



Larkin Hoffman

8300 Norman Center Drive
Suite 1000
Minneapolis, MN 55437-1060

General: 952-835-3800
Fax: 952-896-3333
Web: www.larkinhoffman.com

May 6, 2022

Michael Kerski
Director of Planning and Development
City of Shakopee
485 Gorman Street
Shakopee, MN 55379

***TRANSMITTED
THROUGH
CITY PERMIT PORTAL***

Re: CUP Application for CNG Fleet Fueling Facility

Dear Mr. Kerski:

We represent CT Realty (“CTR”), the preferred national developer for Clean Energy, a renewable natural gas (“RNG”) fuel producer and distributor. CTR has identified a 4.78 acre site located at 7420 Hentges Way (the “Property”) in the City of Shakopee (the “City”) to develop a compressed natural gas (“CNG”) fleet fueling facility. On April 19th, 2022 the City Council adopted a zoning text amendment to the Shakopee City Code of Ordinances (“City Code”) after the Planning Commission unanimously recommended approval to add fleet fueling as a conditional use within the I-2 Heavy Industrial District. Please accept this letter, together with the enclosed materials submitted via the City’s permitting portal, as an application by CTR for a Conditional Use Permit (CUP) pursuant to Section 151.011 and 151.007 of the City Code.

Project Summary

CTR is developing a network for CNG truck fleet fueling stations across the United States to be leased exclusively to Clean Energy (“CLNE”). CLNE is the largest distributor of renewable natural gas fuel in North America, is publicly traded on the NASDAQ, and operates over 550 stations throughout the U.S. and Canada. CLNE’s mission is to decarbonize truck transportation in America. CNG-fueled “Green Trucks” offer comparable or better emission benefits than electric trucks while providing the same range and power as diesel trucks. In developing fleet fueling facilities nationwide, CLNE’s goal is to station these Green Trucks in key industrial hubs near regional warehouses, facilitating replacement of diesel fleet vehicles and promoting sustainability within the transportation industry. Based on the City’s strong industrial presence, the Property uniquely serves this need to support CLNE’s fleet fuel customers.

Site Plan

The proposed Shakopee site (the “Facility”) is a CNG combination fill station. The Facility will provide both fast-fill and time-fill operations. The fast fuel service operates just like traditional gasoline and diesel truck fueling, providing on-demand CNG fueling. The time-fill component of the Facility will serve renewable natural gas trucks from a single fleet user. In the time-fill

fueling, vehicles gradually filled over a period of time. This allows trucks to be fueled during periods when trucks are parked between driver shifts.

At the proposed Facility, fleet drivers will drive their personal vehicle to the Property parking within the time fuel area. Drivers will operate their fleet vehicle during their shift and then return it to the Facility to fill up the fleet vehicle for the next driver's shift. By incorporating on-site parking for fleet drivers' personal vehicles, the Facility is designed to create a seamless process for users. The proposed Facility is compliant with the City Code and the proposed site design meets all design and operational standards required by the use specific conditions.

Code Compliance Analysis

	Minimum Requirement	Proposed
Minimum Lot Size	1 acre	4.78 acres
Maximum Impervious	85%	±79.1%
Minimum Lot Width	100 feet	Over 250 feet
Minimum Side Yard Set Back	15 feet	15 feet
Minimum Front Yard Set Back	30 feet	30 feet
Maximum Building Height	45 feet	20 feet (fast-fuel canopy)

Performance Standards for the Fuel Station, Industrial Use

CT Realty and Clean Energy worked with City staff to develop performance standards designed to mitigate City concerns related to potential impacts of the proposed use. The approved zoning text amendment provides significant structure for the use and development of the Facility. This is exclusively a CNG site, no diesel or gasoline fuel will be provided. The site infrastructure is designed to accommodate other clean fuels should customers' needs change. No vehicles will be sold on this site and all vehicles must be licensed and operable. As described above, time-fill operations are limited to a single user and will be provided in a secured access-controlled parking area. Fast-fill operations are limited to commercial fleet fueling and are available on a contract basis; no general retail sales are proposed for this location. Landscaping, screening and lighting plans meet the requirements of the I-2 District and the City Code.

