

**WALKER CITY COUNCIL
REGULAR MEETING MINUTES
WALKER FIRE HALL MEETING ROOM
Thursday June 19, 2008**

CALL TO ORDER – Mayor Walhof

- Mayor Walhof called the regular scheduled meeting to order at 7:06 pm.
- Council members present: Fjelstul, Finney, Worth, Wilkening, Walhof
- Council members absent: None
- Others present during portions of the meeting included:

Terri Bjorklund, Administrator
John Valen, City Attorney
Terry Freeman, Landecker & Assoc.
Ron Geiser, Shingobee Twp.
Kent Olson Chase Dev.
Bob Mallory, Shingobee Twp.
Lisa Ward, Gilliland Y Hayes, P.A.
Ken Bresley, Walker Airport

Joanne Mitchell, City Employee
Will Hoyt, Landecker & Assoc.
Edith Asell, City Employee
Steve Olson, Chase Dev.
Shirley Mallory, Shingobee Twp.
Gail Levenson, Cass County EDC.
Dean Morrill, Pilot Independent

CONSENT AGENDA – Mayor Walhof

M/S Wilkening, Worth to approve the Consent Agenda Items 1 thru 5 as follows:

1. Approve Walker City Council Regular Meeting Minutes of June 2, 2008.
2. Review and file copy of Correspondence dated June 4, 2008 from Mayor Brad Walhof to Carolyn Upton, District Ranger, Walker Forest Service pertaining to the City of Walker's intent to work with the Walker Ranger district on a request of vacation of a portion of Factory Street.
3. Review and file copy of correspondence dated June 4, 2008, from Mayor Brad Walhof, to Carolyn Upton, District Ranger, Walker Forest Service pertaining to the City of Walker having no interest in the purchase of the West Branch Property.
4. Consider approval of payment of Invoice #203817 in the amount of \$14,520.00 to SEH for the runway extension and rehabilitation Airport project.
5. Consider approval to pay Invoice #8329 in the amount of \$1,020.00 to Landecker & Associates, Inc. for water line easement acquisition and Cleveland Blvd. vacation descriptions.

Motion passed: 5-0

SCHEDULED CITIZEN PRESENTATIONS – Mayor Walhof

- Ron Geiser on Annexation. Ron Geiser states that he would like to refer all three to public works so there would be no duplication.
- Road Maintenance Proposals
- Cemetery Road

Ron Geiser states that these are to be referred to public works section also. Mayor Walhof states that we will pick these up later on in the agenda

CITY STAFF COMMENTS/CONCERNS – Administrator Terri Bjorklund

- No Business.

PERSONNEL, BUDGET & ADMINISTRATION – Councilmember /Fjelstul

1. M/S Fjelstul, Finney to approve to hiring Jay Fagerman as Part-Time Airport Maintenance at \$10.00 an Hour.

Mayor Walhof asks Ken Bresley if he has any comments. Ken Bresley states that we need someone especially in a year like this when we have had a lot of moisture, the grass out there is out of control, and this will be primarily a part time spring, summer and fall position. During the winter there would be no reason to have anyone except to check on frozen pipes and such. He will be a big help to the City and the Airport in the position. Mayor asks if there is any other discussion.

Motion Passed 5-0

ECONOMIC DEVELOPMENT/LIQUOR STORE – Councilmember Wilkening

1. To approve Resolution 20-2008, a Resolution for vacating a portion of Cleveland Blvd. between 5th Street and 6th Street North.

Council Member Wilkening states that inside your packets there is a report provided by Edith Asell. I would like to thank Edy for the time and effort she put into this. It outlines the details of the vacation and realignment of Cleveland Boulevard. The facts behind this, looking on page two, item number one. Cleveland Boulevard is classified as a Commercial City Minor Street with a right-of-way width of 60 feet. Railroad Avenue is classified as a Commercial City Minor Street with a right-of-way of 40 feet. Both areas intersect with Fifth Street North, which is a City Collector Street. Item Two, Cleveland Boulevard, from Fifth to Sixth Street is included in the area defined as the “Congested District” by Section 72.05 of the Traffic Code for the City of Walker, and subject to regulation regarding limited parking, and regulations regarding bicycle parking, and use of skate boards and roller-skates” Item number three continues on...”

