

BAXTER CITY COUNCIL MINUTES
August 18, 2015

Mayor Darrel Olson, who led in the pledge to the flag, called the regular meeting of the Baxter City Council to order at 7:04 p.m.

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

COUNCIL MEMBERS ABSENT: Council Member Mark Cross

STAFF PRESENT: City Administrator Gordon Heitke, Community Development Director Josh Doty, Police Chief Jim Exsted, Assistant City Administrator Kelly Steele, Finance Director Jeremy Vacinek, and Public Works Director/City Engineer Trevor Walter

CONSENT AGENDA

- A. Approve City Council Minutes from August 3, 2015
- B. Approve City Council Minutes from August 4, 2015
- C. Approve City Council Work Session Minutes from August 4, 2015
- D. Approve City Council Minutes from August 10, 2015
- E. Approve Architectural Review Committee Minutes from August 6, 2015
- F. Approve Long Range Planning Commission Minutes from August 10, 2015
- G. Approve Planning and Zoning Minutes from August 11, 2015
- H. Approve the Payment of Bills and Finance Report
- I. Approve Resolution 2015-84 Consolidating Certain Improvement Projects
- J. Approve Resolution 2015-85 Accepting Bid for the 2015 Dellwood Drive, Novotny Road, Inglewood Drive, and Independence Road Improvement Project
- K. Approve Resolution 2015-86 Declaring Costs to be Assessed, and Ordering Preparation of Proposed Assessment for the 2015 Dellwood Drive, Novotny Road, and Inglewood Drive Improvement Project
- L. Approve Resolution 2015-87 Hearing on Proposed Assessment for the 2015 Dellwood Drive, Novotny Road, and Inglewood Drive Improvement Project
- M. Approve Resolution 2015-88 Ordering Improvement and Preparation of Plans for the 2015 Inglewood Drive North Improvement Project
- N. Approve 2015-2016 Contract for Chamber of Commerce Services
- O. Approve Local Option Sales Tax Distribution Agreement with the City of Brainerd
- P. Approve the appointment of Doug Wolf as a Baxter Utilities Commission member
- Q. Accept Utilities Commission Minutes from August 5, 2015
 1. Approve the R. L. Larson Excavating Partial Pay Estimate No. 3 in the amount of \$1,135,411.49 for the 2015 Isle Drive Extension Improvement Project
 2. Approve the Anderson Brothers Change Order No. 1 in the credit amount of \$41,054.74 for the 2015 Excelsior Road Improvements Project

3. Approve the Anderson Brothers Partial Pay Estimate No. 2 in the amount of \$379,562.00 for the 2015 Excelsior Road Improvements Project
 4. Approve the SEH Contract Fee Amendment for the 2015 Mill and Overlay Project in the additional amount of \$75,569.00
 5. Award the contract to Anderson Brothers Construction in the amount of \$76,998.08 for the 2015 Lift Station No. 7 Reconstruction Project
 6. Approve the College Road/Cypress Drive Right Turn Lane Plans & Specifications and direct staff to advertise for bids
- R. Approve Alternative Exterior Materials of a Shadow Wall Metal with Semi-Exposed Fasteners and the Use of Window Projections for Articulation for the Avantech Manufacturing Building Located at the Northeast Corner of Douglas Fir Drive and Hastings Road
- S. Adopt Resolution No. 2015-83, A Resolution Approving and Tax Increment Assistance for the Avantech Expansion Project and Related Agreements with the Thomas C. and Ellen M. Haglin Revocable Trust

MOTION by Council Member Barrows, seconded by Council Member Holman to approve the consent agenda with the exception of agenda items J, K., and L. Motion carries unanimously.

PULLED AGENDA ITEMS

Council Member Holman asked to pull agenda items J., K., and L. as they are all connected to the same project and related to finishing the finance discussion. Council Member Holman explained Finance Director Vacinek has thoroughly covered the financing methods for the project. The only remaining decision for the council is to decide if the alternate should be constructed.

MOTION by Council Member Holman, seconded by Council Member Barrows to approve consent agenda items J., K., and L. Council Member Holman explained alternate A includes the construction. Motion carries unanimously.

OTHER BUSINESS

Accept the City of Baxter Comprehensive Plan Update

Community Development Director Doty explained on May 19, 2015 the Council approved the Comprehensive Plan update for the City of Baxter and authorized staff to prepare the final version of the plan. The Council also directed staff to bring two items heard at the May 19 council meeting to the Long Range Planning Commission as part of the Comprehensive Plan update.

