

**CITY OF PARK RAPIDS  
CITY COUNCIL MEETING  
NOVEMBER 14, 2017, 6:00 PM  
Park Rapids Public Library-Lower Level  
Park Rapids, Minnesota**

**1. CALL TO ORDER:** The November 14<sup>th</sup>, 2017, Regular Meeting of the Park Rapids City Council was called to order at 6:10 p.m. by Mayor Pat Mikesh, and everyone present recited the Pledge of Allegiance.

**2. ROLL CALL:** Present: Mayor Pat Mikesh, Councilmembers Tom Conway, Ryan Leckner, Erika Randall, and Liz Stone. Absent: None. Staff Present: Administrator John McKinney, Planner Ryan Mathisrud, Police Chief Jeff Appel, Treasurer Angela Brumbaugh, Public Facilities Superintendent Chris Fieldsend, Liquor Store Manager Scott Olson, and Clerk Margie Vik. Others Present: Sue Tomte, Senator Paul Utke, Whitney Marlett, Seth Marlett, Jim and Rhonda Anstine, David Collins, Jeff and Monica Schindeldecker, Linda Anderson, and Shannon Geisen from the Enterprise.

**3. APPROVAL OF AGENDA:** A motion was made by Randall, seconded by Leckner, and unanimously carried to approve the agenda with the following addition: Additional Information was provided for Item #9.2.

**4. APPROVAL OF MINUTES:**

**4.1. City Council Regular Meeting Minutes-October 24, 2017:** A motion was made by Stone, seconded by Conway, and unanimously carried to approve the October 24<sup>th</sup>, 2017, City Council Regular Meeting minutes as presented.

**5. FINANCE:**

**5.1. Payables & Prepaids:** A motion was made by Randall, seconded by Stone, and unanimously carried to approve the payables in the amount of \$40,602.68, and the prepaids in the amount of \$138,942.66, for a total of \$179,545.34.

**6. CONSENT AGENDA:** McKinney removed item #6.5. from the consent agenda. A motion was made by Leckner, seconded by Conway, and unanimously carried to approve the following consent agenda items:

- 6.1. Resolution #2017-164 Approving Ordinance No. 578 Amending the Park Rapids City Code of Ordinances of the City of Park**

**Rapids, Chapter 36 Fee Schedule, Section 36.10 City Equipment Charges, Section 36.13 Miscellaneous Fees, and Section 36.16 Rental Inspection Fees.**

- 6.2. **Ordinance No. 578 Amending the Park Rapids City Code of Ordinances of the City of Park Rapids, Chapter 36 Fee Schedule, Section 36.10 City Equipment Charges, Section 36.13 Miscellaneous Fees, and Section 36.16 Rental Inspection Fees.**
- 6.3. **Approve Plumber's Permit to Work in the City of Park Rapids in 2017 for Home Heating Plumbing & AC, and Lundberg Plumbing & Heating.**
- 6.4. **Approve Purchase in the Amount of \$2,313.66 from Ziegler Caterpillar for a Rim for the IT28 F Loader for the Public Works Department.**
- 6.5. *Removed from the Consent Agenda.*
- 6.6. **Resolution #2017-165 Re-Appointing LuAnn Hurd-Lof to Serve on the Park Rapids Arts and Culture Advisory Commission.**
- 6.7. **Resolution #2017-166 Re-Appointing Liz Smith to Serve on the Parks & Beautification Board for the City of Park Rapids.**
- 6.8. **Resolution #2017-167 Appointing Thomas Conway to Various City Committees, Boards and Commissions.**
- 6.9. **Resolution #2017-168 Accepting Contracting Work by Anderson Brothers Construction for the 2016 Apron and Taxiway Rehabilitation Project.**
- 6.10. **Approve Final Pay Request #3 in the Amount of \$377,971.022 to Anderson Brothers Construction Regarding the 2016 Apron and Taxiway Rehabilitation Project at the Municipal Airport.**

