yes, the project is more viable without that Hastings section. There is a lot of farm field between Cottage Grove and Hastings. It's a long distance that costs a lot of money to not pick up any people along that way. It's more viable Cottage Grove and north.

B. Architect Michial Mularoni

Michial Mularoni presented on a proposal for the Dahlene site located at the corner of Glen Road and 7th Avenue. The proposal is outlined in the October 20, 2016 City Council packet. Mr. Mularoni is proposing flex retail, office space, multi-family units, a grocery store, and a 400 car underground parking garage. Mr. Mularoni is requesting financial help through a tax increment financing district from the City to cover the costs of the parking garage.

Councilman Ingemann - You have things already lined up correct?

Mr. Mularoni - We've been talking with people but we don't have contracts signed.

Councilman Ingemann - There's interest in the project?

Mr. Mularoni - Yes, one of the first things we need to do is determine if you're interested in the partnership and then we'll do several market studies.

Mayor Geraghty - What's your timing?

Mr. Mularoni - We're expecting to close on the site by the end of the year. I'm well aware of the City and what the market can and cannot take. Once we've got a financial plan and site control, then we can be more specific on who and what. At this concept stage, there are no special exemptions or variances being sought. I think the City has done a good job with the performance standards and district. I would like to see this start next year.

Councilman Sumner - When would you get the studies back?

Mr. Mularoni - We're on a fast track. We have our contract together, the only contingency is that we're successful on getting a TIF district from the City.

Mayor Geraghty - What's the dollar amount you need for the parking?

Mr. Mularoni - About \$8-\$10 million. The TIF district would be for 10-11 increments. That's taking 85-90% TIF of improvements. The particular district seems to make sense as a 15 year district.

Mayor Geraghty - What's the annual dollar of increment you expect?

Mr. Mularoni - About \$1.1 and \$1.2 million per year once fully developed.

Councilman Rahm - For the underground parking garage, have you looked at the bedrock and soil there yet?

Mr. Mularoni - The bedrock shelf is further west and south from this site. We haven't done a soil test but I'm fairly confident that we have the depth required for the garage.

Mayor Geraghty - Have there been boring samples?

Mr. Mularoni - Looking at the soil maps and talking with Public Works, we missed the shelf. I have done excavation of bedrock so I'm confident we can handle it.

Mayor Geraghty - If we help fund the parking, would the developer be the owner of it?

Mr. Mularoni - Yes. There aren't any wetlands on the site. You'll notice there's a big greenspace. We have a couple areas where we can do ponding. At the same time, we could expand as well.

Mayor Geraghty - We're having an EDA workshop after and can continue to talk about it. I think it looks very attractive.

Mr. Mularoni - I've been part of this community for decades. I believe Newport is a diamond in the rough and that this site meets that opportunity.

Pauline Schottmuller, 97 10th Street - I have a couple short items. The first thing is I wanted to thank you Mayor Geraghty, Councilman Ingemann, and Councilman Rahm for the vote for the TIF district at the transit station. We've been waiting a long time to get some development going and those votes were very important. I know you provided considerable leadership with that project and I wanted to say thank you for that. I'm glad that Tom and Tracy also supported the project. The second thing is that I'm assuming you have the budget pretty much done and the City has always penciled in donations for the Newport Athletic Association. There's a problem this year and I wanted the City to be aware of that and not disburse funds until it's resolved.

Councilman Lund - I'll resolve that problem right now.

Mayor Geraghty - I want to hear the problem.

Councilman Lund - She's about to say that my campaign materials say that I was endorsed by the Newport Athletic Association and that was an error on my part, instead, it's a personal endorsement by the president of the NAA. I apologize for that and have taken it off of any future campaign materials. The NAA has not acted outside of bounds. Thanks for your comment and we can move on. You can file a complaint if you wish.

Ms. Schottmuller - I'm glad to hear that. For those that don't understand, the NAA is a nonprofit and it's against federal law for a nonprofit to endorse a political candidate. I did email you and the president and neither one of you got back to me.

Councilman Lund - You're not an authority.

Ms. Schottmuller - No I'm not but it is a concern because if a nonprofit endorses a political candidate, they stand to lose their nonprofit and tax exempt status. If a City were to disburse funds, they could be liable.

Admin. Hill - We do not give them money, we fund the outhouses and upkeep of the fields.

Ms. Schottmuller - I just wanted this to be resolved and I'm glad it was for the NAA.

Virgil Voller, 1685 Kolff Road - We've been talking about the line up Kolff for how long and there is no line on the center of the road.

Supt. Hanson - We did at one time put a single line on there and we were advised not to put lines on at all if we can't do double lines, which we can't.

Mr. Voller - Why did you narrow it.

Engineer Herdegen - We put the existing width down. There are some places where we put down curb that are narrower but it's less than 6 inches. I can't speak to your specific lawn off the top of my head. We basically matched the end of the pavement. I'll look at it and get back to Deb.

Mr. Voller - For the old people that need to come and sign up for the discount. Why can't you put something on the water bill for them to sign instead of having to come down here?

Mayor Geraghty - We can look at the procedure.

Mr. Voller - What you do for the tax people around here, it doesn't work. You put in free bus service and the tax people get nothing out of it.

Mayor Geraghty - The Council made that decision and that was the direction we wanted to go. The goal is to get development on the rest of it.

Mr. Voller - With Chapdelaine giving the employees unions, whose voting for them?

Mayor Geraghty - What are you talking about? I'm not following you.

Councilman Ingemann - They've been in the union a long time.

Fred Leimbek, 603 7th Avenue - The practice of the refinery buying homes in Newport and then tearing them down. Some of the homes are historic. There are several homes closer than the three they just bought. I think of all the tax dollars that have been lost. I think the Council should go on record condemning this practice. I don't think we should just stand back and let them tear our City down. Where will it stop? When all the homes on the west side are torn down, then the name can be changed from Newport to Noport. They say it's a buffer zone, from what? Are they getting a lot of complaints? If they built a buffer zone in St. Paul Park, their whole business district would be gone. I'd just like to get it on record that you disapprove of this.

Mayor Geraghty - Thanks for your comments, we can't stop them from buying properties. Maybe we could work on a different district or agreement.

7. MAYOR'S REPORT -

Mayor Geraghty - Nothing to report.

8. COUNCIL REPORTS

Councilman Ingemann - I was at the Planning Commission meeting last Thursday and then an emergency management for elected officials class. This morning I was at the Chamber meeting for a candidate forum, Newport didn't have a good representation, there were only three of us. Most of the questions were for the State candidates.

Councilman Rahm - I also attended the training class. I think in the future, we should look at the risks that we face and if we're best prepared for them. I also attended a Washington County CDA meeting where the TIF was approved and will go to the County for approval.

Councilman Lund - This morning the four of us were at the Chamber forum and it was interesting to hear some of the responses from our State candidates. I also met with Mr. Mularoni after our last meeting and he signed some sort of contract for Dahlene. I think that's really exciting and it's important for us to realize everything that went into that opportunity being there now. Not just the City having the fiscal ability to support it but everything that went into the highway project. I think all of that is part of this. Hopefully this is something we can come together on as a community. It's the first mixed-use development we have had in front of us. I also met with the County CDA and attended the emergency management training. It's been a busy few weeks.

Councilman Sumner - On the 18th, I attended a CDA Board meeting and spoke there on the decisions that I've made recently and attended the Cottage Grove forum.

9. ENGINEER'S REPORT

A. Geotechnical Services Proposals for 2017 Street and Utility Improvements and the Fishing Pier

Engineer Herdegen presented on this item as outlined in the October 20, 2016 City Council packet.

Motion by Lund, seconded by Sumner, to authorize the bid to Independent Technologies for \$6,930. With 5 Ayes, 0 Nays, the motion carried.

10. ADMINISTRATOR'S REPORT

A. Ordinance No. 2016-8 - Amending Section 200.03 of the City Code

Admin. Hill presented on this item as outlined in the October 20, 2016 City Council packet.

Councilman Sumner - I'm going to ask the audience for their feedback on this. Do you think it's a fitting amount for people doing this work.

Tony Mahmood, 822 High Street - I would say the amount you're raising it isn't worth anything, why bear the costs to the citizens. This is a volunteer thing that you do to better the City. You're not getting rich up there.

Mayor Geraghty - I was going to say the same thing. I see it as volunteer work and have campaigned on the issue that we shouldn't be raising our salaries.

Councilman Sumner - I'm not in favor of taking the increase. It's not going to make a difference of being here or not.

Councilman Lund - I would do this for free.

Councilman Rahm - We do this job voluntarily because we want to spend time improving Newport. We certainly don't do this for money.

Motion by Ingemann, seconded by Sumner, to approve Ordinance No. 2016-8 as presented. With 1 Aye, Geraghty, Sumner, Rahm and Lund voting Nay, the motion failed.

Admin. Hill - I received an email from the County today regarding Dan's containers. We're going to tour the site on November 8th and it will be done.

Councilman Sumner - There's some talk about the amount that is being paid for the policing. Some people are saying that we're paying more than we were paying before. I would like to hear from you if it's going to be less or more to have the County here.

Admin. Hill - Yes, we are saving money. We took \$150,000 off of the budget and we're not missing that during this budget so the savings are there.

Councilman Sumner - I just want the citizens to know the facts.

Councilman Rahm - I don't know whose saying we're paying more. When you look at all the things we've paid, we did pay more for liabilities that we closed out. I do say we're saving money, I say about \$34,000-\$35,000. Different people can look at different things.

Admin. Hill - On the vacation payouts, those are liabilities that are on the books no matter what. They don't factor in.

Councilman Rahm - They were paid out to settle all liabilities.

Mayor Geraghty - There's no doubt that we're saving money on this contract and will save even more if you push it out another three years. To say we're not saving anything is ridiculous.

11. ATTORNEY'S REPORT - Nothing to report.

12. WASHINGTON COUNTY SHERIFF'S OFFICE REPORT –

Sgt. Osterman - I just want to congratulate Deputy Freemyer who is being transferred to Water, Parks, and Trails between now and the end of the year. His replacement will be Deputy Jackson, she was here last year. Also, just a reminder to keep vehicles off the streets now for snow removal.

Supt. Hanson - I believe that starts November 1, 2016.

13. FIRE CHIEF'S REPORT - Nothing to report.

14. SUPERINTENDENT OF PUBLIC WORKS REPORT –

Supt. Hanson - We do wait until 90% of the leaves are down to sweep. Also, the public should be checking their mailbox at this time to make sure it's in good condition for the winter.

Councilman Rahm - Thank you Bruce and the Public Works crew for putting more rock on Century Avenue, it did help.

Councilman Sumner - What's the salt situation?

Councilman Rahm - We have it ordered.

15. NEW / OLD BUSINESS

A. Discussion Regarding Tax Increment Financing Districts

Councilman Lund - I would like to move that we withdraw our support that we offered at the October 6th meeting through Resolution No. 2016-43 for a County established TIF District in Newport.

Councilman Sumner - I'll second that.

Mayor Geraghty - If this motion is approved, the Resolution is back on the table for further discussion correct?

Attorney Knaak - As I understood that motion, it was to rescind the Resolution. A motion to reconsider would put the matter before the Council as if the vote were before you. A motion to rescind would negate the previous action.

Councilman Lund - My intent was to rescind the previous action.

