

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
THURSDAY, APRIL 17, 2003
12:15 P.M. - CITY HALL

Pursuant to due notice and call, the Council for the City of Crosslake met on Thursday, April 17, 2003 at 12:15 P.M. at City Hall. The following Councilmembers were present: Mayor Darrell Swanson, Dean Eggena, Chuck Miller, Dick Phillips and Irene Schultz. Also present was City Administrator Tom Swenson, City Attorney Paul Sandelin, County Highway Engineer Duane Blanck, Public Works Director Ted Strand, Clerk/Treasurer Darlene Roach and Lake Country Echo Reporter Betty Ryan.

Mayor Swanson called the special meeting to order at 12:19 P.M. and informed everyone that this portion of the meeting was dedicated to discussion regarding the Joint Public Works Facility. The last discussion the Council engaged in regarding this project was the Council meeting of February 25th when Duane Blanck and Michael O'Donnell, along with City Engineer Dave Reese, gave in depth presentations regarding the design, construction plans and contents of the proposed facility including the percentage of use by both the City and the County. This meeting will focus on various agreements as well as the schedule of events leading up to the sale of bonds scheduled for April 30th.

The meeting was turned over to City Administrator Tom Swenson who presented a recap of the sequence of events leading up to this date where the City Council will act on the sublease with Crow Wing County, the City and EDA lease and the land transfer to the EDA. Swenson stated that on April 21st, the Joint Powers Board, consisting of Councilmember Miller, City Administrator Swenson and two County Board Commissioners, will meet to review the bids which were opened on April 10th for recommendation to the Council and County Board. The County Board, at its April 8th meeting, did approve the sublease agreement for its portion of the facility contingent on review by the County Attorney. On April 15th, Mayor Swanson, City Administrator Swenson, Duane Blanck, Ted Strand and City Attorney Paul Sandelin met with County Attorney Don Ryan. As a result of this meeting, some minor changes were made to the sublease. At the end of the 20 year term of the bond, the City will remain the owner of the real estate and the County share of the facility will be 53% with the City holding 47% of the ownership. The County will have the option of remaining in the facility under lease for \$1.00 annually. However, if the City determines it needs the entire facility, the two entities would need to come to an agreement as to the purchase price for the facility by obtaining two appraisals, adding the two values together and dividing by two to obtain an average price. The City would then pay the County for their portion of the facility. Another option would be to add on to the facility if additional space on the site is needed.

Duane Blanck addressed the Council and stated that the sublease has been approved by County Attorney Don Ryan. A handout was distributed by Duane Blanck which showed the real estate for the project being provided by the City and the Construction Manager services being provided by the County by Michael O'Donnell. The feasibility study costs have been paid 50/50 between the County and the City and design development is being paid 53%/47% based on a determination of the utilization of space. The Economic Development Authority will finance the facility and the City will lease from the EDA and the County will sublease from the City. The cost of operating the facility, including

maintenance and minor repairs, will be split 53% by the County and 47% by the City. This arrangement will be in affect for three years at which time the percentage will be re-evaluated. A thirty-six month notification period is required by both parties as part of the lease agreement should it be determined that the building is no longer needed by either party or the City needs the entire building. At that time the City would be required to pay the County for their portion of the building. Councilmember Schultz asked what would happen if one party gives a three year notice and the other party doesn't want the remainder of the building. City Attorney Sandelin stated that it should be clarified in the lease that the notice should be by mutual agreement of both parties. Attorney Sandelin stated that if the County remains at the facility for twenty years, the County is entitled to 53% of the current market value of the property. If they leave before the end of the twenty years, they forfeit their portion of the value of the building. Councilmember Eggena asked what would happen if the City couldn't levy for the payment. City Attorney Sandelin stated that the building would revert to the EDA and ultimately the bond holders would own the building. Councilmember Eggena asked why the County doesn't lease directly from the EDA rather than the City subleasing to the County. City Attorney Sandelin stated that one of the reasons is because the County has no ownership in the real estate and another reason would be if the County chose to not renew the sublease. Approval on the sublease was requested. MOTION 04S-01-03 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ THAT BASED ON REVIEW BY THE COUNTY ATTORNEY AND CITY ATTORNEY AND ON THE DISCUSSION HELD THIS DATE, THE SUBLEASE BETWEEN THE CITY AND THE COUNTY BE APPROVED. Councilmember Phillips inquired about the bid opening and Duane Blanck stated that 46 contractors submitted bids on eight packages. On April 21st a recommendation will be made by the Joint Powers Board for the County Board and the City Council to approve. It was noted that the bids came in about 10% under the projected cost and the Joint Powers Board will review some of the add-on's and alternates as possible options. MOTION CARRIED WITH ALL AYES.

