



**City of Newport
City Council Workshop Meeting Minutes
April 21, 2016**

1. ROLL CALL

Council Present – Tom Ingemann; Bill Sumner; Tracy Rahm; Dan Lund; Tim Geraghty;

Council Absent –

Staff Present – Deb Hill, City Administrator; Bruce Hanson, Supt. of Public Works; Fritz Knaak, City Attorney;

Staff Absent – Steve Wiley, Fire Chief; Larry Osterman, Sergeant; Jon Herdegen, City Engineer;

2. VISITORS PRESENTATIONS/PETITIONS/CORRESPONDENCE

A. Stephanie and Chris Findley, IR Services Inc.

Stephanie Findley – I own IR Services in Houston, TX. Chris and I are the sole owners now David is no longer in the picture. There was a bad marriage between us so we took possession of the entire operation of the company in November 2015. We finally got everything settled so we can move forward and do everything that is required from you guys and what we committed to, however, there are some things that I wanted to show you. Chris and I were aware of the CUP and the business plan David submitted to you, however, we were misguided and misled. I wanted to show you what we have going on in Houston, TX and what we think we'll be able to bring to Newport, MN and it hasn't worked out that well for us. We have the same exact model here in Newport that we do in Houston, 6.5 acres, a couple of buildings, an 8 foot fence with 3 foot barbed wire. When David came to us in Houston, TX and sat with me he said Stephanie I have the perfect location where we can do and replicate exactly what you've got going here in Houston, TX. Chris and I were all over it. We said we would put him in charge and we would invest. What we had discovered is that we brought every single client from Houston to Minnesota. The market is just not the same here in Minnesota and I'm going to show you some numbers.

Chris Findley – We've really invested a lot of money in Newport and I want you guys to know that we are making a full effort. We have a lot of expensive equipment that we're trying to launch here in the Minneapolis – St. Paul area. The population is right, everything is right by our standards but for whatever reason the volume is just not there.

Councilman Rahm – Well that's good, is the economy better here?

Chris Findley – I think economically speaking I think there are more responsible people living in Minnesota. Essentially we thought that we could go from the Houston to Minnesota market, make calls to the clients, and turn the key and it's on.

Stephanie Findley – We've been in business for 16 years in Houston so I could go to any market and say, "Hey guys I'm in South Dakota", all they have to do is push a button and we'll receive all of the assignments for clients that we are currently doing business in that market. We've had 7 lawsuits since we got here in 2014 from Tommy Lyons. This all brings us to the CUP and the requirements for the CUP. I know Deb has taken a lot of heat from us and we apologize again. Until the moment we took full control of the operations, I never read the CUP or the business plan, I entrusted my business partner to deal with

you guys and fill me in on the backend. Since then, Chris and I have reviewed everything and I have been on the phone with Deb. The little fence trees will be in next week, I apologize for that I had no idea that was one of the things we were lacking. My issue is that the business model is not going to allow us to utilize the entire 6.5 acres that we have. Chris and I are invested in Minnesota and in our employees, I said 16 years ago that as long as I can pay the bills I'm pretty satisfied, I'm not looking to get rich off of anything that we do. Now because I'm invested in my people I don't want to leave my people and just pull out of the market. 3.5 acres is about all that we're going to need to run our business here in Newport.

Admin. Hill – If the Council has noticed, the white service bay is for sale and they put up the other parcels for sale too. As Steph was just saying, they can't utilize it. I think it would be in our better interest if we have another business that comes in.

Stephanie Findley – The green house and yellow house are not currently on the market because I have employees that reside in those homes. Chris and I have done a lot of thinking on what to propose to Newport to maintain the rest of the acreage that we are not currently utilizing. We have a lot of thoughts and ideas but at the end of the day we don't know if it's going to make business sense. It hasn't made any business sense to be here in Minnesota yet. We brought Dan with GQ to help out with ground covering, our biggest expense and what I'm trying to fight is the blacktop. I understand there's federal regulations in regards to dust and the Mississippi River, I don't have a problem completing the drainage but I do have a problem with the blacktop. I'd like Dan to maybe have a conversation with you on that.

Chris Findley – We don't need 3.5 acres blacktop if we're already using $\frac{3}{4}$ of an acre for retention ponds, we understand that we have to do something with the watershed but to go in and blacktop the entire acreage for our use is completely overboard.

Councilman Rahm - Is there something that you could blacktop a portion of it and phase it over time?

Chris Findley – I would like to see us grow over time. I'd love to hear ideas on how we could use this property. It is a difficult property to make use for especially with the weight restrictions.

Admin. Hill – With the storm water, maybe Bruce or Sherri can join in. Having the bare dirt there is not going to work. You're going to have to either do the pavement or put groundcover on, there's really no way around this. Certainly they've got a chunk for sale but if that takes a while, there's going to have to be some vegetation on there if they're only going to do the storm water for their site. That seems to be a critical thing. Combining the parcels for their business was another condition that they should be able to do fairly soon, certainly not with the houses but the gray building and their storage area is the business portion.

