

PUBLIC HEARING
CITY OF CROSSLAKE
TUESDAY, APRIL 18, 2000
1:00 P.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Tuesday, April 18, 2000 at 1:00 P.M. for the purpose of receiving input on proposed road and drainage improvements to Swann Drive and Pioneer Drive. Councilmembers present for the hearing were Mayor Darrell Swanson, Charles Miller, Irene Schultz, Dean Swanson and Richard Upton. Also present was City Administrator Thomas Swenson, City Engineer Dave Reese, City Attorney Paul Sandelin and Public Works Foreman Pat Hoag. (Public Hearing sign in sheet included as part of these minutes.)

Mayor Swanson called the public hearing to order at 1:00 P.M. and stated that the purpose of the meeting was to review the feasibility study prepared by Widseth Smith Nolting for proposed improvements to Swann Drive and Pioneer Drive. The meeting was turned over to City Engineer Dave Reese.

Dave Reese stated that the purpose of the feasibility report was to examine existing conditions, discuss the proposed utilities, road and drainage improvements for Swann and Pioneer Drive, prepare preliminary cost estimates, discuss options for implementation and provide conclusions and recommendations. Dave Reese showed a slide showing the site of the area surrounding the roads. Swann Drive will connect County Road #66 to County Road #3 and Pioneer Drive runs North and South and will connect with the currently paved road running between Ace Hardware and Reed's Market. The proposed Crosswoods Development is located in the Northeast corner of the proposed area for improvement. The proposed infrastructure improvements for Swann Drive and Pioneer Drive consist of commercial street sections and public walkways, a sanitary sewer collection system and public drainage systems. The location of this project is included in Phase 1 of the Sanitary Sewer Project which was approved by the City Council in December, 1999. Dave Reese showed another slide identifying the area where the sanitary sewer lines would be located as well as a slide which showed the location of the storm sewer system and water system should the City decide to pursue a municipal water system.

The proposed paved width of Swann Drive includes 2 twelve foot driving lanes and a 5 foot bikeway on both sides for a total width of 34 feet (or 38 feet curb face to curb face). No parking would be allowed on Swann Drive based on the width and the bikeway routes. A 12 foot concrete sidewalk is proposed on the South side of Swann Drive from County Road #66 through the Crosswoods Town Square. Swann Drive would be built to a ten ton standard with 7" of Class 5 and 2 ½" of bituminous wear coarse. The road right of way is 66 feet.

The proposed paved width of Pioneer Drive includes 2 twelve foot driving lanes and a 6 foot paved shoulder on both sides for a total paved width of 36 feet (or 40 feet curb face to curb face). A 12 foot wide concrete sidewalk would be constructed on the east and

west sides of Pioneer Drive from Swann Drive to approximately 600 feet to the south where the existing paved street begins.

Another slide was presented by Dave Reese which showed the location of pipes for the sanitary sewer system and the area of the proposed storm sewer system. WSN looked at a second option for storm sewers based on original cost. The sanitary sewer system would be a gravity collection piping system. The water supply lines would be a distribution piping system with hydrants and valves and would fall within the same location as the sanitary sewer. The storm sewer would consist of retention ponds which would take out sedimentation and consist of gravity collection piping. Streets and sidewalks are proposed as urban sections with bikeways, curb and gutter and sidewalks. Although the City has only agreed to build a rural road, an urban style road is being reviewed due to the proposed development in the area.

Street improvement cost estimates were reviewed for both roads along with the estimated cost of sanitary sewer improvements and water supply improvements. Swann Drive is estimated at \$300,500 for street improvements, \$61,200 for sanitary sewer improvements and \$38,000 for water supply improvements for a total cost estimate of \$399,700. Pioneer Drive is estimated at \$126,800 for street improvements, \$49,500 for sanitary sewer improvements and \$29,300 for water supply improvements. It was recommended by WSN that the City install a watermain loop at the same time as storm water improvements are being constructed to the west of Reed's Market. This will allow future extension of watermain to serve additional properties and improve water system hydraulics in a long range water system improvement plan. The cost for the watermain loop is estimated at \$35,200. Storm water improvements are not included in these estimates since these improvements would benefit specific areas rather than abutting properties. Previous meetings regarding the Crosswoods Development Project indicated that Crosswoods would construct a storm water collection system and retention pond that would serve that area. The other collection systems and retention pond cost is proposed to be assessed based on square footage. The cost for this system is estimated at \$293,200. This brings the overall estimated project cost for Swann and Pioneer Drive improvements to \$933,700. The above amounts include a 10% construction contingency of \$70,750 and engineering, legal and administrative costs of \$155,450. Right-of-way easement acquisition is an additional potential cost to the project.