On August 10, 2015, the Long Range Planning Commission considered the request by Potlatch for industrial land use for 240 acres on the west boundary of the City and just south of Mapleton Road. Given the property is located within the Army Compatible Use Boundary, the Long Range Planning Commission was not supportive of Potlatch's previous requested land use change to low density residential land use. Potlatch explained they invested in water and sewer improvements north of Mapleton Road to allow for the future development of this area.

Community Development Director Doty explained the City should consider the planned use of the area. The land to the east and south of the subject property includes a rural area of the City. There are no business districts currently planned for any property south of Mapleton Road. The property to the northeast is planned for rural and low density residential. The existing land use of the area is rural, but could change to low density in the future, as the City expands with municipal services to the southwest. The property to the west of the subject property is existing residential use in Sylvan Township. The property to the north of is undeveloped Potlatch property, which is planned for future industrial land use as part of the Comprehensive Plan update.

Community Development Director Doty further explained staff is not supportive of industrial land use for the subject 240 acres due to the surrounding existing and future land uses and recommends the subject property remain rural. Although Potlatch has invested in infrastructure in the area, no utilities are extended to the property. In addition, there is one industrial building currently constructed on the 300 acres of existing industrial property. Creating 240 additional acres of industrial property would create nearly a square mile of vacant industrial property in the City. Staff finds Potlatch has opportunity with the existing 300 acres of industrial land.

On August 10, 2015, the Long Range Planning Commission also considered the second item requested by the council, a community center use. Kristine Kahler has asked for city support for a multi-purpose community center use. Ms. Kahler indicated support in the Comprehensive Plan would be helpful for future grant applications.

The Long Range Planning Commission recommends leaving the 240 acres south of Mapleton Road rural, as indicated in the current land use plan and recommends a new policy statement in chapter two of the Comprehensive Plan update to read, "city supports the concept of a multi-purpose community center use, whether it be private, public, or a combination thereof".

Paul Paige explained he is a land use consultant working with Potlatch in Baxter for about eleven years. It is great to see the council update the Comprehensive Plan and to engage Potlatch in the process. Because the City and Potlatch have not come to an agreement, Potlatch is here tonight to further discuss their request. There are items in the current Comprehensive Plan that supports Potlatch's proposal, especially in the transportation section. Timberwood Drive is proposed to extend to the south to Mapleton and both are designated to be classified as urban collectors. While only one is partially built and one built not to the standards yet of an urban collector, but are both planned to be in the future. As the streets are and the 240 acres is developed, both will feel as they are a better fit for the area. Mr. Paige explained the 240 acres is very well conducive to industrial development, the parcel contains very well drained soils, minimal topography, the wetlands are located to the southcentral end of the parcel, it is very developable, and has good access. Traffic for the parcel is not mandated through Baxter. The right user could be a benefit to Baxter as these industrial uses are locating in out state Minnesota, bringing jobs, and an increase tax base. The City will need development on west end of town to fund parks and infrastructure. Current industrial on east side of the City counts for 400 acres and is generally full. The land north of Mapleton contains a very large wetland in the existing industrial parcel. If overall acres are an issue, Potlatch will remove the east 80 acres, the 160 acres will provide

enough to market to larger users. Mr. Paige compared Alexandria's industrial development to Baxter's industrial development. Potlatch is well invested in Baxter and plans to be here long term. Potlatch has had discussion to make their parcel shovel ready with DEED.

Rod Osterloh explained he represents Potlatch. Brainerd had a shovel ready site and that played a role in Fed Ex locating there. Data centers are looking for quite places with infrastructure. Mr. Osterloh asked the Council to guide the Potlatch parcel industrial.

Shawn Sunnarborg, Potlatch regional manager, explained Potlatch has invested approximately \$5 million in Baxter over the last dozen years. Mr. Sunnarborg further explained Potlatch is willing to remove 80 acres from their industrial request.

The Council discussed the size of the existing wetland on the parcel and the ability to attract businesses to Baxter.

MOTION by Council Member Holman, to accept the Comprehensive Plan update as described with the community center language and keep the Potlatch property guided as rural. Motion dies for a lack of second.