Mayor Geraghty - I know this is a difficult issue and I'm probably the swing vote on this issue and it's a very tough decision for me. I want to get as much input before I make a decision. I don't want any personal, integrity or character attacks. I want a discussion of the issue. I want it vetted thoroughly. I'm open to public input from any of the candidates or anyone in the audience. I'd like to start with the audience before we get into a discussion.

Tony Mahmood, 822 High Street - I think what you did with your vote and creating this is a first vote on what you've been trying to do forever. We went on a tour to try and get a vision of what that can look like. We need to get stuff going. If we have a TIF district and it gets things going, that's a good thing. We have to start somewhere. I don't think you should go back on what you said.

Councilman Lund - My reasoning behind this isn't that we shouldn't do anything up there but an issue of control and whether or not we want Washington County to be in charge of \$26 million of tax increment financing or if we want the City to take their place and decide what goes on there. We have a joint powers agreement from 2012 and the amount in there is \$7-\$8 million so we're a factor of three times bigger. We also have a lot more City resources now than in 2012. We have a much better ability to take that on ourselves. The scope of the project has also grown so much, to let the County operate there and to spend that \$26 million is going to infringe on what it means to have a City government. My interactions with the County have been cordial but they're not the same as a voter who gets to throw us out if we get it wrong. The question isn't if we want to do something, it's if we want the City to be in charge. I don't think the proposals the County have been bringing forward are right for Newport. I don't want to put a halt on the project but I think the City has the ability to step in. The TIF is self-funding, there are some upfront costs, but we're in a good position to handle that. That doesn't mean the County hasn't done a good job but we should be in charge of this project.

Kay Buetow, 1777 3rd Avenue - I am not against the TIF district but the project, the apartment building. I don't believe that area is a safe area for children, I think the soil is contaminated, you have railroad tracks and semi-trucks flying

through. You talk about some greenspace but you'll have kids crossing that road constantly with no traffic control. I live a block away and see the cars flying through. Now we're talking about another TIF proposal which to me, I don't know how that will qualify as a blatant area. Other homes have been purchased by the County, we're losing that tax base but no one is talking about that. I don't believe our Public Works, Police, Fire, that's all going to increase. Our contract with the Sheriff's Office will go up with an increased population. I think that area should be industrial, not an apartment building.

Melissa Taphorn, Washington County CDA - Councilman Lund has expressed his concerns about the control the City has and Ms. Buetow has addressed safety concerns. The private developer has done a market study that considers the safety, rail, traffic, etc. They see the value of the visibility, access to the transit, and amenities in the City, they feel those outweigh any challenges that site has. That's a third-party market study. The developer does have strict screening criteria and on-site management to address any safety issues. In terms of the City control and your vision for this area. The City has been in the planning stages for at least five years. If the City wants to move forward with a TIF district to see that redevelopment, we should move forward and not rescind the support. We could implement different controls by revisiting the joint powers agreement and redevelopment plan to have more commercial if those things have changed.

Steve Gallagher, 405 13th Street - We've worked on this project for up to 10 years to try and get something started. Tim, I remember you and I sitting in the back trying to negotiate with the County to get the transit station. To rescind it and go backwards would be a mistake. I talked with Dan about the TIF district and how we've used them in Minneapolis compared to this. As far as the City doing it ourselves, I don't think we have the expertise in-house to do that and I think Deb would agree. You get that with the County and have a joint powers agreement and I believe you have some sort of power to stop certain projects. We thought about that in 2012/2013.

Scott Fisher, 812 17th Street - I believe you should go forward with what you voted on last time. It's been in the planning stages for a number of years. You have control over the permits and what is developed there.

Mayor Geraghty - If they meet the conditions, we have to approve the permit.

Mr. Fisher - You still have a say in what goes in there.

Councilman Lund - Only if we change the zoning and that's an inefficient way in my view, to change the zoning because we're afraid of some project before it gets there. It's much easier to pick and choose if we control it. We have mixed use there now and the proposal from the County is largely housing.

Mr. Fisher - I thought I heard there would be some commercial on the north side. It is workforce housing, not low income.

Mayor Geraghty - It's not guaranteed that it wouldn't be low income.

Councilman Sumner - This document from the meeting this week says that the district is being created to create 262 units of affordable rental housing and 180 market-rate rental units.

Mr. Fisher - That wasn't talked about at the last meeting.

Mayor Geraghty - That's why we're talking about it again.

Councilman Sumner - The amount of money they tie up is a large amount. I asked for a 90 day tabling to look at this and the more we look at it, we continue to have additional concerns.

Mr. Fisher - Those documents should have been provided before your last Council meeting.

Ms. Taphorn - The TIF plan does have a number of units for housing and commercial square footage. Those numbers are used for determining the market value, not what will be built. It'll depend on what the private developer will want. We've been working very diligently with our economic development director to find commercial uses. He is finding that interest.

The vast number of units that's being proposed is based on the density of the zoning that you adopted. It has a minimum of 30 units per acre and a maximum of 50 units per acre.

Councilman Ingemann - Not all of it is residential?

Ms. Taphorn - Correct and what gets built is based on what comes forward and what you approve.

Councilman Sumner - If we give you the TIF, you have the right to approve more housing.

Ms. Taphorn - We don't approve anything that is going to be built. Our role is to find the developers to bring a proposal to you. The market will determine who actually builds there. If a developer came to us and wanted to build a 4 story high rise, we know that's not your vision so we wouldn't encourage it.

Councilman Sumner - But you want that control.

Ms. Taphorn - My role is to do what was laid out in the joint powers agreement and what the City asked the CDA to do. How that's done isn't my decision.

Councilman Sumner - I heard you mention that there's opportunity to renegotiate the agreement, is that correct?

Ms. Taphorn - Yes, that's correct. We would be more than willing to look at amendments to those items.

Councilman Sumner - I think tonight, with a viable alternative in front of us, if we have the TIF, we can make the decision and they can go ahead. If we don't and you have control, we don't know when the next project will come forward.

Mayor Geraghty - We can create an independent TIF district for the proposed project outside of the County's TIF district. If we went with the County, they would need to get our approval for any other TIF district. We have control of establishing other TIF districts. We seem to have issues with the control of what goes in the TIF district.

Ms. Taphorn - You can have overlapping project areas but not overlapping TIF districts.

Mayor Geraghty - Dan indicated that some cities make their whole city a project area. What are the advantages and disadvantages of doing something like that.

Jason Aarsvold, Ehlers - The disadvantages of that would be to explaining why you did that. It gives you flexibility and we usually advise cities to do that because it allows you to take TIF from one district and spend it in another part of the city with a lot of restrictions. For instance, if it's a housing district and you take the money out, you need to use it for housing.

Kevin Haley, 3025 Bailey Road - I'm not in favor of the County controlling the TIF district. I read that Ehlers said there would be no cost to the City. If the County has control, there will be no money left to take on the 1,000 plus people that come in to the City because it'll be 26 years before that money is available. We were told by the County that the new apartment building would not have any TIF, which is untrue. Karla is on record of saying that we need this to build ridership. I'm not sure we're being told the whole truth. The scope has changed from a train to buses. The smell is also another big problem. Let's do something about that. I can smell it up on the bluff. I can't imagine that we're going to put children down there. We would not have any trouble to hire someone to manage it. That's what the County does. Everyone that is working at the HRA are hired through this money. There will be no money for 26 years for the children for the school. I'm definitely for putting in industrial/commercial.

Mayor Geraghty - The money isn't going to be available no matter who controls the TIF.

Mr. Haley - The other project that is being proposed is much shorter.

Mayor Geraghty - We can do both.

Mr. Haley - I would limit the ability to add that many bodies to our city.

Ms. Taphorn - I want to address the issue about the administrative fees. When you establish a TIF district, the entity can collect up to 10% of administrative costs but they need to be documented and includes consultant fees, legal fees, surveys, etc. The CDA has a very diverse budget with a lot of resources. We've been doing this for five years and the expenses for salaries and benefits haven't been coming from a TIF district. We have other resources to pay for our staff. This doesn't make or break our budget.

Councilman Lund - But there's been staff time that have been allocated to the TIF and we would have to talk about that if the City took over.

Ms. Taphorn - The way the budget is set up, TIF is one resource, our levy and grants are other resources. Most of the staff costs are paid from the levy because we'll need that 10% admin for the other costs that I described. If the County goes forward with the TIF district, that's not a cost you'll see in the reimbursement.

Ms. Buetow - Could you please clarify, you said the developer took into consideration of the safety of the children? How?

Ms. Taphorn - The developer owns a number of apartment buildings like this in a variety of places like this. They manage them very well.

Ms. Buetow - My concern also is that the City offers nothing for the children now. We have no parks for our children, we don't have an athletic program.

Mayor Geraghty - We have more parks than most cities.

Ms. Buetow - But what do teenagers do at the parks we have now. We need athletic programs.

Mayor Geraghty - That's a volunteer association.

Ms. Buetow - We have vacant buildings now that could be looked at for our children. We have one school, where will all these kids go to school? We'll pay for that with our taxes. I've complained numerous times about my road being repaired on 3rd Avenue.

Supt. Hanson - That'd be a reconstruction.

Ms. Buetow - This is the wrong place for an apartment for children. We have to take care of our own kids first.

Mayor Geraghty - There are people that will buy there just to look at the freeway and trains.

Mike Smithers, 1680 4th Avenue - We've had this land for sale for a long time and have tried to follow protocol with the City for what you want. We've had this property sold three different times and you wouldn't approve it. Mike came to us in April and I think he has a viable thing to approach the City with. I don't want that other TIF to affect this.

Mayor Geraghty - It won't affect you.

Councilman Lund - I don't know if that's completely true. The studies look at the amount of retail in the area. If we move on the Glen Road site, that'll limit the demand for retail at the other site. To the extent they have overlapping uses, that has to be considered. It's the role of the City Council to pick and choose what's important to the City at any given time. That's the most expensive part of town to redevelop. We have plenty of lots in town that could use less assistance to turn into something that could be an asset. If we're in control, we can choose projects that make the most sense for the residents at any given time. If we're working separately from the County, they'll march forward with that project and it'll limit the amount of TIF we can have. It'll restrict our ability to do things on 7th and Hastings where we can find a developer that is ready to go now. We can set out the parameters and know the cost upfront. Whether the County is doing it or we're doing

it up at the transit area, that's our money because if they weren't doing it up there, we could use it there or elsewhere. This project has gotten to be a lot bigger than it was. Giving that much authority to the County will affect the ability of future councils to decide what's best for the City. We should take control. I think it's important for us to have the final say and pick and choose what sites are best for a TIF district. We can't have half the town having its taxes deferred. The scope of this first project would limit the City's ability to make those investments in the future.

Ms. Taphorn - A couple years ago, the school district superintendent did come speak with the Council and was advocating for housing because they want to increase student enrollment. Councilman Lund, when you said the scope has increased, are you talking about the dollar amount?

Councilman Lund - Yes. The joint powers agreement said \$8 million and now we're up to \$26 million.

Ms. Taphorn - The scope of the project hasn't changed. I'll have Jason address the costs. The base value that is there now, you're collecting about \$17,000 for the proposed district and based on how they get set up, that becomes the base value.

