

May 3, 2016

The Scandia Planning Commission held their regular monthly meeting on the above date. The following were in attendance: Chair Christine Maefsky, Commissioners Walt Anderson, Travis Loeffler, Tom Noyes and Dan Squyres. Staff present: City Planner Sherri Buss, City Administrator Neil Soltis and Deputy Clerk Brenda Eklund. Council members Chris Ness and Jim Schneider were also in attendance. Chair Maefsky called the meeting to order at 7:00 p.m.

**APPROVAL OF AGENDA, MINUTES**

**Loeffler, seconded by Squyres, moved to approve the agenda as presented. The motion carried 5-0.**

**Squyres, seconded by Anderson, moved to approve the April 5, 2016 meeting minutes as presented. The motion carried 5-0.**

**PUBLIC HEARING: CONDITIONAL USE PERMIT FOR A COMMUNITY SOLAR GARDEN ON PROPERTY LOCATED AT 21205 ST. CROIX TRAIL, THE TILLER ZAVORAL MINE SITE. NATE FRANZEN, GERONIMO ENERGY, APPLICANT (PC RESOLUTION NO. 05-03-16-01)**

Argo Navis Community Solar Gardens LLC/Geronimo Energy has applied for a Conditional Use Permit and Variance to develop a community solar garden up to 3 megawatts in size on the site that is currently used as a gravel mine known as the Zavoral Mine and Reclamation Project. The property is owned by James and Kathleen Zavoral. Tiller Corporation will complete the mining activities this year and the site will be in reclamation for the next several years. The solar project is proposed to be located in the lowest portion of the site and occupy approximately 22 acres. The solar arrays are proposed to be located about 150 feet from the National Park Service Riverway Boundary, and therefore the applicants are requesting a variance from the 600-foot setback from the NPS St. Croix Riverway Boundary. The Crystal Springs Scientific and Natural Area is located 300 feet north of the project and a variance from the 600-foot setback from a wildlife management area is also requested.

Planner Buss presented the staff report and detailed the evaluation of the request. The existing site access road will continue to be used. The City Engineer recommended that road right-of-way be secured along the western boundary of the property and noted that the access road must be a minimum 20 feet in width. MnDOT provided recommendations related to ROW access and an area of signage restrictions near the entrance.

The DNR and National Park Service were critical of the project's location within the Riverway Boundary setback. Buss explained that the steep bluffs and vegetation would screen the panels from riverway views, and moving the project west in order to meet the setback would result in placement on slopes that would require extensive retaining walls and would increase the visibility of the project. Due to the practical difficulties of the site, the placement as proposed better protects the scenic views and minimizes disturbance of the site. Buss stated that the project sits 35 to 50 feet below the grade of TH 95.

Buss explained the fencing plan, vegetative plan, and requirement for a Development Agreement with the City that includes a financial guarantee to assure compliance with the decommissioning plan.

Buss concluded her report by explaining the findings for approval of the CUP and Variance with 26 conditions as written into a resolution.

Chair Maefsky opened the public hearing at 7:37 p.m.

*Patrick Smith, Geronimo Energy*, provided an overview of the project and explained that a 2017 construction cycle is proposed. In answer to a question on equipment infrastructure, Smith explained that the project has minimal equipment needs. Concerning fencing of the site, Smith explained that it will be a 6-foot field fence with a monofilament wire angled one-foot above the top, but they are open to fencing recommendations. The fence can be raised from the bottom to allow turtles and small wildlife to pass through. Commissioner Anderson questioned the project's benefits to Scandia. Smith explained that a production tax will be collected, along with increased property tax valuation to a 3A commercial tax rating for the parcels where the project is located.

*Wally Srock, 20965 St. Croix Trail*, said that he was concerned about an existing berm constructed for the mining operation at the southwest corner of the site that abuts his farmland. The water backs up here, and he would like the berm removed to open up a view to the river. Srock also asked that four power poles be removed from his land. Smith stated that Xcel is proposing to relocate the poles. Buss explained that Tiller's reclamation plan would need to be revised to address the conditions for the solar project, and the berm removal would be part of that discussion.

*Peter Schwarz, 20969 Quadrant Avenue*, asked what the business relationship among the involved companies was. A Geronimo Energy representative explained that the property will be leased from Dr. Zavoral, Geronimo Energy will construct the project, and Argo Navis LLC (owned by BHE Renewables) will own and operate the system for a minimum of 25 years. The panels have a useful life of 35 years. Schwarz asked what kind of guarantee exists that Argo Navis will comply with the CUP. Administrator Soltis stated that the development agreement will have financial guarantees in place along with a decommissioning plan.

