

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, AUGUST 17, 1998
1:00 P.M. – CITY HALL

The Council for the City of Crosslake met in a Special Session in the Council Chambers of City Hall on Monday, August 17, 1998 at 1:00 P.M. The following Councilmembers were present: Mayor Robert Scott, Donna Keiffer, Charles Miller and Raymond Smyth. Absent was Richard Upton. Also present was City Administrator Thomas Swenson, Deputy Clerk Darlene Roach, Zoning Administrator Teri Hastings, General Manager Kevin Larson, Sid Inman of Ehlers & Associates, City Engineer Dave Reese, Public Works Chairman Dean Swanson, Planning and Zoning Chairman Darrell Swanson, Dave and Mary Kolesar, Jack and Mike Stone, Jim Cotten, Bill Reed, George Riches and Jay Smedberg.

Mayor Scott called the meeting to order at 1:00 P.M.

MOTION 08S1-01-98 WAS MADE BY CHUCK MILLER AND SECONDED BY DONNA KEIFFER TO APPROVE ALL BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$21,552.60. MOTION CARRIED UNANIMOUSLY.

MOTION 08S1-02-98 WAS MADE BY RAY SMYTH AND SECONDED BY DONNA KEIFFER TO CHANGE THE TIME FOR THE AUGUST 31, 1998 SPECIAL MEETING FROM 1:00 P.M. TO 12:30 P.M. MOTION CARRIED UNANIMOUSLY.

Teri Hastings informed the Council that the Stone's had submitted a pre-application Tax Increment Financing request which was reviewed by City Administrator Swenson and herself and found to be in compliance with the City's TIF Policy and the City's Comprehensive Plan. The development project will consist of retail businesses that may include living units above the businesses and a town square. The area that the TIF is being requested for is in the vicinity of C.S.A.H. #66 and C.S.A.H. #3 just East of Reed's Market. The property is currently zoned commercial and this classification will remain. The tax increment will be used for administrative expenses and for roads, sidewalks, sewer and possibly a water system. Included with the pre-application were several exhibits which showed the development area, a general description of the project, current estimated market values for the total number of acres which will eventually be developed as well as market values for Phase One of the Plan. Also included was a document showing the general rationale for the plan, and why the TIF will be used and how. The benefits of the development to the public and the City were also included. The \$100 fee was received with the application MOTION 08S1-03-98 WAS MADE BY CHUCK MILLER AND SECONDED BY RAY SMYTH TO APPROVE THE PRELIMINARY APPLICATION FOR THE STONES AND TO ALLOW THE DEVELOPER TO SUBMIT A FORMAL TIF APPLICATION FOR CONSIDERATION BY THE CITY COUNCIL. MOTION CARRIED UNANIMOUSLY.

Sid Inman of Ehlers & Associates is working with the developers on the project. He stated that, if the project is approved, it would be an eleven year economic development district with nine years of increment. Two TIF districts are being proposed with estimated public improvement costs of \$590,000. The estimated total tax increment would be \$1,212,974 with ten percent, or \$120,300, reserved by the City for administrative costs. The City could also take an additional ten percent in project costs.

A subcommittee was formed to work with the developer on the proposal to construct a downtown commercial area. The subcommittee consists of Tom Swenson, Teri Hastings and Kevin Larson from the City staff, Planning and Zoning Commission Chairperson Darrell Swanson and Commissioner George Riches, Public Works Chairperson Dean Swanson, City Engineer Dave Reese, Property Owners Bill Reed, Jim Cotten, David Barnes and Dave and Mary Kolesar representing the Stone family. The subcommittee will provide city input into the planning of the development. Because the proposed development is in Phase I of the sewer district, several issues require consideration. Hence, a quote was received from Widseth Smith Nolting in the amount of \$20,000 to prepare a master plan. Approval was also requested to obtain the services of CC&I Engineering at a cost of \$2000 to come up with a plan for the Utility Companies. If the Widseth Smith Nolting quote is approved, the developer has agreed to pay \$7000 and Bill Reed has agreed to pay \$2000. It was the recommendation of the City Administrator that the City include \$11,000 in the 1999 budget toward the master plan and reimburse itself from TIF Funds. Kevin Larson felt that CC&I would develop a plan for the Telephone Company with well defined corridors and make it easier for the Telephone Company to do business in the new development. He stated it may also be possible to put a duct system in place in the area which could be leased to other utility companies such as Crow Wing Cooperative Power and Northern States Power. MOTION 08S1-04-98 WAS MADE BY CHUCK MILLER AND SECONDED BY RAY SMYTH THAT THE CITY BUDGET \$11,000 IN 1999 FOR WIDSETH SMITH NOLTING TO DEVELOP A MASTER PLAN IN THE DOWNTOWN AREA WITH AN ADDITIONAL \$2000 FOR CC&I AND THAT THE CITY REIMBURSE ITSELF FOR THE \$13,000 FROM TIF FUNDS. MOTION CARRIED UNANIMOUSLY.

MOTION 08S1-05-98 WAS MADE BY CHUCK MILLER AND SECONDED BY RAY SMYTH TO ADJOURN THIS SPECIAL MEETING AT 1:30 P.M. MOTION CARRIED UNANIMOUSLY.

Taped and transcribed by:



Darlene J. Roach
Deputy Clerk