Mr. Aarsvold - The numbers that have been thrown around were taken out of our TIF document. It's a planning document. We used that to build the budget based on what could be built out there. The budget in that TIF plan is assuming everything is built out in 4 years and has 3% inflation through the full 26 years. The district could potentially collect \$26 million. I think when we actually do the project, the numbers will look a lot different and it will depend on what gets built and how quickly it gets built. As we were talking about the redevelopment funding, it'll take about \$14 million to acquire, demolish, relocate, to get that full area ready. About half of that would be recouped through the sale of the land. It looks like \$6 million would be needed to repay the County or make it whole and \$1 million would come from the levy. To get there, it would take about 17.5 years, at that point, the district could be shut down. Our goal is to get it built as quick as we can, fund it to the extent necessary and then shut it down when it's complete.

Mayor Geraghty - To the point of it could be less than 26 years, could we shut it down? Who has that authority?

Attorney Knaak - It's a joint powers agreement, I don't think you could do it yourself, you both have to agree to it.

Councilman Lund - Is there a limit of qualified expenses? So you know the expenses very early.

Mr. Aarsvold - There are a couple default safeguards. After five years, you can't incur any new expenditures in the district. There's another piece that requires it to be decertified once the obligations are satisfied. I know it ends up leading to a lot of confusion when we have a large budget in our TIF plans, it's not necessarily representative of what will actually transpire.

Councilman Lund - That five year term starts at the capture of the increment right?

Mr. Aarsvold - It's the certification date of the district, when it's established.

Councilman Lund - You could delay the capture of the increment?

Mr. Aarsvold - Yes, and that's the intent, to delay that until 2020. The five year rule may fall along after that, I'll need to clarify that.

Councilman Lund - So depending on what he finds out, it could be nine years before they're done doing what they are doing and then it could be up to another 21 years of increment capturing. I'm not the expert but I thought five years was from capturing.

Mr. Aarsvold - I have to look at the statute.

Councilman Lund - If we can do both things at once, that's the kind of project we need because we have limited resources.

Councilman Ingemann - The City is liable for all of the costs that have gone towards this if they decide they don't want this.

Councilman Lund - I think there's a \$600,000 liability.

Councilman Ingemann - Do you have that in your back pocket?

Councilman Lund - The sale of the greenfields will pay for that.

Attorney Knaak - Will this be part of a TIF bond?

Mr. Aarsvold - The CDA's intent is to front all of the expenditures out of their own existing funds. There would be an interfund loan.

Attorney Knaak - How would that compare with market rates for bonds right now?

Mr. Aarsvold - The TIF statutes have a maximum interest rate and right now that's 4%. You have a lot more costs with the issuance of debt, the interfund loans are more efficient if you can do that.

Mayor Geraghty - Are the rates negotiable with us? What's the reality?

Mr. Aarsvold - We could look at that and get back to you.

Mr. Mularoni - The \$14 million is for land acquisition?

Mr. Aarsvold - I believe that's all of the redevelopment costs so getting it back down to raw land.

Mr. Mularoni - I'm just wondering what the real liability is for the City. I believe there's missing information to get you a good answer.

Ms. Taphorn - It's based on today's value. It includes site acquisition, relocation if needed, demolition, abatement, and then soft costs.

Ms. Schottmuller - While I was shopping, I got phone calls about this. I had no idea this was on the agenda. I have lived in Newport all my life. So much of that time, how often have we heard that Newport is a diamond in the rough? All of the other communities around us. Look at what South St. Paul has done with the stockyards. That doesn't come without sacrifice on the part of the citizens and Council. I really feel that how this vote goes will show whether you feel Newport has a future or not. Newport has historically, been very conservative with our budgets. You know that Mayor Geraghty, how we're constantly cutting and still have high property taxes. We've ignored the fact that we have to attract new businesses and development in order to have a better budget to provide better services. I pay \$5,000 annually on my property taxes. It has to stop at some point and it will when we get that new development. The transit station is our best bet at getting that. When I saw that you voted for that TIF district, I was happy. It needs to happen. The development will spur other development. When I was on the Council and we talked with other communities, they all said the first brick and mortar is hard to come by but it's important. I don't want to see Newport blow this. My three kids are in the gen x and millennial generation and I know personally what it will mean to have work force housing available to that generation. My kids and their peers struggle and I'm really in favor of that housing because it'll be my kids and their friends down there. Despite the fact that they've gone to college, they can't buy a \$300,000 home. I really hope that the three men that showed such future thinking and leadership continue to do so and that we still have three votes to establish that TIF district. If you don't, we'll continue to stagnate.

Councilman Sumner - If you look at the south end of town, a huge project is underway and that could be the kickstart we need without the high cost of the north end. There's also a proposal to put in something at the Dahlene site. I feel we need to have the City in charge of the TIF.

Mayor Geraghty - I'm hearing a lot of things. I agree we should have affordable housing but I don't want it to be overrun with housing. I'm hearing the control issue. I think we agree that we want a TIF in both areas, it's a matter of control. I would like to open up the joint powers agreement to toughen it up for our input. I've asked the attorney to explore that. This will be one of the toughest decisions I make before I leave office. I want to look back and say it was the right thing. I value the partnership we've had the last five years. I want some clarification before moving forward. I would like to turn down the motion to rescind and instead make a motion to reconsider it and table it until next meeting.

Councilman Lund - If we vote to reopen...

Attorney Knaak - The motion to reconsider is bringing it back and it's as if you had it in front of you again. The motion to rescind says that you'll undo what you did and are turning it down.

Councilman Lund - So if we pass the motion to reconsider, it means our old vote is not currently standing?

Attorney Knaak - Yes.

Councilman Lund - I would do a friendly amendment to have us reconsider it instead of rescind.

Motion by Lund, seconded by Sumner, to reconsider Resolution No. 2016-43 that was approved October 6, 2016. With 3 Ayes, Ingemann and Rahm voting Nay, the motion carried.

Motion by Geraghty, seconded by Sumner, to table Resolution No. 2016-43 to November 3, 2016. With 4 Ayes, Ingemann voting Nay, the motion carried.

Councilman Sumner - Where does that leave us with the alternate?

Mayor Geraghty - I would like to have Fritz review the joint powers agreement to allow us to have more input and control on the projects that the CDA brings forward. The Dahlene is a separate issue that we can talk about at the EDA meeting.

16. ADJOURNMENT

Motion by Geraghty, seconded by Sumner, to adjourn the regular City Council meeting at 7:49 p.m. With 5 Ayes, 0 Nays, the motion carried.

Signed: _____
Tim Geraghty, Mayor

Respectfully Submitted,

Renee Eisenbeisz
Assistant to the City Administrator

Recurring

Paid Chk# 000708E	FEDERAL TAXES	10/27/2016	\$6,153.89	SS, Federal & Medicare
Paid Chk# 000709E	MN REVENUE	10/27/2016	\$981.49	State taxes
Paid Chk# 000710E	MSRS	10/27/2016	\$2,379.99	H CSP & Vol. Retirement
Paid Chk# 000711E	SELECTACCOUNT	10/27/2016	\$692.07	HSPA
Paid Chk# 000712E	DELTA DENTAL OF MN	10/27/2016	\$781.10	Dental insurance
Paid Chk# 019041	MARCO INC.	10/20/2016	\$264.00	
Paid Chk# 019042	MINNESOTA BENEFIT ASSOC.	10/20/2016	\$148.97	Yokiel additional insurance
Paid Chk# 019043	DEB SCHULZ	10/20/2016	\$46.58	Mileage reimbursement
Paid Chk# 019044	COMCAST	10/27/2016	\$809.67	Phone, Internet and cable
Paid Chk# 019045	NCPERS MINNESOTA	10/27/2016	\$48.00	
Paid Chk# 019046	PERA	10/27/2016	\$3,643.25	
Paid Chk# 019047	SAMS CLUB DIRECT	10/27/2016	\$50.00	Member annual fee
Paid Chk# 019048	VERIZON	10/27/2016	\$306.12	
Paid Chk# 019049	XCEL ENERGY	10/27/2016	\$62.07	
Paid Chk# 019050	Holstad & Knaak, PLC	11/1/2016	\$5,200.00	
	Staff		\$15,492.82	

Non-recurring

Paid Chk# 019051	AGGREGATE INDUSTRIES MIDWEST	11/3/2016	\$124.53	Childs road
Paid Chk# 019052	APMP	11/3/2016	\$25.00	Conference fee
Paid Chk# 019053	COMMERCIAL ASPHALT CO.	11/3/2016	\$68.93	Dura Drive
Paid Chk# 019054	COMMERCIAL FURNITURE SERVICES	11/3/2016	\$420.25	Office supplies-chair
Paid Chk# 019055	CITY OF COTTAGE GROVE	11/3/2016	\$2,737.59	3rd quarter building permit fe
Paid Chk# 019056	DIETRICH ELECTRIC, INC	11/3/2016	\$342.38	Electrical inspections
Paid Chk# 019057	FIRE SAFETY USA, INC.	11/3/2016	\$249.00	Gas detector sensor
Paid Chk# 019058	GERLACH SERVICE, INC	11/3/2016	\$66.63	Saw repair
Paid Chk# 019059	GLOBE PRINTING & OFFICE SUPPLY	11/3/2016	\$100.15	Envelopes
Paid Chk# 019060	HAWKINS	11/3/2016	\$1,440.60	Chemicals and cylinders
Paid Chk# 019061	HOMELAND HEALTH SPECIALISTS	11/3/2016	\$51.00	Flu shots
Paid Chk# 019062	JOHN BARTL HARDWARE	11/3/2016	\$320.60	Supplies
Paid Chk# 019063	NORTHERN SAFETY TECH. INC.	11/3/2016	\$193.26	Flash tube reflectors
Paid Chk# 019064	SAFE-FAST, INC.	11/3/2016	\$137.30	Gloves
Paid Chk# 019065	WAKOTA MUTUAL AID	11/3/2016	\$50.00	Dues
Paid Chk# 019066	ZARNOTH BRUSH WORKS, INC.	11/3/2016	\$486.90	Sweeper
Paid Chk# 019067	ZYWIECS LANDSCAPE AND GARDEN	11/3/2016	\$60.00	Pumpkins for library project

\$43,934.14

LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:

- conducts lawful gambling on five or fewer days, and
- awards less than \$50,000 in prizes during a calendar year.

If total raffle prize value for the calendar year will be \$1,500 or less, contact the Licensing Specialist assigned to your county by calling 651-539-1900.

Application Fee (non-refundable)
Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**.
Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

ORGANIZATION INFORMATION

Organization Name: Cottage Grove Ducks Unlimited Previous Gambling Permit Number: 82007
Minnesota Tax ID Number, if any: _____ Federal Employer ID Number (FEIN), if any: _____
Mailing Address: 3115 Alden Pond Road
City: Eagan State: MN Zip: 55121 County: Dakota
Name of Chief Executive Officer (CEO): Sean Mussetter
Daytime Phone: (651)747-6569 Email: smussetter@outlook.com

NONPROFIT STATUS

Type of Nonprofit Organization (check one):
 Fraternal Religious Veterans Other Nonprofit Organization

Attach a copy of one of the following showing proof of nonprofit status:

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

- A current calendar year Certificate of Good Standing**
Don't have a copy? Obtain this certificate from:
MN Secretary of State, Business Services Division Secretary of State website, phone numbers:
60 Empire Drive, Suite 100 www.sos.state.mn.us
St. Paul, MN 55103 651-296-2803, or toll free 1-877-551-6767
- IRS income tax exemption (501(c)) letter in your organization's name**
Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS toll free at 1-877-829-5500.
- IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**
If your organization falls under a parent organization, attach copies of both of the following:
1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling, and
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): Tinucci's
Address (do not use P.O. box): 396 21st Street
City or Township: Newport Zip: 55055 County: Washington
Date(s) of activity (for raffles, indicate the date of the drawing): 11-10-2016
Check each type of gambling activity that your organization will conduct:
 Bingo Paddlewheels Pull-Tabs Tipboards
 Raffle (total value of raffle prizes awarded for the calendar year: \$0.00)

Gambling equipment for bingo paper, bingo boards, raffle boards, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo ball selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to www.mn.gov/gcb and click on **Distributors** under **List of Licensees**, or call 651-539-1900.

