

BAXTER CITY COUNCIL MINUTES

May 7, 2019

1. Call Meeting to Order

Mayor Olson called the meeting to order at 7:00 p.m.

2. Roll Call

Mayor Darrel Olson and Council Members Connie Lyscio, Zach Tabatt, Todd Holman, and Mark Cross were present.

City Administrator Brad Chapulis, Assistant City Administrator Kelly Steele, Police Chief Jim Exsted, Community Development Director Josh Doty, Finance Director Jeremy Vacinek, Public Works Director Trevor Walter, and Assistant City Engineer Trevor Thompson were present.

3. Pledge of Allegiance

All joined Mayor Olson in the Pledge of Allegiance.

4. Additions or Changes to the Agenda

None.

5. Public Comments

None.

6. Consent Agenda

- A. Accept City Council Special Minutes from April 15, 2019
- B. Accept City Council Work Session Minutes from April 16, 2019
- C. Accept City Council Minutes from April 16, 2019
- D. Accept City Council Special Minutes from April 23, 2019 Memorywood Drive Assessment Hearing
- E. Accept City Council Special Minutes from April 23, 2019 M&O FDR Assessment Hearing
- F. Accept City Council Special Minutes from April 30, 2019
- G. Approve the Payment of Bills and Finance Report (Addendum A)
- H. Approve Trail Bench Placement Locations

- I. Approve Lawful Gambling License for Rural Renewable Energy Alliance Event to be Held on May 9, 2019
- J. Approve Appointment for the Seasonal Position of Roadside Mower for the 2019 Season
- K. Approve Seasonal Vending Application for Morey's Fish House Located at 15811 Audubon Way
- L. Adopt Resolution 2019-035 Requesting Crow Wing County to Provide Administration of WCA
- M. Approve Revisions to the Memorial Park/Trail Bench Donation Policy
- N. Adopt Resolution 2019-034 Adopting Assessment for the 2019 Mill & Overlay and Full Depth Reclamation Improvement Project, Municipal Project Number 4419
- O. Adopt Resolution 2019-033 Adopting Assessment for the 2019 Memorywood Drive Improvements Project, Municipal Project Number 4127
- P. Approve Special Event Permit Alzheimer's Association Walk September 28
- Q. Approve Mutual Aid Agreement with Mille Lacs County
- R. Disapprove the Crow Wing County Classification to Non-Conservation and Future Sale of Tax Forfeited Parcel 40360510
- S. Approve Appointment for the Seasonal Position of Park Attendant for the 2019 Summer
- T. Adopt Resolution Amendment of Resolution 2019-028 approving a conditional use permit amendment and variance for an expansion at Forestview Middle School located at 12149 Knollwood Drive.
- U. Approve Amendment to Public Works Maintenance Job Description

MOTION by Council Member Cross, seconded by Council Member Tabatt to Approve the Consent Agenda. Motion unanimously approved.

7. Pulled Agenda Items

None.

8. Other Business

A. Proposed Tax Increment Financing District No. 15: White Oak Estates

- **Public Hearing for Proposed White Oak Estates Housing TIF District - Approximately 7:00 p.m.**
- **Consider Resolution 2019-031, Adopting a Modification to the Development Program for Development District Number One and Establishing Tax Increment Financing District 15: White Oak Estates and Adopting a Tax Increment Financing Plan**

- **Consider Resolution 2019-032, Authorizing an Interfund Loan for Advance of Certain Costs in Connection with Tax Increment Financing District 15: White Oak Estates**

Finance Director Vacinek explained the proposed housing TIF District, White Oak Estates, is being created to facilitate construction of an affordable multi-family rental housing project in the City. The proposed development consists of one 20-unit apartment building with one bedroom and two 10-unit townhomes buildings with two or three bedrooms. These units are available to persons at or below 60% of the area median income. Central Minnesota Housing Partnership (CMHP) is the developer of the proposed project and will manage it. The building construction is estimated at \$6.8 million and would be constructed this year on Grand Oaks Drive.

The project is funded with multiple sources, including tax credits from Minnesota Housing.

The proposed TIF District consists of one lot on Grand Oaks Drive, north of Firewood Drive.