*Pam Arnold, 16560 220<sup>th</sup> Street*, asked how her taxes would be affected due to this localized tax increase. Soltis explained that value created in the community would ultimately lower property taxes in theory, but the city's total levy is the determining factor. Arnold asked about the existing well on the Zavoral property that is non-compliant and asked if it would be capped. Smith stated that the well is out of scope of the solar project and this would be a landowner decision.

*Jim Shaver, 23235 St. Croix Trail*, suggested a cross-section view from a high-point on the property across TH 95 and to the north be obtained for view analysis, as it has the potential to be developed in the future. Chair Maefsky explained that the ordinance pertains to screening views from public road ROWs, and not private property. Shaver stated that the City is giving up rural character in approving these solar projects.

*Karen Schik, 13620 236<sup>th</sup> Street*, stated that questions about the seed mix should be asked to guarantee that the plants will grow under the shade of the solar panels, as she has not seen any examples yet that the native mix will thrive. She noted that the main management tool for native prairie is controlled burns, and this is not possible with solar projects. She questioned what happens in 5 to 10 years if the area is dominated by non-natives instead. Commissioner Squyres asked what happens after 2020 when Tiller's reclamation plan is completed. Buss stated that the City will review the CUP each year through 2020 to ensure that maintenance of the reclaimed site is occurring, but after that the landowner can do whatever fits the uses in the Ag Core District – there is no long-term commitment that the site stays in the reclaimed state.

*Steve Philippi, 21813 Quarry Avenue*, said that the cross-section drawings did not appear accurate and better visual simulations should be required. Philippi stated that lowered property values to surrounding parcels is a probable impact that the Commissioners should be mindful of.

*John Herman, 23355 Quentin Avenue*, said that as a Board member of the St. Croix River Association, they are working with Dr. Zavoral and the DNR to consider potential conservation commitments for the entire site. Locating an overlook adjacent to the SNA is one possibility. He recommended removing the proposed tree line since this is inconsistent with a natural prairie setting. He said that he sees a potential positive outcome in working with all involved participants of this project.

*Kristin Tuenge, 20595 Quinnell Avenue*, said that this is an incredible piece of property next to the SNA, but was concerned about the long-term use of the property even though she is a fan of solar power.

*Dr. Jim Zavoral, property owner*, stated his appreciation of everyone's sensitivity to this property. He explained that he is protecting the site from development and is committed to its preservation. He said that he is working in conjunction with the DNR in efforts to preserve the site from development.

There were no further comments and Chair Maefsky closed the hearing at 8:40 p.m.

The Commissioners began a lengthy discussion of the application which addressed many of the comments on screening, vegetative maintenance and the fencing. Commissioner Noyes asked about the 600-foot setback from the Riverway Buffer. Buss explained that the NPS had purchased easements along the river years ago to protect the river by not allowing development within the scenic easement. The setback of 600-feet from this boundary was inserted into the ordinance to further protect views. The setback was modeled after existing solar ordinances

within the state and is consistent with cell tower and wind turbine ordinances to minimize visual impacts.

Commissioner Loeffler stated that he is a proponent of this application as it is in a good location with the topography of the land. He suggested the tree lines be changed to run along the Srock/Zavoral property line instead of a ribbon through the middle of the site, and that the existing tree line along the north end of the property be filled in with more trees. Buss said that the extra screening came from the applicant and could be revised. Chair Maefsky noted that Scott Westphal, 20685 Quinnell Avenue, had written a letter with his concerns of being able to view the project from his property.

Commissioner Anderson said that this is a prime spot in Scandia and should be preserved as parkland for the public instead of used as an industrial area. He said it would be appropriate to have a restaurant and shops located here as well. Commissioner Squyres said that he sees this solar project as a preservation technique that will preserve the land and keep development at bay for at least 25 years.

Chair Maefsky asked for further discussion on the fence, as each solar project in review has had different styles of fencing. Patrick Smith said that they have worked with the DNR on other solar projects in the state and the mesh fencing with an angled smooth wire across the top has been recommended. The fence would be raised 6" off the ground to allow for wildlife passage. Commissioner Noyes recommended the fence style be deferred to the DNR's recommendation.

In addressing the concerns on the berms and vegetative mix, Buss explained that Tiller will work with Geronimo, staff and agencies to revise the reclamation plan to meet the conditions of preserving the viewshed and determine who is responsible for the appropriate tasks such as grading and landscaping. The City will need to determine any adjustment in the amount of the reclamation escrow held by the City. The AOP amendment process would go to the Council for approval. Smith explained that the seeding mix was developed with the DNR for the Aurora solar project and is a dry soil mix. The management plan is specific to this site. Buss stated that language could be added to the conditions that solid groundcover be maintained throughout the life of the project.

