

**BAXTER CITY COUNCIL MINUTES**  
**May 19, 2015**

Mayor Darrel Olson, who led in the pledge to the flag, called the regular meeting of the Baxter City Council to order at 7:00 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: Community Development Director Josh Doty, Finance Director Jeremy Vacinek, Assistant City Administrator Kelly Steele, Police Chief Jim Exsted, and Public Works Director/City Engineer Trevor Walter

**CONSENT AGENDA**

- A. Approve City Council Minutes from May 5, 2015
- B. Approve City Council Work Session Minutes from May 5, 2015
- C. Approve the Payment of Bills and Finance Report
- D. Approve Purchase of the 2015 Fleet/Non Retail 1/2 Ton Extended Cab 4x4 Public Works Truck
- E. Approve Resolution No. 2015-52 Receiving Feasibility Report and Calling Hearing for the 2015 Mill and Overlay Improvement Project
- F. Approve Liquor Licenses and 3.2 Malt Beverage Licenses for the Period July 1, 2015 through June 30, 2016
- G. Accept Utilities Commission Minutes from May 6, 2015
  - 1. Approve the DeChantel Excavating, Inc. Final Pay Estimate No. 3 in the amount of \$2,500.00 for the Falcon Drive Improvements Project contingent on the IC134's being submitted
  - 2. Approve the 2015 Forest Drive Stormwater Improvements Plan & Specifications and direct staff to advertise for bids
  - 3. Approve the WSN Proposal for Professional Engineering Services for the 2015 Inglewood Drive Improvement Project from Woida Road to CSAH 77 in the not to exceed amount of \$3,500.00
  - 4. Approve the Quality Flow Systems Lift Station No. 3 Equipment Quote in the amount of \$18,820.00
  - 5. Approve the Crow Wing Power Lighting New Membership Agreement for Street Lighting Cabinet A at the intersection of CSAH 48 and Isle Drive in the amount of \$100.00
  - 6. Approve the Crow Wing Power Lighting New Membership Agreement for Street Lighting Cabinet B on Isle Drive in the amount of \$100.00

- 7. Approve the Crow Wing Power Lighting New Membership Agreement for Lift Station No. 23 in the amount of \$100.00
- H. Accept Parks & Trails Commission Minutes from April 27, 2015
- I. Accept Long Range Planning Commission Minutes from April 27, 2015
- J. Accept Planning and Zoning Commission Minutes from May 12, 2015
- K. Approve Construction Cost Share Agreement between Crow Wing County for County State Aid Highway (CSAH) 48/Isle Drive/CR 170 Intersection Improvements
- L. Approve Hiring of City Planner Position
- M. Adopt Ordinance 2015-08 Amending Chapter 3 of the City Code to include Sunday Off-Sale Growler Sales

**MOTION** by Council Member Cross, seconded by Council Member Barrows to approve the consent agenda with the exception of agenda item E. Motion carries unanimously.

**PULLED AGENDA ITEMS**

**E. Approve Resolution No. 2015-52 Receiving Feasibility Report and Calling Hearing for the 2015 Mill and Overlay Improvement Project**

Council Member Holman asked to pull agenda item E. to clarify the consensus reached in the work session. Council Member Holman recommends approving the resolution with an amendment stating the consulting engineer would remove the subproject area three from the feasibility study in its entirety.

**MOTION** by Council Member Cross, seconded by Council Member Barrows to approve Resolution No. 2015-52 Receiving Feasibility Report, removing subproject area three from the feasibility report, and Calling Hearing for the 2015 Mill and Overlay Improvement Project. Motion carries unanimously.

**OTHER BUSINESS**

**CERTIFICATION OF DELINQUENT UTILITY BILLS AND NUISANCE ABATEMENTS**

Finance Director Vacinek explained the Council has before them a list of delinquent utility bills, invoices, and abatement charges that are 90 days past due. Typically, the city certifies the delinquent charges twice per year. The Council is required to hold a public hearing before adopting the assessments.

Mayor Olson opened the public hearing at 7:08 p.m. There was no one present to speak to the matter and the public hearing was closed at 7:08:15 p.m.

**MOTION** by Council Member Cross, seconded by Council Member Holman to adopt Resolution 2015-49, Adopting Assessments for Unpaid Delinquent Utility Bills, Invoices, and Abatement Charges. Motion carries unanimously.

