

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, JUNE 26, 2017
8:00 A.M. – CITY HALL

The Council for the City of Crosslake met for a Special Meeting on June 26, 2017. The following Council Members were present: Mayor Patty Norgaard, Gary Heacox, Dave Schrupp, Brad Nelson and Dave Nevin. Also present were City Administrator/Consultant Dan Vogt, Finance Director/Treasurer Mike Lyonais, City Clerk Char Nelson, Crow Wing County Land Service Specialist Jon Kolstad, Public Works Director Ted Strand, Park Director Jon Henke, City Attorney Brad Person, City Engineer Mike Rardin, Northland Press Reporter Bill Monroe, and Echo Publishing Reporter Theresa Bourke. There was one audience member.

Mayor Norgaard called the meeting to order at 8:00 A.M. and turned the meeting over to Dan Vogt. Dan Vogt reported that staff met last week to discuss sewer connection charges and park dedication fees for the proposed eight unit townhomes in Town Square. Discussion of fees for the 32-unit apartment development will take place at later date after plat is submitted. Current ordinance is clear on determining these costs so any deviation would require an ordinance amendment. Mike Lyonais provided the Council with cost comparisons of sewer hookup fees from area cities. Crosslake's fees of \$4,000/residential and \$6,500/commercial are similar to others. Mr. Lyonais noted that the Council raised sewer usage rates a couple years ago so that the sewer plant would break even on operating costs. The City levies approximately \$221,000 a year for the sewer system.

Housing development representative Leah Heggerston addressed the Council and stated that the developer of the townhomes is not seeking a reduction for sewer connection fees but that the developer for the apartments could be interested in assistance. Because a park is part of the development for both the townhomes and apartments, Ms. Heggerston requested that the park dedication fees be reduced or eliminated. Town Square Developer Jim Anderson has provided green space, pavilion, water feature and bike paths in that area. Mr. Anderson would develop the park in the housing area. Jon Henke stated that the park dedication fees for eight townhomes would be \$13,500 and that the City could consider some type of credit for the proposed park. Brad Nelson and Gary Heacox stated that credit should be given for the park development because the cost of the park will be much more than \$13,500. Jon Henke suggested that a 25%-50% credit be considered. Dave Nevin stated that parks are expensive to build and maintain and that he would eliminate the park dedication fees for the housing development. Brad Nelson agreed that the City will save money by having the developer maintain the park. Attorney Person suggested that the Council list the findings of fact to support their decision and added that it would be helpful to see a site map and cost estimate of the park. Dave Nevin stated that he would be willing to contribute to the project as well as eliminate the fees. Mayor Norgaard stated that all applicants must be treated the same. Attorney Person added that the Council should not use a person's reputation or success to determine whether to reduce the fees. Dave Schrupp stated that he has not been convinced that there is a financial burden for the developer to receive reduced park dedication rates for the townhome development. Jon Henke added that he would rather have the Council reduce the park dedication fees rather than eliminate the fees. Dave Schrupp questioned if the City needed a park in this location.

Jon Kolstad asked that the Council determine whether the use of the townhomes is residential or commercial because it sits on commercial property. MOTION 06S2-01-17 WAS MADE BY GARY HEACOX AND SECONDED BY DAVE NEVIN TO CHARGE THE RESIDENTIAL SEWER CONNECTION FEE OF \$4,000 PER UNIT FOR EACH TOWNHOME. MOTION CARRIED WITH ALL AYES.

Jon Henke suggested that the Council consider reducing the park dedication fees for the townhomes by 50% so that there is room to negotiate the fees for the apartments. Dave Schrupp stated that Jon Henke should be directed to sign off on the design of the proposed park. Attorney Person replied that the park is privately owned and the City should not be involved in the design.

MOTION 06S2-02-17 WAS MADE BY DAVE SCHRUPP AND SECONDED BY PATTY NORGAARD TO DIRECT THE PARK COMMISSION TO LOOK AT THE DRAWINGS OF THE PROPOSED PARK, TO APPROVE 50% REDUCTION IN PARK DEDICATION FEES FOR THE EIGHT TOWNHOMES, AND TO REQUIRE COMPLETION OF CONSTRUCTION OF TOWNHOMES AND APARTMENTS TO COINCIDE WITH VARIANCE TERM OF 5 YEARS. Dave Nevin stated that this was only a modest contribution from the City. MOTION CARRIED WITH ALL AYES.

The Council moved into closed session to discuss Dream Island Bridge Project easements at 9:30 A.M. No action was taken.

MOTION 06S2-03-17 WAS MADE BY GARY HEACOX AND SECONDED BY PATTY NORGAARD TO ADJOURN THE MEETING AT 9:35 A.M. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted,



Charlene Nelson
City Clerk