Traffic and Site Circulation

The Facility is designed to accommodate stacking for fast-fill fuel pumps and ensure proper circulation for those vehicles accessing the time-fuel area. Furthermore, because time-fill operations are limited to a single user Clean Energy requires parked vehicles to be dispatched dynamically each day based on loads and delivery schedules. Driver shifts are determined as part of the dynamic scheduling. Dynamic scheduling tends to spread arrivals and departures out through the day rather than everyone reporting to work at the same time. Arrivals and departures have peak periods during 4 hours in the morning and 4 hours in the evening.

24-hour Monitoring

24-hour monitoring of the Property is required. Clean Energy operates a remote command center that monitors stations 24 hours per day, 7 days per week, 365 days per year. The command center receives automatic station alerts and alarms and center staff is available by phone or email. Stations are automatically shut down if there is a power outage. When the station is shut down, automated valves close and stop the flow of gas to the dispensers and to the compressors. Based on this established system utilized at 550 Clean Energy sites nationwide, agents are able to take a variety of actions, depending on the situation, including dispatching a service technician and alerting emergency responders.

Safety and CNG

CNG is produced from the same natural gas used in homes for cooking and heating. CNG is a safe fuel with a safety record that spans decades. Natural gas dissipates into the air and has a narrow range of flammability, making it difficult to ignite outdoors. The high ignition temperature and limited flammability range make accidental ignition or combustion of natural gas unlikely at a CNG station. Natural gas is not toxic or corrosive. CNG poses no risk of ground contamination like gasoline and diesel.

The proposed Facility must follow all requirements of the Minnesota State Fire Code and National Fire Protection Association (NFPA), but the safety measures proposed here go beyond those standards and incorporate the years of experience Clean Energy brings to the Facility. CNG stations are built with many layers of inherent safety features. Methane detectors monitor the air and are designed to automatically shut down the station if needed. The proposed Facility will be equipped with emergency shutdown buttons located near the fueling dispensers for easy access and throughout the time-filling area--if one emergency shut down button is activated power and fuel to the entire system is shut down and can only be restarted by a manual reactivation on-site.

In addition to the 24-hour remote monitoring system employed by Clean Energy nationwide, local technicians are on standby should on-site maintenance be required. The on-site control center is programmed to remain shut down until manually activated by a trained technician. Every dispenser hose has a breakaway fitting--if a vehicle drives away without disconnecting from the fueling source, the fitting automatically closes and stops the flow of gas. These are just

some of the mechanisms built into each Clean Energy site that have been developed through collaboration with the NFPA and 30 years of experience in providing CNG fueling sites.

The application meets the required findings and criteria of approval for conditional uses

Section 151.011 of the City Code provides standards and criteria of approval for conditional uses. The proposed CUP meets the required findings. The proposed use is in harmony with the general purpose and intent of the City Code and the Comprehensive Plan as described below.

- 1. The use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purposes already permitted, nor substantially diminish and impair property valued within the immediate vicinity.*

The Property is guided Industrial and zoned I-2 Heavy Industrial, designed to “accommodate industrial uses in locations remote from residential uses in which urban services and adequate transportation exist.” The development team recognizes that the City has successfully harnessed regional growth trends, developing a substantial industrial base along its transportation corridors. The proposed fueling use is complementary to and enhances the amenities available to the surrounding industrial users.

The Facility enhances the City’s sustainability footprint and will promote the use and enjoyment of surrounding properties. As a member of Green Step Cities, the City has invested in long-term ecological preservation for its residents and businesses, adopting significant community goals around sustainability. CTR and Clean Energy are seeking to contribute to these goals with the development of this new use. The Facility will have immediate impacts on the City’s environment. This Facility alone will remove 7,424 metric tons of CO₂ from the atmosphere. When using local renewable natural gas, the Facility will recycle 2,524 tons of waste from the surrounding community. Approving this Facility is equivalent to planting 122,503 trees and removing 1,604 cars from the road.