**PROPOSED AVANTECH ECONOMIC DEVELOPMENT TAX INCREMENT FINANCING (TIF) DISTRICT PUBLIC HEARING**

Finance Director Vacinek presented information on the proposed Avantech TIF district. The TIF district is being created to facilitate a manufacturing, engineering, and office facility in the city's industrial park on approximately 6.5 acres. Once the final site plan is determined by Mr. Haglin, the developer, the city will order a plat to consolidate Lots 2 and 3, Block 1 and approximately the south one-half of Outlot C Baxter Industrial Park Phase 3 to sell to the developer. Tax increment is being considered in the form of pay-as-you-go to the developer to underwrite a portion of the TIF-eligible land acquisition and site 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 with Ehlers, the city's tax increment advisor. Finance Director Vacinek outlined the findings for creation of the TIF district and the next steps.

Upon completion of the hearing, the Council will consider whether to approve the new TIF district. The actual tax increment assistance to the proposed development will be considered at future meeting; this meeting and public hearing is to consider whether to establish the TIF district only. Mr. Haglin was in attendance at the meeting. He did not have any additional comments on the TIF district at this time.

Mayor Olson opened the public hearing at 7:15 p.m. There was no one present to speak to the matter and the public hearing was closed at 7:15:15 p.m.

**MOTION** by Council Member Cross, seconded by Council Member Barrows to adopt Resolution 2015-50, adopting a modification to the development program for Development District Number One and establishing the Avantech Economic Development Tax Increment Financing District (District 13) and adopting a tax increment financing plan. Motion carried.

Finance Director Vacinek explained the next resolution was to adopt an interfund loan to cover potential city costs not covered by the developer's escrow for TIF-eligible administrative and development related costs. State statutes require the city to have an interfund loan in place if the city wants to reimburse itself with future tax increment for TIF-eligible costs.

**MOTION** by Council Member Cross, seconded by Council Member Nystrom to adopt Resolution 2015-51, authorizing an interfund loan for advance of certain costs in connection with the Avantech Economic Development Tax Increment Financing District 13. Motion carried.

**PLANNING AND ZONING ACTIONS**

**Adopt Resolution No. 2015-53 Approving Findings of Fact, Ordinance No. 2015-10, Summary Ordinance No. 2015-11, to allow outdoor fireworks sales as an interim use in the C-2, Regional Commercial zoning district and Resolution No. 2015-54 Approving an Interim Use Permit to allow outdoor fireworks sales at 15807 Audubon Way.**

Community Development Director Doty explained the applicant has requested approval of an interim use permit for seasonal outdoor fireworks sales. Staff has proposed adding fireworks sales as an interim use to the C-2, Regional Commercial Zoning District. The fireworks sales tent would be staffed 24 hours per day due to fireworks being on site. Staff has not received any complaints at this site. The interim use permit would be issued for a period of five years. Staff recommends approval of the ordinance amendment and interim use permit.

**MOTION** by Council Member Cross, seconded by Council Member Nystrom to a adopt Resolution No. 2015-53 Approving Findings of Fact, Ordinance No. 2015-10, Summary Ordinance No. 2015-11, to allow outdoor fireworks sales as an interim use in the C-2, Regional Commercial zoning district and Resolution No. 2015-54 Approving an Interim Use Permit to allow outdoor fireworks sales at 15807 Audubon Way. Motion carries unanimously.

**Adopt Resolution No. 2015-55 approving a Conditional Use Permit to allow grading in a shoreland area for the construction of a new home on a vacant lot on Perch Lake at 13184 Timberlane Drive.**

Community Development Director Doty explained the conditional use permit is for grading a shoreland area of Perch Lake for the construction of a new single family home. Staff has found the application to meet impervious surface and other Shoreland requirements.

**MOTION** by Council Member Barrows, seconded by Council Member Cross to adopt Resolution No. 2015-55 approving a Conditional Use Permit to allow grading in a Shoreland area for the construction of a new home on a vacant lot on Perch Lake at 13184 Timberlane Drive. Motion carries unanimously.

**Amended WSB Traffic Study for the Bike Corridor on Excelsior Road from Inglewood Drive to Cypress Drive**

WSB has submitted a proposed amendment to the Excelsior Road Area Transportation Study. The amendment also expands Task 6, Pedestrian and Bicycle Analysis of the study. The amendment to Task 6 is to study the bike and pedestrian needs and options on Excelsior Road from Cypress Drive to Inglewood Drive. The original contact amount of \$17,642 will be increased by \$2,586.

**MOTION** by Council Member Holman, seconded by Council Member Barrows to amended WSB traffic study for the bike corridor on Excelsior Road from Inglewood Drive to Cypress Drive. Motion carries unanimously.

**Approve Additional Appraisal & Engineering Services for the 2015 Dellwood Drive & Novotny Road Project**

Aric Welch, WSN, explained per the direction received from the Council on May 5, 2015, he has requested cost proposals from Bill Ludenia Appraisals, Inc. for appraisal of the utility easements for the Dellwood Drive and Novotny Road Improvement project to loop the water service line.

