

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
April 11, 2017, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The April 11th, 2017, Regular Meeting of the Park Rapids City Council was called to order at 6:05 p.m. by Mayor Pat Mikesh, and everyone present recited the Pledge of Allegiance.

2. ROLL CALL: Present: Mayor Pat Mikesh, Councilmembers Ryan Leckner, Erika Randall, Dick Rutherford, and Liz Stone. Absent: None. Staff Present: Administrator John McKinney, Police Chief Jeff Appel, Public Facilities Superintendent Chris Fieldsend, Police Sergeant Dan Garner, Treasurer Angela Brumbaugh, Planner Ryan Mathisrud, Liquor Store Manager Scott Olson, and Clerk Margie Vik. Others Present: Nancy Newman, Jason Murray, Tom & Gail Petschl, Char Christianson, Rod Nordberg, Ronald Waterman, Sue Tomte, Florence Hedeem, Butch DeLaHunt, LuAnn Hurd-Lof, Nels Peterson, Cynthia Jones, Scott Wilson, David Collins, Kay Rave, Nicole Lalum, Jen Keller, Murry Westberg, Shelley Theisen, Danielle Lien, Chip Lohmeier, Linda Hanson, and Kevin Cederstrom from the Enterprise.

3. APPROVAL OF AGENDA: A motion was made by Leckner, seconded by Randall, and unanimously carried to approve the agenda with the following additions: Additional information was presented for Items #9.1. and 9.4.

4. PUBLIC HEARINGS STARTING AT 6:00 PM:

4.1. Modification of Municipal Tax Increment Finance Development District No. 2, and the Creation of TIF No. 2-12: A motion was made by Randall, seconded by Leckner, and unanimously carried to open the public hearing at 6:07 p.m.

A. Presentation of Tax Increment Financing No. 2-12 Plan: Jason Murray, with David Drown Associates, stated our firm was retained by the city to draft the TIF Plan for this proposed project. Two key pieces to this, is the public hearing tonight to open a discussion on the proposed district, and the proposed Council action to modify your existing district. You've had some annexation hearings already on this property. And we have to amend the municipal boundaries for your Municipal Development District No. 2. You'll see some language related to the modification process, along with the establishment of the Housing TIF District 2-12. The Housing District 2-12 is specifically for housing activities. We're limited in some of the commercial activities that could be out there.

Murray stated key components for the Housing TIF statutes are a portion of the development has to be retained for low to moderate income. On an annual basis the

developer/operators will have to check that and provide compliance to the city. You have some other Housing TIF Districts, so it's nothing out of the ordinary as far as a procedure for the city or the developer. I've had the privilege to work with the developer in other communities, and they've had a similar Housing TIF Districts and their compliance is spot-on on an annual basis. I don't think you'll have any issues with that.

Murray stated part of the proposed action tonight will be the establishment of the overall TIF plan. This TIF plan is set up to govern the activities of the district itself. In this case it's a sizable acreage. It's a two parcel district with sizable acreage with proposed future development. As a TIF plan we're trying to look out twenty-six years and say what may happen. We know we have this first project, but we're trying to encompass as much as we can in this TIF plan so you don't have to do this process again. It's already set up with the TIF plan being established. So if future development happens you as a Council and community can choose to assist if you like through the use of tax increment if there is a need again and the developers meet the but-for. So we have a crystal ball looking long term here over twenty-six years. Just because the TIF district is established for twenty-six years that doesn't mean that you are committing to twenty-six years of assistance with the developer. This project and future development will all be on a case by case basis, and you as a Council have the right to approve any of the agreements that move forward.

Murray stated if the Council sets this TIF district up tonight, the next step is that formal agreement between the developer and the city through a tax increment financing development agreement. We were hopeful to have a draft agreement for your consideration tonight but we were a little delayed in getting it. Hopefully, at your next meeting you'll see that specific agreement as a follow up if you approve and everything moves forward tonight. Murray requested comments. There were none.

B. Public Hearing Notice: There were no comments.

C. Public Comments: David Collins stated we talked about this project before at Council meetings. It's an excellent project. We have an excellent developer. Knute-Nelson has an excellent reputation. They are already servicing one-hundred and sixty people in our community on a regular basis. This is some much needed housing. It will be a good attraction to our community. I urge your adoption of the TIF plan.