The proposed TIF plan budget is \$1,161,811. The housing TIF duration is 25 years from the date of receipt of the first increment, which is 26 years of increment. The anticipated first year of increment is 2021. The required termination date of the TIF District is December 31, 2046, or when the TIF plan is satisfied. The tax increment generated from the proposed TIF district is proposed to be rebated back to the developer in the form of pay-as-you-go to underwrite a portion of the TIF eligible site improvements and other qualifying improvements. A developer's agreement with the terms of the financial assistance will be negotiated and approved by the council at a later date when the final plans are determined and figures are updated.

The TIF "but for" findings for TIF District 15 The TIF District is in the public interest and is a housing district as defined by state statutes. The development would not reasonably occur within the foreseeable future because the rents of affordable housing projects do not provide a sufficient return on investment to stimulate new development. The TIF plan confirms with the general development plans of the City. The TIF District TIF plan affords maximum opportunity, consistent with the needs of the City by utilizing private enterprise to construct 40 units of low and moderate income multi-family housing to help fulfill a housing need.

Mayor Olson opened the public hearing at 7:09 p.m. and closed the public hearing at 7:09:30 p.m. after hearing no public comments.

Finance Director Vacinek explained the next steps are for the council to consider adoption of the resolutions establishing the White Oak Estates TIF District.

The level of TIF assistance is negotiated with the developer in the form of a developer's agreement. The council will consider the developer's agreement at a future council meeting.

MOTION by Council Member Cross, seconded by Council Member Holman to Adopt Resolution 2019-031, Adopting a Modification to the Development Program for Development District Number One and Establishing Tax Increment Financing District 15: White Oak Estates and Adopting a Tax Increment Financing Plan. Motion unanimously approved.

MOTION by Council Member Lyscio, seconded by Council Member Tabatt to Adopt Resolution 2019-032, Authorizing an Interfund Loan for Advance of Certain Costs in Connection with Tax Increment Financing District 15: White Oak Estates. Motion unanimously approved.

**B. Annual Stormwater Public Hearing (MS4)
Public Hearing at 7:00 p.m. or shortly thereafter**

Public Works Director Walter explained the MS4 permit requires an annual public hearing to cover the status of compliance with the MS4 permit conditions, appropriateness of the Best Management Practices, progress towards achieving measurable goals, educate the public on the importance of stormwater management, and an opportunity for the public to comment on the SWPPP or implementation procedures.

Mayor Olson opened the public hearing at 7:24 p.m. and closed the public hearing at 7:24:30 after hearing no public comments.

C. Consider Approval of the Plans and Specifications for the 2019 City Hall Parking Lot and Site Improvements and to Complete Construction with the 2019 Memorywood Drive Improvements Project

Public Works Director Walter explained the plans and specifications for the City Hall parking lot were completed and bid with the 2019 Memorywood Drive Improvements Project. The project includes a mill and overlay of the bituminous parking lot along with curb and gutter and concrete sidewalk removal and replacement. This is the first time the council is being made aware of this potential project. This project should have been included in the improvement hearing. Aric Welch explained the project cost is \$49,000. The cost is a city cost and would not be assessed. Finance Director Vacinek explained if the project cost was bonded for it would cost the City approximately \$5,200 per year. City Administrator Chapulis explained the project was not included in the improvement hearing and that there is not an issue to award the construction contract for this project.

This improvement is less expensive when combining with the Memorywood Drive Improvement Project than as a stand alone project.

MOTION by Council Member Holman, seconded by Council Member Lyscio to Approve the Plans and Specifications for the 2019 City Hall Parking Lot and Site Improvements and to Complete Construction with the 2019 Memorywood Drive Improvements Project. Motion unanimously approved.

D. Adopt Resolution 2019-036 Accepting the bid for the 2019 Mill & Overlay and Full Depth Reclamation Improvements Project (Municipal Project Number 4127), 2019 Memorywood Drive Improvements Project (Municipal Project Number 4419), 2019 Chip Seal Repairs and 2019 Arbor Glen Trail Connection to Knife River Corporation – North Central in the amount of \$3,351,790.55.