The quote for Hill Top Trailer Sales is slightly higher than the quote for the Holiday Inn and Suites because the property is subject to a 20-year lease which will require additional evaluation.

The proposed watermain connection will also require additional surveying and design engineering costs. Mr. Welch estimates these costs to be an additional \$5,850.

**MOTION** by Council Member Cross, seconded by Council Member Holman to approve additional appraisal and engineering services for the 2015 Dellwood Drive and Novotny Road project. Motion carries unanimously.

### **8th Annual Stormwater Public Meeting (MS4)**

Public Works Director/City Engineer Walter explained the City is required to hold the stormwater public hearing annually to provide residents with information regarding the City's progress on the MS4 permit.

### **Approve the City of Baxter Comprehensive Plan Update**

Community Development Director Doty has reviewed the two-year process the city has gone through to reach the point of having the Comprehensive Plan on the regular council agenda for approval.

The outcomes of discussions with Baxter Mainstreet did extend the update process to allow the property owner to submit a planned unit development sketch plan review. Moving forward, the Baxter Mainstreet group has requested approval for a planned unit development.

Potlatch has requested the City consider four different proposals; the Council indicated support for three of the proposals. Community Development Director Doty explained one resident attends to speak about re-guiding property in the Hinckley area from multi-family to industrial. Navillus has requested the zoning remain the same. Community Development Director Doty asked a letter from Kris Kahler be entered into the public record regarding her request for a community center.

Ken Johnson explained he is a property owner south of Hinckley Road. He is not in favor of changing the Hinckley Road to industrial and does not see a need for more industrial development in this area. Mr. Johnson further explained the change would prevent him from making improvements to his home. Mr. Johnson would like to see the property remain as currently zoned.

Paul Paige, HGi of Minneapolis, explained he supports the gateway standards. Mr. Paige explained he originally asked for the Potlatch parcel to remain in the urban service boundary. Mr. Paige explained he respects the boundary and to limit high density in the area of the Army Combatable Use Buffer ("ACUB"). Mr. Paige asked the council to consider guiding the property industrial rather than rural residential to be contiguous with the proposed guided industrial land to the north and the investment Potlatch made in the past.

Community Development Director Doty explained the city decided to zone Potlatch residential because the parcel is located in the urban service boundary and the area to the south west is zoned rural residential.

The Council discussed keeping the Potlatch parcel guided rural residential until the Long Range Planning Commission has an opportunity to review. The council consensus was industrial would work better than residential. Mr. Paige's request can be City driven and ran through the commissions to amend the Comprehensive Plan if desired.

Community Development Director Doty clarified the Hinckley property is zoned high density residential. The consensus of the council was to leave the Hinckley parcel R3 and the Potlatch parcel would remain rural residential until it can be reviewed by the commissions.

**MOTION** by Council Member Cross, seconded by Council Member Nystrom to approve the City of Baxter Comprehensive Plan Update with Community Development Director Doty's updates. Motion carries unanimously.

### **COUNCIL COMMENTS**

**Darrel Olson:** Mayor Olson congratulated Dave Franzen on his award. Mr. Franzen is a longtime member of the Utilities Commission and the City of Baxter.

### **CITY ATTORNEY'S REPORT**

City Attorney Person explained Essentia has filed an appeal to the Isle Drive assessment. City Attorney Person further explained Essentia previously signed documents to waive any appeal of assessments for the property. Mayor Olson explained the City did their best to extend Isle Drive. City Attorney Person stated he would work on drafting a legal argument that we should not have to pursue this because we have a signed agreement. In the meantime, City Attorney Person recommends the Council order an appraisal.

City Attorney Person explained the Council will be entering into a closed session under Minnesota Statute 13D.05, Subd. 3 (c) Land Acquisition. City Attorney Person explained the City has a counter offer on a long-standing acquisition at College and Cypress.

**MOTION** by Council Member Barrows, seconded by Council Member Cross to enter into a closed session at 8:19 P.M. Motion carries unanimously.

Mayor Olson opened the regular meeting at 8:54 p.m.

City Attorney Person explained the Council would need to motion to approve a purchase agreement to fix a right turn lane at the intersection of College and Cypress. The consensus of the council was to increase the offer by \$2,500.

**MOTION** by Council Member Cross, seconded by Council Member Barrows to approve the purchase agreement with an additional payment of \$2,500. Motion carries unanimously.

**ADJOURNMENT**

**MOTION** by Council Member Cross, seconded by Council Member Barrows to adjourn the meeting at 8:54 p.m. Motion carries unanimously.

Approved by:

Respectfully submitted,

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Darrel Olson  
Mayor

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Kelly Steele  
Assistant City Administrator/Clerk