



AGENDA ITEM #10

REPORT TO CITY COUNCIL

Report Prepared by: Nancy Malecha

Date: June 2, 2020

Subject: Administration Report

Report: The following items are attached for Council review.

- May 14, 2020 draft Park Commission minutes
- May 19, 2020 draft EDC minutes
- May 19, 2020 HRA minutes

Council Action Requested: No Council action requested.

**PEQUOT LAKES PARK COMMISSION
THURSDAY, MAY 14, 2020
CITY HALL**

Members Present: Chair Ronning, Commissioners Boucher, Churack, Johnson, and Schweinler

Members Absent: Commissioners Melby, Sjoblad

Also Present: Dawn Bittner, Zoning Specialist; Nancy Malecha, City Administrator; and Jason Gorr, Public Works Director

1. Call Meeting to Order

Chair Ronning called the meeting to order at 5:01 p.m.

2. Consider Agenda

COMMISSIONER CHURACK MOVED TO APPROVE THE AGENDA AS PRESENTED. COMMISSIONER SCHWEINLER SECONDED THE MOTION. THE MOTION CARRIED 5-0.

3. Park Commission Minutes

COMMISSIONER JOHNSON MOVED TO APPROVE THE FEBRUARY 13, 2020, PARK COMMISSION MINUTES TO BE READ. COMMISSIONER SCHWEINLER SECONDED THE MOTION. MOTION CARRIED 5-0.

4. Trailside Park

4.1 Bean Hole Pit Improvements

Chair Ronning asked Mr. Gorr to present the different options for fencing around the bean hole pit. Mr. Gorr stated the price for the wood fencing would be \$900 - \$1,000. Discussion ensued regarding the fence and decorating options for the Bean Hole Pit area. The Park Commission consensus is to go with the cedar (4 ft. x 8 ft.) fencing, however, Mr. Gorr will contact the Bean Hole Committee to get their opinion.

4.2 Electrical Outlets for Holiday Decorations

Mr. Gorr stated we have 10 working posts out of 15 bases in the park. Ms. Bittner stated that there needs to be more discussion on a plan for decoration locations and where the outlets need to be placed, as well as pricing for the plan. Mr. Gorr stated he will meet and discuss options with Matt Bengtsen, with Bengtsen Electric for options for potential outlets on the Government Drive side of the park and around the band shelter. The

Park Commission consensus was to have a meeting in the park this summer to make a game plan.

4.3 Veterans Memorial Walkway

Chair Ronning stated the Veterans Memorial Walkway is now complete, however, the final walkway was not exactly the plan the Park Commission and Public Works decided. Discussion ensued the pros and cons of the project itself. Consensus of the Committee and Mr. Gorr was that if any work is to be done in the Park, the Public Works department needs to be notified and onsite during a project.

Chair Ronning stated there was an article in the paper regarding the individuals who volunteered their time to complete the project. Chair Ronning stated he would like to send Thank you notes to all the individuals.

4.4 American Flag Light

Chair Ronning gave a history of the American Flag light being downward directional, now with the new ordinance that was passed by the City Council, we can light the flag in an upward direction. Mr. Gorr stated that he has a new light for the American Flag but needs to speak with the electrician to get it installed.

4.5 Flag Pole Base Replacements

Chair Ronning did notice there was damage to a few flag pole bases. Mr. Gorr stated that the bases are to be replaced and have been ordered, each base is around \$100.

5. Armed Services Flag Display

Chair Ronning stated there was an anonymous donation for 6 flags to be installed around the Veterans Memorial. Ms. Malecha will have Tim Coil give an estimate for the install when he is in town to install decals on the current State Flag Display. Chair Ronning inquired if we should contact Flag Source in Nisswa for an additional quote. Commissioner Johnson was curious who originally installed the flag at the Memorial so the poles can match. Consensus was to get two estimates for the installation.