Approval of the lease agreement between the EDA and the City was requested. City Attorney Sandelin stated that this lease dovetails the sublease with the County. The City will transfer the real estate to the EDA via a Quit Claim Deed and then enter into a lease to purchase agreement at the end of the bond period. This would be handled under Chapter 469 of Minnesota Statute. The same bonding method will be used for this facility as was used for the Emergency Services Center in 1994 when the City conveyed the parcel of land to the EDA and at the end of the bond term, the City will purchase the facility from the EDA for \$1.00. The Bond Attorney has reviewed all of the agreements and will give an opinion on the issuance of the bonds prior to the calling for the bonds. MOTION 04S-02-03 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE THE LEASE AGREEMENT BETWEEN THE EDA AND THE CITY FOR THE PUBLIC WORKS FACILITY. MOTION CARRIED WITH ALL AYES.

A copy of the proposed Quit Claim deed for the transfer of property to the EDA was reviewed. The property consists of a Tract A and Tract B with the Crow Wing Power substation located on Tract D and the Wastewater Treatment Plant located on Tract C. MOTION 04S-03-03 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE THE LAND TRANSFER OF TRACT A AND TRACT B FROM THE CITY TO THE EDA. MOTION CARRIED WITH ALL AYES.

City Administrator Swenson reviewed the remainder of the schedule of events which includes a City Council meeting scheduled for April 28th at 7:00 P.M. at City Hall for the purpose of awarding the bids for the project.

The Council called a two minute recess prior to joining the Planning and Zoning Commission, the Long Range Planning Commission and the Healthy Community Partnership Committee in a joint session to review the Comprehensive Plan.

Approximately thirty five to forty individuals were in attendance for the joint session. Chairman Darrell Schneider called for a motion calling the Long Range Planning Commission to order. MOTION WAS MADE BY TERRY CURTIS AND SECONDED BY BRAD NELSON TO CALL THE LONG RANGE PLANNING COMMISSION TO ORDER AT 1:15 P.M. MOTION CARRIED WITH ALL AYES.

Acting Chairman Dean Brodin called for a motion calling the Planning and Zoning Commission to order. MOTION WAS MADE BY JACK HUBER AND SECONDED BY DICK DIETZ TO CALL THE PLANNING AND ZONING COMMISSION TO ORDER AT 1:15 P.M. MOTION CARRIED WITH ALL AYES.

Healthy Community Partnership Chair Laurie Hoenig called for a motion calling the HCP to order. MOTION WAS MADE BY BARBARA HOPE AND SECONDED BY RUTH ANN HANSON TO CALL TO ORDER THE HCP COMMITTEE AT 1:15 P.M. MOTION CARRIED WITH ALL AYES.

Nancy Vernon addressed the meeting and stated that a draft (redlined) Comprehensive Plan has been prepared which is ready for review by the various Commissions. After today's meeting, each Commission will review the proposed plan at workshops or special meetings. A final document will then be presented at an open house and public hearing, which will be held by the Planning and Zoning Commission in June prior to final approval by the City Council.

