

**MINUTES**

**PUBLIC IMPROVEMENT/TRANSPORTATION COMMITTEE MEETING**

**March 22, 2022**

**11:00 AM**

**On Main, City Hall**

**MEMBERS PRESENT:** Schafer, Labat, Lozinski

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Director of Public Works/City Engineer Jason Anderson  
Assistant City Engineer Jessie Dehn  
City Administrator Sharon Hanson  
Assistant Planning & Zoning Administrator Ilya Gutman  
City Assessor Dave Parsons  
City Attorney Dennis Simpson

**OTHERS PRESENT:** MMU General Manager David Schelkoph

**1. Call to Order.**

Schafer called the meeting to order at 11 am.

**2. Approval of the Minutes.**

MOTION BY LOZINSKI, SECONDED BY LABAT to approve the minutes of the March 8, 2022 Public Improvement/Transportation Committee meeting. ALL VOTED IN FAVOR. MOTION PASSED 3:0.

**3. North 7<sup>th</sup> Street Annexation.**

Background: Western Minnesota Municipal Power Agency (WMMPA) is a municipal corporation and political subdivision of the State of Minnesota. WMMPA has a formal relationship through which WMMPA finances the construction and acquisition of the generation and transmission facilities for members of Missouri River Energy Services (MRES). MRES is an organization of 61 member municipalities that own and operate their own electric distribution systems, including Marshall. WMMPA is considering the construction of a solar farm on the east side of North 7<sup>th</sup> Street, just south of CR 33/Erie Road. To facilitate this project, WMMPA has purchased Parcel 06-033001-0. This parcel is currently outside of city limits, but David Schelkoph, General Manager of MMU and Dennis Simpson, City Attorney, have had numerous discussions with WMMPA regarding the annexation of this property. WMMPA will be a willing participant in the annexation process. The major topic for this meeting is the extent of the annexation on the east side of North 7<sup>th</sup> Street. The City Council should consider whether to annex only the property in question, or to continue the annexation to the south to City-owned property along the Redwood River. All these parcels are located within the 1982 Orderly Annexation Area. City Attorney Dennis Simpson will be present at the meeting to discuss the annexation process and to seek City Council input.

David Schelkoph provided background on the item. MMU receives power from Missouri River Energy Services (MRES) and Western Area Power Administration (WAPA). About 75% of MMU load comes from MRES. MRES has decided to put a solar farm next to ADM. ADM is the largest single load in the whole MRES family of 61 municipalities in 4 states. MRES wants to show support through installation of a solar farm in Marshall. This is the first one of many that they are going to be building