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)

**CITY APPROVAL
for a gambling premises
located within city limits**

- The application is acknowledged with no waiting period.
- The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).
- The application is denied.

Print City Name: _____

Signature of City Personnel: _____

Title: _____ Date: _____

The city or county must sign before submitting application to the Gambling Control Board.

**COUNTY APPROVAL
for a gambling premises
located in a township**

- The application is acknowledged with no waiting period.
- The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.
- The application is denied.

Print County Name: _____

Signature of County Personnel: _____

Title: _____ Date: _____

TOWNSHIP (if required by the county)

On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.213.)

Print Township Name: _____

Signature of Township Officer: _____

Title: _____ Date: _____

CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature: *Sean Mussetter* Date: 10-12-16
(Signature must be CEO's signature; designee may not sign)

Print Name: Sean Mussetter

REQUIREMENTS

Complete a separate application for:

- all gambling conducted on two or more consecutive days, or
- all gambling conducted on one day.

Only one application is required if one or more raffle drawings are conducted on the same day.

Financial report to be completed within 30 days after the gambling activity is done:

A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.

Your organization must keep all exempt records and reports for 3-1/2-years (Minn. Statutes, section 349.166, subd. 2(f)).

MAIL APPLICATION AND ATTACHMENTS

Mail application with:

- _____ a copy of your proof of nonprofit status, and
- _____ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**. Make check payable to **State of Minnesota**.

To: Minnesota Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113

Questions?

Call the Licensing Section of the Gambling Control Board at 651-539-1900.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the

application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Depart-

ment of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

This form will be made available in alternative format (i.e. large print, braille) upon request.



444 Cedar Street, Suite 1500
 Saint Paul, MN 55101
 651.292.4400
 tkda.com

Memorandum

To:	Newport City Council	Reference:	Proposed MX-5 Zoning District and Ordinance
Copies To:	Deb Hill, City Administrator		
	Renee Eisenbeisz, Assistant to the Administrator		
	Newport Planning Commission and City Council	Project No.:	16021.000
From:	Sherri Buss, RLA AICP, City Planner	Routing:	
Date:	October 26, 2016		

The Newport Planning Commission has recommended to the City Council that the City create a new MX-5 (Mixed Use Buffer) Zoning District between 3rd Street and 2nd Street and the Mississippi River and 5th Avenue. The Council will review the recommendations at its meeting on November 3. The new district is being created for the following reasons:

- The area of the District is now largely owned by Western Refining (formerly St. Paul Park Refinery). Only about a dozen non-refinery parcels remain in this district.
- The change to a commercial zoning classification will allow the City to collect a higher level of property taxes and fees for sewer and water for non-residential properties in the district than if the properties remain in a residential district and are vacant. The change to the commercial district will have a significant, positive impact on the City’s revenues. The City Administrator estimated that the City is currently losing \$40,000 per year in taxes and fees due to the conversion of former residential parcels with homes to vacant lots. If the area is rezoned to a commercial district, the City could recoup a portion of that amount—estimated at a current value of \$16,000.
- Discussions with the County Assessor’s Office and the regulations approved for the district can address the concerns that residents in the area raised at the August public hearing on the proposed district.
- Western Refining is agreeable to the new district, and has provided its suggestions for potential uses. The Refinery may be interested in developing new uses on some parcels adjacent to the Refinery.

Summary of Public Concerns and How They Will Be Addressed

The Planning Commission held a public hearing on proposed rezoning of the area north Western Refining to a new MX-5 District in August. The comments received at the public hearing included the following bullets, followed by information to address the concerns:

- Concerns that the change in zoning would affect the values of residential properties within and adjacent to the new district
 - *The Washington County Assessor's office has confirmed that a change in zoning district will not affect the value of residential parcels in or adjacent to the new MX-5 District. (More information is provided in the memo that was sent to residents on the new district.)*
- Concerns about maintenance and zoning violations (vehicle parking, trash, operating businesses in homes) in the area that are currently affecting the value of existing residential properties
 - *City staff responded that these issues should be reported to the City, and the City will follow up on violations.*
- The new zoning and uses could create additional traffic in the neighborhood
 - *The City would evaluate potential impacts based on any proposed new uses. Nonresidential uses would need to be setback at least 300 feet from any existing residences in or near the district, which would reduce traffic impacts on nearby homes. The City can also place conditions on traffic, hours of operation, etc., when approving new uses.*
- Allowing multifamily uses in the area could affect residential property values
 - *The Washington County Assessor's office confirmed that multifamily residential uses do not reduce the value of adjacent single-family homes*

Proposed MX-5 District

The proposed zoning amendment to create the new MX-5 District is attached. The dimensional requirements are similar to those in the other MX districts. The significant difference is the requirement that non-residential uses, except park and open space, must be setback at least 300 feet from existing residential uses and the common boundary with residential districts.

The Planning Commission has proposed the setback because it is concerned that existing homes in and near the MX-5 District be protected from potential impacts of the new uses that could be permitted in the District. Therefore, the Commission has proposed the following regulations for the new District to protect residential uses in and near the district:

- All non-residential uses would require a 300-foot setback from adjacent residential districts and existing residences within the district.
- Most of the new, non-residential uses will require Conditional Use Permits. This will allow the City to place conditions on the uses for screening, hours of operation, noise, traffic, and other potential impacts so that they can be managed to avoid impacting homes in the area.

The list of uses maintains single-family residences as a permitted use in the district, so that the remaining homes will continue to be conforming uses. It proposes that multifamily uses be permitted in the new district, and well as public facilities and a limited list of commercial uses such as biotechnology businesses, conference centers, convenience stores, offices, retail and services businesses, and warehousing.

Request for Council Action

The Planning Commission recommends that the Council approve the amendment to create the new MX-5 (Mixed Use Buffer) District.



Section 1350 - Non-residential Districts

1350.01 Scope.

Except as otherwise provided, this division applies to all non-residential and mixed-use districts in the City.

1350.02 Purpose of Business Districts.

Business districts shall be established to accomplish the general purpose of this Chapter and the Comprehensive Plan and for the following specific purposes:

- A. To group compatible business uses which will tend to draw trade that is naturally interchangeable and so promotes the business prosperity and public convenience;
- B. To provide an adequate supply of suitable land for businesses and professional services to meet the needs of the community and provide employment opportunities and significant tax base;
- C. To promote a high quality of business and commercial development and design that produces a positive visual image and minimizes the effects of traffic congestion noise, odor, glare, and similar problems.

1350.03 Specific intent of the Business Park/Office/Warehouse District.

The Business Park/Office/Warehouse District is intended to provide locations for office, warehouse, and related uses in a business park setting. Some accessory commercial services may also be a part of this land use type to serve the large employment base.

1350.04 Specific intent of the General Business District

The General Business District is intended to provide the opportunity for diverse businesses to take advantage of the City's location and access to major roadway corridors. The district is intended to provide locations for businesses that serve local and regional needs, and may include retail businesses, highway or automobile-oriented businesses, and quasi-industrial and wholesale enterprises that do not need an industrial setting, and can be designed or managed to be compatible with surrounding districts.

1350.05 Purpose of the Industrial Districts.

The industrial districts shall be established to accomplish the general purpose of this Chapter and the Comprehensive Plan and the following specific purposes:

- A. To provide employment opportunities;
- B. To group industrial uses in locations accessible to rail and highways, so that the movement of raw materials, finished products, and employees can be carried on efficiently;
- C. To separate traffic, noise, and other obtrusive characteristics of intense industrial activity from the more sensitive commercial, residential, and open space areas of the City.

1350.06 Specific intent of the I-1 Light Industrial District.

The specific intent of the I-1 Light Industrial District shall be to provide areas for the development of research laboratories, small-scale processing, fabricating, storage, manufacturing, and assembly of products. Such uses are non-polluting, not excessively noisy or dirty, limited traffic producers, and do not produce hazardous waste as by-products.

1350.07 Specific intent of the I-2 General Industrial District.

The specific intent of the I-2 General Industrial District shall be to provide areas adjacent to major thoroughfares and in areas where public utilities are available for the express use of industrial developments. Designation of industrial districts will help attract industry, thereby stabilizing the tax base and increasing employment in the City.

1350.08 Specific intent of the I-S Industrial Storage District.

The specific intent of the I-S Industrial Storage District shall be to provide areas bordering City limits and areas adequately buffered with open land to permit storage of petroleum products and other similar storage uses.

1350.09 Purpose of the Mixed-Use Districts.

The mixed-use districts shall be established to accomplish the general purposes outlined in the Comprehensive Plan and to foster a development pattern that encourages a mix of supportive residential and commercial uses, and supports a multi-modal transportation system that services all users. These districts will integrate places to live, shop, work and play. The mixed-use districts are intended to help shape Newport's downtown and small town identity.

1350.10 Specific intent of the MX-1 Downtown District.

The specific intent of the MX-1 Downtown Mixed Use District shall be to provide sites for small scale retail, commercial, office and service uses, and to support a mix of residential uses. District requirements and standards will create neighborhoods that are aesthetically pleasing, dense, safe, and walkable. This district is primarily intended to integrate residential uses with pedestrian-oriented commercial uses such as specialty retail stores, professional and financial services, offices, sit down restaurants, coffee shops, floral shops, etc. This district shall serve as the center for financial, commercial, professional, and entertainment activities. Inclusion of high density housing above commercial uses in this district will support commercial and entertainment uses and public transit services.

1350.11 Specific intent of the MX-2 Commercial District.

The specific intent of the MX-2 Commercial Mixed Use District shall be to provide areas that integrate diverse commercial and residential uses. Minimum lot sizes are larger than those in the Downtown District. Development is intended to be compatible with the scale of surrounding areas. Parking areas are restricted in this zone in order to limit the impact on the neighborhood and on areas that are visual gateways to the City.

1350.12 Specific intent of the MX-3 Transit-Oriented Mixed Use District

The specific intent of the MX-3 Transit-Oriented Mixed Use District is to encourage a mixture of residential, commercial, office, and civic uses in proximity to the commuter rail station at densities and intensities that support and increase transit use. The district is also intended to:

- A. Encourage a safe and pleasant pedestrian environment near the rail station, and limit conflicts between pedestrians and vehicles.
- B. Maximize access to transit.
- C. Encourage use of transit infrastructure.
- D. Provide parking in an efficient and unobtrusive manner
- E. Reduce parking requirements by encouraging shared parking and alternative modes of transportation.
- F. Encourage a sense of activity and liveliness along the street level of building facades.