Dan Frank of the Initiative Foundation commended the Council and the Healthy Community Partnership Committee for their undertaking the task of updating the City's Comprehensive Plan. Mr. Frank reviewed the Initiative Foundation's part in supporting the project both financially and in training sessions. Mayor Swanson commented that 85% - 90% of the recommendations of the current Comprehensive Plan have been adopted by the City Council since the Plan's inception in 1996. He also stated that Crosslake has seen an increase in growth of over 62% since the 90's and the plan needs to be reviewed and updated. Mr. Frank stated that 15 to 20 individuals attended each training session held by the Initiative Foundation. One more training session will be held dealing with sustaining growth. He stated that the Initiative Foundation wants to see the City's goals implemented and will work with the City to succeed in these goals.

Mayor Swanson introduced Craig Roob of Dahlgren Shardlow Urban, Inc., who are the consultants hired by the City to assist with the Plan. Mr. Roob reviewed the five parts of the process involved with updating a Comprehensive Plan which becomes a guide for elected and appointed officials to use in making decisions. The plan includes demographics as they relate to housing, development and what makes the City what it is today. Several areas were reviewed such as current land uses, history of the community,

community goals and strategies, and a work program for the Community. Mr. Roob stated that in February 2002, the City submitted an advertisement requesting proposals to act as consultant for updating the City's Comprehensive Plan. Several firms submitted proposals who were interviewed by the City. On April 18th, DSU was awarded the proposal and on June 3rd, a kickoff meeting was held which was attended by over 150 residents. This first meeting defined the priorities or topics which the HCP Committee would focus on over a period of several months. Mr. Roob reviewed each of the subjects discussed at the various meetings which has resulted in the redline version of the plan which was distributed prior to today's meeting. He stated that the purpose of this meeting is to get everyone together to disseminate information that needs to be worked on by the various Commission's prior to the public hearing which will be held by the Planning and Zoning Commission on June 28th.

Councilmember Miller asked where the Comprehensive Plan addresses the walkways that were dedicated to the public which the Council directed the HCP Committee to review since the moratorium ends when the Comprehensive Plan is adopted. Mr. Roob stated that a survey is being done to identify these public accesses and the location of these accesses could be added as an appendix to the Plan. Alden Hardwick asked if the Council wanted a recommendation on each parcel and Councilmember Miller stated that a recommendation was requested on how these publicly owned accesses should be handled.

The meeting was open to the audience for comments and questions.

Dean Brodin stated that he does not want to see the plan sit on a shelf and gather dust after all the work that has been put into it. He asked how this plan differs from the one adopted in 1996. Mr. Roob stated that this is an update to the 1996 plan and items that were not completed from the prior plan go to the top of the priority list in this plan. It was noted that the top two items from the 1996 Comprehensive Plan were enforcement of waters and city sewer.

Other comp plan items discussed by the attendees included density, sprawl, land values, water safety, ages of residents, creation of jobs, housing and noise pollution.

Councilmember Eggena addressed his concern that not enough emphasis was placed on the City being a wealthy retirement community. He stated that we cannot forget about these people when we plan for the future for the baby boomers who are coming to the area. Another issue of concern are employees who work in the area but can't afford to live in the area. He stated that the City needs to consider housing that is affordable, but wonders how this conflicts with other goals identified in the plan. He asked whether tourism is compatible with retirement living and if we are making it less desirable for the retired to live here.

Barbara Hope, HCP Committee Member, stated that there are a number of retired people on the Committee including herself and her husband who ten years ago saw only retired persons in the Church, but today find the opposite to be true.

Laurie Hoenig commented that the Committee did address the issue of affordable housing in the Plan. Mayor Swanson commented that the Council is sensitive to this issue, since

approximately 80 off lake lots were approved in preliminary plats at the April City Council meeting.

Discussion ensued regarding how to balance the retirement community with the needs of younger people. Councilmember Schultz stated that the Council needs to be versatile and focus on all age groups.

There was some discussion regarding the role technology plays in allowing seasonal and weekend property owners the ability to work from their residence. This could possibly attract more year round residents to the area.