A motion was made by Stone, seconded by Rutherford, and unanimously carried to close the public hearing at 6:12 p.m.

D. Resolution Approving the Modification of Municipal Development District No. 2, the Adoption of the Modified Development Plan Relating Thereto, the Establishment of Tax Increment Financing District No. 2-12 within the Municipal Development District No. 2, and Adoption of the Tax Increment Financing Plan Relating Thereto: A motion was made by Leckner, seconded by Rutherford, and unanimously carried to approve Resolution #2017-69 Approving the Modification of Municipal Development District No. 2, the Adoption of the Modified Development Plan Relating Thereto, the Establishment of Tax Increment Financing District No. 2-12 within the Municipal Development District No. 2, and Adoption of the Tax Increment Financing Plan Relating Thereto.

4.2. Vacation of a Portion of Eagle Avenue: A motion was made by Randall, seconded by Leckner, and unanimously carried to open the public hearing at 6:13 p.m.

A. Presentation of Vacation of Platted Undeveloped Southern Portion of Eagle Avenue: Planner Ryan Mathisrud stated this is a request for a vacation of a platted but undeveloped southern portion of Eagle Avenue. The petitioner, Danielle Lien, is requesting a vacation of the southern portion of Eagle Avenue off of Hollinger Street, at 1009 Hollinger Street. Her business has acquired the lots to the east and west of this platted road and would like to incorporate it into the site plan. Currently there are no utilities located in that undeveloped road, city or private, and it's not being used as a road. Its value as a future street has been evaluated by the Planning Commission and found to be marginal. There are a number of street layouts that can be incorporated in that location. The Planning Commission did feel that the city didn't need to retain it. If the Council does approve this vacation the street would be divided in half and granted to the adjacent lots, east and west. They are both owned by the developer. There's no monetary value associated with this particular piece of real estate, so we cannot sell it. But the Council does have broad discretion to choose to either retain it or vacate it at this time. It's not a decision to be made lightly. We do have a development application that would make good use of this street. The Planning Commission and staff recommend the Council approve this street vacation. Mathisrud requested questions. There were none.

B. Public Hearing Notice: There were no comments.

C. Public Comments: Danielle Lien stated I wanted everyone to know that one of the main reasons why we'd like to vacate this space is for safety concerns. Right now that street would go in between our parking lot area and the building itself. It would keep the kids and families safe so they don't have to cross a road to get to the building.

A motion was made by Randall, seconded by Stone, and unanimously carried to close the public hearing at 6:17 p.m.

D. Resolution Vacating a Portion of Eagle Avenue in the City of Park Rapids: A motion was made by Leckner, seconded by Stone, and unanimously carried to approve Resolution #2017-70 Vacating a Portion of Eagle Avenue in the City of Park Rapids.

5. APPROVAL OF MINUTES:

5.1. City Council Regular Meeting Minutes-March 28, 2017: A motion was made by Rutherford, seconded by Randall, and unanimously carried to approve the March 28th, 2017, City Council Regular Meeting minutes as presented.

6. FINANCE:

6.1. Payables & Prepaids: A motion was made by Randall, seconded by Rutherford, and unanimously carried to approve the payables in the amount of \$30,606.80, and the prepaids in the amount of \$122,807.66, for a total of \$153,414.46.

7. CONSENT AGENDA: Randall thanked Jonathan Lantz for his service on the fire department (regarding Item #7.11.). A motion was made by Rutherford, seconded by Leckner, and unanimously carried to approve the following consent agenda items:

