

CITY OF GRAND MARAIS
MINUTES
February 28, 2007

Mayor Larsen called the meeting to order at 4:30 p.m.

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

Members absent: Kay Costello

Staff present: Mike Roth, Don Davison, and Kim Dunsmoor

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.

Sue Hakes, Sawtooth Cottage Advisory Committee, appreciates the work that has been done to work toward providing affordable housing: however, the proposal by Northern Communities Land Trust would have mortgage payments of \$900 per month plus utilities and homeowners would not own the land. As a realtor, she is of the opinion that high-end homes in the area will probably not sell because homeowners will need to drive through the business park to access the home. In addition, if Northern Communities Land Trust request of sweetening the pot by receiving the land and infrastructure free is an option, a new request for proposal should be submitted to allow local contractors to bid on the project and keep the money in Grand Marais.

John Gorski attended the last Economic Development Authority and stated that when he looked at the initial Request for Proposal, he realized that it could be expensive and risky to build 30 homes in this area. Local contractors could profit under the current proposal by Northern Communities Land Trust's free land and infrastructure request. In addition, they use their own realtor and pre-built modular homes where the money will go to other communities rather than stay in Grand Marais. The tone of the EDA seemed to want to continue with Northern Communities Land Trust because the ball is already rolling.

Doug Siem, General Contractor, is contracted with USDA to build affordable housing. He would be happy to build for considerably less than what is proposed by Northern Communities Land Trust. He could build a 1000 sq ft home for \$90,000 if the land and infrastructure was free. Thirty lots are beyond the scope of most local contractors: however, most local contractors could handle 2-10 homes and money would stay in the county.

Harley Tofte suggested that the council schedule a workshop to discuss the marina. The Safe Harbor/Marina Advisory Board did have consensus on a plan: however, it was not feasible. Then the location of the marina changed and the committee became divided. The advisory committee did a lot of work and the information is still relevant.

Motion by Bolstad, seconded by Kennedy to approve the Agenda; February 14, 2007, Worksession Minutes; February 14, 2007, Minutes; and Payment of Bills. Approved unanimously.

Greg Wright, North House Folk School Director, presented the annual report to the council. This year North House celebrates its 10th Anniversary. Enrollment and class participation have increased. In 2006, students came from 30 states and Canada. Classes are offered all year, in all seasons and in all weather. 85% of courses offered actually happened. North House continues to grow and will need to change how they serve students as they grow out of their campus. North House Folk School would like to begin a dialogue with council to seek solutions. An invitation was extended to learn timber-framing skills June 8-10 at a reduced tuition of \$45 in which ten benches will be made and given to the City of Grand Marais to be placed in parks around the city. In addition, North House offers a local discount of 25% and an earn and learn program utilizing volunteer hours to pay for tuition.

Motion by Kennedy, seconded by Bolstad to appoint John Muus to a 2-year term and Tim Cochrane to a 3-year term on the Joint Powers Recreation Board. Approved unanimously.

The other applicant had been already appointed to the Park Board.

Motion by Bolstad, seconded by Lenz to approve the Relay for Life Street and Sidewalk Application for July 27, 2007. Approved unanimously.

The council discussed the 1% sales tax resolution passed by the county board to continue the 1% sales tax to be used for recreation infrastructure, operation, and physical maintenance for projects that benefit local citizens and enhance our local economy. If approved by the legislature, the county board would impose the tax subject to voter approval in November 2007.

The council also discussed the tourism-focused sales tax that would fund a county events/visitors bureau that would promote countywide tourism to be in effect for 5 – 10 years. All three tourism associations have agreed to this restructuring and additional tax resolution.

Motion by Lenz, seconded by Kennedy to support Cook County Board of Commissioner's Resolution 2007-23 Recommending that the Minnesota Legislature Approve Continuation of a Special Law Authorizing the One Percent (1%) Local Option Sales Tax to be Used for: Cook County Recreation Infrastructure, Operation, and Physical Maintenance for Projects that Benefit Local Citizens and Enhance Our Local Economy. Approved unanimously.

Motion by Kennedy, seconded by Bolstad to support the Cook County Board of Commissioner's Resolution 2007-24 Recommending Special Legislation Regarding Authorization of Tourism-Focused Sales Taxes. Approved unanimously.

Mayor Larsen's Report:

- 1) Animal Advocates are in need of volunteers to walk dogs and take care of cats.
- 2) Attended the League of Minnesota Cities Newly Elected Officials Conference with Councilor Lenz. There were exceptional presenters on topics including conflict of interest, open meeting laws, land use issues and protecting views.

Councilor Bolstad's Report:

- 1) Attended the North Shore Management Board that establishes general guidelines for development along the North Shore of Lake Superior. They are discussing ridgeline consistency.

City Administrator Roth's Report:

- 1) The League of Minnesota's Conference Day at the Capital is scheduled for March 28 & 29. This is a good opportunity to meet with our state representatives and encouraged the council to attend. However, this conflicts with our regularly scheduled meeting for March 28.

Motion by Kennedy, seconded by Larsen to reschedule the March 28, 2007, Council Meeting to March 27, 2007. Approved unanimously.

- 2) Our City Engineer has asked about upcoming projects that we can ask the State for assistance for. The relocation of the Public Works Facility may be our best opportunity for help. Council gave approval to ask the engineer to look at this project.

Motion by Kennedy, seconded by Larsen to adjourn the meeting. Approved unanimously.

There being no further business, the meeting adjourned at 5:45 p.m.