

CITY OF GRAND MARAIS  
MINUTES

*The beginning of the meeting was held jointly with the Public Utilities Commission.  
December 19, 2007*

Mayor Larsen called the meeting to order at 3:30 p.m.

Members present: Evelyn Larsen, Kay Costello, William Lenz, Edward Bolstad and Tim Kennedy

Members absent: None

Staff present: Mike Roth, Don Davison, Bob Mattson, Tom Nelson and Kim Dunsmoor

Motion by Lenz, seconded by Bolstad to approve the Agenda; December 12, 2007, Worksession Minutes; December 12, 2007, Minutes; and Payment of Bills. Approved unanimously.

Jamie Mehle (S.E.H.), City Engineer, discussed the proposed design and engineering costs for the Creechville and Street Reconstruction Projects. The City was invited to complete the full application for the Minnesota Small Cities grant. We will request \$400,000 that will be used to write down special assessment cost for low to moderate income residents. We will not get any IRRR grants toward these projects. IRRR awarded a grant for the Sawtooth Cottages infrastructure. The street reconstruction project has been discussed for over ten years. The infrastructure needs to be replaced. The water lines are 4" and the hydrants are from the 1930's and unable to be replaced without upgrading the water lines. These two projects are different and will be paid for differently.

Bob Mattson recommended that most streets on the east side of town are 40 feet wide and there is some on-street parking needed.

**Motion by Bolstad, seconded by Costello to order a feasibility study for the Creechville and Street Reconstruction of 1-6<sup>th</sup> Avenues W. Approved unanimously.**

**Motion by Kennedy, seconded by Bolstad to order survey and design work for the Creechville and Street Reconstruction of 1-6<sup>th</sup> Avenues W. Approved unanimously.**

**Motion by Lenz, seconded by Kennedy to reimburse the Water Fund for the Water Reservoir Reconstruction and the County Road 7 Water Main and Loop Projects from tax-exempt bonds. Approved unanimously.**

**Motion by Bolstad, seconded by Lenz to become a member of MCMU. Approved unanimously.**

**Motion by Lenz, seconded by Kennedy to approve Resolution 2007- Relating to \$470,000 Water Revenue Note, Series 2008A; Authorizing the Issuance thereof in Connection with the Minnesota Municipal Utilities Association Financing Program; Providing for the Execution and Delivery of a Project Loan Agreement and Related Documents; and Authorizing Certain Further Actions. Approved unanimously.**

**Motion by Bolstad, seconded by Costello to approve the Supplemental Nonarbitrage Certificate made by the Midwest Consortium of Municipal Utilities to the City of Grand Marais evidenced by the Borrower's \$470,000 Water Revenue Note, Series 2008A. Approved unanimously.**

Mayor Larsen invited the public to speak during a period of open forum. Open Forum is limited to one half-hour. No person may speak more than 5 minutes or more than once.

Jan Sivertson, Grand Marais Business Council, requested that the council reverse their action of last week in regarding the Comprehensive Plan and asked that the council direct Community Growth Institute and the Planning Commission to create the ordinances necessary to enact the plan.

Jim Shinnners thanked the council for reconsidering the vote regarding the Comprehensive Plan. He attended meetings, filled out surveys and participated as much as possible in the public process that created the draft Comprehensive Plan.

Ron Lund does not think it is a good idea to have a residential mix in the downtown district and sited other past requests that were denied. The 1992 Draft Comprehensive Plan was a good plan. It is a big mistake to make a residential downtown.

Stephan Hoglund stated that the potential problem of creating a residential downtown is remedied by declaring that existing retail space remain retail and that allowing residential above commercial enhances the business district.

Hal Greenwood stated that most people who came to the Planning Commission meetings were in favor of keeping the current 30 foot height and retail in tact. Many people who don't want to drive anymore would love to live in downtown Grand Marais. Residential units above commercial units will not affect the retail business at all. Homestead Cooperative and the Grand Marais Condos are filled. The only difference between a rental and a condo is the ownership. Allowing residential in the downtown district is the right thing to do.

Tom Rawitzer, Attic Gift Shop, stated that we need to grow the downtown district. He may not have bought the property if he had known that there would be restrictions on his use. He was awestruck by the vote last week. There was an opportunity for growth through the visioning process. Mayor Larsen responded that the current rules limiting residential use in the downtown were in place when the Rawitzer's bought the property.

Sue Hakes re-emphasized the public process that should be honored and respected. The draft Comprehensive Plan was created through the public process and is a solid plan. The 1992 Comprehensive Plan discussion was 16 years ago and is already old. Let's not let the new plan get dusty.

Nace Hageman sat in the Economic Development Authority meeting where they are planning for housing. Then the city council shuts down opportunities for housing. It seems like the two entities are working against each other. The allowing for residential units in downtown is an opportunity to bring in more people.

Councilor Bolstad had reconsidered his vote about the Comprehensive Plan and felt that the reasons to approve the residential units in downtown outweighed the negative reasons. The council did not ignore the public process. All but one paragraph of the Comprehensive Plan draft was passed. The council has talked about parking and the quality of housing. We need an inspector to control, advise, and inspect residential apartments and hopes the public will support that endeavor.

**Motion by Bolstad, seconded by Lenz to reconsider the vote taken on downtown residential use the Comprehensive Plan. Ayes: Bolstad, Lenz, Costello, Kennedy  
Nay: Larsen**

**Motion by Lenz, seconded by Kennedy to add to the Comprehensive Plan that off-street parking must be provided for any residential unit in the downtown district. Approved unanimously.**

**Motion by Kennedy, seconded by Costello to approve Resolution 2007-28 adopting the Comprehensive Plan with the off-street parking provision. Approved unanimously.**

**Motion by Bolstad, seconded by Lenz to approve Resolution 2007-29 approving the Final Levy. Approved unanimously.**

The council discussed the Library property purchase agreement for the Schulte property.

**Motion by Bolstad, seconded by Lenz to add an addendum including an appraisal clause as part of the purchase agreement. Approved unanimously.**

**Motion by Kennedy, seconded by Lenz to approve the purchase agreement for property located at Lots 4 and 5 lying Southerly of MTH 61; and all of Lots 6,7,8,9, and 10; all in Block 32, Village Plat of the City of Grand Marais. Approved unanimously.**

Councilor Lenz:

The Park Board made revisions to the pool rates to \$3.75 for daily walk-ins, \$14 family rate, \$30 for 10 tickets, and \$325 for memberships. There is a discount for memberships

purchased in January. Campers will still receive pool and golf with their camping fees to be reimbursed at \$2 for pool use and 2 for 1 golf use.

**Motion by Bolstad, seconded by Costello to adjourn the meeting. Approved unanimously.**

There being no further business, the meeting adjourned at 5:14 p.m.