The recommended method of distributing costs to those that benefit was reviewed. Street improvements including curb and gutter and sidewalk would be assessed based on lineal foot by frontage. Sanitary sewer and water supply would be paid through availability fees and user charges. Storm sewers would be assessed based on square footage of property.

Because of the agreements made with property owners regarding construction of Swann Drive, the cost difference between the two different road styles (rural and urban) were discussed. The City tentatively agreed to the cost of construction of a rural section 24 foot wide road at \$162,500. If a 38 foot wide urban road is constructed with curb and gutter, the cost is estimated at \$300,500. Of this amount \$138,000 would be assessed

based on cost per lineal foot. The property owners assessed would be the Catholic Church, Crosswoods, Reed/Pioneer Properties and the City of Crosslake for the area of Town Square.

An agreement with Bill Reed provides that he would pay for the cost of improving Pioneer Drive in accordance with City standards. He would then dedicate the standard 66 foot wide right of way for all of Pioneer Drive to the public and the City would take over street maintenance. The project would be included with the Swann Drive improvements in order to benefit from the bid prices on a larger scale project and to coordinate the two streets together. The City preferred to align the north end of Pioneer Drive for future extension to the North and agreed to pay the estimated cost of \$19,300 for this realignment. The balance of the cost of \$107,565 would be paid by Bill Reed.

The cost of storm sewer improvements would be assessed on square footage of property within the drainage collection area and the cost for each property owner is estimated at \$143,129 for Crosswoods, \$40,956 for Jim Cotton, \$99,554 for Reed/Pioneer and \$9,561 for the City of Crosslake for Town Square.

Sanitary sewer would be based on equivalent residential units (ERU's) and each user would be charged approximately \$2500 per ERU. The proposed monthly user fee would be \$25 per ERU. Dave Reese showed the potential sewer hook up charges and monthly sewer charges for the four property owners.

The City has agreed to construct Swann Drive by September, 2001. He stated that if the project is approved, in July permitting and design could begin, in August the bid for underground work could be awarded, in October underground utilities could be completed with September of 2001 as the date of project completion. Cost factors to be considered include the project timing, property easement acquisition, and unforeseen soil or groundwater conditions. Risk factors include completion of the sewer project, developer financing/TIF limitations and tax forfeiture. He stated that the City is also looking at reducing the storm sewer costs to make the project a more viable situation.

Mayor Swanson opened the hearing to questions and comments from the Council. Councilmember Miller stated that he has some concerns. One being a water system, and the other being the road assessment shown for the Catholic Church. Mayor Swanson stated that a sewer project has been approved by the Council, however, a water system has not been approved by the Council. Councilmember Swanson agreed, however, stated that the engineers were instructed to provide estimates for a water system. Regarding, the Church he stated that the type of road has been changed from rural to urban and this along with storm sewer and curb and gutter increases the cost. He felt that maybe the City was going overboard in helping this developer move forward, although sees some merit with the road for the benefit of the City as a whole. He stated that it is spendy, and the Council needs to take a good look at it. Councilmember Schultz asked if the City would save money by putting water in at the same time. City Engineer Dave Reese stated that the water costs in this area are fairly minimal, however, putting in a water system in Phase 1 would cost \$3 ½ to \$4 million dollars. Mayor Swanson stated

that the 1996 purchase agreement between the Church and the City needed to be reviewed along with all of the purchase agreements affecting this road. Mayor Swanson stated that the Council needed to consider whether this large of a road was needed and whether bike lanes on both sides of the road were needed. He stated that the higher the cost, the higher the risk factor becomes.

The hearing was opened to the public for comments. Mike Stone of Crosswoods Development stated that it has been five years since they were approached by the City's Long Range planning Commission inquiring whether they would reconsider their plans for the area. He stated that additional land was acquired to expand the golf course and the original area of expansion was reserved for Crosswoods Development. He stated that land was donated to the Church by the Stones and Bill Reed donated land to the City under the assumption that the road would be a downtown road not a rural road. He stated that last Spring, the Stone's sat down with the Downtown Sub-Committee and discussed the differences between a rural and urban road and the conclusions were that they were about the same. He stated that it was agreed that the Stone's would pick up some of the cost and the City would pick up \$162,500 of the cost for a 36' road. He stated that their budget was based on last years numbers and doesn't think that it's fair that landowners are paying a higher cost. He stated that at the current levels, the costs are prohibitive. He also stated that they are losing \$10,000 a month in TIF. City Engineer Reese stated that regarding the higher costs, that over a five year period with a different width of roadway, sidewalks, street lights and etc., costs will vary. He stated that there is no intention on the part of WSN to provide a lack of information, but the cost is based on information they have available at the time. Councilmember Upton asked the reason for the change in road width from 36' to 38'. City Engineer Reese stated that the additional road width would allow space for bikeways in order to have some distance between the two way traffic. He stated that in regards to storm sewers, there were many meetings held were it was discussed that the cost would be based on the area of property covered. City Engineer Reese stated that the Council needs to decide who is benefiting by the street and drainage improvements and what percent should be assessed. He stated that most Cities' feel the developer benefits. He stated that the City would also have to make a decision regarding the type of road to be constructed. Mayor Swanson noted that the developer has increased their lineal footage by 30% between the original concept and this date, therefore, increasing their cost. Mike Stone stated that they are looking at a percent of participation by all parties identified in order to get a handle on what their assessment costs will be. Councilmember Miller stated that he has been on the Council for eleven years and this is the first time he has heard that someone approached the developer on behalf of the City. Regarding City participation, he stated that everyone pays when the City participates and when sidewalks and etc. are added, the taxpayers pay. Mike Stone stated that they are not looking for any add-on's. Mayor Swanson stated the previous City Council agreed to build a rural road and while, percents of participation may have been discussed at Commission meetings, there was never anything brought to the City Council for approval. Mike Stone stated that they are putting in infrastructure that will be dedicated to the City and requested that these costs be credited against the estimated \$2500 per ERU. He further stated that they are putting in an interim drainfield, and can't see having to pay for a distribution system also. City Engineer Reese stated that the

