

CITY OF GRAND MARAIS
MINUTES
April 11, 2007

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

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

Members absent: None

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.

Molly Hoffman, Harbor Friends, stated that the Harbor Friends marina plan is in the Booklet published March 2005. The Corp of Engineers in Duluth looked at the plan and stated that it was a workable plan: however, a machine would be needed to maintain the opening. The council can request remedial action of the Corp. The Conservation Easement denies the ability to excavate. The DNR needs to step outside of their Safe Harbor Program. Ten acres was the recommendation from the DNR. The Corp of Engineers will pay 80% of remedial improvements. The definition of a safe harbor is a 1-foot wave.

Mike Littfin, EDA Chair, read the memo from Michael Hero who is the acting attorney for the EDA responding to recent actions by the EDA and public comments. In summary, it would be unfortunate to miss this opportunity to provide affordable housing in Grand Marais. The EDA is addressing only a small portion of homes and is sending an additional RFP for 2-6 homes ranging \$90,000 - \$110,000. The EDA resolution provides for local contractor preference if they can be competitive. Sawtooth Cottages, LLC is a non-profit organization. There are three desired house plans that will be used based upon the site elevations and there are more plans available through Northern Communities Land Trust (NCLT). The EDA has the right to say which lots will be sold: ten lots have been set aside for NCLT, three lots have been decided and the rest will be decided after the road is done and views can be determined. Prices stated by NCLT ranged from \$130,000 for affordable to \$240,000 for moderate priced housing with final pricing to depend upon bids, grants, and subsidies. The value of the land given is estimated to be \$575,000 including infrastructure and the EDA has the right to take the lots back even after it is conveyed if NCLT does not follow the terms or spirit of the proposal. The City Council has the ability to effectively kill the project and terminate any obligations of the EDA under the Proposal. In addition, the EDA is in the process of developing covenants with the MN Housing Fund to require all the homes built to meet the "green home guidelines."

John Gorski attended the EDA Public Hearing and stated that the EDA did admit that the cost of the homes would be \$155,000 and would accommodate singles and couples with

no children, that is why they changed the definition to income based. The council should ask for an appraisal to determine if the value of the proposed houses are worth the purchase price when a person cannot own the land.

Sue Hakes appreciates the work that the EDA has done. The Mink Ranch attempted to provide affordable housing: only two homes have sold and they still have lots available with sewer and water because no one is buying them. The EDA should consider a contractual agreement. NCLT has not disclosed their profit from the project. Taxes are brutal in Grand Marais.

Todd Miller attended the marina worksession and congratulated the council on talking in terms of acreage rather than number of slips. Discussing number of slips has proven to be divisive and changes based on the size of the slips. It is good to re-approach the DNR. It is good to separate the concept of a safe harbor vs. a marina - both are needed. The current boating community cannot utilize the marina. The waiting list should not be a determining factor to decide future needs because it is not an accurate barometer. Todd has been on the list for several years, others who would like to be on the list do not bother when they hear how long other people have been on the waiting list. Todd does not believe the economic data was properly reported. It is more of a philosophy: if you build it, they will come. The question is whether you want them to come.

Motion by Bolstad, seconded by Lenz to approve the Agenda; March 27, 2007, Minutes; March 27, 2007, Worksession Minutes; and Payment of Bills. Approved unanimously.

Motion by Kennedy, seconded by Bolstad to approve the Garden Club Request for \$1,000 for the annual Town Planting. Approved unanimously.

Motion by Kennedy, seconded by Costello to approve the Lion's Club Fisherman's Picnic Raffle. Approved unanimously.

The Cook County Highway Department is planning to rebuild County State Aid Highway No. 15, (5th Avenue West) between County Road 7 and the new Gunflint Trail. This alignment passes through property owned by the City of Grand Marais. Cook County will need two more parcels of permanent right-of-way for the installation of more storm sewer line and structures and seven segments of temporary construction easement to blend the curb and gutter section in with the adjoining property.

Motion by Kennedy, seconded by Bolstad to approve Permanent Highway Easements and Temporary Construction Easements with Cook County Highway Department, approve Resolution 2007-04, and Waiver of Compensation. Approved unanimously.

The Library provided a survey drawing of the proposed library expansion. The council noted that the building may be too close to an overhead power line and that a public hearing should be held regarding the library expansion and use of the green space

including a notice in the newspaper. The sales tax initiative could be used to build the library in addition to endowment funds.

Harbor Friends brought the idea of a handicap accessible trail at Sweetheart's Bluff to the Park Board. The Park Board voted unanimously to pursue the project. The Park Board has proposed a grant application to the Cook County Park and Recreation Fund for \$6,000. The total cost of the project is estimated to be \$14,145.

Motion by Costello, seconded by Lenz to approve applying to the Cook County Park and Recreation Fund for a \$6,000 grant to build handicap accessible Sweethearts' Bluff Lake Loop Trail. Approved unanimously.

The Planning Commission held a public hearing April 4, 2007, and recommends changing the Home Occupation definition to read the same as Home Occupation for the SC Zoned Property allowing business to be within the dwelling or accessory building.

Motion by Kennedy, seconded by Costello to approve the First Reading of Ordinance 2007-02 Amending the City of Grand Marais Zoning Ordinance Definitions for Home Occupations. Approved unanimously.

The council discussed the Public Utilities Commission Resolution in Support of Balanced Climate Change Legislation. No action was taken.

The City had solicited Request for Proposal for City Engineering Services. Five firms answered the RFP and two of the firms were interviewed. The City agreed to hire Short Elliot Hendrickson Inc. (S. E. H.).

Motion by Bolstad, seconded by Costello to approve the Agreement for Professional Services with Short Elliot Hendrickson Inc. effective March 13, 2007. Approved unanimously.

Councilor Lenz' Report:

- 1) The Pool Committee will meet with the Joint Powers Recreation Board on April 20, 2007, and then will meet with the Park Board and City Council.
- 2) The Girl Scouts want to run the softball concessions to raise money for their organization.
- 3) The Park Board is holding a 3:30 worksession to discuss priorities. They are also proceeding with paperwork for dredging the marina.
- 4) April 16th is Harbor Park Clean-up Day.

Councilor Kennedy's Report:

- 1) Attended the Joint Legislative Conference with Mike Roth. The conference included cities, counties and schools. There were about 800 attendees and good variety of legislators were available. The main topics of discussion were education, healthcare, and property taxes. We had the opportunity to sit down with Representative Dill and Senator Bakk and talked about the sales

tax initiatives, the changing formula for Local Government Aid, DNR School Trust Lands, Public Works garage and cleanup.

- 2) The Economic Development Authority is soliciting Request for Proposals for additional affordable housing options.

Councilor Costello's Report:

- 1) The Joint Recreation Board will meet with Community Center Engineers next Monday to discuss the pool possibilities.

Councilor Bolstad's Report:

- 1) The Power Plant engines are all operational.
- 2) We had two storms and with no electric line down. This is a large credit to the clearing under the power lines.
- 3) We had a significant water line break in an old line on County Rd 7.
- 4) The North Shore Management Board will meet on April 26, 2007.

City Administrator Roth's Report:

- 1) Will be out of the office April 23 – 30.
- 2) The tentative worksession schedule for May will include the Pool and DNR Land.

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

There being no further business, the meeting adjourned at 5:43 p.m.