

**BAXTER CITY COUNCIL MINUTES**  
**Special Meeting**  
**March 7, 2016**

Mayor Darrel Olson called the Special City Council Meeting to order at 6:30 p.m.

COUNCIL MEMBERS PRESENT: Mayor Darrel Olson and Council Members Quinn Nystrom, Steve Barrows, Todd Holman, and Mark Cross.

COUNCIL MEMBERS ABSENT: None.

STAFF PRESENT: City Administrator Gordon Heitke and Public Works Director/City Engineer Trevor Walter.

Public Works Director/City Engineer Walter gave the history behind the Dellwood Drive Project. The improvements project started in 2012 when Crow Wing County Highway Department placed the project in their 5-Year Highway Improvements Plan for resurfacing in 2016.

In 2013, discussions took place between Crow Wing County, City of Baxter and the City of Brainerd for the improvements on Dellwood Drive since it involved three jurisdictions. In 2014, Crow Wing County applied for a joint application with both cities for a local road improvement grant which takes care of approximately 75% of the construction costs for the project.

In 2014, Dellwood Drive changed from a resurfacing project to a reconstruction project. Dellwood Drive is shared based on existing political boundaries between the First Assessment District (FAD), City of Baxter and the City of Brainerd. Crow Wing County does provide all administration for the FAD where Dellwood Drive is a township type road in the FAD District. The present road jurisdiction is 50% of Dellwood Drive along the west side is in Baxter with the remaining half divided equally between Unorganized Territory and Brainerd.

Existing conditions were reviewed with 3,800 cars traveling on Dellwood Drive per day. Dellwood Drive's bituminous surface is in a very poor condition with a 5-ton axle weight restriction during spring load restrictions. The road has minimal aggregate shoulder or none on the segment with minimal drainage swales and no ditching.

Late in 2014, the county and the two cities applied for the LRIP grant to assist with both Inglewood Drive and Dellwood Drive. The project is comprised of both streets and the joint application was awarded a 75% grant of the estimated construction costs only.

The county is providing the rural road design and handling the right-of-way purchases. The plan is for a 10-ton road with 12-foot driving lanes and 6-foot paved shoulders for bike lanes with no parking allowed.

The entire project (Dellwood Drive) was expected to cost \$333,457.00. With the \$214,695.00 grant, Baxter would pay \$59,381.00 with the county and Brainerd each paying \$29,691.00 each. Adding in additional costs for engineering and tree clearing, the total costs has the City of Baxter paying

\$100,487.00, City of Brainerd paying \$49,484.00 and Crow Wing County paying \$55,084.00. Those costs would nearly double for the county and more than double for the cities without the grant funds. On March 2, a low bid received for the project came in at \$293,283.00. That cost breaks down to City of Baxter \$76,785.00, City of Brainerd \$37,682.00 and Crow Wing County \$43,232.00.

The construction schedule has work slated to begin this spring and be completed by September 2, 2016. Through traffic would be detoured to Wise Road, Highway 371 and Woida Road, but Dellwood Drive would remain open for local traffic only.

Public Works Director/City Engineer Walter stated the action needed at this evenings meeting would include the following:

- Approve the Construction Cost Share Agreement between Crow Wing County, the City of Baxter and the City of Brainerd for Improvements to Dellwood Drive between Novotny Road and County State Aid Highway (CSAH) 49
- Approve Resolution No. 2016-017 for the Orderly Annexation Between the City of Baxter and Crow Wing County (Unorganized Territory) Pursuant to Minnesota Statutes §414.0325.

The meeting was turned over to City Administrator Gordon Heitke who covered the annexation issues of the project. City Administrator Heitke stated this situation is kind of a unique situation since you don't often see an island of unincorporated areas like this sandwiched between two incorporated areas.

This was actually addressed in an annexation agreement that was entered into approximately 15 years ago by the City of Brainerd and the City of Baxter. It was agreed to by both cities that the City of Baxter was the logical city for this area in the future based on Baxter's existing infrastructure there and nearby. In January, the City of Brainerd relinquished any interest in annexing the area.