**END OF CONSENT AGENDA**

**6.5. Resolution Authorizing the Sale of Forfeited Vehicles and Excess Property from the Park Rapids Police Department for the City of Park Rapids:**

McKinney stated the reason I pulled this is because this is Leckner's business and he should abstain from voting on it. Leckner stated we will be selling some vehicles for the city, but we are not taking any commission. **A motion was made by Randall, seconded by Stone, and unanimously carried to approve Resolution #2017-169 Authorizing the**

**Sale of Forfeited Vehicles and Excess Property from the Park Rapids Police Department for the City of Park Rapids.**

**7. COMMENTS FROM CITIZENS:** There were none.

**8. PLANNING:**

**8.1. Resolution to Approve a Conditional Use Permit to Establish a Consignment and Online Auction Company in the B-1 Zoning District at 1008 Park Avenue South, PID #32.25.04500:** Mathisrud stated this is a request for a conditional use permit to establish a consignment and online auction company located in the B-1 zoning district. The applicant, Roger Aukes, is the property owner, and the business will be called Trinity Auction Company, located at 1008 Park Avenue South. They will sell personal property, vehicles, equipment both on and off site from this location. There used to be a car lot located there. That has since closed and they have lost their ability to run that type of business there. Whitney Marlett has applied for this conditional use permit to establish that company.

Mathisrud stated the Planning Commission did review this request. They did vote unanimously to forward a recommendation to approve the conditional use permit with the following conditions. One, the owner shall operate the business in accordance with all local, state, and federal regulations. Two, the owner shall provide striped and signed customer and handicap parking to serve the proposed use, and three, all signage shall meet the standards indicated in the zoning ordinance.

Mathisrud requested comments or questions from the Council. There were none.

**A motion was made by Stone, seconded by Randall, and unanimously carried to approve Resolution #2017-170 Approve a Conditional Use Permit to Establish a Consignment and Online Auction Company in the B-1 Zoning District at 1008 Park Avenue South, PID #32.25.04500.**

**8.2. Resolution to Approve a Conditional Use Permit to Establish an Event Center with Banquet Facility in the B-1 Zoning District at 807 First Street West, PID #32.23.01000:** Mathisrud stated this request is for a conditional use permit to remodel an existing commercial building located at 807 First Street West. This is also known as Hodgepodge LLC, or Linda's Recycled Goods. This request by Linda Anderson is for an event center at this location. They would do some remodeling of the space at the building to establish an area to put in tables, chairs, serve food, that will accommodate up to 180 guests. They would prepare food on site by installing a commercial kitchen, a sprinkler system, and operate the event center. The applicant has experience in running restaurants and would have the capacity to accommodate that use and serve liquor, if they request a liquor license.

Mathisrud stated the Planning Commission reviewed this request at their last meeting and did unanimously vote to approve a recommendation to the Council to approve the conditional use permit with the following conditions. One, the owner shall operate the business in accordance with all local, state, and federal regulations. Two, the owner shall

provide paved, striped, and handicap parking to serve the proposed use. Three, city sewer and water connections shall be made prior to establishing the proposed use, and four, the owner shall obtain a liquor license and maintain compliance with all applicable state and local regulations relating to the serving of alcohol.

Mathisrud requested comments or questions from the Council. There were none.

**A motion was made by Stone, seconded by Leckner, and unanimously carried to approve Resolution #2017-171 Approve a Conditional Use Permit to Establish an Event Center with Banquet Facility in the B-1 Zoning District at 807 First Street West, PID #32.23.01000.**

**8.3. Resolution by the Mayor and City Council of the City of Park Rapids, Minnesota, Approving the Sale of City-Owned Real Property in Park Rapids, Minnesota, and Dispensing with Review of the Sale by the Park Rapids Planning Commission:**

Mathisrud stated we have two requests to purchase lots one and two, block four, in the Park Rapids Industrial Park First Addition. In October, city staff had discussions with a potential purchaser, Jeff and Monica Schindeldecker. On October 23<sup>rd</sup>, city staff had conversations with Jim and Rhonda Anstine, related to this particular property. We received a request from the Anstines on October 23<sup>rd</sup> to purchase this property. Then on November 2<sup>nd</sup> we received a request to purchase this property, from the Schindeldeckers.