1350.13 Specific intent of the MX-4 General Mixed Use District

The specific intent of the MX-General Mixed Use District is to provide for a mix of residential and commercial uses that provide for a long-term transition from the auto-oriented uses that exist in the district based on past frontage on Highway 61, to uses that are compatible with adjacent [Mixed-Use Districts and development of the Downtown character of Hastings Avenue residential and mixed use districts](#). The City anticipates that commercial uses will cluster on and near Hastings Avenue and the Glen Road interchange, and that over the long-term, residential [uses may become more dense densities may increase](#) in this zone.

1350.14 Specific intent of the MX-5 (Mixed Use Buffer District)

The specific intent of the MX-5 (Mixed Use Buffer District) is to provide for a mix of residential, commercial, and office uses that provide a transition area and buffer between industrial uses and nearby residential and mixed-use districts. The uses in the district must be compatible with nearby residential and mixed-use districts and district regulations include setbacks to improve compatibility with adjacent districts.

1350.15 Dimensional Requirements for lots and structures in non-residential districts

A. Non-residential district requirements

Requirements	MX-1	MX-2	MX-3	MX-4	<u>MX-5</u>	B-1 and B-2	I-1	I-2	I-S
Minimum lot area in square feet	2,400	4,000	None	2,400	<u>4,000</u>	15,000	30,000	30,000	30,000
Minimum lot depth in feet	80	100	None	80	<u>100</u>	150	200	200	200
Minimum lot width in feet	30	40	30	30	<u>40</u>	100	100	100	100
Maximum lot coverage by all buildings (%)—uses other than Single Family residential	80%	50 <u>75</u> %	None <u>75</u> %	80 <u>75</u> %	<u>75</u> %	30 <u>75</u> %	40 <u>75</u> %	50 <u>75</u> %	50 <u>75</u> %
Maximum lot coverage by all impervious surfaces (%)—Single-Family residential uses	35%	35%	35%	35%	<u>35</u> %	NA	NA	NA	NA
<i>Structure setback standards***</i>									
Minimum front yard setback	0	10**	0	0	<u>10</u>	20	20	20	50
Minimum front yard if across collector or minor street from any residential district	10	10**	10	10	<u>10</u>	50	50	50	100
Minimum side yard	0	5	5	5	<u>5</u>	10	20	20	50
Minimum side yard if adjacent to any residential	10	10	10	10	<u>10</u>	50	50	50	100

City of Newport

Section 1350 Non-Residential Districts

Requirements	MX-1	MX-2	MX-3	MX-4	<u>MX-5</u>	B-1 and B-2	I-1	I-2	I-S
district									
Minimum rear yard	20	20	20	20	<u>20</u>	20	20	20	50
Minimum rear yard if adjacent to any residential district	20	20	20	20	<u>20</u>	50	50	50	100
<i>Parking and driving aisle setback in feet</i>									
Minimum front yard	20	Not allowed	Not allowed	20	<u>Not allowed</u>	20	20	20	20
Minimum front yard if across collector or minor street from any R district	50	Not allowed	Not allowed	50	<u>Not allowed</u>	50	50	50	50
Minimum side yard	5	5	5	5	<u>5</u>	5	5	5	5
Minimum side yard for multifamily, commercial, or industrial uses if adjacent to any R district	20	20	20	30	<u>20</u>	30	30	30	30
Minimum rear yard	5	5	5	5	<u>5</u>	5	5	5	5
Minimum rear yard if adjacent to any R district	10	10	10	50	<u>10</u>	50	50	50	50
<i>Parking and driving aisle setback in feet</i>									
Maximum building height in feet*	40 3-sty	28 2-sty	See table B.,below	40	<u>40</u>	40	40	40	40
Maximum height of storage tank in IS district									55
Public utilities required, including sewer	Yes	Yes	Yes	Yes	<u>Yes</u>	Yes	Yes	Yes	Yes

*Maximum height may be increased upon issuance of a Conditional Use Permit. The setback requirements for increases in height adjacent to single-family residential uses included in this chapter apply.

** See section 1300.08 Exceptions to Front Yard Setbacks

***Structure setbacks for the MX-1 and MX-2 are as noted by the dimensional provisions unless otherwise specifically approved in a development plan as outlined in a Planned Unit Development.

B. Additional MX-3 District standards. The following requirements apply to all buildings or uses in an MX-3 District, unless otherwise specified:

<i>Height and Setbacks</i>	<i>Residential Townhouse</i>	<i>Residential Apt., Condo, Cooperative</i>	<i>Mixed-Use Building</i>	<i>Commercial, Civic, not in mixed-use building</i>
<i>Height</i>	<i>3 stories or 35 feet, whichever is less</i>	<i>2 stories minimum, 4 stories maximum*</i>	<i>2 stories minimum, 4 stories maximum*</i>	<i>No minimum, 4 stories or 40 feet maximum</i>
<i>Setbacks</i>	<i>Front: Maximum of 15 feet Side: 10 feet Rear: 15 feet</i>	<i>Front: Maximum of 15 feet Side: 10 feet Rear: 15 feet</i>	<i>Front: Maximum of 15 feet Side: 10 feet Rear: none required</i>	<i>Front: Maximum of 8 feet Side: 10 feet Rear: None required</i>

*Maximum height may be increased upon issuance of a Conditional Use Permit. Single-story buildings shall have a foot print of no more than 15,000 square feet.

C. Densities in the MX-3 District

- 1) The maximum residential density in the MX-3 District shall be 50 units per acre.
- 2) The minimum residential density in the MX-3 District shall be 30 units per acre.
- 3) The minimum net FAR (Floor Area Ratio) for residential and non-residential- uses shall be .5 FAR.

D. Additional requirements in the MX-5 District

- 1) All non-residential uses in the MX-5 district, except park and open space uses, shall be setback from the common boundary with Residential Zoning districts and from existing residential uses in the MX-5 district by a minimum of 300 feet.

1350.15 Uses in the Non-Residential Districts

A. Mixed Use Districts Uses

P=Permitted Use; C=Permitted with a Conditional Use Permit; N=Not Permitted; PUD=Permitted with a Planned Unit Development, sf=square feet

Use	MX-1	MX-2	MX-3	MX-4	MX-5
Residential Uses					
Single-family detached, one dwelling per lot	P	P	N	P	P
Single-family detached, more than one dwelling per lot	PUD	PUD	N	PUD	PUD
Two-family residences	P	P	N	P	P
Townhouse, rowhouse	P	P	P	P	P
Manufactured single-family dwelling	P	P	N	P	P
Mobile homes	N	N	N	N	N
Multi-Family, condos, apartments and cooperatives	P	P	P—less than 8 units; C—8 or more units	P	P
Congregate housing for senior populations	P	P	P	P	P
Homes for handicapped or infirm including group homes or halfway houses but not containing more than 6 unrelated persons	P	P	P	P	P
Mixed-Use (dwelling unit above ground floor)	P	P	P	P	P
Live-work building	C	C	C	C	C
PUD	PUD	PUD	PUD	PUD	PUD
Civic and Semi-Public Uses					
Day Care Facilities in Single Family Homes with 14 or fewer children being attended to	P	P	N	P	N
Day Care Facilities in Single Family Homes with more than 14 children being attended to	C	C	N	C	N
Day Care Facilities	C	C	C	C	N
Day Care Facilities in a mixed-use building	P	P	P	P	N
Essential services/public utilities	P	P	P	P	P
Funeral Home	C	C	C	C	N
Hospitals	C	C	C	C	N
Military reserve, national guard centers	C	N	N	N	N
Park and public recreation facilities	P	P	P	P	P
Parking Garage (as a principal use)	C	N	C	N	C
Parking Lot, Surface (as a principal use)	C	N	N	N	N
Penal/correctional facilities	N	N	N	N	N
Place of worship and associated facilities, except schools	C	C	C	C	C
Public Facilities including government offices, emergency services facilities, public works facilities, schools, libraries, museums, post offices and other municipally owned or operated facilities	C	C	C—50,000 sq ft maximum	C	C
Schools – trade, college, vocational, and associated facilities	C	C	C—50,000 sq ft maxi-	C	N

City of Newport

Section 1350 Non-Residential Districts

Use	MX-1	MX-2	MX-3	MX-4	MX-5
			mum		
Schools for business, trade, dancing, music	C	C	C	C	N
Social and fraternal clubs and lodges, union halls	P	P	C—10,000 sq ft maximum	P	C
Transit stations and related parking facilities	C	C	C	C	N
Commercial Uses					
Administrative support services	P	P	P	P	P
Adult Uses	N	N	N	N	N
Animal boarding, grooming, veterinary clinics, retail sales	C	C	C—10,000 sq ft maximum	C	C—10,000 sq ft max
Artist studios	P	P	P	P	N
Auto body repair and major auto repair, towing services	C	N	N	N	N
Automotive services, car specialty services (not including body repair or major repair)	C	C	C—Maximum 4 repair bays	C	N
Bakeries, delicatessens, coffee shops	P	P	P	P	N
Bakeries, wholesale	P	C	C	C	N
Bed and Breakfast	P	P	N	P	P
Biotechnology	P	P	P	P	P
Brew on premises store	P	P	P 10,000 sf maximum	P	N
Brewery, craft	P/C*	P/C*	P/C*	P/C*	N
Building materials and services	C	N	N	N	N
Catalog and mail order	P	P	P	P	N
Conference Center, 50,000 square feet or less	C	C	C	C	C
Convenience stores	P	P	P	P	C
Data centers	C	C	C	C	C
Entertainment/amusement halls, bowling alley, indoor skating rink	P	P	C	C	N
Fabrication of apparel, leather products and other products from prepared products	P	C	P	C	N
Fabrication of office and computer equipment	P	P	P	P	N
Financial services	P	P	P	P	N
Fitness and recreation centers, in a mixed-use building	C	C	C	C	N
Gas, diesel or other motor fuel retail sales	C	C	N	C	C
Grocery and produce sales	C	C	C—50,000 sq ft maximum	C	N
Industrial Buffer	N	N	N	N	
Internet publishing and broadcasting	P	P	P	P	N
Medical, dental, or veterinary clinics and laboratories	C	C	C—10,000 sq ft maximum	C	N
Medical appliance assembly	P	P	P	P	N
Motion picture and sound recording industries	C	C	C	C	N
Offices – general, medical, professional, free-standing, or mixed-use building	P	P	P--to 10,000 sq ft;	P	P

City of Newport

Section 1350 Non-Residential Districts

Use	MX-1	MX-2	MX-3	MX-4	<u>MX-5</u>
			C—larger than 10,000 sq ft		
Printing, publishing, bookbinding, blueprinting	C	C	C	C	<u>N</u>
Processing and packaging of drugs, pharmaceuticals, perfumes and cosmetics	C	C	P	C	<u>N</u>
Retail and service establishments, free-standing, or mixed-use building	P	P	P--to 10,000 sq ft; C—10,000 to 50,000 sq ft maximum	P	<u>P—to 10,000 sq ft; C—to 50,000 sq ft</u>
Research, development and testing laboratory	C	C	C	C	<u>C</u>
Restaurants, including open air or sidewalk cafes, freestanding or in mixed-use buildings—no liquor served	P	P	P	P	<u>N</u>
Restaurants, including open air or sidewalk cafes, freestanding or in mixed-use buildings—liquor served, including a small brewery or winery as an accessory use	C	C	C	C	<u>N</u>
Restaurants with drive-through service	C	C	C	C	<u>N</u>
Service businesses, such as beauty shops, barbershops, dry-cleaning, drop-off/pickup (no on-site processing) in mixed-use buildings	P	P	P	P	<u>P</u>
Small scale manufacturing and artisans	P	P	P—5,000 sq ft or less; C—5,000 to 10,000 sq ft	P	<u>P</u>
Theaters (with structured parking)	P	P	P	P	<u>N</u>
Theaters	C	C	C	C	<u>N</u>
Towing services (no outside storage of vehicles)	P	C	P	C	<u>C</u>
Vehicle sales, display and service	C	N	N	N	<u>N</u>
Vehicle Storage Lot	N	N	N	N	<u>C</u>
Warehousing as a primary use	N	N	N	N	<u>C</u>
Accessory Uses					
Drive up facilities	C	C	C	C	<u>C</u>
Gazebo, arbor, play equipment in public or private open space area	P	P	P	P	<u>P</u>
Outdoor sales, in conjunction with permitted use	C	C	N	C	<u>N</u>
Renewable energy system	P	P	P	P	<u>P</u>
Rental of vehicles (with limited outside storage)	C	C	C	C	<u>N</u>
Parking lot, as an accessory use	C	C	C	C	<u>P</u>
Swimming Pool	P	P	P	P	<u>N</u>

- Brewery, Craft—in MX Districts, a conditional use permit is required for one or both of the following:
 - a. A Craft Brewery with more than fifteen thousand (15,000) square feet of floor area to ensure size and design compatibility with the particular location.
 - b. A Craft Brewery that manufactures more than five thousand (5,000) barrels of malt liquor a year in order to ensure operational and design compatibility with the particular location.

