

**WALKER CITY COUNCIL
CONTINUED MEETING MINUTES
WALKER FIRE HALL MEETING ROOM
TUESDAY, JUNE 4, 2019**

CALL TO ORDER –Mayor Shaw

- Mayor Jed Shaw called the regular scheduled meeting to order at 5:00 p.m.
- Pledge of Allegiance
 - Council members present: Hansen, Moore, Senenfelder, Shaw and Wilkening
 - Council members absent:
 - Others present during portions of the meeting included:

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|-------------------------------------|-------------------------------|
| Terri Bjorklund, City Administrator | Pamela Smith, City Employee |
| Dean Morrill, Pilot Independent | Wayne Tennis, Chief of Police |
| Kris Carlson, Ulteig | Tim Kleiman, Miners; SuperOne |
| Joe Sherman, Self | Sue Ostlund, Self |
| Laura Hansen, Breen & Person | Mary Lundrigan Amel, Self |
| Benjamin Amel, Self | Mary Andres, Self |
| Mark Mckenna, Miners; SuperOne | Cathy Ostlund, Self |

CONSENT AGENDA-Mayor Shaw

M/S Moore/Hansen to approve the Consent Agenda Items 1 as follows waving the reading.

1. Approve City Council Continuation meeting minutes of May 23rd, 2019.
Motion passed (5-0)

SCHEDULED CITIZENS PRESENTATION –Mayor Shaw

None.

CITY STAFF COMMENTS – Administrator Terri Bjorklund

None.

PERSONNEL, BUDGET & ADMINISTRATION – Councilmember Senenfelder

None.

**ECONOMIC DEVELOPMENT/LIQUOR STORE/AIRPORT/LIBRARY –
Councilmember Hansen**

None.

PARKS/AMBULANCE BOARD–Councilmember Moore

None.

PUBLIC WORKS, SAFETY & CEMETERY – Councilmember Wilkening

1. M/S Wilkening/Senenfelder to approve of Work Order No. 2-Project No. 17.00155 from Ulteig for the 2019 Street and Utility Improvements (Northside Project)
Motion passed (5-0)

2. Continued discussion and recommendation on the letter to the Mayor and City Council from Miner's Inc. dated May 16th, 2019 and received by the City on May 21st, 2019.

Shaw explained the history of the project. He referred to the piece of property as the 'Tabaka site' on the outskirts of town by Tower Avenue and Summit Avenue past the Community Center. We are talking about extending Tower Avenue out to 371 a little bit north of Lucky Moose. He explained that they have been having discussions back and forth with Miners the parent company for SuperOne which included discussion with MnDOT. We have two approaches on that highway right now, MnDOT is not enthusiastic about adding a third one. What they have asked us to do is to close down one or both of those approaches that we currently have and grant access to everyone else through Tower Avenue out to the main highway and end at a roundabout on 371. Approximate total cost of the project at that time was approximately 1.8 million. Thorson stated that currently it is about 2.2 or 2.3 million now.

Shaw explained that if they considered a fair three way split; which would be the Miners site, the other side of Tower Avenue which has yet to be developed and the City itself. What the City proposed initially is the City paying about \$600,000 of the new improvements going down and through Tower Avenue and to grant access to the property and to help bring in some of the infrastructure that the Store itself would need. We would assess 1/3 of that cost approximately \$600,000 to the Miner's site and another \$600,000 to the other to-be-determined site. A total of about 1.8 million. We discussed abatement, we talked about TIF and TIF doesn't work; it is not a redevelopment. He explained abatement by stating that you take the current property value and then you take the new assessed value, the property taxes that would be proposed on that site, the difference between what they are currently paying and what the new assessment would be; the City would have the capability of abating or taking the check that we get for the property taxes about 40%. What abatement would do is that it would allow them to build the project and over a ten or fifteen year span. Abatement requires a But-For Test, meaning to do that process and to help them payback some of those assessment for the new project, Miners would have to disclose financial information to our Bonding Attorney; at the time Miners did not wish to disclose financial information to our Bonding Attorney. The project wouldn't happen 'But-For' our ability to provide the abatement back to Miners to allow this to happen. That did not happen. Then Miners wanted to do their own private approach and not extend Tower Avenue through, but do their own private approach off of Highway 371 and if we did that the expense would solely be on them, we would not have an easement to bring Tower Avenue through. Apart from the easement discussion part of it we were partially okay with that it, we were not disputing Miners ability to do that to a certain degree we would be okay shutting down our approaches; but we have an issue with the one property at the end of Summit. We cannot landlock land. Miners would either have to grant that parcel through their parking area or off of their private drive or

