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

***TRANSMITTED
THROUGH
CITY PERMIT PORTAL***

Re: Revised CUP Application on behalf of CT Realty and Clean Energy

Dear Mr. Kerski:

We represent CT Realty (“CTR”), the preferred national developer for Clean Energy, a renewable natural gas fuel producer and distributor. CTR has identified a secondary 4.49 acre site located immediately north (the “Property”) of the Clean Energy green fueling site previously approved and under construction permitting across Hentges Way (“Phase I Fueling Station”) in the City of Shakopee (the “City”). 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 pursuant to Section 151.011 of the City Code to develop a fleet service center with office, storage, driver services, and minor vehicle repair (the “Phase II Site”).

I. Project Summary

CTR is developing a network for Compressed Natural Gas (“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. 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 utilized in conjunction with the Phase I Fueling Station uniquely serves CLNE’s fleet fuel customers. Since pursuing the original fleet fueling facility, CLNE has received significant interest in use of both the time fuel and fast fill fueling capabilities. Hentges is developing the property immediately southwest of the Phase I Fueling Station, there are active industrial uses to the east and accordingly expansion of the original site is not possible. CLNE would prefer to have an office and additional vehicle parking on the Phase I site but because the fueling site is limited by surrounding active uses, it proposes to expand its footprint within the City to the Phase II Site.

II. Site Plan Review

The Phase II Site is intended to provide expanded support for CLNE's fleet services team. The Phase I Site includes time fill stations and a fast fuel station. Use of the time fill station is limited to a single user, whereas the fast fueling component may be used by fleet vehicles subject to an ongoing fleet contract with CLNE. Based on increased demand for CNG fueling from industrial users, CLNE's proposed expansion to the Phase II Site will provide administrative office space, indoor minor vehicle maintenance during the winter months, storage of maintenance materials for both sites, and provide fleet driver support facilities including restrooms. The Phase II site will also incorporate additional fleet parking for driver vehicles and larger trucks that cannot be accommodated at the Phase I Fueling Station.

To meet the growing demand for CNG services, fleet vehicles contracted for the Phase II site will have access to the Phase I fast fueling capability. Like the Phase I site, the Phase II site will incorporate on-site parking for fleet drivers' personal vehicles creating a seamless process for drivers. All vehicles to be used in conjunction with the Property are active service vehicles used for fleet services much like service contractor shops or landscaping providers operating within the I-2 Heavy Industrial District.

Code Compliance Analysis

The proposed building shall be compliant with the permitted major exterior building materials outlined in Section 151.108 of the City Code and consistent with the design of the neighboring industrial properties. Concrete block, painted pre-cast panels, natural synthetic stucco, corrugate metal and vinyl siding will not be used. At least four percent (4%) of the façade facing the right of way on Hentges Way shall incorporate glazing or windows. Trash receptacles will be stored in an enclosed area and shall be constructed of similar and or complementary materials to the building.

The general infrastructure of the Phase II site is designed to accommodate an expanded administrative footprint and increase the efficiency of the Phase I site. There is no heavy equipment storage proposed for this Property. Landscaping, screening, and lighting plans shall meet the requirements of the I-2 District and the City Code. The proposed Phase II Site is compliant with the City Code and the proposed site design meets all design and operational standards required by the use specific conditions as further described herein.

Dimensional Standards	Minimum Requirement	Proposed
Building	<i>Building required as a primary use on the Property</i>	~8,000 Sq. Ft. Building
Minimum Lot Size	1 acre	4.49 Acres

Maximum Impervious	85%	±60.1%
Minimum Lot Width	100 feet	Over 250 feet
Minimum Side Yard Set Back	15 feet	15 feet
Minimum Front Yard Set Back	30 feet	Over 30 feet
Maximum Building Height	45 feet	±30 feet

Performance Standards for Phase II Site

Applicable Performance Standards for Phase II Site	Site Plan Compliance
Any exterior storage shall be screened from all public right of way with an opaque fence, wall, or berm not to exceed 8 feet in height, constructed of new materials, and maintained in good condition.	☒
Construction of a building to provide driver services and office space for fueling team.	☒
No storage of unlicensed or inoperable vehicles on the premises, no sale or storage of vehicles for sale	☒
Parking areas shall be paved and designed for use by commercial vehicles	☒
Landscaping and screening shall be designed and installed in accordance with Section 151 and the City Forestry Specifications Manual	☒

Traffic and Site Circulation

As described herein, the Phase II Site is designed to accommodate easy movement of vehicles and trucks between the Property and the Phase I Fueling Station. Parked vehicles will be dispatched dynamically each day based on loads and delivery schedules. Onsite administrative staff will assist in facilitating these transitions. Driver shifts are determined as part of this dynamic scheduling, spreading arrivals, departures, and fueling throughout the day. Arrivals and departures are likely to have peak periods during 4 hours in the morning and 4 hours in the evening.

III. 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.

Together the Phase I Fueling Station and Phase II Site enhance the City’s sustainability footprint. This expansion site will further 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 CLNE seek to contribute to these goals with the further development of this green use with immediate impacts to the City’s environment. Approval of this use amplifies the impact of the Phase I Fueling Station and is responsible for *another* reduction of 7,424 metric tons of CO₂. The collective impact of these sites is equivalent to planting 240,000 trees or removing 3,104 cars from the road.

The Phase II Site with a new approximately 8,000 square foot office and service facility represents a significant investment in the City, coupled with expanded opportunities for administrative staff and drivers. The addition of fleet parking concentrates vehicle parking within the City’s industrial district within a locked and maintained site as compared to returning fleet vehicles to neighborhoods or other non-industrial districts. CLNE is a national provider of fleet fueling services with a reputation of reliability across the country. CLNE’s full-service partnership provides its facilities with complete station and equipment management including 24 hour support and regular safety and quality inspections.

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 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 plat of the Hentges Industrial Park encouraging redevelopment of the Park to accommodate 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.

The Property is zoned I2 – Heavy Industrial and it is planned to remain I2 – Heavy Industrial according to the 2040 Comprehensive Plan. The Property and proposed Phase II site is in conformance with the Comprehensive Plan and there is no need to amend existing or planned land use or zoning for the Property. The proposed conditional use is consistent with the District, surrounding properties and uses, and with past City approvals.

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

The Phase I Fueling Station was initially identified by CTR based on its combined access to industrial fleet users and 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. The proposed site plan accommodates a fifteen-foot easement for the Great Lakes pipeline. The Property is impacted by a significant overhead electrical lines and easements that potentially limit developments with a broader vertical impact. The proposed use and building strikes a balance between meeting existing site constraints while also investing in a structure that is well suited to CLNE's proposed use and lends itself to constructive reuse if needs change.

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 Phase II Site is compatible with surrounding land uses and zoning. Development of the Phase II Site 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 expansion of CLNE's footprint will increase access to an important and high demand sustainability resource, under the guidance and management of a high-quality provider dedicated to building out an aesthetically pleasing and code compliant industrial Project. The Project 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	☒
Ensure long-term fiscal stability	☒
<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 Built Environment</i>	
Strategically guide new uses that are compatible with the existing character of the community	☒
Prioritize redevelopment opportunities	☒
Promote infill development	☒
<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,



Megan C. Rogers, for
Larkin Hoffman

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