B. Business and Industrial District Uses

P=Permitted Use; C=Permitted with a Conditional Use Permit; N=Not Permitted, sf=square feet

Use	B-1	B-2	I-1	I-2	I-S
Civic and Public Uses					
Airports	N	N	C	C	N
Cemetery and/or crematorium	C	N	N	N	N
Day care centers	C	C	C	C	C
Day care centers in a mixed-use building	P	P	C	C	C
Essential services/public utilities	P	P	P	P	P
Funeral Home	P	P	N	N	N
Hospitals	C	C	N	N	N
Medical Clinics	P	P	N	N	N
Military reserve, national guard centers	C	C	N	N	N
Park and public recreation facilities	P	P	P	P	P
Parking Garage (as a principal use)	C	C	N	N	N
Parking Lot, Surface (as a principal use)	N	C	P	P	P
Penal/correctional facilities	N	N	C	C	N
Place of worship and associated facilities, except schools	P	P	N	N	N
Post Office	P	P	N	N	N
Public Facilities including government offices, emergency services facilities, public works facilities, schools, libraries, museums, and other municipally owned or operated facilities	C	C	C	C	C
Sanitary landfill	N	N	C	C	N
Schools-trade, college, vocational, and associated facilities	P	P	C	N	N
Schools for business, trade, dancing, music	C	C	C	N	N
Social, Fraternal clubs and lodges, union halls	P	P	N	N	N
Transit stations and related parking facilities	C	C	N	N	N
Commercial Uses					
Adult uses (bookstore, theater, nightclub, nude or partially nude dancing)	N	N	N	C	C
Animal boarding, grooming, retail sales	N	C	N	N	N
Auto painting and body work	N	N	C	N	N
Auto storage	N	C	C	P	C
Bakery, wholesale	N	C	N	N	N
Biotechnology businesses	C	C	N	N	N
Brewery, craft	P	P	P	N	N
Building materials and services	N	C	N	N	N
Commercial greenhouse operations	C	C	P	N	N
Convenience stores	P	P	N	N	N
Data centers	N	C	N	N	N

City of Newport

Section 1350 Non-Residential Districts

Use	B-1	B-2	I-1	I-2	I-S
Distillery, craft	P	P	P	N	N
Fabrication of apparel, leather products and products from prepared products	N	P	N	N	N
Fabrication of office and computer equipment	N	P	N	N	N
Gas, diesel or other motor fuel retail sales	P	P	N	N	N
Hotels, motels	P	P	N	N	N
<u>Industrial Buffer</u>	<u>N</u>	<u>N</u>	<u>P</u>	<u>P</u>	<u>P</u>
Medical, dental or veterinary clinics and laboratories	N	C	N	N	N
Printing, publishing, bookbinding, blueprinting	N	C	N	N	N
Processing and packaging of drugs, pharmaceuticals, perfumes and cosmetics	N	C	N	N	N
Restaurants, traditional or liquor served; bar and grill	P	P	N	N	N
Salvage yards (auto or scrap iron)	N	N	N	P	N
Small brewery or winery as an accessory use to a bar or restaurant	P	P	P	N	N
Storage, mini-storage, cold-storage	N	N	N	N	P
Vehicle Sales, display and Service	N	C	N	N	N
Vehicle Storage Lot	N	C	N	N	N
Veterinary clinic, animal hospital	C	C	P	N	N
Wholesale sales	P	P	N	N	N
Winery, craft	P	P	P	N	N
Warehouse and Industrial Uses					
Manufacturing	C	C	P	P	N
Micro- and regional brewery	N	P	P	N	N
Retail sale, installation and remanufacturing of vehicle parts and accessories	N	N	P	N	N
Storage and distribution of bulk petroleum products, oil and gasoline	N	N	N	N	C
Storage, mini-storage, cold storage	N	N	N	N	P
Warehousing	C	C	P	P	N
Accessory Uses					
Outdoor sales, in conjunction with a permitted use	N	C	N	N	N
Renewable energy system	P	P	P	P	P
Parking lot, as an accessory use	P	P	P	P	P

**CITY OF NEWPORT
ORDINANCE 2016-9**

**AN ORDINANCE OF THE CITY OF NEWPORT, MINNESOTA, AMENDING THE ZONING CODE,
SECTIONS 1330 GENERAL DISTRICT REGULATIONS AND 1350 NONRESIDENTIAL DISTRICTS
AND AMENDING THE ZONING MAP**

THE CITY COUNCIL OF THE CITY OF NEWPORT, MINNESOTA, HEREBY ORDAINS THAT:

Section 1330 General District Regulations

1330.01 District Classification.

In order to implement the Comprehensive Plan and achieve an orderly development pattern that protects the health, safety, and general welfare of the City of Newport, its residents, and business community, and minimizes development impacts on the environment, the city is hereby divided into the following zoning districts:

1330.01.1 Residential Districts

- RE Residential Estate
- R-1A River Residential District
- R-1 Low Density Single Family Residential District
- R-2 Medium Density Residential District
- R-3 High Density Residential District

1330.01.2 Nonresidential Districts

- B-1 Business Park/Office/Warehouse
- B-2 General Business
- I-1 Light Industrial District
- I-2 General Industrial District
- I-S Industrial Storage District

1330.01.3 Mixed Use Districts

- MX-1 Downtown Mixed Use District
- MX-2 Commercial Mixed Use District
- MX-3 Transit-Oriented Mixed Use District
- MX-4 General Mixed Use District
- MX-5 Mixed Use Buffer District

1330.01.4 Planned Unit Developments (PUD)

1330.01.5 Special Overlay Districts

- Shoreland Management District
- Critical Area Overlay District
- Flood Plain Management District
 - Floodway
 - Floodfringe
- Bluffland Area Overlay District
- Conservation Residential Overlay District
- River Redevelopment Overlay District

Section 1350 Nonresidential Districts

1350.01 Scope.

1350.02 Purpose of Business Districts.

1350.03 Specific intent of the Business Park/Office/Warehouse District.

1350.04 Specific intent of the General Business District

1350.05 Purpose of the Industrial Districts.

1350.06 Specific intent of the I-1 Light Industrial District.

1350.07 Specific intent of the I-2 General Industrial District.

1350.08 Specific intent of the I-S Industrial Storage District.

1350.09 Purpose of the Mixed-Use Districts.

1350.10 Specific intent of the MX-1 Downtown District.

1350.11 Specific intent of the MX-2 Commercial District.

1350.12 Specific intent of the MX-3 Transit-Oriented Mixed Use District

1350.13 Specific intent of the MX-4 General Mixed Use District

The specific intent of the MX-General Mixed Use District is to provide for a mix of residential and commercial uses that provide for a long-term transition from the auto-oriented uses that exist in the district based on past frontage on Highway 61, to uses that are compatible with adjacent residential and mixed use districts. The City anticipates that commercial uses will cluster on and near Hastings Avenue and the Glen Road interchange, and that over the long-term, residential densities may increase in this zone.

1350.14 Specific intent of the MX-5 (Mixed Use Buffer District)

The specific intent of the MX-5 (Mixed Use Buffer District) is to provide for a mix of residential, commercial, and office uses that provide a transition area and buffer between industrial uses and nearby residential and mixed-use districts. The uses in the district must be compatible with nearby residential and mixed-use districts and district regulations include setbacks to improve compatibility with adjacent districts.

1350.15 Dimensional Requirements for lots and structures in non-residential districts

A. Non-residential district requirements

Requirements	MX-1	MX-2	MX-3	MX-4	MX-5	B-1 and B-2	I-1	I-2	I-S
Minimum lot area in square feet	2,400	4,000	None	2,400	4,000	15,000	30,000	30,000	30,000
Minimum lot depth in feet	80	100	None	80	100	150	200	200	200
Minimum lot width in feet	30	40	30	30	40	100	100	100	100
Maximum lot coverage	80%	75%	75%	75%	75%	75%	75%	75%	75%
Maximum lot coverage by all impervious surfaces (%)—Single-Family residential uses	35%	35%	35%	35%	35%	NA	NA	NA	NA
<i>Structure setback standards***</i>									
Minimum front yard setback	0	10**	0	0	10	20	20	20	50

*Maximum height may be increased upon issuance of a Conditional Use Permit. The setback requirements for increases in height adjacent to single-family residential uses included in this chapter apply.

** See section 1300.08 Exceptions to Front Yard Setbacks

***Structure setbacks for the MX-1 and MX-2 are as noted by the dimensional provisions unless otherwise specifically approved in a development plan as outlined in a Planned Unit Development.

B. Additional MX-3 District standards. The following requirements apply to all buildings or uses in an MX-3 District, unless otherwise specified:

Height and Setbacks	Residential Townhouse	Residential Apt., Condo, Cooperative	Mixed-Use Building	Commercial, Civic, not in mixed-use building
Height	3 stories or 35 feet, whichever is less	2 stories minimum, 4 stories maximum*	2 stories minimum, 4 stories maximum*	No minimum, 4 stories or 40 feet maximum
Setbacks	Front: Maximum of 15 feet Side: 10 feet Rear: 15 feet	Front: Maximum of 15 feet Side: 10 feet Rear: 15 feet	Front: Maximum of 15 feet Side: 10 feet Rear: none required	Front: Maximum of 8 feet Side: 10 feet Rear: None required

*Maximum height may be increased upon issuance of a Conditional Use Permit. Single-story buildings shall have a foot print of no more than 15,000 square feet.

C. Densities in the MX-3 District

- 1) The maximum residential density in the MX-3 District shall be 50 units per acre.
- 2) The minimum residential density in the MX-3 District shall be 30 units per acre.
- 3) The minimum net FAR (Floor Area Ratio) for residential and non-residential uses shall be .5 FAR.