Council Member Wilkening asks if he needs to read all of this to be put into record, Mayor Walhof states that it would be up to you. Wilkening states that, “... basically what we are looking at doing is converting a portion of Cleveland Blvd from the 60 foot right-of -way; the proposed realignment includes a 24 foot driving lane and adjacent parking. We have gone through and evaluated the impacts, the consistency of the comprehensive plan and other discussion with regarding the consistency of the proposal with city plans as laid out on pages 4-6 of this report. The Fire Chief has

reviewed the realigned driving surface and it appears we have adequate access for emergency vehicles, which is an important part of our decision process to make this proposal go forward. A draft of the maintenance agreement was faxed to us earlier today, and what they are looking for to do is assist the city in maintaining the realignment of Cleveland Boulevard, They want us to do our normal maintenance, They would like the ability to go ahead and plow snow on that right-of-way surface, stripe, crack fill, ect., when they deem it necessary. That is something that will need to be reviewed by John Valen.

On page number 7, items G & H, I am going to turn over to John Valen to advise, item G is in regards to a draft agreement with approved legal descriptions for the property for the realigned Cleveland Boulevard and for the deeding of the property.

John Valen, City Attorney, stated he had been in court for a day and a half and had not been in his office, so there may be things in his office that he does not know about. He did see descriptions from Terry Freeman this evening giving the descriptions for transfers back and forth. "As far as title transfers I presume that the Chase has a clear title or title insurance or abstract and I don't see any difficulty accomplishing a title search to make sure the property is free and clear."

Council Member Wilkening states that he "thinks it needs to be part of the motion to make sure that the property is free of incumbencies on that property that is being transferred to the city. Terri Bjorklund, City Administrator, handed out a letter from Council Member John Fjelstul, Finance Chair, (see attachment #1, agenda packet dated 6-19-08) in regard to an agreement pertaining to the Chase that has to do with some of the hook up fees, the developer has agreed to pay the sewer and water hook up fees as follows, basically one hook up fee for the main hotel building with monthly metered billing to include 3000 gallons of water usage in the initial usage with current overage fees paid as per our current regular fee schedule. The other would be the 10 lakeside condos with monthly-metered billing to include 30,000 gallons of water usage in the initial usage with current overage fees to be paid as per our current regular fee schedule. Each hook up fee for these units is to be paid prior to closing of the sale of the unit. The other would be City-Side which has the convention sight located below them; thirty-six hook up fees with monthly use up to 108,000 gallons.

The developers also agreed to pay a sum of \$50,000 to offset the land use loss that the City would incur in the Minnesota Department of Employment and Economic Development (DEED) grand to allow him to retain the ownership of the former State Farm building. This \$50,000 shall be paid on the following payment schedule: \$5,000 at the time of filing the final plat and a payment of \$15,000 annually on August 1, 2009, August 1, 2010, and August 1, 2011.

I was asked to comment on the regards to the economic benefits of the Chase in regard to finding fact and that would be my letter dated June 18, (see attachment #2, agenda packet dated 6-19-08) (attachment number 10 in the public hearing handouts). Basically it states that from an economic development perspective the Chase on the

Lake project is a valuable redevelopment of a substandard land use as it relates to taxable value of commercial property within the City of Walker.

Furthermore, the redevelopment of this commercial property will add jobs, and increase the volume of tourist activity within our City adding to our overall economic vitality. The realignment as proposed stems back to an original request put forward in good faith by the developer as terms of an agreement between the City and the developer as outlined in a letter dated September 18, 2006 (see attachment #3, agenda packet dated 6-19-08) by their attorney Gilliland And Hayes, PA signed by Lisa M. Ward. This letter is a summation of a meeting between city staff, the developer, the city engineer and the Minnesota Department of Natural Resources on September 12, 2006, shown in attachment 7 in the packet provided by our zoning administrator. Based on the positive long term economic impact to the City of Walker derived from the redevelopment project it is my recommendation to approve the realignment of Cleveland Boulevard with subsequent vacation and easements contingent on the developer meeting all the self imposed requirements outlined in his attorneys September 18, 2006 letter as stated above.”