for the membership called behind the meter generation. Schelkoph provided summary of behind the meter generation. MRES will be putting in an 81-acre solar farm, approximately 18 megawatts (average daily load ADM is 35 megawatts). Renewable energy resources are focus of every utility and every state. Solar is approximately 12 hours day in summer and 7 hours day in winter, so want to retrieve that energy while producing and store and put back on grid when peaking, which is one of the options MRES is looking at. Schafer questioned where we would store it. Schelkoph indicated researching battery storage and cost and if that is a financial option that brings value back to the membership, but battery may be too expensive, also mentioned lithium and still in process of studying. Schelkoph commented on the Build Back Better program and language in that bill relating to tax credits for renewable energy. If you build renewable energy today you get a huge tax credit, but not if you are a non-taxable entity. In the BBB, we were able to put in some legislation to provide some of those benefits to non-profit utilities like cooperatives and municipals. However now bill is stalled in Congress, so now we are trying to create partners in building this particular solar plant, and if we have a private entity build this, we can then get a benefit from that tax break through that relationship and through a lower cost of energy and ultimately start to see some of those savings that the federal government intended when renewable energy sources are built. Anderson asked about current timelines. Schelkoph indicated spring/fall 2023. Lozinski questioned what party gets solar credits. Schelkoph replied regarding legal issues involved. When MRES builds a generation site, they don't build for just 1 member but for all 61 members. The party that generates the energy gets the credit, and it can be measured through meters how much energy is produced and give credit appropriately. Therefore, all 61 members of MRES get credit regardless of the proportion of who is actually using the energy, even if all to one spot. Schelkoph also discussed solar farm community options where people can buy panels from MMU, we measure output and pay them for output or give them credit. This is not in place yet, but this is based on lack of interest at this point. MRES allows up to 5% of total load from MRES in renewable resources. There are also maintenance costs involved (i.e., snow removal). City Attorney Simpson provided information regarding zoning as solar panels are not a permitted or a conditional use in an A-Agricultural zone, and ordinance would have to be amended to allow this as a conditional use. In speaking with MRES and WMMPA attorneys, it is not believed there will be an interest in outside investors until solar panels are allowed. Lozinski asked if area was annexed and built plant in city limits would City get solar credits to offset solar plant being in Marshall or is it taxed on the property tax rolls. Parsons provided information on property that is valued at ag, land is classified as commercial, panels are exempt, so property tax is paid on land, as well as a production tax for anything over 1 megawatt, which goes to both County and City, even if within city limits. Simpson noted if property is not annexed, City would not receive any of the production tax and it would go to the Township. Anderson began discussion on the annexation map provided in the packet and made a part of these minutes. Simpson stated both the blue and the orange areas are not in the city limits but are in the Orderly Annexation area with the Township. WMMPA has a petition to the City for annexation of the blue area within the city limits. Utilities of properties in orange area and benefits of flood control project in the area were discussed. Only ADM, Flint Hills and Duininck paid assessments on the North 7<sup>th</sup> Street Reconstruction project. Hisken, Boerboom and Anderson did not pay assessments. Lozinski stated acceptable to annexing entire area but not requiring the property owners to get sanitary sewer. Parsons provided information on property tax increases of the properties if the properties were annexed into the city limits and rural service district requirements. Simpson indicated tight timeline for this annexation because rural service district for preferential tax treatment must be completed by August 1. Anderson asked Committee if there is a development prospect on other side of road that needs sewer and City puts in sewer line that can service the whole area, would that change Committee outlook. Schafer responded affirmatively because then the properties would receive full benefit of being within city limits. Labat commented on inquiring to property owners in the orange area regarding annexation into the city limits.

**MOTION BY LOZINSKI, SECONDED BY LABAT that the City Council authorize City Attorney Simpson to continue annexation discussions with WMMPA for annexation of Parcel 06-033001-0 (blue area). ALL VOTED IN FAVOR. MOTION PASSED 3:0.**

#### **4. City Flood Control Property Signage.**

Background: Bueltel-Moseng is providing surveying services for determination and location of select property points of the Flood Control Project, both levee and diversion channel property and easements. The survey includes setting property pins (where applicable) and setting stakes at requested locations along the Flood Control Project.

The flood control project is very important to the City of Marshall, and it is imperative that all adjacent property owners understand where their properties end. According to the US Army Corps of Engineers national levee database, roughly \$1.26B dollars of property value is protected by our flood control project, including at least 2,101 buildings. There are numerous locations along the flood control project properties where adjacent property owners have planted trees, placed sheds, planted gardens, and parked trailers on city property. Any installation on City property shall require City permission.

Staff is proposing to install posts at selected points to indicate property boundaries. The signs would be installed on U-channel posts, approximately four feet off the ground. Signs are proposed to be 4” high by 6” wide with a green background - “City Flood Control Property” and City Levee Property”. Posts and signs would be installed by Street Department staff. For visualization, templates of the sign are included in the Council packet.

At locations where the City has easement, as opposed to fee estate, staff would not recommend posts but rather annual notifications to those property owners about the presence of the Flood Control easement.

The City requested layouts and quotes from two companies. At the time of the meeting, responses were received as follows:

Newman Signs Inc., Jamestown, ND	\$2,998.43
M-R Sign Co., Inc., Fergus Falls, MN	\$1,931.80

Discussion was held on the signage. Labat commented to put City phone number on the sign. Hanson inquired regarding weed trimming around the posts. Lozinski commented on weed control. Anderson indicated he anticipated property owners would maintain as they do currently.