City Administrator Heitke stated the City of Baxter could have annexed land years ago but decided to wait on land like this until there was a reason to prompt it. Crow Wing County provided the prompt when it sought to transfer Dellwood Drive to the City of Baxter, meaning the city would be responsible for the road and its maintenance. The City of Baxter, taking responsibility for the road came with the condition the road would be within the city limits in order to justify the change. An orderly annexation agreement needs a joint resolution in favor from the City of Baxter and Crow Wing County. As part of the agreement, upgrades are also planned to Mertens Drive and Whispering Woods Lane.

City Administrator Heitke explained that with the annexation, Crow Wing County would pay the City of Baxter a lump sum so the residents in the affected area wouldn't have an assessment. As part of the agreement, the land would be placed in the city's zoning that is closest to its current zoning. After the annexation, the city plans to study the area through its Long Range Planning Commission, which will then recommend the proper zoning classification. That process can take up to 12 months.

City Administrator Heitke stated that residents will be paying more in taxes, due to a change in services, ranging in an increase of \$218.00 to \$786.00 depending on whether it's bare land or residential homestead.

Mayor Olson opened the meeting for public comments.

Brian Keller-Heikkila – 7704 Whispering Woods Lane

Mr. Keller-Heikkila expressed concern about the future and potential assessments for utilities, which are not part of this project. Mr. Keller-Heikkila said he made a decision on his home purchase after looking at property on Wildflower Drive where assessments made the home purchase unaffordable.

Mayor Olson explained how Wildflower Drive was a resident driven petition for utilities. Mayor Olson stated there are no current plans for adding utilities anytime soon. Utilities would be either extended by a 75% petition or if a large development requested the utilities.

Mark & Judy Zahn – 15410 Dellwood Drive

Mrs. Zahn stated her family has two properties, one on Mertens Drive and 15410 Dellwood Drive and has concerns on both of those properties. Many of us would like it to be left Unorganized; however, I don't think that is going to happen.

Mrs. Zahn stated the neighborhood has a petition and can we submit it at this time? Mayor Olson indicated to bring it forward to be submitted into the record at this time. Mr. Rick Olson submitted a petition from residents and landowners of Unorganized Territory, First Assessment District to drop any attempt to annex the parcels into the City of Baxter.

Mrs. Zahn said they were willing to do their own road maintenance. She stated the future costs are going to force people to make hard decisions about the future and what families can afford. For most of us in the proposed annexed area, this has been the only home we've known for most of our lives.

Rick Olson – 7889 Whispering Woods Lane

Mr. Olson inquired on the plan for Cypress Drive. He questioned what might happen with an extension north of Cypress Drive. Mr. Olson stated that there was no reason to annex the property at this time and offered to work with Crow Wing County to maintain the road.

Mayor Olson stated that there is no known plan for this area at this time. Council member Cross showed the Comprehensive Plan and stated there was a plan to connect Cypress Drive to Wise Road in the future, but there are no plans on the route nor a timetable or push right now for the project. One option discussed was using the Paul Bunyan State Trail as the road bed and moving the trail. Council member Cross said that would take an act of state legislation.

Mr. Olson inquired on the plan for Cypress Drive. He was convinced someone must know something about the plan for that road.

Council member Holman stated that at a high level without looking at the individual parcels, people or places, the concept was in 2000 – 2003, there was a MnDOT Corridor Access Plan developed for Trunk Highway 371. MnDOT engaged the city and county in that planning process. In this process there came a notion for parallel corridors which gave a reason for local traffic not being on T.H. 371, if the local governments could provide frontage roads or parallel corridors. This was a concept plan that was not scrutinized at that time and there is no one pushing on the road completion.

Robert Nelms – 7761 Whispering Woods Lane

Mr. Nelms stated that Menards had shown interest in buying his property in the past. He had contacted Menards with regards to selling his property; however, they were not interested in paying what he wanted for the property.

Mr. Nelms would prefer to be left in unorganized territory and work with the county and other residents to maintain that section of roads themselves. He did have two bids for maintaining the roadway, if the resident could not do it themselves, which he planned on presenting to the county.