- 7.1. Resolution #2017-71 Approving Ordinance No. 570 Rezoning Land to B-1 in the City of Park Rapids, PID #32.39.01000, PID #32.39.01200, and PID #32.39.01400.
- 7.2. Ordinance No. 570 Rezoning Land to B-1 in the City of Park Rapids, PID #32.39.01000, PID #32.39.01200, and PID #32.39.01400.
- 7.3. Resolution #2017-72 Approving Ordinance No. 571 Amending the Park Rapids City Code of Ordinances of the City of Park Rapids, Chapter 91 Alcoholic Beverages, Section 91.083 Operation.
- 7.4. Ordinance No. 571 Amending the Park Rapids City Code of Ordinances of the City of Park Rapids, Chapter 91 Alcoholic Beverages, Section 91.083 Operation.
- 7.5. Approve the Replacement of Four (4) Windows as Part of the City Hall Remodel in the Amount of \$1,850.00.
- 7.6. Approve Public Facilities Use Permit for Judi Koenen for a Wedding Ceremony and Reception at the Deane Park Pavilion on Monday, September 4th, 2017 from 8:00 a.m. to 4:00 p.m.
- 7.7. Resolution #2017-73 Appointing Charles Barbin as Temporary Seasonal Part Time Public Works Employee for the City of Park Rapids.
- 7.8. Resolution #2017-74 Appointing Isaiah Guida as Temporary Seasonal Part Time Public Works Employee for the City of Park Rapids.
- 7.9. Authorize Staff to Advertise and Interview for a Seasonal Worker for the Public Works Maintenance Department.
- 7.10. Authorize Staff to Advertise and Interview for a Seasonal Worker for the Public Works Utilities Department.

7.11. Resolution #2017-75 Acknowledging the Retirement of Volunteer Firefighter Jonathan Lanz for the City of Park Rapids.

7.12. Resolution #2017-76 Authorizing Proper City Officials to Execute the Labor Agreement by and between the City of Park Rapids and the Law Enforcement Labor Services Union Local No. 403.

END OF CONSENT AGENDA

8. COMMENTS FROM CITIZENS: Rod Nordberg stated you may be discussing this in one of your next items of general business about the golf cart ordinance, but I wanted to recap what you heard at the last meeting from the survey done by the Chamber of Commerce. Two-thirds of their responding numbers felt that golf carts could be permitted. Of the Downtown Business Association there were comments in favor of allowing golf carts, a member of the Planning Commission, a member of the League of Women Voters, two Main Street business owners, all supported golf carts. Keeping those in mind while discussing this will be useful.

Cynthia Jones stated just a minor correction. The Downtown Business Association did not take action on the golf cart issue.

Nels Peterson stood to speak. Mikesh stated we will not accept any more comments on golf carts because it's on the regular agenda.

9. GENERAL BUSINESS:

9.1. Recommendation to Review the Recreational Vehicle Ordinance:

McKinney stated I have written a recommendation to you. In my opinion it pulls together some of the comments and activities that have been going on with regard to motorized recreational vehicles of various sizes and shapes in the streets. One of the difficulties we have is that each one of those might have a different manner of being regulated or unregulated by the state, by the DNR, or by us. The matter that came to the Council a few weeks ago had only to do with golf carts. It's my recommendation that we pull back from that specific issue and deal with all the kinds of motorized vehicles involved with focus not only on safety, but on things that we can do to accommodate those kinds of vehicles in a safe and welcoming way. I am recommending to you that the Council establish a committee of citizens to assemble the information available, ascertain what the needs are, and what we can do. It's all well and good to show up and say we need to have those things, but we need to have them safely, and we need to have some way of finding out what our options are and what we might be able to do to encourage the safe use of all types of vehicles. And that's consistent with the police chief's recommendation as well. Our recommendation is that you establish a committee, give them about thirty days or less to come back. And we'll deal with it in that fashion.

Randall questioned is that a committee that you and the chief would put together then? McKinney stated we could. It needs to be a committee, however you want it to be established. I would say it would be five to seven people who are not predisposed to one

side or the other, but are predisposed to having a safe and welcoming view to these vehicles and understands them. Randall stated it would drag down the process if we try to decide here today who would be on the committee. It makes more sense for you to be in charge of that. McKinney stated I would not appoint any staff member other than to supply resources to the committee. I think it should be a citizen's committee, and I'd be glad to put one together. If you decide to do that, I would recommend that you table the second reading of the golf cart ordinance, until such time that we get a presentation from the committee.

A motion was made by Randall, seconded by Rutherford, and unanimously carried to table the second reading of the golf cart ordinance, and to move forward with a review as noted by Administrator McKinney having a committee formed and come back to the Council in approximately thirty (30) days.