**MOTION BY LOZINSKI, SECONDED BY LABAT** to recommend the Council authorize the purchase of the two signs as presented and posts associated with the Flood Control Project from M-R Sign Co., Inc. of Fergus Falls, Minnesota, in the amount of \$1,931.80. **ALL VOTED IN FAVOR. MOTION PASSED 3:0.**

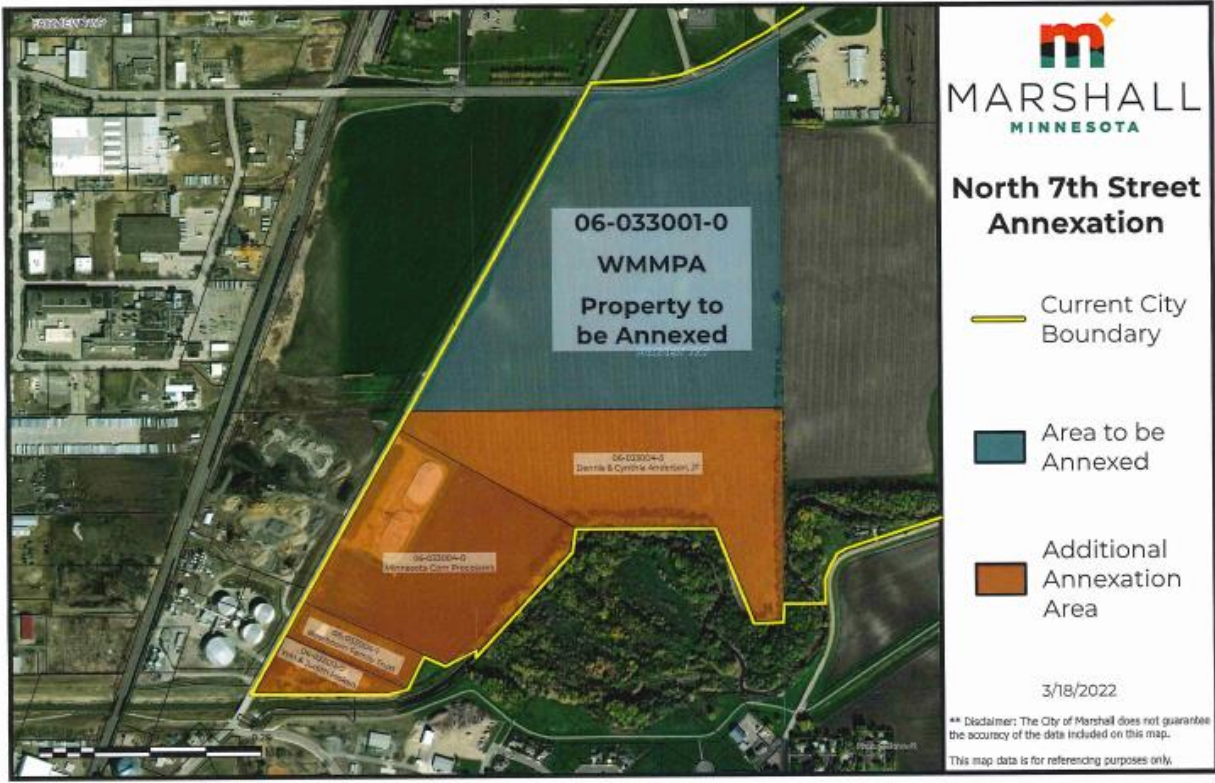
### **5. Other Business.**

Discussion was held on fencing around bridge on 4<sup>th</sup> Street. Lozinski inquired on purpose and comparison to fencing at other locations in the city. Anderson indicated previous maintenance provided and current condition of post. Discussion was held regarding quantity and frequency of repairs, potential types of fence, surplus fencing from softball complex, posts and spacing, and potential fundraising efforts by outside agencies. This item will be brought back to the Committee at a later date.

### **6. Adjourn.**

**MOTION BY LOZINSKI, SECONDED BY LABAT** to adjourn the meeting. **ALL VOTED IN FAVOR. MOTION PASSED 3:0.** Meeting adjourned at 11:54 am.

Respectfully submitted,  
Lona Rae Konold



**North 7th Street Annexation**

- Current City Boundary
- Area to be Annexed
- Additional Annexation Area

3/18/2022

\*\* Disclaimer: The City of Marshall does not guarantee the accuracy of the data included on this map. This map data is for referencing purposes only.