Mr. Nelms expressed concern over limited finances of the elderly, he requested the existing wells and septic systems be grandfathered and not be forced to install new systems. He reiterated the preference to be left in the county or if annexed would like to be zoned Commercial Homestead.

Council member Cross commented that on the well and septic systems that it takes a trigger to come in have any inspections done. If the City was to annex it would not mean an automatic inspection to the system would be done.

#### Judy Zahn – 15410 Dellwood Drive

Mrs. Zahn commented that her biggest concern in the area was a lack of neighborhoods. She stated that this is a neighborhood and they are all very concerned about the future of their properties and neighborhood.

#### Craig Reikofski – 15532 Dellwood Drive

Mr. Reikofski stated that he would prefer to be left in the county; however, he did not think that was going to happen. He currently uses this location as both his home and location for his business, since he is a contractor and does not do his business there. He requested that future zoning would still allow him to do that. Council member Holman stated that this matter would not be addressed tonight.

Mr. Reikofski inquired if he would be required to pay assessments if his property is being forcefully annexed. City Administrator Heitke stated he would need to review the policy and would respond as to whether the assessment would no longer be deferred.

Mr. Reikofski inquired if the building permit for a pole shed and lean-to he currently has with Crow Wing County would still be valid with the City of Baxter. City Administrator Heitke stated he would talk to the county to make sure it was a valid permit and get back to Mr. Reikofski.

Mr. Reikofski's final comment was that he had a fence out on Dellwood Drive which he removed so the road could be widened. He expects to be able to reinstall his fence without obtaining another fence permit from the City of Baxter. Assistant County Engineer Hall had no concerns with the fence being reinstalled once the project has been completed since this was part of the right of way acquisition for the widening of Dellwood Drive.

#### Crow Wing County Administrator Tim Houle

Crow Wing County Administrator Tim Houle clarified that everything is just semantics that all parcels being discussed here tonight where in Crow Wing County and will remain in Crow Wing County. Mr. Houle clarified that staff would recommend against the option of the residents maintaining the road based on liability concerns. He said what if a crash came after the road wasn't plowed or properly salted, the

county would be liable and insurance wouldn't cover it. A road can be vacated or given back; Mr. Houle said it would be an unprecedented move to do so on a road already serving residential properties.

Mr. Houle gave a brief explanation between taxing and zoning. There is no direct correlation between property taxes and zoning. You are taxed on the current use of the property and not what the governing jurisdiction has the property currently zoned.

Mr. Houle stated there were positive opportunities with regards to this annexation process such as the lack of assessments and the ability to pave Mertens Drive and Whispering Woods Lane.

One unidentified member of the audience said he didn't ask to be brought into Baxter and didn't want to be brought into the city. Council member Cross said he understood the residents' concerns; however, if the road project was going through, the city will annex the land. Council member Barrows said for the city to be responsible for road maintenance on a road it had no control over wasn't in the best interests of the residents of Baxter. Council member Nystrom appreciated the comments given at tonight's meeting but after looking at the liability it is in the best interests of the City of Baxter to proceed.

Mayor Darrel Olson said he didn't know anything about a Menards plan, but at some point in time the property there will have value and it would be of less value by maintaining dirt roads. The area is prime to be a different character than it is now and going forward with the project has been discussed for years.

Mayor Olson stated a grant and the County are willing to pay for a majority of the project costs so there were a lot of positive reasons to go forward.

**MOTION** by Council Member Barrows, seconded by Council Member Holman to approve the Construction Cost Share Agreement between Crow Wing County, the City of Baxter and the City of Brainerd for Improvements to Dellwood Drive between Novotny Road and County State Aid Highway (CSAH) 49 and approve Resolution No. 2016-017 The Orderly Annexation Between the City of Baxter and Crow Wing County (Unorganized Territory) Pursuant to Minnesota Statutes §414.0325. Motion carried unanimously.

**MOTION** by Council Member Barrows, seconded by Council Member Nystrom to adjourn at 7:56 p.m. Motion carries unanimously.

Approved by:

Respectfully submitted,

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Darrel Olson  
Mayor

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Mary Haugen  
Administrative Assistant