

4. EDA BUSINESS

4.01: Review Status of Request to Install and Maintain a Ground Mounted Solar Energy System on the Property Legally Described as Lot 3, Block 1, River Crossing Addition (Project No. 17-135); Case of Connexus Energy

- 1. Appeal for Issuance of a Development Permit on an Officially Mapped Parcel**
- 2. Zoning Amendment to Include Solar Energy Systems as a Principal Use with the Issuance of a Conditional Use Permit in the Public/Quasi-Public District**
- 3. Zoning Amendment to Rezone a Property from R-2 Residential to Public/Quasi-Public**
- 4. Conditional Use Permit to Install and Maintain a Solar Energy System**

Community Development Director Gladhill presented the staff report.

Economic Dev. Mgr./Assistant City Administrator Brama provided background information on the existing solar farm and bee habitat on the Connexus property. He stated that staff had a discussion with Connexus Energy about their desire to expand their solar farm on their outlot in mid 2016. He noted that the Connexus outlot would be a great fit for economic development and therefore staff suggested Connexus also consider other available properties as part of their process. He stated that as Connexus investigated other available sites, they landed on a site owned by Anoka County. He reviewed the economic development opportunity cost, explaining that generally, businesses pay twice the amount of taxes that residential properties pay. He reviewed the opportunity loss that would occur if the solar farm were not allowed on the Anoka County site. He explained, Connexus told staff that if the Anoka County site is not allowed, Connexus would move onto another community rather than pursuing a solar farm on the Connexus outlot.

Community Development Director Gladhill reviewed some of the challenges that the Planning Commission will consider when this item is returned for their discussion.

Councilmember LeTourneau stated that he found the tax base information helpful. He asked if the Anoka County site is also subject to a two percent tax rate.

Economic Dev. Mgr./Assistant City Administrator explained that the use determines the tax classification rate, not local zoning districts.

Chairperson Steffen noted that Anoka County owns that land and therefore is not a tax paying entity.

Community Development Director Gladhill stated that currently Anoka County leases the property, which is being used for agricultural purposes, so there are taxes being paid on the property. He noted that Connexus is a tax paying entity as well. He believed that there would most likely be tax credits because this is an alternative energy use.

Member Riley asked if it would make more sense to hold the parcel for commercial industrial use or suggest that the solar garden go on the Connexus outlot. He stated that he believes that the Connexus outlot would be better used for commercial industrial use and not a solar farm.

Member Burandt stated that he has been working on this project for well over one year and provided additional information on the tax credits that would be available. He stated that the membership of Connexus wants the renewable energy to increase as long as that does not increase the cost of membership. He stated that they are looking at doing three sites within Anoka County, which would be the largest renewable energy project in the country. He stated that when Ramsey stated that they did not want Connexus to use their outlot for the project, they began to look for alternative sites and the Anoka County site came forward. He noted that this would be the showcase property with solar plus storage. He provided additional information on the other sites that will be constructed in Saint Francis and Blaine, noting that they are contracting with local government units to lease the land rather than purchasing land. He noted that in order to be eligible for the tax credits, the properties need to be constructed and operational by a deadline. He stated that the Connexus Board has already made the decision not to use the Connexus outlot in Ramsey, and therefore that is no longer an option.

Chairperson Steffen asked how long Connexus has owned the outlot.

Member Burandt stated that Connexus has owned the outlot since 1997.

Chairperson Steffen asked why the land is being held for so long.

Member Burandt stated that they use the property for lineman training and would be open to selling the property to the right tenant. He confirmed that Connexus would be open to working with City staff to market the property to the right tenant.

Member Hardin asked if there is a corridor outlined for a bridge.

Community Development Director Gladhill stated that a bridge is not shown on the Highway 10 plan, but noted that a connection could be made at Armstrong, although there is not an official map showing that connection. He stated that the areas of impact would still affect the same property owners, although the location would be shifted.

City Administrator Ulrich stated that he agrees with the Anoka County owned location proposed over the Connexus outlot. He stated that this would take an agricultural property and put it into use and would provide a showcase for conservation as well. He stated that the high-profile pollinator plantings would also be a good fit for the corridor and the community partnership the City has had with Connexus over the years.

Chairperson Steffen agreed that the Connexus outlot is a prime commercial property that he would much rather preserve.

Member Skaff also agreed that the Connexus outlot would be valuable for commercial use.

Member Burandt stated that Connexus has spent more on property taxes for the outlot over the years than it is worth and therefore they do not plan to let it stay vacant.

Councilmember LeTourneau agreed that the Connexus outlot would be better used for commercial industrial use. He stated that staff directed Connexus to look at other parcels for their solar farm for that reason and that the Connexus Board also supports that use.

Motion by Member Skaff, seconded by Member Hardin, to recommend to City Council that the existing Connexus outlot property be reserved for future commercial industrial use.

Motion carried. Voting Yes: Chairperson Steffen, Members Skaff, Hardin, and Riley. Voting No: None. Absent: Members Brunt and Williams. Abstained: Member Burandt.

DRAFT