Mathisrud stated before the meeting a question was raised by one of the applicants of prioritizing the deals on a first come, first served basis, based on the fact that last week they were the first applicant and had provided earnest money. At that time, staff was not in a position to accept earnest money or prioritize who could purchase the property, but merely to provide those offers to the Council for action. At this time, there are two parties before you requesting action. Staff is requesting that Council direct them down an appropriate path.

Mathisrud stated there are numerous ways that Council has for handling this request. One, you can authorize staff to enter into a purchase agreement with one of the applicants. Two, you could list the property with a real estate agent and solicit offers. Three, you could sell it to the highest bidder with a seal bid process. Four, you could sell it to the party with the best development proposal and require some sort of guarantee they would develop it within a defined period of time. Five, you could reject all proposals and hang onto it for future development. The lots have been available since 1976 and have historically been made available to prospective buyers upon request. Since staff is not authorized to enter into negotiations without Council approval and there is more than one interested party, staff is recommending tabling the offers and opening a public process and accepting sealed bids.

Conway stated I am recusing myself from voting on this. My business affiliate owns the adjacent property, and if it's opened up for bids, they may have an interest in it.

Randall stated opening it up for bids would seem to be the best way for the city to handle it. Leckner stated I would say go to a realtor. Mikesh stated we'd have to pay them. We have people willing to pay the market value right now. McKinney stated we haven't established a price, but the offers are equivalent to the taxable value. Mathisrud stated that's correct. The offers are for the assessed value which should be tied to the approximate market value.

McKinney stated the problem in the past is if someone offers less than the market value you have no basis on which to say that's a good price or not. But since they met that standard I don't think you need to go to an appraisal. But, that's up to you, nor do I think you need a realtor. You have two buyers. Leckner stated you can reject all bids too, if you think you didn't get a high enough price.

McKinney stated the bid process more akin to the urban renewal type approach, where the city owns property they want to be developed and you request proposals for development, and the developer comes in and says we'll build a widget on that lot in thirty days. Here, one of the people involved has a plan for development, which is part of your packet, and they own adjacent land. My understanding is the people that have property to the south, this is an extension of what they already have. The other one is new undeveloped land, and which we were told would be developed as a rental storage unit. There is no requirement that you do a first come, first served, but in terms of timing, one bid was received first. It may be difficult for people to understand, but staff is not in the position to make that judgement call, only the Council is. We're the mailbox that receives the bids, and only the Council can decide what to do.

Randall questioned if we send it back for sealed bids, could there be a minimum bid? McKinney stated you can set the conditions anyway you want. Randall stated I don't want the situation that we go back for sealed bids and they offer \$1,000.00. Leckner stated you can write it in, the right to reject any and all bids. McKinney stated my suggestion is that the tax value would be the minimum bid, and then set the time when you want to receive the bids. In the urban renewal sense, you ask what are you going to do with it. If price is your only criteria, and that's fine, but if you want to sell it to someone who is going to develop it so that it goes on the tax rolls, then you need to put something in there that we will look at things like when and what will be developed. That's a lot more complicated thing to do, as evidenced by the fact that they have been available since 1976.

Mikesh stated I feel that you have two people that are willing to give us what the taxes say it's worth. One actually stepped forward and put money down. Why go back to a realtor and pay them money for what we have already done, when we have people waiting to buy. With a sealed bid you're just wasting more staff time. You might make a couple thousand dollars more. We have someone here waiting. You know what they're both going to do with it. Money talks, BS walks.