6. Dog Park

6.1 Donation

Ms. Bittner stated that a \$225 donation was received from family and friends of Sal Peterson. The family has requested a plaque be installed on one of the benches in memory of Sal.

6.2 Silhouettes, Trees and Benches

Mr. Gorr stated that Bob from Babinski said the trees have arrived, the areas in which they should be planted are marked. Mr. Gorr will call Bob with Babinski to get the trees installed.

Chair Ronning stated he had reached out to Wes Wilson, who was involved in getting the original silhouettes, in regards to ordering more silhouettes. He has not heard back yet but will reach out again.

Mr. Gorr gave an update on 3 benches to be installed in the Dog Park. He spoke with Rickard & Sons regarding a quote for concrete for the benches. Commissioner Johnson asked if there is any way to have Rickard & Sons give a bid for the double gate. Mr. Gorr will also inquire on the estimate for concrete install by the double gate area.

7. Quarterly Financial Information

Ms. Malecha gave an overview of the quarterly financial report. Ms. Malecha stated that the directive from the Council is to move forward with the Bands in the Park program. All bands and spectators are required to follow all Minnesota Department of Health and CDC guidelines. Discussion ensued regarding 2020 and 2021 budgets.

8. Next Meeting

The next Park Commission meeting will be June 11, 2020. Chair Ronning inquired as to who will all be able to attend. All Commissioner's in attendance will be at the June 11, 2020 as of today.

9. Other Business

Chair Ronning brought up the Splash Pad and thinks the Park Commission and City table the subject until spring 2021. Park Commission consensus was to hold off the discussion of the Splash Pad.

Commissioner Johnson inquired about sending card to the family of Maury Graham from the Park Commission. Chair Ronning agreed. There will be a card at City Hall for Park Commission members to sign.

Chair Ronning would also like to send a thank you to Shawn Bergsten, 3rd grade teacher at Eagle View Elementary for an article that was in the Echo Journal regarding what is great about our community and parks.

10. Adjournment

There being no further business, **COMMISSIONER JOHNSON MOVED TO ADJOURN THE MEETING. COMMISSIONER BOUCHER SECONDED THE MOTION. THE MOTION CARRIED 5-0.**

The meeting adjourned at 6:32 p.m.

Respectfully Submitted,

Jennifer Peterson
Administrative Assistant

DRAFT

**MEETING OF THE PEQUOT LAKES
ECONOMIC DEVELOPMENT COMMISSION
TUESDAY, MAY 19, 2020**

Members Present: Chair Lindholm; Commissioners Crochet, Holley, Lelwica, Lubke, and Rieck attended virtually via Zoom; Commissioner Becklin attended in person.

Others Present: Nancy Malecha, City Administrator & Angie Duus, City Clerk/Treasurer attended in person; Scott Pederson, City Council Liaison (virtually via Zoom); Tim Houle, City Engineer attended in person; Gail Leverson, WSN (virtually via Zoom); Tyler Glynn, BLAEDC (virtually via Zoom) and Mark Jurchen (virtually via Zoom)

1. Call Meeting to Order

The meeting was called to order by Chair Lindholm at 8:00 a.m.

2. Consider Agenda

COMMISSIONER RIECK MOVED TO APPROVE THE AGENDA AS PRESENTED. COMMISSIONER HOLLEY SECONDED THE MOTION. MOTION CARRIED 7-0.

3. Approve EDC Minutes

COMMISSIONER LELWICA MOVED TO APPROVE THE APRIL 21, 2020 ECONOMIC DEVELOPMENT COMMISSION MINUTES. COMMISSIONER CROCHET SECONDED THE MOTION. MOTION CARRIED 7-0.

4. Heart of the Good Life Development Marketing Packet with Close Converse

4.1. Business Proposal – Xcel Energy

Nancy Malecha stated that representatives from Xcel Energy and RSP Architects are here to present to the EDC their business proposal for property in the Heart of the Good Life Development. She stated the area that they are looking to acquire from the City is just west of the Public Works facilities in the northerly portion of the Heart of the Good Life Development.