Council Member Finney asks if that is a comment or a motion. Council Member Wilkening states that he was reading it into record. Council Member Pam Worth, Lisa Ward, Steve Olson have a conversation that there have been 40 full time equivalent jobs, there are actually more jobs, filled to date and about half of them are local people. Mayor asks if there are any other questions from the council at this point.

Council Member Finney asked how are we going to respond to the comment in that letter. Mayor Walhof said that Terri had already responded and asks Terri Bjorklund, City Administrator, to respond. Terri states that in response to the letter, the first question who will pay for this change, the developer of the project will pay for this realignment. Where will the Chase deliveries be made along Cleveland, The Chase deliveries will come in on 6th to a driveway/delivery area on the Chase property between the hotel and the south condotel building and then exit on to 5th street, this is according to the developer. Question number three and 5 kind of ran together so I answered them together as number three. Snowplowing and maintenance will continue as a city service and will be done in the same manner as prior to the development any improvements needed will be done within the City’s assessment policy. Number four she asked about the existing road and heavy equipment travel during construction, will the road be resurfaced and if yes, who will pay? Terri answered that the final lift (top layer of tar) of the construction area will be completed by the developer this fall once heavy construction equipment will no longer be needed. Number 5 she wanted to know where will water overflow from ran go and I responded, storm water run-off is sent to a pond in the area of the Wendi’s Hair Salon and into the currently used area next to the Chase on the Sixth Street side. She wanted to know about the environmental impact of the change and I wrote that these plans have all been approved by the appropriate agencies that deal with environmental issues, such as the DNR and MPCA. She asked if depending on the answers to the above questions, I have recourse other than voicing concern. I told her that we would

take great care of her questions and concerns, and that talking to your council members that are elected by the people is the best way to deal with any issues.

Mayor Walhof asks if there are any other questions or comments. Gail Levenson, Cass County EDC comments on a study that was done back in 2005 by the MN Economic Development Center at St. Cloud University stating that at that time it was predicted 86 rooms to be built and that would bring in 5.5 million annually, and we have in fact built 116 rooms so it will actually be higher than that. During the construction phase they predicted that there would be 77 jobs and actually there were 111 indirect jobs and about 59 in construction. Gail Levenson gave the City a copy of the report for their files. Mayor Walhof asked if there were any more questions or comments, there being none we will entertain the motion to either accept or deny the vacation. Council Member Wilkening makes a motion to adopt Resolution 20-2008 a resolution for vacating and realigning certain portions of Cleveland Boulevard right-of-way between Fifth and Sixth Streets as outlined in the map and legal description by Landecker and Assoc. All cost for infrastructure replacement, surfacing, curb and gutter establishment and striping to be paid by the developer. Findings of Fact to support this approval are as follows:

1. The vacation and realignment does provide easements for water and sewer lines.
2. The Walker Fire Chief, Scott Bruns, does not see the realignment with resulting driving surface as restrictive for access for emergency vehicles.
3. The vacation and realignment is not believed to result in an adverse impact on historical or other cultural resources, the environment of otherwise negatively impact the shore lands area under the requirement of MN Statute 412.851.
4. No comments have been received by the Department of Natural Resources after proper notification.
5. The economic impact of the redevelopment project included with this partial vacation and realignment will add to the long-term economic vitality of the City of Walker by the creation of jobs, increase in tax revenue and increased in tourist activity within the City.

This resolution is contingent on:

1. The developer providing a clear title to all lands being transferred to the City
2. An executed maintenance agreement for the developer to maintain the city right-of-way, if the developer intends on providing this service
3. Signed agreements as set forth by the Finance Committee recommendation letter dated June 18th
4. The developer meeting all of the requirements set forth in their letter dated September 18, 2006 as referenced as attachment #7 in this information packet to include the creation of 58 non-exclusive parking spaces for the development on property controlled or improved by the owners.