hookup fees and user charges are how the City obtains funds for installing the collection system. With regards to the costs, they do their best to come up with good estimates, however final costs cannot be determined until the project is completed. He stated that the City can hold a final assessment hearing based on bids or when the construction is completed. Councilmember Swanson stated that the City was prepared to build the road, however, the Council was asked by the developer to hold off on construction. Mike Stone stated that with the numbers presented, it does not appear to be financially feasible to go forward. David Barnes, owner of Ace Hardware, addressed the Council. He asked where Ace Hardware is located in relationship to the Reed/Pioneer Properties and what the developer was utilizing Tax Increment Financing for. City Attorney Sandelin stated that the TIF decision would be made when the scope of the work is known. David Barnes stated that in prior conversations with other merchants, the consensus was that maybe the road doesn't need to go through and that maybe everyone was putting the cart before the horse. He stated that sometimes progress doesn't become progress at all and until we know where the costs are going , where they stop and what the costs will be to him as a property owner and merchant, he didn't now how the decision can be made. Dennis Leaser of Crosslake Communications expressed a concern regarding removal of two fiber optic cables off the golf course. He stated that the fiber optic cable needs to run down Swann Drive and what kind of road will be constructed needs to be known by them. He stated that this is the fiber optic cable that connects Crosslake with the rest of the world. He stated that NSP and Crow Wing Power also need to become involved.

Mayor Swanson thanked everyone for attending the hearing. There being no further comments, MOTION 04PH1-01-00 WAS MADE BY CHUCK MILLER AND SECONDED BY RICHARD UPTON TO ADJOURN THIS PUBLIC HEARING AT 2:33 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,


Darlene J. Roach
Deputy Clerk/Treasurer

PUBLIC HEARING – April 18, 2000

**Swann Drive and Pioneer Drive
Public Hearing**

1:00 P.M.

Tuesday, April 18, 2000

Sign-In Sheet

| Name | Address | Phone Number |
|----------------------|----------------------------|--------------|
| Pat Hoog | City of Crosslake | 692-2688 |
| Jack Stone | 36006 Co. Rd. 66 Crosslake | 692-3686 |
| Chuck Jilla | City Council | 692-5471 |
| Robert Lepore | City Council | 692-2029 |
| Juene Schultz | City Council | 692-2663 |
| Dannell Swanson | city council | 692-2698 |
| Dean R Swanson | " " | 692-2431 |
| Jim Mich | Reed's Market | 692-2711 |
| Marty Fogel | Reed's Market | 692-2711 |
| Wendy Wason | Crosslake Communities | 692-2777 |
| MIKE STONE | CROSSWOODS | 692-4653 |
| Sonia Slack | Pine Peaks | 692-4100 |
| Joe Slack | Pine Peaks | 692-4100 |
| DAREK BARNES | ACE | 692-1230 |
| DAVID Barnes | Ace | " " |
| Mary Kolesar | citizen | 692-4868 |
| Dave Kolesar | " | " " |
| Neal Roy | CHANNEL | 692-4422 |
| Cindy Kulyan | PO Box 291 | 692-4114 |
| Rev. Dennis Hoffmann | PO Box 155 | 692-3731 |
| Karl Sandelin | PERCOT LACES | 568-8981 |
| Tom SWENSON | CITY OF CROSSLAKE | 692-2688 |
| BRUCE LARSON | Shoes + More | 692-3800 |
| Scott GALLAWAY | Build-All Lumber | 692-3025 |
| Dorlene Beach | City | |