they would have to buy that property out or the person would have to say they were okay being landlocked. Of those options we don't have an agreement from anyone on that. Wilkening clarified that initially they looked at the extension of Tower Avenue down to Lucky Moose and that wasn't an acceptable option so we then relooked at the extension that would go directly by the Store site. Initially MnDOT didn't want to place a controlled access through roundabout on that corner, however after some revisions of the plan then MnDOT is okay with it.

Shaw added that Miners requested that we close the approaches down and do a new approach and because they weren't the property owner they cannot make that request. And at the time of the request Tim had not acquired Power of Attorney or the City had not received the documentation to that effect. The City has always been open to working out a plan, the City's preference would to place Tower Avenue through mostly because it would help the Store site to allow people to come through the City and allow citizens to access the Store the same way they do right now opposed to having to go out through 371 go around and then come back in. We are not stonewalling anyone; those are the hurdles the City has been facing. We would like to see the project happen. We have been open to working with Miners. There are things that we just can't do like landlock property without getting the permission of the owner first.

Tim Kleiman Miners, SuperOne. He stated that he has a question on the landlocking component. He points out the piece of property that City is claiming that would be landlocked. He questioned if Summit still does not run in front of that property and if the Right of Way is still there.

Senenfelder added that he believed it was a grade issue.

Kris Carlson clarified that it is about a 15 foot drop there.

Senenfelder stated that he lives at the end of that dead end on Summit.

Kleiman stated that he was up there and could see that it was dead-ended just short of that person's property. This is a ROW it is a legal right to access. So it is not necessarily being landlocked from a legal standpoint maybe from a physical construction standpoint there might be some complications. I just want to clarify that it is not technically landlocked.

Shaw replied by stating 'we care whether or not a citizen can actually access their property.'

Kleiman-But obviously you deadened the road short of it.

Kleiman added that there are other avenues and that they are willing to flip the whole store upside down. That would not bode well for the original Tower Avenue construction but it would certainly allow for a grocery store and that is our number one goal for a grocery store to be built to serve this community. Where there is a little bit of understanding of access here we are open to those conversations but then again the way the economics break down that is where the conversation always broke down because of economics. We want to make that equitable. TIF, tax abatement, all those things were talked about; I just don't think they were vetted properly for us to feel comfortable to move forward.

Laura Hansen Attorney at Breen & Person. Hansen stated that the property owner for the lot in question is Mary Amel she is here to my left and her son is here to my right. She has asked me to represent her tonight. I have seen some of the documentation provided to the City. I would like you to speak about what is MnDOT asking you to do.

Kleiman-MnDOT is asking not to add an additional access point on the highway. They are just looking to do a swap of any non-used access point. Today the one that we call Onigum is a right that the City has to access Highway 371, not actively being used. The City also has a right to access Highway 371 here not actively being used. To the grade issue this might not ever be built or not likely to be built; if the City is willing to give up one, I think the letter that we wrote was misworded it said both I think one is sufficient for MnDOT. If you are willing to say, 'hey you know what you're right, we will never connect here, we'll keep this access but we'll also allow you to have the other one.' I don't want to speak for MnDOT but that is what my understanding and interpretation of what their saying. They are saying we will let you build this so long as you never connect this one to the Highway or this Onigum one that has never been built. It is basically saying 'we'll swap one of those.' Or if there is another one further down that I don't know about they would be open to that conversation as well.

Laura Hansen questioned that what he is saying they would be willing to grant a new one if one of those was given up?

Kleiman-Yes.

Wilkening stated that it was his understanding that it was both of them. That would be the last access onto the Highway until you get to Garden. If there was a private access at that point, because of the center turn lanes, bypass lanes and all things that would need to be constructed for that private access, the Summit access would need to be closed as well as the Onigum access.

Kleiman stated that there was an emailed between him and MnDOT that basically stated that it was one or the other. I would feel more comfortable if it came from MnDOT and not speak on their behalf. I wanted to reference that's what was written to me. I think our letter was a slip-up saying both accesses would have to be relinquished; I think MnDOT is comfortable with one.

Wilkening questioned if Nate and Pat's representative showed up.