Pat Finney seconds the motion.

M/S Wilkening, Finney to approve Resolution 20-2008, contingent on all requirements above being met.

Roll Call Ayes: Fjelstul, Finney, Wilkening, Worth, Walhof Nyes: None

Motion passed 5-0

2. **M/S** Wilkening, Fjelstul to approve Resolution 24-2008, a Resolution to set a Public Hearing for July 7th, 2008 at 6:30 p.m. on the proposed vacation of a portion of Factory Street.

Roll Call Ayes: Fjelstul, Finney, Wilkening, Worth, Walhof Nyes: None

Motion passed 5-0

PARKS & RECREATION/LIBRARY – Councilmember Worth

No business

PUBLIC WORKS & SAFETY/ CEMETERY– Councilmember Finney

1. **M/S** Finney, Wilkening to approve entering into a Maintenance Agreement with Shingobee Township for the maintenance of the Ah-Gwah-Ching Road. Shingobee will take care of it one year and Walker the next.

Motion Passed: 5-0

2. **M/S** Finney, Worth to approve entering into a Maintenance Agreement with Shingobee Township for the maintenance of the Lake May Road & the Cemetery Road. Mayor Walhof stated that Terry Freeman had talked about the possibility of closing a portion of the Lake May Road in the Walker City limits and asked if Terry was going to approach the council at some point on that issue. There was a discussion on the issue of possibly closing a portion of Lake May Road and will be addressed at a further time.

Motion Passed 5-0

3. **M/S** Finney, Fjelstul to approve quote in the amount of \$20,241.95 from Anderson Brothers to repair, and overlay the Cemetery Road, splitting the cost according to our square footage with Shingobee Township.

Motion Past 5-0

4. **MS** Finney, Wilkening to approve quote in the amount of \$23,517.50 from Anderson Brothers Construction to overlay the Walker Evergreen Cemetery. Cost will come out of the cemetery fund.

Motion Passed: 5-0

5. Discussion and action if needed pertaining to annexation agreement with Shingobee Township. Reference Shingobee Township Resolution No. 2007-06 and City of Walker Resolution, 35-2007. Ron Geiser stated that in order to leave the 55 acres that Cass County did not purchase from the State of Minnesota in the City of Walker, we would need to extend the annexation moratorium by 2 more years. If this was agreed upon Shingobee Township would amend the agreement. Pat Finney was in agreement with Shingobee that we should give them two extra years. Mayor stated that Cass County did not want the 55 acres because they found out that there had been an old dump sight on that property and for that

reason the Cass County Board of Commissioners decided that they did not want to own that 55 acres and did not want it to be a part of the purchase agreement because the State of Minnesota would not sign off as far as liability on future pollution problems on that particular sight. Mayor Walhof stated that he did not feel that it was fair at this time to extend the moratorium by 2 years.

M/S Fjelstul, Wilkening to notify Shingobee Township that we are not willing to extend the moratorium and that we are willing to return the property in question to them and will wait to hear from the Township how they would like to proceed in his matter, either to amend the agreement or to start the detachment process.

Motion passed 4-1 Council member Finney voted Nye.

OTHER BUSINESS – Mayor Walhof

- Reminder – All items for the July council packet must be in to the City Administrator no later than 10:00 am on July 1, 2008.
- City Hall and the DMV Department will be closed on July 4th, 2008 in observance of Independence Day.
- Ken Bresley gave a statement on the airport project.
- Lisa Ward wanted to clarify on the parking spaces. In the two copies of drawings we received today, one says nine parking spots closest to the State Farm Building and one says 11. There will be 59 spaces when the project is completed. 2 are considered on City property if it is not deeded there will be 57 instead of 59. She wanted to make sure that was clarified.

ADJOURNMENT – Mayor Walhof

Mayor Walhof adjourned the meeting at 8:00

Bradley J. Walhof, Mayor

Attest: _____
Terri Bjorklund, Administrator