Jed Chesnut, Washington Conservation District, recommended that a condition addressing the vegetative maintenance plan be consistent with language as in Tiller's reclamation plan. Buss agreed that this would be a similar performance standard for this solar project.

Buss summarized the recommended changes to conditions #6-8 that would be condensed to one condition to state that the City work with the applicant, landowner, Tiller and WCD to revise the reclamation plan and amend Tiller's 2016 AOP to address berms, vegetative screening, the planting plan and seed mix, and a maintenance plan for the site through the completion of the mining project and for the lifetime of the solar garden project. The plan shall assure adequate screening to protect views from public roadways to meet the Solar Ordinance requirements, and to preserve the viewshed of the St. Croix River Valley. The approval of the Conditional Use

Permit for the Argo Navis Solar Garden shall be contingent upon City Council approval of Tiller's revised Reclamation Plan and amended Annual Operating Permit. Condition #20 would be amended to state that the applicant shall use the fence design recommended by the Minnesota DNR for other solar garden projects.

**Loeffler, seconded by Noyes, moved to approve PC Resolution No. 05-03-16-01, Approving a Conditional Use Permit and Variance for a Community Solar Garden located at 21205 St. Croix Trail North as amended. The motion carried 4-1, with Anderson opposed.**

The recommendation for approval will go before the City Council at their May 17, 2016 meeting.

**REQUEST FOR EXTENSION FOR VARIANCE AT 13350 188<sup>TH</sup> STREET. JIM AND SANDI CONTINENZA, APPLICANTS.**

The City Council approved a variance for construction of a new home at 13350 188<sup>th</sup> Street to Jim and Sandi Continenza on May 21, 2013. Upon request, an extension was granted on May 11, 2015 with an expiration of December 31, 2016 unless the building project had commenced. On March 28, 2016, the Continenzas requested an additional extension until December 31, 2017 in case they are not able to begin building this year. Administrator Soltis explained that they had satisfied most of the conditions in the variance and deposited the required funds for the septic connection to the 201 system.

**Noyes, seconded by Squyres, moved to approve the request for an extension of Resolution No. 05-21-13-03 until December 31, 2017. The motion carried 5-0.**

**DISCUSSION ON AMENDMENTSTO SOLAR GARDEN ORDINANCE IN RESPONSE TO MORATORIUM ORDINANCE NO. 170**

At the April 19, 2016 meeting, the City Council passed an interim ordinance to establish a study period and moratorium up to 3 months to prohibit the acceptance of solar farm applications. The ordinance became effective on April 28<sup>th</sup> and will end on July 28<sup>th</sup> unless the Council repeals or extends it. Planner Buss asked the Commissioners what specific items they would like to focus on for the purpose of the study.

Commissioner Anderson stated that he thinks the ordinance was a mistake to adopt and is in favor of scrapping it. Chair Maefsky listed off a number of elements that she proposed be studied including screening, setbacks, types of land (accounting for elevations, contours and soils), parcel size, zoning districts, total number of solar farms in the City (ability to set a limit), the establishment of solar farm zones such as an overlay district, the impact on rural and historical character, siting decisions on land use impacts and how solar projects could have the least impact to historical centers. She asked if staff could research how other communities have dealt with these issues.

Commissioner Loeffler suggested the study of impacts to property values. Buss said this has been a topic with previous applications and it appears to have mixed effects. Maefsky recommended that Loeffler research this on his own and report back his findings.

Jim Shaver suggested they talk to Bill Voedisch, May Township Board Chair, about the one-year moratorium that May Township recently adopted. Shaver also noted that there was no talk of visual impacts when the ordinance was adopted last year, and he thinks solar farms are a bad idea for Scandia's rural character.

Staff will bring back alternatives to the existing ordinance that address the identified issues for further discussion at the June 7<sup>th</sup> meeting, including a discussion if they should continue to be allowed. Maefsky explained that landowners were looking to use their land in this way, and that is why the ordinance was put into place. Buss noted that landowners see solar farms as an option for income while still preserving the land for the long-term. The ordinance manages how they fit here.

**ADJOURNMENT**

**Anderson, seconded by Squyres, moved to adjourn the meeting. The motion carried 5-0.**

The meeting adjourned at 10:00 p.m.

Respectfully submitted,

Brenda Eklund  
Deputy Clerk