D. Additional requirements in the MX-5 District

- 1) All non-residential uses in the MX-5 district, except park and open space uses, shall be setback from the common boundary with Residential Zoning districts and from existing residential uses in the MX-5 district by a minimum of 300 feet.

1350.16 Uses in the Non-Residential Districts

A. Mixed Use Districts Uses

P=Permitted Use; C=Permitted with a Conditional Use Permit; N=Not Permitted; PUD=Permitted with a Planned Unit Development, sf=square feet

Use	MX-1	MX-2	MX-3	MX-4	MX-5
Residential Uses					
Single-family detached, one dwelling per lot	P	P	N	P	P
Single-family detached, more than one dwelling per lot	PUD	PUD	N	PUD	PUD
Two-family residences	P	P	N	P	P
Townhouse, rowhouse	P	P	P	P	P
Manufactured single-family dwelling	P	P	N	P	P
Mobile homes	N	N	N	N	N

Use	MX-1	MX-2	MX-3	MX-4	MX-5
Multi-Family, condos, apartments and cooperatives	P	P	P—less than 8 units; C—8 or more units	P	P
Congregate housing for senior populations	P	P	P	P	P
Homes for handicapped or infirm including group homes or halfway houses but not containing more than 6 unrelated persons	P	P	P	P	P
Mixed-Use (dwelling unit above ground floor)	P	P	P	P	P
Live-work building	C	C	C	C	C
PUD	PUD	PUD	PUD	PUD	PUD
Civic and Semi-Public Uses					
Day Care Facilities in Single Family Homes with 14 or fewer children being attended to	P	P	N	P	N
Day Care Facilities in Single Family Homes with more than 14 children being attended to	C	C	N	C	N
Day Care Facilities	C	C	C	C	N
Day Care Facilities in a mixed-use building	P	P	P	P	N
Essential services/public utilities	P	P	P	P	P
Funeral Home	C	C	C	C	N
Hospitals	C	C	C	C	N
Military reserve, national guard centers	C	N	N	N	N
Park and public recreation facilities	P	P	P	P	P
Parking Garage (as a principal use)	C	N	C	N	C
Parking Lot, Surface (as a principal use)	C	N	N	N	N
Penal/correctional facilities	N	N	N	N	N
Place of worship and associated facilities, except schools	C	C	C	C	C
Public Facilities including government offices, emergency services facilities, public works facilities, schools, libraries, museums, post offices and other municipally owned or operated facilities	C	C	C—50,000 sq ft maximum	C	C
Schools – trade, college, vocational, and associated facilities	C	C	C—50,000 sq ft maximum	C	N
Schools for business, trade, dancing, music	C	C	C	C	N
Social and fraternal clubs and lodges, union halls	P	P	C—10,000 sq ft maximum	P	C
Transit stations and related parking facilities	C	C	C	C	N
Commercial Uses					
Administrative support services	P	P	P	P	P
Adult Uses	N	N	N	N	N
Animal boarding, grooming, veterinary clinics, retail sales	C	C	C—10,000 sq ft maximum	C	C—10,000 sq ft max
Artist studios	P	P	P	P	N
Auto body repair and major auto repair, towing services	C	N	N	N	N
Automotive services, car specialty services (not including body repair or major repair)	C	C	C—Maximum 4	C	N

Use	MX-1	MX-2	MX-3	MX-4	MX-5
			repair bays		
Bakeries, delicatessens, coffee shops	P	P	P	P	N
Bakeries, wholesale	P	C	C	C	N
Bed and Breakfast	P	P	N	P	P
Biotechnology	P	P	P	P	P
Brew on premises store	P	P	P 10,000 sf maximum	P	N
Brewery, craft	P/C*	P/C*	P/C*	P/C*	N
Building materials and services	C	N	N	N	N
Catalog and mail order	P	P	P	P	N
Conference Center, 50,000 square feet or less	C	C	C	C	C
Convenience stores	P	P	P	P	C
Data centers	C	C	C	C	C
Entertainment/amusement halls, bowling alley, indoor skating rink	P	P	C	C	N
Fabrication of apparel, leather products and other products from prepared products	P	C	P	C	N
Fabrication of office and computer equipment	P	P	P	P	N
Financial services	P	P	P	P	N
Fitness and recreation centers, in a mixed-use building	C	C	C	C	N
Gas, diesel or other motor fuel retail sales	C	C	N	C	C
Grocery and produce sales	C	C	C—50,000 sq ft maximum	C	N
Industrial Buffer	N	N	N	N	
Internet publishing and broadcasting	P	P	P	P	N
Medical, dental, or veterinary clinics and laboratories	C	C	C—10,000 sq ft maximum	C	N
Medical appliance assembly	P	P	P	P	N
Motion picture and sound recording industries	C	C	C	C	N
Offices – general, medical, professional, free-standing, or mixed-use building	P	P	P--to 10,000 sq ft; C—larger than 10,000 sq ft	P	P
Printing, publishing, bookbinding, blueprinting	C	C	C	C	N
Processing and packaging of drugs, pharmaceuticals, perfumes and cosmetics	C	C	P	C	N
Retail and service establishments, free-standing, or mixed-use building	P	P	P--to 10,000 sq ft; C—10,000 to 50,000 sq ft maximum	P	P—to 10,000 sq ft; C—to 50,000 sq ft
Research, development and testing laboratory	C	C	C	C	C
Restaurants, including open air or sidewalk cafes, freestanding or in mixed-use buildings—no liquor served	P	P	P	P	N

Use	MX-1	MX-2	MX-3	MX-4	MX-5
Restaurants, including open air or sidewalk cafes, freestanding or in mixed-use buildings—liquor served, including a small brewery or winery as an accessory use	C	C	C	C	N
Restaurants with drive-through service	C	C	C	C	N
Service businesses, such as beauty shops, barbershops, dry-cleaning, drop-off/pickup (no on-site processing) in mixed-use buildings	P	P	P	P	P
Small scale manufacturing and artisans	P	P	P—5,000 sq ft or less; C—5,000 to 10,000 sq ft	P	P
Theaters (with structured parking)	P	P	P	P	N
Theaters	C	C	C	C	N
Towing services (no outside storage of vehicles)	P	C	P	C	C
Vehicle sales, display and service	C	N	N	N	N
Vehicle Storage Lot	N	N	N	N	C
Warehousing as a primary use	N	N	N	N	C
Accessory Uses					
Drive up facilities	C	C	C	C	C
Gazebo, arbor, play equipment in public or private open space area	P	P	P	P	P
Outdoor sales, in conjunction with permitted use	C	C	N	C	N
Renewable energy system	P	P	P	P	P
Rental of vehicles (with limited outside storage)	C	C	C	C	N
Parking lot, as an accessory use	C	C	C	C	P
Swimming Pool	P	P	P	P	N

- Brewery, Craft—in MX Districts, a conditional use permit is required for one or both of the following:
 - a. A Craft Brewery with more than fifteen thousand (15,000) square feet of floor area to ensure size and design compatibility with the particular location.
 - b. A Craft Brewery that manufactures more than five thousand (5,000) barrels of malt liquor a year in order to ensure operational and design compatibility with the particular location.

B. Business and Industrial District Uses

P=Permitted Use; C=Permitted with a Conditional Use Permit; N=Not Permitted, sf=square feet

Use	B-1	B-2	I-1	I-2	I-S
Civic and Public Uses					
Airports	N	N	C	C	N
Cemetery and/or crematorium	C	N	N	N	N
Day care centers	C	C	C	C	C
Day care centers in a mixed-use building	P	P	C	C	C
Essential services/public utilities	P	P	P	P	P
Funeral Home	P	P	N	N	N
Hospitals	C	C	N	N	N
Medical Clinics	P	P	N	N	N
Military reserve, national guard centers	C	C	N	N	N
Park and public recreation facilities	P	P	P	P	P

Use	B-1	B-2	I-1	I-2	I-S
Parking Garage (as a principal use)	C	C	N	N	N
Parking Lot, Surface (as a principal use)	N	C	P	P	P
Penal/correctional facilities	N	N	C	C	N
Place of worship and associated facilities, except schools	P	P	N	N	N
Post Office	P	P	N	N	N
Public Facilities including government offices, emergency services facilities, public works facilities, schools, libraries, museums, and other municipally owned or operated facilities	C	C	C	C	C
Sanitary landfill	N	N	C	C	N
Schools-trade, college, vocational, and associated facilities	P	P	C	N	N
Schools for business, trade, dancing, music	C	C	C	N	N
Social, Fraternal clubs and lodges, union halls	P	P	N	N	N
Transit stations and related parking facilities	C	C	N	N	N
Commercial Uses					
Adult uses (bookstore, theater, nightclub, nude or partially nude dancing)	N	N	N	C	C
Animal boarding, grooming, retail sales	N	C	N	N	N
Auto painting and body work	N	N	C	N	N
Auto storage	N	C	C	P	C
Bakery, wholesale	N	C	N	N	N
Biotechnology businesses	C	C	N	N	N
Brewery, craft	P	P	P	N	N
Building materials and services	N	C	N	N	N
Commercial greenhouse operations	C	C	P	N	N
Convenience stores	P	P	N	N	N
Data centers	N	C	N	N	N
Distillery, craft	P	P	P	N	N
Fabrication of apparel, leather products and products from prepared products	N	P	N	N	N
Fabrication of office and computer equipment	N	P	N	N	N
Gas, diesel or other motor fuel retail sales	P	P	N	N	N
Hotels, motels	P	P	N	N	N
Industrial Buffer	N	N	P	P	P
Medical, dental or veterinary clinics and laboratories	N	C	N	N	N
Printing, publishing, bookbinding, blueprinting	N	C	N	N	N
Processing and packaging of drugs, pharmaceuticals, perfumes and cosmetics	N	C	N	N	N
Restaurants, traditional or liquor served; bar and grill	P	P	N	N	N
Salvage yards (auto or scrap iron)	N	N	N	P	N
Small brewery or winery as an accessory use to a bar or restaurant	P	P	P	N	N
Storage, mini-storage, cold-storage	N	N	N	N	P
Vehicle Sales, display and Service	N	C	N	N	N
Vehicle Storage Lot	N	C	N	N	N
Veterinary clinic, animal hospital	C	C	P	N	N
Wholesale sales	P	P	N	N	N
Winery, craft	P	P	P	N	N

Use	B-1	B-2	I-1	I-2	I-S
Warehouse and Industrial Uses					
Manufacturing	C	C	P	P	N
Micro- and regional brewery	N	P	P	N	N
Retail sale, installation and remanufacturing of vehicle parts and accessories	N	N	P	N	N
Storage and distribution of bulk petroleum products, oil and gasoline	N	N	N	N	C
Storage, mini-storage, cold storage	N	N	N	N	P
Warehousing	C	C	P	P	N
Accessory Uses					
Outdoor sales, in conjunction with a permitted use	N	C	N	N	N
Renewable energy system	P	P	P	P	P
Parking lot, as an accessory use	P	P	P	P	P

1350.17 Administrative Procedure for Re-Zoning in the Non-residential Districts

1350.18 Administrative Procedure for Site Plan Review in the Non-residential Districts and Additional Procedures for Development in the MX-3 District

1350.19 Performance Standards for Non-residential Districts

1350.20 Additional Performance Standards for the MX-3 District

The foregoing Ordinance was moved by Councilmember _____ and seconded by Councilmember _____.