Mary Beth Hansen stated that they have other commitments to attend to tonight.

Kleiman stated that he did speak with Nate and Pat and they said sorry they couldn't be here on short notice, but certainly we are supportive of Miners obviously because he has an agreement with us. I don't want to speak for him but he is available if you have questions for him.

Shaw stated that from the conversations that we have had it seems like we have a preference for actually keeping Tower Avenue going forward. Is there any appetite that Miners would have to work with Ahler's to get the financial information they have to prove a But-For and we can potentially work out an abatement issue with Miners to actually bring that road through?

Kleiman stated they see the benefit but the slow process that we have gone through over the last three years I don't know how tedious it is to go down that route? Certainly the financial But-For in our opinion has been a million to a million and a half dollars increase in our cost. The drawing that is up there is not the drawing that was in the letter. We are just looking for a driveway.

Wilkening questioned if they are acquiring all of the property that Tabaka owns?

Kleiman replied just the commercial zone portion.

Wilkening questioned how is the City to provide access for future growth if Tower Avenue doesn't go through?

Kleiman-Future growth of what?

Wilkening-Of that area. That area is just supposed to have a driveway access to it for that large of an area? Is a private driveway going to work for your store? As far as access to the rest of it, it certainly doesn't.

Kleiman questioned if he was only concerned about the two properties?

Wilkening stated he was concerned about the whole south side.

Kleiman stated that there is an existing access on the frontage road.

Wilkening-Osakis.

Kleiman stated that in the Original drawing you have some right of way access and there is certainly some ability again this red dot has kind of been a thorn obviously in the project in the past. As we designed this, it was to accommodate potentially. But phase one has been our grocery store that is maybe a selfish thing but we certainly think it's a benefit to the community. Maybe if we don't want to relinquish any access points, how about just constructing on them.

Wilkening stressed that they have had this conversation over and over about some documentation that says you have the authorization to negotiate for...

Kleiman interrupted by stating that he has Power of Attorney.

Wilkening stated that this has been years in the making we have asked for this for a long time. Documentation that says you have the right to negotiate the accesses. We have talked about this in our meetings.

Kleiman-No we haven't.

Wilkening stated that they have been followed up with letters from the City.

Kleiman-Right. And we solved the road block there when we thought going with MnDOT might be an easier approach.

Wilkening added that now in the letter you want us to make a decision by a certain date and we still don't have the documentation knowing that you have authorization. I believe Miners in the fact that you are negotiating with Tabaka, but the actual legal document that allow us to say to MnDOT we want to close this access and we want to trade for this one. We don't have the ability to make that decision tonight because you have not provided us with it.

Kleiman-If that was a request in the past, I guess we missed it. I am hearing you loud and clear right now and that will be provided tomorrow.

Mary Beth Hansen stated that what she has heard about the project is the safety about the different access points with MnDOT which was safer a stoplight or to have roundabout or to have traffic entering here or here. Are you asking for stoplights?

Kleiman stated that as he understands with MnDOT if it is not a City road, full turn lanes not a bypass basically a 1000 feet in each direction so you have a turn lane, especially coming from the south you are going to have a center turn lane so you will be able to stack more cars and there is no necessity as far as we understand for a roundabout or a stoplight for a private drive. It is different if the City gets involved on a full road construction.

Mary Beth Hansen questioned if they are not going to put stoplights where Onigum is how in the heck is a person going to take a left turn out of SuperOne back onto 371 in the middle of summer.

Kleiman stated that this is where you have transitional speed limits too. So you will have slower speed limits at the same time.

Mary Beth Hansen stressed that that is a bad area of the road.

Wilkening replied that is why the roundabout came to be, to slow it down.

Dean, Piot Independent. Has anybody thought about the fact if they were to put a roundabout in there, the components for the bypass, they are going to want it even more.

Shaw stated that has been part of the discussion also.

Kleiman-Another thing with the stoplights. That was our original idea was stoplights. But MnDOT was not in favor of it. They wanted to go with a roundabout; it is kind of en-vogue right now.

Shaw stated that MnDOT is pretty adamant about the no stoplight thing.

Wilkening replying to Dean in regards to the bypass; in 2002 the corridor plan from the Y to the Y. What that would have is a service road from Summit out to Osakis across from Lucky Moose and that would have served that entire property based on the limited access traffic line.