Randall stated you have two people that have given money. You have two people that want to buy it. What's the proposal? Mikesh stated you have one that has already given earnest money down. Randall stated we have two. Mikesh stated well the first one that comes up with the money. Why waste the staff's time in trying to redo this? Just offer it to the first person that came up with the money. Leckner questioned when they gave the money did they both have a price they were going to pay for it? Randall stated the first one was \$16,600.00 and the second one came in at \$17,000.00, so \$400.00 more. Stone stated the first one presented a plan. Randall stated and they were first. It's been on the tax rolls since 1976. Mikesh stated someone has finally taken action.

Randall questioned Anstines were first? Mathisrud stated that is correct. Anstines were first to offer earnest money.

**A motion was made by Mikesh to approve Resolution #2017-172 by the Mayor and City Council of the City of Park Rapids, Minnesota, Approving the Sale of City-Owned Real Property in Park Rapids, Minnesota, and Dispensing with Review of the**

**Sale by the Park Rapids Planning Commission, and enter into a purchase agreement with Jim and Rhonda Anstine, and to return the earnest money deposited by the Schindeldeckers.**

**Discussion:** Leckner questioned is there any legal problems selling it that way? Staff recommended sealed bids. McKinney stated you have all the options, including this one. Stone stated I go back to the fact that it's been available for sale since 1976. McKinney stated if it would be helpful to that line of thinking, the Anstines have also developed a plan and have owned the property next door for years. They submitted a plan for the property that they're wanting to buy a year ago. Mathisrud stated with their proposal to purchase they submitted a plan to expand their business.

**The motion was seconded by Stone.**

**The vote was called.**

**The following Councilmembers voted in favor: Leckner, Mikesh, Randall, Stone.**

**The following Councilmembers voted nay: None.**

**The following Councilmember abstained: Conway.**

**The vote was 4-0, with 1 abstention. The motion carries.**

## **9. GENERAL BUSINESS:**

**9.1. Resolution to Award Bid for the Pioneer Park Restroom Project in the City of Park Rapids:** Fieldsend stated the Council approved letting bids. The bids came in at \$115,000.00, \$142,600.00, and \$150,000.00 for the restroom project in Pioneer Park. The lowest bid is \$10,000.00 more than the last time we bid it. We did move the building back and changed some things. We'd like to move forward with the lowest bid from Gopher State Contractors from Rice, Minnesota. April 30<sup>th</sup> is the completion date. There was an option in the bid for an extension, but we did not want it.

**A motion was made by Randall, seconded by Leckner, and unanimously carried to approve Resolution #2017-173 Awarding Bid for the Pioneer Park Restroom Project in the City of Park Rapids.**

**9.2. Resolution to Award Bid for the City Hall Remodel-Phase II Project in the City of Park Rapids:** Fieldsend stated we opened bids for the city hall remodel this morning. All the bids were quite a bit higher than we expected. The architect and the contractor believe those numbers are pretty good. The scope of work has to change to lower the price. My suggestion at this point is to refer this back to staff for now. McKinney questioned don't we need to reject the bids? Fieldsend stated I'm not recommending that at this time.

**A motion was made by Mikesh, seconded by Conway, and unanimously carried to refer the bids for the City Hall Remodel-Phase II Project in the City of Park Rapids back to city staff for review/study.**

## **10. CITY ADMINISTRATOR COMMENTS:** McKinney had no comments.

**11. DEPARTMENT HEAD UPDATES:** Mathisrud stated the building permit numbers are close to \$19.9 million in value for permits issued this year.

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

**13. COMMENTS FROM COUNCIL:** Mikesh stated my job is forcing me to relocate. December may be my last meeting. It's tough because everybody put a lot of faith in me. Ms. Randall will take over and keep everything going. I'll know more about it on December 4<sup>th</sup>.

**14. ADJOURNMENT:** A motion was made by Stone, seconded by Leckner, and unanimously carried to adjourn the meeting at 6:40 p.m.

[seal]

---

Mayor Pat Mikesh

ATTEST:

---

Margie M. Vik  
City Clerk