Chris Findley – I think that with the zoning, we're kind of in limbo. That's why I've left the yellow house in limbo. If I put a tenant in it can be used as a residence but the minute I turn it into an office it's I can never go back to leasing it as a residence so I've just left it vacant.

Admin. Hill – Changing the CUP is not insurmountable; I think changing the hours of operation is possible.

Ms. Buss – Some things can be changed. I think part of the the question is whether we require an amended CUP. I think we need a pretty firm business plan to know what they're going to do before we get into that. Some of the things they are asking for that are in your ordinance like a requirement for a hard surface for commercial parking areas. We can't fix that by amending the CUP, that's an ordinance requirement.

Councilman Lund – We changed the zoning to help them out once. What's written in the code is that whatever you come up with is consistent with the surrounding community. That's what is important to me

and that's where those conditions on the CUP came from. As far as the cover goes, there was a whole lot of money that went into cleaning up the ground and if I recall, the paving part of it was seen as your contribution. I don't have any problem if you don't want to pave over the whole thing and park cars on it. If you want to park cars on a portion that is not paved then it's going back on your contribution.

Chris Findley – Is it possible you would consider milled asphalt? It's not dusty and it compacts very well.

Supt. Hansen – It's not an approved surface by our ordinance.

Mayor Geraghty – Do you know how many acres do you need?

Dan with GQ – They're looking at moving it down so they'd only have to pay about 2.5 acres.

Councilman Lund – Is this going to infringe on the use of the surrounding area? Especially the homes right across the street. Just for the history, there was over \$100,000 of public money to clean up the site.

Admin. Hill – The city has a good \$150,000 into it.

Councilman Lund – We made it this light industrial zone not because we wanted to but because it was the only thing that would get anything done there so if you want to take the north end of that and turn it into B-1.

Ms. Buss – That doesn't allow residential use.

Councilman Lund – There's an opportunity for us to move the lines of the zoning districts around so if you want to do a higher value use on the north side of the property, I think we'd be all for that.

Attorney Knaak – I just want to affirm what you were just told as correct. The City Administrator restrained me from taking action on this. I've been directed to prepare a snarly letter indicating that you are not in compliance and that the City would presumably be recommended to take action, which you are almost required to do once you become aware of the fact that there are violations to a CUP that you've issued. So far I've been recommended not to engage in enforcement.

Ms. Buss – But if it went on for another year or two we'd probably be at a different place.

Attorney Knaak – I would say 3 months.

Stephanie Findley – I understand 3 months but I would like to request just a little more time to prepare a business plan and I could probably have Dan redo the site deal quickly.

Attorney Knaak – You need to understand that this is not a reflection on you, if there is a business plan or not there is a Conditional Use Permit on this property and it goes with the property.

Stephanie Findley – Correct me if I'm wrong but the two major things we are working on the deadline for are the storm water and the blacktopping and the trees.

Admin. Hill – And the combining of the parcels.

Stephanie Findley – I was not aware of that verbiage until just recently.

Ms. Buss – One of the conditions in the permit is that they can combine the parcels where their business is located which is a really standard tradition for a use like this.

Councilman Lund – We can figure out what we have to do to adjust the language to follow what the intent was all along. None of us expected this not to take up the whole site. It would have been a little easier to go along with had we known it was only going to be the south half of the site.

Mayor Geraghty – I do have to say that the residents seem fine with it, I haven't received any complaints.

Admin. Hill – They've been good neighbors and when I email or call, they get back to me right away. This definitely needs to be resolved. I sympathize with their plight with the legal issues.

Councilman Lund – When would be a reasonable time to have the paving, grading, and storm water done which we already paid for our chunk to clean up the site.

Dan with GQ – I wish the contractor was here to let me know his schedule. If the contractor was free to start tomorrow, I would think that it would take him 3, maybe 4 weeks to get the rest of the site graded maybe sooner. Paving could be scheduled in another week I think. I think that we're at a minimum of 4-6 weeks I would hope. We had a contractor that started the job.

Councilman Lund – From what I've heard from our attorney, if you're still parking cars not on asphalt in 3 months you'll probably start getting nasty letters. We paid a lot of money and that was part of the deal and you guys bought a problem. We can fix the paperwork but we don't want cars not parked on something that's not asphalt.

Ms. Buss – In the meantime, you need to get the area paved that's being parked on for now and we're not going to require the rest of the paving that was required in the Conditional Use Permit.

Admin. Hill – We'll be in contact next week to setup an initial meeting.

3. ADJOURNMENT

Signed: _____
Tim Geraghty, Mayor

Respectfully Submitted,

Andrew Brunick
Administrative Intern