Tim Mauseth, Real Estate Specialist with Xcel energy addressed the Council and stated that they been serving customers since 1994 in the Brainerd Lakes Area. He stated that they are proposing to construct a service center in the Heart of the Good Life Development. He explained the one story facility would be just under 13,000 square feet with a secure service yard. He said the property would be about four acres and they are looking to include sustainable landscaping at this site. Mr. Mauseth stated that it would not be a customer service location, it would

be just a site for operations to work out of and also office personnel and the management supporting the operations in that territory.

He said the property that they are looking at is directly adjacent to the Public Works Department facility and they think it is a really good location as far as access to the roads and also access to existing utilities. He stated from a zoning perspective they are pretty similar use to the Public Works Department. He presented the design of the building to the EDC and explained it would be a drive in, drive out type of layout. He said the service vehicles would enter the property on these southwesterly part of the property through a gate that is inset from the road therefore they can pull into the property and not impact traffic on the road. Mr. Mauseth stated as they leave the property they would be exiting on the north side of the property off of Thurston road and the employee lot would be accessed on the southwesterly parts. He stated the service area would be secure and fenced in. He stated that they do have a lot of landscaping and they plan to meet or exceed the zoning requirements.

He explained the floor plan of the service center and stated that their service centers are built for long-term functionality and ease of maintenance. He stated that they use durable materials and high quality mechanical electrical systems. He explained that the exterior materials would typically be a combination of color, precast, metal accent panels, daylight panels and metal sunscreens. He added that once they get to the design part of the project they would be working with the City on aesthetics and the certain material types that the zoning code would require.

Mr. Mauseth informed the EDC that they have 14 full-time employees that work at the site and that could increase depending on this time of year. He said this will be self-financed by Xcel and their purchase price offer is \$42,000 per acre and presented the timeline for the project if the property is acquired this summer. He stated that they have already started the preliminary design and they could possibly start permitting at the end of the year or early in 2021 they start construction in the spring of 2021 with hopes of moving into the building in December of next year. Commissioners Rieck confirmed with Ms. Malecha that the original asking price per acre is \$65,000.

Discussion ensued about the Industrial Park as a location but the City did not have enough land available for their use in that space.

Chair Lindholm asked if this a replacement facility for Xcel or if it is a growth kind of facility. Mr. Mauseth explained that it is a replacement and they have been leasing a facility by Crow Wing Power on Highway 371 for quite a long time and the have been planning to relocate for a while now. He also stated that their current 14 employees do live in the Brainerd Lakes area. Discussion ensued about the size of the trucks that would be used at the facility and Mr. Mauseth stated that they would be the size of a typical truck that you would see used in an industrial park and confirmed that it is not overly heavy equipment.

Ms. Malecha showed the EDC the Utility Study that WSN did for the City in 2018 and reminded them the total project cost per acre for the utilities infrastructure was just around 42,000 and stated that it is comparable to what Xcel is proposing for just the infrastructure costs.

Commissioner Lubke confirmed with Ms. Malecha that this was the agreement that was exempt from the Close Converse agreement.

Discussion ensued about the design and screening. Mr. Mauseth stated that they will work with the City on the screening requirements.

Commissioner Lubke asked about the cost of the road to get to the site. Tim Houle stated that in phase one in the 2018 Utility Study the total project cost for both sewer and water extensions and the road is approximately \$250,000. He stated that they do not have a more focused study specifically on what Xcel is proposing therefore that number might change a little bit but that is a ballpark figure.

Commissioner Lubke asked if everything would terminate at the end of phase one and Mr. Houle said that would be my recommendation.

Commissioner Lubke asked if there are any revenue estimates based upon the tax rates and the valuation yet and Ms. Malecha stated they do not have that information yet.