Discussion: McKinney stated there is a bit of unfinished resolve. The ordinance on the books, which is the law of the city at the moment, which says that no motorized golf cart can be used on the city streets and alleys without a permit. Last fall, at the request of the former chief of police, a moratorium was placed on issuing those permits. That puts us in no man's land. I would recommend that the Council reconsider that and authorize the issuance of permits, but they would be on a temporary basis subject to the outcome of the committee's report. So that if someone wants to operate a golf cart in town they get the permit with the understanding there may be some changes in the criteria, and then they would not be ticketed. But they'd have to get the permit under the present rules.

Randall stated in order to enforce the golf carts that are operating now without a permit we do need to lift that moratorium and have an ordinance. Right now the hands of law enforcement are tied because there is no ordinance right now that they can enforce. I understand that and as long as it's on a temporary basis until our current ordinance is modified or however we proceed, I would expect that it will be enforced then by law enforcement.

A motion was made by Randall, seconded by Stone, and unanimously carried to lift the moratorium on issuance of golf cart permits, and to issue golf carts under the current regulations on a temporary basis, pending the outcome of the committee's recommendation.

9.2. Second Reading of Amendment to Golf Cart Ordinance:

A. Resolution Approving Ordinance Amending the Park Rapids City Code of Ordinances of the City of Park Rapids, Chapter 73 Recreational Vehicles, Section 73.08 Motorized Golf Carts: This item was tabled pending the results of a committee review.

B. Ordinance Amending the Park Rapids City Code of Ordinances of the City of Park Rapids, Chapter 73 Recreational Vehicles, Section 73.08 Motorized Golf Carts: This item was tabled pending the results of a committee review.

9.3. Request for City to Purchase Property Adjacent to Deane Park

Point: McKinney stated approximately one year ago we were tendered an offer to purchase property. There was an offer by the county to participate in the acquisition of that. Whatever the purchase price ends up being, the county would pay it and then the city would reimburse them for half of it. This plan for the acquisition of that property is on the 2018 CIP and funded in that fashion, but there is nothing in this year's budget. The proposal to accept that was given to the Finance Committee last fall. They voted not to accept the offer, so it was not presented to the Council. I received a letter three months ago asking to reconsider. I told the family that the Council had never considered the offer, only the Finance Committee. The family has now written a letter directly to the Council.

Shelley Gulbranson-Thiesen stated I grew up on Fish Hook Lake on property adjacent to the old city beach, between Deane Park and Dean Pointe. My mother, Verdell Gulbranson's wish was that when her children no longer wanted possession of the property that we pursue a relationship with the city and/or county so that the land could become public. We have about 140 feet of lakefront. It would be to expand that beach area for the public. We are in our last year of paying for the city sewer and water. It is annexed and has city utilities. We have intentionally not developed that land, with the intent that we would try to work out a relationship with the city and county. Our family no longer has a desire to maintain and use the property. We are now at a point that we would like to pursue a sale to the city. We've been at this table a few times before when John Eix was the mayor. There's been a vision in the community for years about how to create a city beach that's user friendly and can hold a lot more people than the current city beach. My understanding is that the Finance Committee stalled last year with one voting yes, and the other voting no. In talking with McKinney and Chip Lohmeier, we decided it was time to bring it to the entire City Council. If you decide this is not in the best interest of the community then we will put it up for sale. It feels to me that the timing is really important. If we sell to another family, this property was in my family for fifty years, so it could be another extended time period before this property would become available again. I imagine that a new owner would make improvements to it so the cost would change significantly. Clack Appraisals did appraise the value at \$265,000.00, which is what we would sell it for. Chip Lohmeier is here and he could speak to the county's desire to partner with the city in making this happen. It's an honor to be here. These are my mother's wishes, and I would love to see this happen. She felt like she always had a little corner of paradise and some of her greatest joy was seeing kids from the city swimming in the lake.

McKinney stated the Parks Board continues to support this. Fieldsend stated this purchase is in the Parks Plan for 2018 to acquire this property should it become available. They made the recommendation to acquire it at their last meeting on Monday.

Randall stated I think the possibility of having a city beach again would be a great thing. I don't think this has been vetted nearly enough to address here tonight. There's not a plan from the Parks Board of what is the vision. Fieldsend stated it's in their plan to make it bigger and have showers there. Randall stated we need to see that. I've never heard what that plan is. Would the house be remodeled? I don't know any of this. While I appreciate the offer, there's not enough information. I'm going to ask that it be tabled so the Parks Board can get us some more information about what the plan would be and what it would look like.

