

*CITY OF GRAND MARAIS*  
*MINUTES*  
*August 10, 2011*

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

Members present: Larry Carlson, Bob Spry, Tim Kennedy, Jan Sivertson and Bill Lenz

Members absent: None

Staff present: Mike Roth, Kim Dunsmoor and Chris Hood by telephone

Mayor Carlson 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 on the same subject. No one spoke.

**Motion by Lenz, seconded by Spry to approve the agenda with addition of Library tour; July 27, 2011, Minutes; July 27, 2011, Improvement Hearing Minutes and payment of bills. Approved unanimously.**

Nancy Grabko, Economic Development Authority Housing Administrator, presented a proposed Spectrum Community Health Senior Living Facility. The proposed project would provide up to 30 beds in a 32,000 square foot facility, creating 30 FTE Construction jobs and 20 FTE Spectrum Health Jobs. Units would be priced \$1500 less than nursing homes, have in-house memory and assisted living available giving residents the option to select the best care suited for their needs. The project meets the needs of the 2007 Housing Study. Spectrum is highly regarded in Silver Bay. The facility in Silver Bay opened in 2010 and is full and has a waiting list. This gives people an option to move closer to their families on the North Shore. We believe that seniors will come back to the area because this facility will be able to meet their needs. Spectrum is looking for an exclusivity agreement for 120 days before they invest more money in exploring this idea. They have identified the property that they would like to build the facility on as 5 acres at the southwest corner of the intersection of the Old and New Gunflint Trail. They would like the City to donate the land and submit a grant funding request to IRRRB for public infrastructure and site improvements.

**Motion by Spry, seconded by Lenz to accept the Mutual Exclusivity Agreement with Spectrum Community Health amending agreement to add under 1. Exclusivity paragraph 1 “other than to talk with existing service providers consistent with our discussion.” Approved unanimously.**

The city council discussed value to the city or not, identifying more detail about jobs created and the wage level, the effect on existing businesses including those privately funded, doubt about creating affordable housing, risk if they cannot fill the facility or if it is not successful, and performance requirements with consequences. The council needs more information from other communities with these facilities, hospital, public health and human services, and existing local assisted living facilities. The council will evaluate the potential of other land options – both

public and private and evaluate adjacent uses, highest and best use of public lands, and the benefit of an extension. The council needs more details about potential jobs created, where the jobs are located and the wages for those jobs. At the next meeting the council will discuss locations and have maps available to discuss potential sites.

The county board has invited the city council to a worksession meeting on August 23<sup>rd</sup> at 10:00 a.m. Carlson, Sivertson, and Kennedy intend to go to the meeting. City Attorney Hood will attend by phone. The council will listen to the county board discussion with an open mind and have no expectation of having a solution at the end of the meeting. We have no new policy.

Councilor Lenz' Report:

- 1) The golf course is in great shape. Revenues are down from last year \$2,000.
- 2) Pool attendance is up and revenue is up 30% from last year.
- 3) Campground revenue is up 3% from last year.
- 4) When the campground is busy, there are some staffing issues that need to be addressed.
- 5) Parks Manager Tersteeg wrote a letter to the MN Land Trust regarding our position about Boulder Park's parking lot existing prior to our agreement.

There is a Joint EDA/Superior National Golf Course meeting scheduled for August 18<sup>th</sup>. If we feel we have a role, we should be there.

Sivertson invited the council for a tour of the library which was declined.

Our insurance renewal came in with a decrease to our health insurance rates.

**There being no further business, the meeting adjourned at 5:56 p.m.**