Discussion ensued about gathering more information relating to cost of the phases of infrastructure and rescheduling the topic out until the June meeting.

COMMISSIONER LELWICA MOVED TO INCLUDE THE XCEL BUSINESS PROPOSAL IN THE JUNE EDC COMMISSION MEETING AGENDA TO ALLOW MORE TIME TO HAVE INFORMATION GATHERED. COMMISSIONER RIECK SECONDED THE MOTION. MOTION CARRIED 5-2. COMMISSIONER LUBKE AND HOLLEY OPPOSED.

4.2. Business Development Public Infrastructure (BDPI) Funding Assistance Proposal

Tim Houle clarified with the EDC that the Heart of the Good Life Development, the study phase drawing and the lots are not set yet. He stated that it was just a concept and if he recalls correctly they wanted to have flexibility therefore the City still has that flexibility. He stated that extending sewer and water and extending that first leg of the roadway is very appropriate with Xcel's proposed project. He said they kind of have this roadway already out there and they have the utilities extended therefore you can jump off of as there is another potential lot or more to the West between that proposed road and the Paul Bunyan trail. Mr. Houle stated that the costs were gathered together and then broken down per acre therefore that is how the estimate was put together. He stated that they have wonderful flexibility and if they do have to extend sanitary sewer, water main, and put in some storm sewer in street the state has a Business

Development Public Infrastructure Program, BDPI, that could help with the costs but not necessarily offset it.

Commissioner Becklin asked what it would cost to extend the sewer and water all the way to the potential ball fields. Mr. Houle said looking back at that 2018 study and if you look at all the sewer, water, streets, storm sewer it would be somewhere around \$2.2 million. He did also say that they took that big study number and then broke it back into a per acre cost just to give people a sense of the potential investment.

Commissioner Lelwica asked if he could break the cost down per foot and he stated he did not. He stated one of the variables to the cost is getting down Derksen Road from Morehouse Drive to the proposed southerly road going into the Heart of the Good Life and whether you should count that footage. He said he could come up with a per foot cost and present several possible options if they would like. Discussion ensued about the phases and the costs. Mr. Houle stated phase one has an estimated project cost of \$257,000 and that is what they would propose to the EDC to recommend to the Council should Xcel Energy acquire that area roughly encompassed by lots two and three. He stated that he would like the EDC to continue to think of the big picture long-term and know that in each phasing of the Heart of the Good Life there will be situations where the infrastructure might cost more and there will be situations where the infrastructure might cost less on a per foot or per acre basis. He said he can break phase one down for them if they would like.

Gail Levenson stated that she is a funding specialist with WSN and the BDPI program is a grant program just for greater Minnesota. She said they use it quite a bit and it is made to keep jobs, enhanced jobs in the area and expand the tax base. She stated that is a way to fund about 50% of the cost of sewer, water supplies, utility extensions, wastewater treatment, and storm water. She said that the City has a project here that is going to create 14 jobs and possible more. She stated she looked at the statute yesterday and they are trying to grow businesses that fit in the manufacturing technology, warehousing, distribution and, and the like. She said she feels very confident after listening to Xcel Energy's presentation that the project fits right into the mission of the BDPI program.

Ms. Levenson stated it is a program that gets funded every two years by the state but they are without funding until probably July 1st of this year. She said they take rolling applications throughout the year but when they run out of money everybody has to wait for the next time. She stated that the program has been around since 2002.

Chair Lindholm asked her to clarify that it costs \$5,000 to apply in the hopes of getting the cost of the quarterly dollars. She stated that she believed that \$5,000 would be the absolute maximum and said it would probably be more like 40 hours that it would take to get it together. She stated the hourly rate for her would be \$95.

Commissioner Lubke asked if they should start the project without funding in hopes that they get funding later on. Ms. Levenson does not recommend reimbursing for the project and she does not believe it is a reimbursable project but she will check on that.