Kleiman stated that they are willing to invest in this community based on the existing traffic patterns of this community. We are certainly not in favor of any bypass. We are not unwilling to work with a staged plan. But the way we have been moving has been slow. And hopefully this public forum will determine whether the project is a reality or if we have to reinvest in our current site or look elsewhere at different sites that are more viable.

Wilkening questioned the Board how realistic is it if they put a private driveway in there that we would extend Tower Avenue down to Osakis Avenue for a roundabout. How much sense does that even make, because it wouldn't even connect to the new store site?

Shaw stated there are other projects in the forefront that would take priority of that.

Laura Hansen-If we go back to the lot that my client owns. I want to put it on record that she would not like to be landlocked without compensation; if it was a vacation then there would be claim for compensation, if there was a change in access that created her to be landlocked she would seek compensation. Is there going to be a decision made tonight and procedurally, what would be the next step?

Wilkening stated that ultimately that there is not a decision that we can make. Tonight's meeting in my mind was for fact finding. To get all the parties involved and hopefully the Tabaka property representatives would have been here to discuss this as well. The concern from your client has been something of ours from the beginning. They wanted us to move forward with eliminating the access that your client would be one point of contact to get the okay or not okay or work out a separate access to their site, something that would be agreeable so that the land would not be locked. We do understand that.

Kleiman-We certainly don't want to landlock anybody.

Wilkening stated that he feels that they have hit an impasse again and this is what we have been doing for almost three years.

Shaw agreed with Wilkening adding that they get to about here.

Wilkening stated that he feels for the good of the entire community that they have Tower Avenue come out to the preferred site at Miners is the best alternative from a safety aspect and the traffic flow; referencing Mary Beth's question how do you turn left out of Miners in the summer? The roundabout doesn't affect us negatively on the bypass from the transportation committee that I sit on. That shows good intent on the City to keep traffic moving and to improve flow as safely as possible.

Senenfelder added that whether or not we like roundabouts they are the safest. He stated that he is surprised that they would give you access to your store. The speed limit would have to drop again, noting that after working in traffic safety for thirty-five years, he sees that access as a problem.

Wilkening stated that they aren't going to get that; the 1000 foot turn-lanes, etc. because they wouldn't even give it to the City. And by the time you get done building a 1000 foot bypass/center turn lane, you're going to have a fortune into it that we have been talking about.

Shaw stated that if you want to talk about a nightmare think about all the people backed up waiting to make a left hand turn and that happens today without any turn lanes in place.

Shaw addresses Kleiman stating that the Council is leaning more towards doing Tower Avenue and doing a roundabout. We would like to find an avenue to work with you to get that done.

Kleiman-I think the best way to go about it is to respond in writing, maybe some of your financial breakdowns and respond to specific questions we had.

Shaw stated that the City is willing to stay on point with them and that they want it to happen also. We just want it to be done safely and in a manner that is good for the store and good for the town and doesn't hurt property owners whatsoever and doesn't slow down traffic unnecessarily more than we have to.

Kleiman stated that they certainly don't want to make it difficult for the customers to get in and out of. This is a site that you guys advised us that was available. We pursued it, and we designed it to accommodate Tower. I think that has been a long goal of the City for public safety or as a secondary access for the School. We are open to the site but again it is based on timing. If this is a five or ten year horizon we are going to need to evaluate our store situation and what the prospects are.

Shaw stated that five or ten years is a pretty large window. I don't think we are looking at anything near.

Kleiman-That is what we were hoping to hear.

Shaw stated that they just need to find a way to work together with the City in terms of the cost of the project itself to make sure that it works.

Kleiman-If we can get something back in writing that would be wonderful.

Wilkening reminds him that he needs to provide the City with Power of Attorney documents.

Mary Beth Hansen requested clarification on whether or not it is one or two access points.

Shaw added that regardless he is not interested in seeing two accesses down there.

Shaw gives Kleiman a copy of the letter that was mailed to Miners last year; stating that it effectively states everything they are requesting. And number one is effectively done.

Bjorklund mentioned to Mr. Kleiman that that Mary the property owner and her son have traveled from the Cities to be here to and suggests that tonight would be good night.

OTHER BUSINESS –Mayor Shaw

None.

ADJOURNMENT-Mayor Jed Shaw

Mayor Shaw adjourns the meeting at 5:37 p.m.

Jed Shaw, Mayor

Attest: _____
Terri Bjorklund, Administrator