

CITY OF GRAND MARAIS  
MINUTES  
June 14, 2006

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

Members present: Mark Sandbo, Kay Costello, Bob Spry, Edward Bolstad and Tim Kennedy

Members absent: None

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

Mayor Sandbo 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. No one spoke.

**Motion by Bolstad, seconded by Spry to approve the agenda; approve the May 31, 2006, Minutes; and approve payment of bills. Approved unanimously.**

Diane Booth, Community Center Director, gave an update of the Community Center Revitalization Project. The Center for Changing Landscapes designed to concept drawings after receiving community input. Option 1 included everything that everyone wanted. Option 2 removed one ballfield and added lights to a ballfield for later play and would allow a horse area for the County Fair; it locates the skateboard park nearer to the hockey area and changed the bus traffic route. Most people liked option 2. The next public input meeting will be held June 27 at 1:00 p.m. at the County Commissioners room where people can view the proposed plan.

Carolyn Larsen is requesting a conditional use permit to operate a beauty salon home business in her single family home located in the R-2 zone located at 412 4<sup>th</sup> Ave East. Home-based businesses are an allowed conditional use in residential zones. The Planning Commission found that a salon business is an allowable home based business, is low impact and operated in the confines of the home, there are other commercial uses in the neighborhood and it will not impede any other development in the neighborhood. The planning commission recommends approval of the conditional use permit with out conditions by a 4-0 vote.

**Motion by Kennedy, seconded by Spry to approve the Carolyn Larsen Conditional Use Permit. Approved unanimously.**

Margaret Nelson is requesting a variance from the side yard setback to build stairs to an entry on the back of her house in the R-1 zone located at 208 3<sup>rd</sup> Avenue W. The Planning Commission found that a small stairway in the rear yard is a reasonable use, no entry to the kitchen would be possible without a variance, the lot is only 40' wide, the house was built prior to the creation of side yard setback rules, and the porch will not

significantly impact any surrounding property. The Planning Commission recommends approval of the variance by a 4-0 vote.

**Motion by Costello, seconded by Kennedy to approve the Margaret Nelson Variance. Approved unanimously.**

Grand Marais Real Estate and Improvement Co., LLC, Sue Hakes and John Gorski, are requesting a conditional use permit to create live work units in their commercial building, the Mayhew Building, in the C-1 zone located at the South 120' of the East half of Outlot 4, Harbor Addition. Dwelling units in the C-1 zone must be accessory to an allowed commercial use, and require a conditional use permit. The Planning Commission found that live-work units are an allowed conditional use in the C-1 zone, are a common occurrence in the community, development provides off-street parking, and allowing live-work units in this location will improve the use of the property, which is prominently located, but has failed as a commercial space. The Planning Commission recommends approval of the conditional use permit without conditions by a 4-0 vote.

**Motion by Bolstad, seconded by Kennedy to approve the Grand Marais Real Estate and Improvement Co., LLC Conditional Use Permit. Approved unanimously.**

Richard and Diane Korf are requesting a vacation of the alley running through their property running east and west between Lots 1-8, inclusive, and Lots 25-32, inclusive Block 7, Bayview Addition to the City of Grand Marais, Cook County, Minnesota.

**Motion by Kennedy, seconded by Spry to approve the Richard and Diane Korf Alley Vacation. Approved unanimously.**

Matt Geretschaelger, EDA Director, requested that the City of Grand Marais bond for the EDA Cedar Grove Business Park Improvements and assess the EDA for the entire amount. The cost to develop the business park is substantial. Jerry Shannon, Ehlers and Associates proposed that the City of Grand Marais issue Temporary Improvement Bonds, which would mature in three years. This issue would then be refinanced with a second Improvement Bond, which if necessary, would be refinanced by a definitive issue. Shannon recommends receiving bids prior to selling bonds. Jamie Mealey, Short Elliot Hendrickson, estimated the cost of the project at \$2.1 million assessable to each lot at an estimated cost of \$63,640 per lot. Geretschlaeger has done very thing to minimize the risk to the city. There are 27 lots of which 21 are committed.

**Motion by Bolstad, seconded by Kennedy to schedule an Improvement Hearing for the Cedar Grove Business Park on July 5, 2006, at 5:00 p.m. Approved unanimously.**

**Motion by Kennedy, seconded by Costello to approve the City of Grand Marais Development Agreement with East Bay Suites, a Condominium. Approved unanimously.**

Adam Jaros, Multiple Sclerosis Society, requested Premises Permits and a Lease for Lawful Gambling Activity to be located at the Birch Terrace Supper Club. Bolstad requested a report from the applicants to show how much of the money raised is administrative and how much directly benefits people with multiple sclerosis.

**Motion by Bolstad, seconded by Kennedy to table the request until a report showing administrative costs percentage is received. Approved unanimously.**

**Motion by Bolstad, seconded by Kennedy to approve the City of Grand Marais Safety and Health Program. Approved unanimously.**

**Motion by Bolstad, seconded by Spry to hire Dave Tersteeg as Parks Assistant Manager. Approved unanimously.**

Ulland Bros. Inc. has requested an extension of the 2<sup>nd</sup> Street Project due to additional work and delays due to power line relocation to substantial completion by June 30, 2006.

**Motion by Spry, seconded by Bolstad to extend the Ulland Bros. Inc. 2<sup>nd</sup> Street Contract substantial completion date to June 30, 2006, with Final Completion date of July 7, 2006. Approved unanimously.**

City Administrator Roth updated the council of the Harbor Park progress. Seat Walls are being formed, the entrance will be re-poured on Tuesday, and the dirt work and planting will be done next week.

City Administrator Roth updated the council of the Grand Marais Downtown Visioning Project. Flyers are placed on bulleting boards around town, dates have been advertised in the paper. There will be public input sessions Thursday – Friday, June 22-23, 2006.

Mayor Sandbo's Report:

- 1) The Great Lakes Initiative is requesting \$1,000 donation. More information will be in the next council packet.

Councilor Kennedy's Report:

- 1) The Cook County Board of Commissioners has suggested that the city and county consolidate land and turn control over the Economic Development Authority.

Councilor Bolstad's Report:

- 1) The Public Utilities Commission will probably hire a new Water Wastewater Superintendent at the next meeting.
- 2) It is the city's intention to support the PUC to get the old power plant building torn down.
- 3) ATV issues need further discussion.
- 4) The low bid was accepted for the water tower refurbishing.

City Administrator Roth's Report:

- 1) The 2<sup>nd</sup> Street Project is done with the concrete, they are in the process of landscaping, and paving is scheduled for next Thursday.
- 2) The July 12 council meeting was rescheduled for July 5, 2006.

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

There being no further business, the meeting adjourned at 6:02 p.m.