One Committee member commented that the word "wealthy" is not referred to anywhere in the Comp Plan since the Committee didn't look at the economic values of the Community. It was noted that 63% of the homes are occupied only seasonally or intermittently, thus the reason for holding meetings during the summer months when these individuals were in the area. The open house is scheduled for June to allow for attendance by a larger group of individuals.

Councilmember Eggena stated that he attended a planning meeting recently where the speaker put a great deal of emphasis on the Comp Plan being the foundation for the way the City develops. Councilmember Eggena stated that if we can make changes without hurting the retired population, he would not be opposed to changes.

Discussion ensued regarding whether Crosslake was considered a tourist area like the Gull Lake area since there are very few, if any, resorts remaining in Crosslake.

Terry Curtis commented that as a resident in the 30's age group, the younger are not necessarily the noisy group of residents. He stated that technology has changed the demographics of the City, but he doesn't feel the City has to be offering something for everybody.

There was some discussion regarding how the City should handle a large corporation such as a 3M relocating to Crosslake. Mr. Roob stated that the Comp Plan would allow the developer the opportunity to present their plan and then the Council would need to make a decision on whether this is something the City would allow under the intent of the Comprehensive Plan.

Park and Recreation Director Jon Henke stated that when the comments were ranked, 47 of 150 individuals felt more bike and walking trails were important. He stated that the two main roads for biking and walking are along West Shore Drive and Daggett Pine Road and wondered whether the City should be looking at wider easements, curb and gutter and etc. He asked what the perception of the Council would be in regards to this. Councilmember Phillips stated that if that is what the people want we need to take a look at doing that. Councilmember Eggena felt these things can be accomplished. Mayor Swanson stated that a retrofit is much harder to accomplish than implementing something into the project upfront. Nancy Vernon stated that these are the types of items that could be adopted in the Ordinance if the Council felt changes were needed. Mayor Swanson reiterated that the Comprehensive Plan is the blueprint for Ordinance adoption.

There was some additional discussion regarding affordable housing and how developers have attempted to construct units for elderly residents which other than Homestead Cooperative have been unsuccessful endeavors in regards to filling the vacancies.

At approximately 3:30 P.M., Mayor Swanson asked Craig Roob what the next step would be and he replied that this meeting has accomplished what it was set out to do and the next step would be for the various Commissions to meet as a group to review the subjects that were the focus of discussion today. Alden Hardwick commented that the HCP Committee has jotted down various comments, concerns and recommendations which were expressed during the meeting which will be reviewed by the Committee at a subsequent meeting.

Since the public hearing has been set for June 28th, any changes in the plan need to be compiled and forwarded to DSU at least one week prior to the public hearing date.

Mayor Swanson complimented the job the HCP Committee has done on the plan. He recommended that economics be considered by the various Commission's since the taxpayers are being asked to participate in many areas of improvements related to roads, a new public works facility and the cost of a portion of the sewer project. All of these improvements come at a price and the Commission's may want to review whether the City should take on additional projects such as subsidized low income housing or participation in affordable housing projects and etc. He stated that narrative regarding these items can be included in the Comp Plan.

There being no further comments, MOTION WAS MADE BY ALDEN HARDWICK AND SECONDED BY RUTH ANN HANSON TO ADJOURN THE HCP COMMITTEE MEETING AT 3:55 P.M. MOTION CARRIED WITH ALL AYES.

MOTION WAS MADE BY OLAF OLSEN AND SECONDED BY TERRY CURTIS TO ADJOURN THE PLANNING AND ZONING COMMISSION MEETING AT 3:55 P.M. MOTION CARRIED WITH ALL AYES.

MOTION WAS MADE BY BRAD NELSON AND SECONDED BY HANK DUTSMAN TO ADJOURN THE LONG RANGE PLANNING COMMISSION MEETING AT 3:55 P.M. MOTION CARRIED WITH ALL AYES.

Mayor Swanson thanked everyone for their attendance and upon asking for a motion to adjourn, MOTION 4S-04-03 WAS MADE BY DICK PHILLIPS AND SECONDED BY IRENE SCHULTZ TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 3:55 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,



Darlene J. Roach
Clerk/Treasurer