

CITY OF GRAND MARAIS
MINUTES
September 10, 2014

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

Members present: Larry Carlson, Jan Sivertson, Tim Kennedy, Bob Spry and Bill Lenz
Members absent: None
Staff present: Mike Roth, Kim Dunsmoor and Chris Hood

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.

Kathy Sullivan thanked the council for the Mayor's Proclamation designating September 21, 2014, as International Peace Day in Grand Marais.

Jay Arrowsmith Decoux invited the council to attend a presentation by Kelly Asche, University of Minnesota-Morris, about rural demographic trends and economic growth in rural communities. The presentation is Tuesday, September 23, 2014 at 6:30 p.m. at North House Folk School.

Motion by Spry, seconded by Sivertson to approve the Agenda with additions of CCLEP and Chamber Requests, August 27, 2014, Minutes and Worksession Minutes; Payment of Bills; and CCVB's Moose Madness Sidewalk Permit. Approved unanimously.

Gopher Lakeview LLC is requesting a variance from the 10' side yard setback to construct 11 duplexes with zero lot line setbacks. This request is part of the Grand Lakeview preliminary plat development. This request is a modified version of a previous request. The arrangement of lots in the preliminary plat has been modified to remove two lots and widen the remaining lots to accommodate the planned building size. The property located at South ½ of the South ½ of the West ½ of the Southwest ¼ of the Southwest ¼, Section 15, Township 61N, Range 1E. The property is zoned R-1. It is currently undeveloped and subject to the Grand Lakeview preliminary plat consisting of 24 residential lots. The arrangement of lots in the preliminary plat has been modified in this request to remove two lots and widen the remaining lots to accommodate the planned building size. A public hearing was held September 3, 2014. An adjoining property owner asked several questions for clarification and voiced concerns regarding drainage and water run-off. The Planning Commission discussed the proposed duplex development. They discussed design details of the proposed duplexes. They want to support developing affordably priced housing. The developer has a preliminary price point of \$145,000 with options to \$165,000. The Planning Commission recommended approving the variance request by a 4-0 vote.

Motion by Kennedy, seconded by Lenz to approve Resolution 2014-09 A Resolution of the City Council of the City of Grand Marais, Minnesota, Approving the Request for a Variance for Duplex Zero Lot Line Setbacks in Grand Lakeview. Approved unanimously.

Paul Nelson, CCLEP, requested \$3,000 to pay Greg Mast to secure funding for additional work to re-bid the district heating project. Only one excavation bid was received and was \$2.5 million over the engineer's estimate. This work will need to be completed to approach the legislature in 2015 for 2016 bonding bill consideration. Major contractors are very busy at this time and seem less willing to bid. Given the significant potential benefits, CCLEP could not let this project sit and want to push it forward. Their goal is to stabilize long-term energy costs. While it is difficult to predict the world market, CCLEP can predict that there will be millions of dollars of savings to 18 customers in Cook County. Dollars that pay for propane leave Cook County, District Heating would increase energy security. This time they will work with LHB Engineers that know Northern Minnesota contractors and public bidding. Bid packages will be taken directly contractors to get decent bids. Mayor Carlson indicated that people of the community have talked to him and they are not convinced that this is a good project it feels like we are spending more money for a moving target. The price of fuel has been coming down. Councilor Kennedy indicated that the major customers are behind the project: hospital, school and county. \$3,000 is a small amount to help CCLEP move this project forward. Councilor Lenz supports moving forward given the effort that has already been put into the project.

Motion by Kennedy, seconded by Lenz to approve \$3,000 CCLEP Request for further efforts to secure funding and bids for the Biomass District Heating Project.

