CITY OF GRAND MARAIS
DEPARTMENT OF NATURAL RESOURCES
SAFE HARBOR/MARINA DISCUSSION
August 23, 2007

Mayor Larsen called the meeting to order at 11:07 a.m.

Present: Evelyn Larsen, William Lenz, Tom Peterson, Larry Killien, Kent Skaar, Stan Linnell, Chuck Carbert, Barbara Jean Myers, John Haluska, and Kim Dunsmoor

Mayor Larsen talked about the City's Resolution regarding a Safe Harbor/Marina and asked what would be possible and if there was any funding available.

Councilor Lenz stated that the general public wants a small marina expansion similar to the Harbor Friends plan. Currently, there is no water flow, poor water quality and it is questionable if the piers are usable. What kind of help is available to move the breakwall and keep the same height of the breakwall?

Larry Killien gave a brief history of the past Safe Harbor/Marina Process. There was a public participation process that lasted approximately 20 months. The group came up with a lot of different concepts. A lot of energy was spent exploring a different location than is currently requested because of private property issues. At that time, the assistant director had experience working with riparian rights, which make the process more cumbersome and affects the ability to get bonding for the project. There are still issues to look at with four private property owners if the project is in the location currently requested by the city council. If the private property owners can expand their dockage for financial benefit due to the project, it could affect our ability to obtain funding.

John Haluska, Harbor Friends, did a legal review of the riparian rights and does not believe that there is an issue if the breakwall stays the same by the private property area. Harbor Friends talked with the property owners who were in favor of the marina expansion.

Councilor Lenz said there is still a problem at the end of the breakwall providing no protection from heavy east wind.

Chuck Carbert said the city owns 2 –104 ft docks, 84 ft docks and a 74 ft service dock and that ideally, finger docks would be a better use of the space.

Larry Killien responded to questions about ownership, revenues and expenditures, land size requirements, safe harbor requirements.

a) The DNR does not need to own the land to build a safe harbor /marina. There are many forms of making sure there is a long-term commitment to the project through easements and cooperative agreements. In most cases the commitment needs to be 20 years or more.
b) Revenues from the marina operation are used to cover the operation and maintenance of the facility including staff time. Any revenues in excess of operational costs will be placed in a maintenance account up to an amount

determined jointly between the city and the DNR. Profits in excess of the operations and maintenance account will go back into the Safe Harbor Program to help fund maintenance needs at non-revenue generating Safe Harbors.

c) To handle losses, the city and DNR would make 3-year agreements to cover a pre-determined amount of loss. Losses beyond the predetermined amount would need to be funded by the city. A large capital failure would be eligible other funding. There is also a boating infrastructure program through the federal government to provide dockage for transient boaters.

d) The land size requirement for full-service marinas is up to the community.

e) The Safe Harbor Program could build a safe harbor / boat launch with no marina components. A safe harbor is defined by a maximum one-foot wave. The breakwall can be engineered for lower heights by making the base wider. There is also a possibility of using a floating dock in part of the design: more research is needed in this area.

f) There are many ways that the DNR and Army Corp of Engineers can work with the City. In some cases, the Corp has provided the oversight and in others the DNR has provided the oversight. The City can have agreements with the DNR and the DNR have agreements with the Corp.

g) The MN Land Trust allows for expansion of historical uses.

h) Possible problems with the proposed plan include:
   a. The Corp will need to do a benefit/cost ratio analysis to determine if they can support the project.
   b. Deciding if the proposed size will handle capacity into the future.

The next step to move forward is to enter into a Joint Powers Agreement for Design and Coordination with the DNR. It will take approximately 2 – 3 years to formalize a design that is in the best interest of both parties. There will be no initial cost to the city. We can work out the details in a working meeting in a few weeks.

The meeting ended at 12:20 p.m.