The following Councilmembers voted in the affirmative:

The following Councilmembers voted in the negative:

Effective Date

This Ordinance becomes effective upon its passage and publication according to law.

Adopted by the City Council of the City of Newport, Minnesota on the 3rd day of November, 2016.

Signed: _____
Tim Geraghty, Mayor

Attest: _____
Deb Hill, City Administrator

FIRST AMENDMENT TO JOINT POWERS AGREEMENT

THIS FIRST AMENDMENT TO JOINT POWERS AGREEMENT (this “Amendment”) is made as of the _____ day of _____, 2016, by and between the City of Newport, Minnesota, a Minnesota municipal corporation (the “City”), and the Washington County Community Development Agency, a public body corporate and politic of the State of Minnesota (the “CDA”), formerly known as the Washington County Housing and Redevelopment Authority, pursuant to the authority granted in Paragraph 11 of the original Joint Powers Agreement as noted herein.

RECITALS

- A. This Amendment amends the Joint Powers Agreement dated June 21, 2012, between City and CDA (the “Agreement”) and is done in conformance to the authority and procedure to amend as stated in Paragraph 11 of the Agreement.
- B. The CDA changed its name on June 29, 2016. All references to “HRA” in the Agreement are amended to read “CDA”.
- C. Paragraph 6 (a) shall be amended to include the following language:
 - “(vii) meet at least annually with the City to review past actions and developments and take any necessary steps or actions on current or future development of the “Red Rock Gateway” or the “Gateway Area.”
 - “(viii) shall quarterly provide the City with a Financial Status Report of actual sources and uses of funds associated with the TIF and project area.
- D. Paragraph 6 (b) shall be amended to include the following language:
 - “(i) approve, disapprove, or otherwise provide comment or feedback on private developer selection, if any, through such involvement as the City may determine;
 -
 - (iv) reasonably cooperate regarding required municipal approvals, permits and the like, for any development, provided that nothing in this provision requires the City to grant such approvals, permits and the like for any project for which it has not approved a private developer under 6(b)(i) above, or a development which the City determines, in its discretion, not to be appropriate and in the interest of the City, subject to the City’s authority and powers under applicable law in respect of such municipal approvals, permits and the like
 - (v) Meet at least annually with the CDA to review past actions and developments and take any necessary steps or actions on current or future development of the “Red Rock Gateway” or the “Gateway Area.”

IN WITNESS, WHEREOF, the City of Newport, Minnesota and the Washington County Community Development Agency have each caused this Amendment to be executed on its behalf by their duly authorized officers.

CITY OF NEWPORT, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

WASHINGTON COUNTY COMMUNITY
DEVELOPMENT AGENCY

By _____
Its Chair

By _____
Its Executive Director

RESOLUTION NO. 2016-43

A RESOLUTION OF THE CITY OF NEWPORT, MINNESOTA SUPPORTING A PROPOSED REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT IN THE CITY OF NEWPORT, MINNESOTA BY THE WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

WHEREAS, the City of Newport (the “City”) and the Washington County Community Development Agency (the “Agency”) entered into a Joint Powers Agreement (the “Agreement”) dated June 21, 2012 to create a transit oriented neighborhood through the redevelopment of the Red Rock Crossing area; and

WHEREAS, the cost of the relocation, demolition, site preparation, mass grading, installation of public utilities, streets and sidewalks are in excess of the value of the property; and

WHEREAS, the Agreement identified tax increment financing (the “TIF”) as one source of funding to implement the redevelopment activities; and

WHEREAS, in preparation for the future creation of TIF districts, the Agency modified the Redevelopment Plan for Redevelopment Project No. 2 (the “Project Area”) to include the parcels in Red Rock Crossing and other contiguous parcels in the city of Newport pursuant to and in accordance with Minnesota Statutes, Sections 469.001 to 469.047 and Laws of Minnesota 1974 chapter 475, Laws of Minnesota 2012, Chapter 199 and Minnesota Statutes Sections 469.174 to 469.179 as amended and supplemented from time to time; and

WHEREAS, the Agency has identified contiguous parcels that qualify as a Redevelopment TIF District and intend to establish the, Red Rock Crossing Area TIF District (the “District”); and

WHEREAS, the City finds that certification of the District, and the carrying out of redevelopment activities by the Agency in the Red Rock Crossing Project Area, would be in the public interest and would afford substantial benefit to the residents, businesses, citizens and taxpayers of the City.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Newport, Washington County, Minnesota as follows:

1. The City supports the creation of the District described above
2. Finds creation of the District will further redevelopment activities by the Agency in the Red Rock Crossing Redevelopment Area on behalf of the City of Newport; and
3. The Agency is hereby authorized to take all actions necessary to create such tax increment financing district and related tax increment financing plan on the property described on Attachment A.

Adopted this 6th day of October, 2016 by the Newport City Council.

Motion by: _____, Seconded by: _____

VOTE:	Geraghty	_____
	Ingemann	_____
	Sumner	_____
	Rahm	_____
	Lund	_____

Signed: _____
Tim Geraghty, Mayor

ATTEST: _____
Deb Hill, City Administrator

ATTACHMENT A

Red Rock Corridor TIF District Parcels

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Proposed Newport Tax Increment Financing District Boundaries





Memo

To: Deb Hill, City Administrator
From: Jason Aarsvold, Ehlers
Date: October 27th, 2016
Subject: TIF District Creation - Dahlene Redevelopment

Per the direction of the City Council on October 20, 2016, we have prepared a schedule for creation of a Tax increment Financing (TIF) District related to the mixed-use development proposed by Mularoni & Co. on the Dahlene property.

The first step in this process is to ask the City Council to call for a public hearing on the creation of the proposed TIF district. The Council may do this by passing the resolution included as an attachment to this memorandum at its meeting on November 3, 2016.

In order to meet the notification requirements and establish the district before the end of 2016, a *special* meeting would be required on December 29, 2016 as noted in the attached schedule. Alternatively, the council could hold the final public hearing at its next regularly scheduled City Council meeting on January 5, 2017.

The attached resolution does not specify on which date the hearing will be held. The Council may select either option at its meeting and specify which date is preferred at that time.

Consistent with the City's Business Subsidy and Tax Increment Financing Policies, we recommend that the developer make a formal application for assistance, submit the initial \$10,000 deposit to cover out of pocket City costs and provide the information required by the application to more completely evaluate the request. This practice is consistent with other area communities considering requests for TIF or other forms of public assistance for development projects.

Please contact me at 651-697-8512 with any questions.

SCHEDULE OF EVENTS

CITY OF NEWPORT WASHINGTON COUNTY, MINNESOTA

MODIFICATION TO THE DEVELOPMENT PROGRAM FOR THE MUNICIPAL DEVELOPMENT DISTRICT

AND THE ESTABLISHMENT OF A TAX INCREMENT FINANCING DISTRICT (a redevelopment district)

(as of October 24, 2016)

- | | |
|-------------------|--|
| November 3, 2016 | City Council calls for a public hearing on the modification to the Development Program for the Municipal Development District and the establishment of a Tax Increment Financing District. |
| November 7, 2016 | Project information (property identification numbers for proposed property to be purchased, project description, and maps) for drafting necessary documentation sent to Ehlers. |
| November 11, 2016 | Letter received by County Commissioner giving notice of potential redevelopment tax increment financing district (at least 30 days prior to publication of public hearing notice.) <i>[Ehlers will fax and mail on or before November 11, 2016.]</i> |
| November 11, 2016 | Project information submitted to the County Board Chair for review of county road impacts (at least 45 days prior to public hearing). The County Board, by law, has 45 days to review the TIF Plan to determine if any county roads will be impacted by the development. |
| November 28, 2016 | Fiscal/economic implications received by School Board Clerk and County Auditor (at least 30 days prior to public hearing). <i>[Ehlers will fax & mail on or before November 28, 2016]</i> |
| December 8, 2016 | Planning Commission reviews the Program and Plan to determine if they are in compliance with City's comprehensive plan and adopts a resolution approving the Program and Plan. |
| December 12, 2016 | Ehlers conducts internal review of the Program and Plan. |

SCHEDULE OF EVENTS – PAGE TWO

THE CITY OF NEWPORT WASHINGTON COUNTY, MINNESOTA

MODIFICATION TO THE DEVELOPMENT PROGRAM FOR THE MUNICIPAL DEVELOPMENT DISTRICT

AND THE ESTABLISHMENT OF A TAX INCREMENT FINANCING DISTRICT (a redevelopment district)

December 14, 2016 Date of publication of hearing notice and map (at least 10 days but not more than 30 days prior to hearing). *[South Washington County Bulletin publication deadline December 8, 2016 – Ehlers will submit notice & map on or before December 8, 2016.]*

Special Meeting on
December 29, 2016 City Council holds a public hearing at 5:30 P.M. on the Modification to the Development Program for the Municipal Development District and the establishment of the Tax Increment Financing District and passes resolution approving the Program and Plan. *[Ehlers will email Council packet information to the City on or before December 22, 2016.]*

OR

Regular Meeting on
January 5, 2017 City Council holds a public hearing at 5:30 P.M. on the Modification to the Development Program for the Municipal Development District and the establishment of the Tax Increment Financing District and passes resolution approving the Program and Plan. *[Ehlers will email Council packet information to the City on or before December 29, 2017.]*

RESOLUTION NO. 2016-46

RESOLUTION CALLING FOR A PUBLIC HEARING BY THE CITY OF NEWPORT ON THE PROPOSED MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1 AND THE PROPOSED ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 3 (DAHLENE) THEREIN AND THE PROPOSED ADOPTION OF THE TAX INCREMENT FINANCING PLAN THEREFOR.

BE IT RESOLVED by the City Council (the "Council") for the City of Newport, Minnesota (the "City"), as follows:

Section 1. Public Hearing. This Council shall meet on __ (Date) __, at approximately 5:30 p.m., to hold a public hearing on the proposed modification to the Development Program for Development District No. 1 (the "Development Program Modification"); and the proposed establishment of Tax Increment Financing District No. 3 (Dahlene) and the proposed adoption of a Tax Increment Financing Plan therefor (the "TIF Plan") (collectively the "Program and Plan"), all pursuant to and accordance with Minnesota Statutes, Sections 469.124 through 469.133, and Sections 469.174 through 469.1794, all inclusive, as amended, in an effort to encourage the development and redevelopment of certain designated areas within the City; and

Section 2. Notice of Public Hearing, Filing of the Program and Plan. City staff is authorized and directed to work with Ehlers and Associates, Inc., to prepare the Program and Plan and to forward documents to the appropriate taxing jurisdictions including Washington County and Independent School District No. 833. The City Administrator is authorized and directed to cause notice of the hearing, together with an appropriate map as required by law, to be published at least once in the official newspaper of the City not later than 10, nor more than 30, days prior to __ (Date) __, and to place a copy of the Program and Plan on file in the City Administrator's office at City Hall and to make such copy available for inspection by the public.

Adopted this 3rd day of November, 2016 by the Newport City Council.

Motion by: _____, Seconded by: _____

VOTE:	Geraghty	_____
	Ingemann	_____
	Sumner	_____
	Rahm	_____
	Lund	_____

Signed: _____
Tim Geraghty, Mayor

ATTEST: _____
Deb Hill, City Administrator