- 2. The establishment of the conditional use will not impede the normal and orderly development and improvement of surrounding vacant property for uses allowed in the area.*

The Property is zoned as I2 – Heavy Industrial and it is planned to remain I2 – Heavy Industrial according to the 2040 Comprehensive Plan. The Property and proposed Facility is in conformance with the Comprehensive Plan and there is no need to amend any existing or planned land use or zoning for the Property.

The Property and surrounding land has a long history of heavy industrial use. The property now referred to as Hentges Industrial Park (the “Park”) was previously used for manufacturing of concrete products. The Park was purchased in 2019 and began operating under a CUP to crush and remove the unused concrete product. In 2021, the City Council approved the preliminary and final plat of the Hentges Industrial Park designed to redevelop the Park to allow for additional industrial users. The establishment of the conditional use is consistent with the City Council’s approval of the 2021 Park plat and the City’s desire to attract additional industrial users within the I-2 District.

3. *Adequate utilities, access roads, drainage and other necessary facilities have been or will be provided.*

The Property was selected by CTR because of its proximity to utilities--specifically natural gas service and the electric infrastructure of the Shakopee Public Utilities Commission. In conjunction with the plat approval for the Park, the developer constructed Hentges Way, extending southwest from Stagecoach Road via a new round-a-bout. Stormwater management basins and utilities connections were installed. The Property allows for easy access for local fleets off of Highway 101 and Highway 169. Adequate utilities, access roads, drainage and other necessary facilities are available to serve the proposed use.

4. *The use is consistent with the purpose of the zone in which the applicant intends to locate the proposed use.*

The Property is surrounded by industrial users. Impacts to parcels outside of the Property are not anticipated. The Property is not adjacent to any designated Wild and Scenic Rivers, is not within the Mississippi River Corridor Critical Area or within the High Value Resource Area as identified by the Lower Minnesota River Watershed District. The Facility is compatible with surrounding land uses and zoning. Development of the Facility will not alter or change the land use nature or the environment of the project area.

5. *The use is not in conflict with the comprehensive plan.*

The City's 2040 Comprehensive Plan ("2040 Plan") identifies goals for the economic environment, community environment, built environment, and natural resources. Approval of this CUP is not only consistent with the City's 2040 Plan but also will assist the City in meeting its identified goals. The development of the Facility will assist the City in retaining and expanding the City's industrial base by providing a desirable new amenity for industrial users while also attracting new industrial users committed to long term sustainability goals. Approval of the proposed use will improve the quality of life and promote public health by recycling 2,524 tons of waste and removing 7,424 metric tons of CO₂ from the air. This Facility exemplifies high quality, environmentally sensitive design. The Facility promotes the following goals of the 2040 Plan.

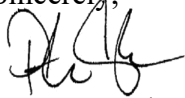
<i>Goals for the Economic Environment</i>	
Retain and Expand Shakopee's Industrial Base	☒
Attract new industrial users	☒
<i>Goals for the Community Environment</i>	
Adopt land use policies and practices that improve the quality of life	☒
Prioritize public health and safety	☒

<i>Goals for the Natural Environment</i>	
Encourage and require high-quality environmentally sensitive development	☒
Cultivate a culture of environmental awareness, stewardship and respect	☒
Develop and encourage public and private renewable energy production systems	☒
Promote and integrate resources-efficient systems into public and private facilities	☒

Based on the findings above and the enclosed materials, the Facility meets all applicable required findings necessary for approval of a CUP.

Please do not hesitate to let me know if you have any questions or would like to discuss further.

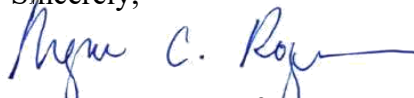
Sincerely,



Peter J. Coyle, for
Larkin Hoffman

Direct Dial: (952) 896-3214
Direct Fax: (952) 841-1704
Email: pcoyle@larkinhoffman.com

Sincerely,



Megan C. Rogers, for
Larkin Hoffman

Direct Dial: (952) 896-3395
Direct Fax: (952) 842-1847
Email: mgrogers@larkinhoffman.com

Attachments

cc: Greg Roche, Clean Energy
Daniel Martin, Clean Energy
Cole Moody, CT Realty Investors
Mitchell Bryant, Spectrum Development Group
Eli Sankey, Kimley-Horn Engineering