Ayes: Kennedy, Lenz, Sivertson, Spry Nay: Carlson

Jim Boyd, Chamber of Commerce, requested additional funding of \$6,000 for the GO Team project with Northspan Group. The project was anticipated to last 6 months and cost \$16,000. Unfortunately, it took much longer than initially anticipated. Northspan worked on Go Cook County projects for 18 months and cost \$46,000. To make Northspan whole, we are asking the original sponsors if they would be willing again to contribute to the Go Team cause. The value of the Go Team exercise cannot be overstated. The economic analysis has served as an important reference in dozens of grant applications from the county, serves as an introduction to Cook County's economic needs at the Legislature and IRRRB, and is playing a guiding role in efforts to update the Cook County Comprehensive Land Use Plan. The Go Team Prosperity Priorities have stimulated more than a dozen small groups to tackle specific pieces of the priorities, ranging from an EDA-centered workforce housing development effort to efforts that seek to increase production of local foods.

Motion by Sivertson, seconded by Spry to approve the \$6,000 request payable to Cook County Auditor-Treasurer for the Go Cook County Project. Approved unanimously.

Motion by Kennedy, seconded by Lenz to approve renewal of Liquor Licenses as follows:

Licensee	Business	License Type	Fee
Larsen Borthers LLC	Birch Terrace Supper Club	Liquor/Sunday	\$2,500
Sven & Ole's Inc.	Sven & Ole's Pizza	Liquor/Sunday	\$2,500
Gunflint Tavern on the Lake LLC	Gun Flint Tavern	Liquor/Sunday	\$2,500
Harbor House Grille LLC	Harbor House Grille	Liquor/Sunday	\$2,500
Am Leg 413	American Legion Lounge	Club	\$700
My Sisters Place Inc.	My Sister's Place	Wine/Beer	\$440

The Crooked Spoon Café, Inc.	The Crooked Spoon Café	Wine/Beer	\$440
Northwind Sailing Inc.	Angry Trout Café	Wine/Beer	\$440
The Little Canteen LLC	Hughie's Taco House	Wine/Beer	\$440
Toftey, Harley/Shelly	Dockside Fish Market	Wine/Beer	\$440
The LM Family, LLC	The Pie Place Cafe	Wine/Beer	\$440
Grand Marais Superamerica	Grand Marais Superamerica	Beer Off-Sale	\$110
Cook County Curling Club	Cook County Curling Club	Beer On-Sale	\$110

Approved unanimously.

Motion by Sivertson, seconded by Lenz to approve hiring Mark Luttinen as Library Technician. Approved unanimously.

The Preliminary Levy increase is currently budgeted at 1.9%. The council will have until December to set the final levy.

Motion by Carlson, seconded by Spry to approve Resolution 2014-08 Approving Preliminary 2014 Levy, Collectible in 2015. Approved unanimously.

Councilor Lenz' Report:

- 1) The park income is down 5% for the month of August, but up 2% for the year (\$10,000) due to low fuel sales in the marina and less daily rentals through the month.
- 2) Public Access Project – Met with DNR Trails and Waterways people. Preliminary costs for the plan are \$1 – 1.3 million and does not address some of our seven wish list items from our public input meetings. Security and access to the water plant is a city issue. Pedestrian access to the breakwater is not within the trails and waterways normal funding requirements. Designed basin can handle 35' boats, but not 40' boats. The launch is not designed to hydraulic trailer standards. The breakwater would not exceed the current height of the existing breakwater. Access that is complimentary to the existing beach is not a problem. Space for public art and fireworks can be accommodated. To satisfy our wish list, state bonding money will be necessary. The DNR will continue with plans based on our input and will get back to us within the next two months.
- 3) Segway Tours by Jim and Diane Linden would like to open a business in Grand Marais. The Park Board supported the proposal and asked them to contact City Hall. The City would not need to do anything additional for them.

Councilor Spry's Report:

- 1) The EDA is working with AEOA on new housing and weatherization of existing housing.
- 2) The county cut the EDA's levy from \$165,000 to \$100,000.

Councilor Kennedy's Report:

- 1) SMMPA is having their meeting in Grand Marais tomorrow.
- 2) The Highway 61 planning meeting had good attendance with more than 45 people attending. It was a good start to the process. The next meeting will be in October and we will make efforts to get more business owners involved.

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

Mayor, Laurence Carlson

ATTEST:

City Administrator, Michael J. Roth