Mayor Olson explained the intent was to have an industrial park, rather than starting somewhere else. Attorney Person explained the council can create a new class of industrial, but if this parcel is guided industrial and an applicant meets requirements, the council would have a hard time denying the proposal.

MOTION by Council Member Nystrom, seconded by Mayor Darrel Olson to move forward to have the future land designated to industrial for 160 acres. Council Member Barrows explained he struggles with making the change due to only two businesses occupying the current industrial property and it does not seem to make sense to add additional industrial land, but that industrial land needs to be available if a business were interested, the city does have additional land in the east industrial park. Mayor Olson explained all of the industrial businesses seem to continue to hire employees even in the down turn of the economy. Council Member Nystrom and Mayor Olson voted yes, Council Members Holman and Barrows voted no. Motion fails.

MOTION by Council Member Holman, seconded by Council Member Barrows to approve the new policy statement in chapter two of the Comprehensive Plan to read, "The City supports the concept of a multi-purpose community center use, whether it be private, public or a combination thereof". Motion carries unanimously.

MOTION by Council Member Holman, seconded by Council Member Barrows to accept the Comprehensive Plan update for the City of Baxter. Motion carries unanimously.

Planning & Zoning Actions

Adopt Resolution No. 2015-89 Approving a Preliminary and final plat to be named "Second Addition to Johnson Centre" to allow an adjustment of three lots and Adopt Resolution No. 2015-90 Approving a Conditional Use Permit for joint parking/access

front setback for the existing parking and signage and a zero foot setback between the north and south buildings located at 14221 Golf Course Drive

Community Development Director Doty explained the request is for a preliminary and final plat and a conditional use permit for Johnson Center. The proposal does not include a request for development. Currently there is a lot line running between a breezeway of the two buildings. The ability to sell requires a lot line adjustment. The action of the plat approval requires a conditional use permit for joint access and parking. The conditional use permit would legally allow what currently exists. The City is requiring a dedication of seven feet of right-of-way along Golf Course Drive. This dedication creates the need for a parking variance and the lot line is moving to a new portion though the building. The current lot line was not approved in the past. A limited use agreement will be required for parking and signage.

MOTION by Council Member Barrows, seconded by Council Member Holman to Adopt Resolution No. 2015-89 Approving a Preliminary and final plat to be named “Second Addition to Johnson Centre” to allow an adjustment of three lots and Motion carries unanimously.

MOTION by Council Member Barrows, seconded by Council Member Nystrom to adopt Resolution No. 2015-90 Approving a Conditional Use Permit for joint parking/access located at 7651 Universal Road and 14221 Golf Course Drive and variances for a zero foot front setback for the existing parking and signage and a zero foot setback between the north and south buildings located at 14221 Golf Course Drive. Motion carries unanimously.

COUNCIL COMMENTS

Quinn Nystrom: Council Member Nystrom explained she attended the Community Behavior Health meeting last night. Council Member Nystrom invited the administrator to attend an annual council meeting to update the council on the great work they do.

Steve Barrows: Council Member Barrows thanked the police department and city staff for a nice job with Night to Unite.

Darrel Olson: Mayor Olson explained the Baxter Lions are a great asset to the City. Mayor Olson informed the council of the Northland Arboretum’s intention to resume the discussion about a sign. Mayor Olson also received a complaint about the Baxter Cemetery landscaping.

CITY ATTORNEY’S REPORT

Closed Session: Minnesota Statute 13D.05, Subd. 3 (c.) Land Acquisition - 7324 Novotny Road and 15739 Audubon Way

City Attorney Person explained the Council would be entering into a closed session to discuss the acquisition of a utility easement for the alternate for the Dellwood, Novotny, Inglewood improvement project.

Mayor Olson expressed his condolences for the passing of Council Member Holman’s father-in-law.

MOTION by Council Member Holman, seconded by Council Member Barrows to enter a closed session at 7:59 p.m. Motion carries unanimously.

City Attorney Person explained one motion is needed for the easement acquisition.

MOTION by Council Member Holman, seconded by Council Member Barrows to offer to both landowners to acquire an easement for the appraised value. Motion carries unanimously.

ADJOURNMENT

MOTION by Council Member Barrows, seconded by Council Member Nystrom to adjourn the meeting at 8:38 p.m. Motion carries unanimously.

Approved by:

Respectfully submitted,

Darrel Olson
Mayor

Kelly Steele
Assistant City Administrator/Clerk