MOTION by Council Member Holman, seconded by Mayor Olson to Adopt Resolution 2019-036 Accepting the bid for the 2019 Mill & Overlay and Full Depth Reclamation Improvements Project (Municipal Project Number 4127), 2019 Memorywood Drive Improvements Project (Municipal Project Number 4419), 2019 Chip Seal Repairs and 2019 Arbor Glen Trail Connection to Knife River Corporation - North Central in the Amount of \$3,351,790.55. Motion unanimously approved.

E. Approve Community entrance plan at Paris Road cul-de-sac

Community Development Director Doty explained city staff has been working with the Parks and Trails Commission to develop a community entrance beautification project adjacent to the Paris Road cul-de-sac. The concept was to develop a low expense project to improve the beautification of this entrance of the City for people using the Paul Bunyan Trail. As part of the design process, it was determined the existing chain link fencing is not ADA accessible. The current chain link fence was designed to restrict the passage of motorized vehicles because this is a non-motorized segment of the Paul Bunyan Trail. Staff has looked into boulder and bollard design options to replace the fence.

However, these improvements include safety concerns related to bicyclists. Therefore, the only known solution to achieve ADA compliance and provide a barrier to motorized vehicles is a fence maze. Staff presented the fence maze option to the Parks and Trails Commission. The Commission recommended approval of the project without any fencing.

Staff has concerns with opening the trail for motorized traffic and is recommending a revised fence maze option that still provides the ADA compliant fence maze but allows an adjacent bike/walk through option adjacent to the fence. The decorative 3-foot high fence and landscaping should improve the aesthetics of the area.

Council Member Holman explained Parks Commission did not get to see the pass-through option. During the summer months a portable restroom facility is needed. Staff could discuss with the DNR about installing an interpretative sign, similar to the sign near the Northland Arboretum.

Community Development Director Doty showed a small sign that is proposed and explained the plan is subject to MnDOT and DNR permitting as the project is located adjacent to the state highway. Subject to permitting, it is hoped to be completed this year.

Chief Exsted explained there have been problems in the past with a lot of unwanted traffic traveling through the trail opening.

Public Works Director Walter explained the fence has been in place since the 371 bypass.

MOTION by Council Member Holman, seconded by Council Member Cross to Approve the community entrance plan at the Paris Road cul-de-sac with the consideration of staff to look into providing a portable restroom facility and interpretative sign. Motion unanimously approved.

9. Council Comments

A. Connie Lyscio

Council Member Lyscio explained an Eagle Scout and graduate of Baxter Elementary School is in attendance. Council Member Lyscio thanked the park staff for their work in making the parks look great.

B. Zach Tabatt

No report.

C. Todd Holman

Council Member Holman thanked staff for responding to his questions over the weekend and that he doesn't expect staff to respond on the weekends.

D. Mark Cross

Council Member Cross reminded motorists to watch out for motorcycles.

E. Darrel Olson

No report.

10. City Administrator's Report

City Administrator Chapulis explained the city prosecuting attorney, Matt Mallie, has been appointed as a district court judge for the Ninth Judicial District. Mr. Mallie will take this position in June. The cities of Baxter, Brainerd, and Nisswa currently have a joint service contract with Mr. Mallie to provide prosecuting services. Due to his new position the cities are looking for an interim and long-term solution for Mr. Mallie's replacement. Based on the short time frame, this solution should be on the next council agenda or a special meeting may need to be called.

City Administrator Chapulis introduced the newest city employee, Assistant City Engineer Trevor Thompson.

11. City Attorney's Report

A. Closed Session Under Minnesota Statute 13D.05, subd. 3(c), Purchase of Property:

PID 010173204A00009 and 010172300D00009

Attorney Alex Kuhn asked the council to enter into a closed session under Minnesota Statute 13D.05, subd. 3 (c). purchase of property, to discuss the parcel identified on the agenda.

Mayor Olson closed the meeting at 7:50 p.m.

Mayor Olson opened the meeting at 7:59 p.m.

MOTION by Council Member Cross, seconded by Council Member Holman to Approve the Final Settlement Agreement. Motion unanimously approved.

12. Adjourn

MOTION by Council Member Cross, seconded by Council Member Lyscio to adjourn at 8:00 p.m. Motion unanimously approved.

Approved by:

Respectfully submitted,

Darrel Olson
Mayor

Kelly Steele
Assistant City Administrator