Leckner stated the Finance Committee probably had a reason to deny it. Randall stated I think it would have to go through the Finance Committee again because this is not

in our CIP or budget this year. If the intent is to sell it in 2017, it's not in our budget. I understand that the county would purchase it and we'd reimburse them, but I don't know if that would be accommodated for 2018, or how it all would work. There's just a lot of things that would have to be figured out. McKinney suggested referring it back to staff.

A motion was made by Randall, seconded by Rutherford, to refer to staff the request for the City to Purchase Property Adjacent to Deane Park Point.

Discussion: Rutherford stated I went to the courthouse to check on this property. The county is trying to get about \$30,000.00 more out of this property than what the estimated market value is. I don't know who it's coming from, but I don't think the taxpayers want to spend an extra \$30,000.00. McKinney questioned is your offer to sell still on the table? Theisen stated it's still on the table.

The vote was called.

The motion carried unanimously.

9.4. Pigeon Issues on Main Avenue: Cynthia Jones stated the Downtown Business Association had a request from the DAC. On the first block of Main Avenue it's quite user unfriendly. The pigeons are roosting on the tops of those buildings. They are putting quite a bit of residue on the awnings and sidewalk. A resort owner came to me and said while at a resort meeting someone said you're from Park Rapids, the place with all the pigeon poop on the sidewalk. I don't think that's the brand that we want as a city. It is hazardous if you have any type of lung ailment. It's a health hazard. Pigeon excrement gives off some fungus that can lodge in the lungs. The pigeons are also at the hospital, the back of Bella Caffe, and many of the other buildings downtown. It's only become worst when they tore the water tower down. We understand that the seed house is going to go. The birds just navigate around town. Linda Hanson is here from the DAC. They have taken the lead on this. They are going to write a grant with the Chamber to deal with the issue.

McKinney stated you're here tonight because in order to undertake the program of eradication that you have in mind it requires the Department of Agricultural and city approval. Jones stated the Department of Agriculture has sent a letter saying that baiting is not the most attractive way to deal with this, but it's the most efficient and cost effective way to do it with pigeons. They bait the pigeons with corn and once they eat that corn, then they put down poison.

McKinney stated they need a motion to authorize them to use that methodology. **A motion was made by Stone, seconded by Rutherford, and unanimously carried to authorize the use of baiting to remove the pigeon population from the Main Avenue Downtown Area.**

10. CITY ADMINISTRATOR COMMENTS: McKinney stated the labor contract with the police department is now approved. So all the contracts are done for the next three years.

11. DEPARTMENT HEAD UPDATES: Fieldsend stated the city did really well with the online auctions. We made about \$30,000.00. Everything sold.

Mathisrud stated I attended the Blandin Foundation last week for five days in Grand Rapids. I wanted to thank the Council for that opportunity. I appreciate being sent to that. Spring is here and our office has received quite a few development applications this year. We'll be bringing a number of items to you in the next month.

12. MINUTES/REPORTS/INFORMATION: There were no comments.

13. COMMENTS FROM COUNCIL: Stone stated I will be delivering a library report at the next meeting.

Rutherford thanked Stone and Leckner for sitting in on the last Parks Board meeting. They talked about the Pioneer Park bathroom. The Downtown Business Association and everybody involved would like to get that started as soon as possible. I know that they are supposed to raise \$25,000.00 publically first. But I think we can borrow to from some place first and then pay it back so we can get this thing going as soon as possible. Leckner stated they said the architect is working on the plan. Stone stated we're waiting for the plans from the architect before we can start on it. McKinney stated the plans are being prepared for us to go to bids, and we will bring the plans and to authorize bids at the next meeting. We have the concept but we don't have the plans.

Mikesh thanked the staff that worked on the union contracts.

14. ADJOURNMENT: A motion was made by Rutherford, seconded by Stone, and unanimously carried to adjourn the meeting at 6:45 p.m.

[seal]

Mayor Pat Mikesh

ATTEST:

Margie M. Vik
City Clerk