Chair Lindholm stated that since they have a \$5,000 he would like to know what our current budget situation is for the EDC. Ms. Malecha stated that in the 2020 budget under contract services that EDC did earmark some money in the amount of \$10,700 for redevelopment and marketing, which they could potentially tap into for this as she believes no money has been expended from that item yet.

COMMISSIONER HOLLEY MOVED TO APPROVE THE USE OF \$5,000 FROM CONTRACT SERVICES EARMARKED FOR REDEVELOPMENT AND MARKETING 2020 BUDGET TO APPLY FOR THE BUSINESS DEVELOPMENT PUBLIC INFRASTRUCTURE (BDPI) FUNDING ASSISTANCE GRANT. COMMISSIONER LELWICA SECONDED THE MOTION. MOTION CARRIED 7-0.

4.3. Tax Increment Financing District

Jason Murray stated that they have to look at the small city exemption under the economic development TIF law to support commercial development up to 15,000 square feet. He stated the Xcel project is less than 15,000 square feet and from that standpoint he thinks it still allowed the City to support infrastructure funding or being an avenue to support infrastructure from the business part and using a portion to help pay for this improvement. He stated they have some flexibility to it and it is just a matter of tying it all to the tax base to hit the tax capacity. He discussed timing and having 30 day notice requirement and that it takes about 45 days to establish a TIF district. He asked the EDC Commission if they can reschedule the conversation to the June meeting where he will have a little more time to talk discuss the topic.

5. Welcoming Community Advocacy Group Update

Nancy Malecha reminded the EDC Commission that region five is hoping to start up the be welcoming community advocacy group starting in June and start reaching out to the people that they have earmarked to serve on that group. She reminded them that she still needs contact information for some of the people that they had noted to serve on the group. She asked to have that information to her by the end of next week,

6. Housing Update

Mark Jurchen informed the EDC that the housing inventory is completed and they identified about 160 parcels in the core area. He said that is an area with either sewer or water and then the other classification primarily are those within a very short distance or within the core area that do not have sewer or water but do

have a paved road. He said they can discuss it further in June or July to lay out a plan.

7. School Update

Chair Lindholm thanked the City of Pequot Lakes for helping them pull together the oddest of graduation ceremonies ever and he stated the class of 2020 will always have the most unique graduation. He informed the EDC that they are doing a parade and that is how the Police, Fire, Public U Utility and City is involved. He said that after the parade they will come back to the high school to do a driving type of graduation ceremony for the graduates to keep distance and to be safe. He stated that they will also have a live stream on the School District website. He said congratulations to the 2020 graduates.

Chair Lindholm also stated that the School District is working with Wold Architects right now to draw plans for the former Echo building. He said the focus of that will be on robotics and engineering and making it a satellite campus those two programs plus probably the construction program. He said the intent is for the construction students to do the actual construction during the school year next year. He said he thinks it is going to be a fun experience for the kids and we need to watch and see what the kids can do. He stated that they are looking for a fall 2021 use of the facility for the classes but this coming year will be all constructing it and making it happen.

8. Chamber Update

No update was given.

10. BLAEDC Update

Tyler Glynn stated that they have helped obtain financing for New Heritage Architecture and Design with the purchase of the old Pfeiffer building. He stated that his glad they were able to participate in that and it is great for them to have a project that is going forward. He said they are very pleased that they were able to get that done and work with American National Bank and that they were a great partner for them. He thanked everyone that was involved for their help with the project.

He stated that since this all started BLAEDC has been deemed essential and it has been challenging to say the least. He stated that they have not Sheila Haverkamp yet therefore it has been trying to keep moving forward and they have been doing the best that they can. He stated that hopefully they are helping enough of the folks in the County with funding requests and he never thought he would know as much about unemployment insurance as he does right now.

He stated that they have been working with the Chamber on some projects and working with the Chambers has been probably the most important thing they could do just because of the database that they have access to. He said as an

economic development organization they have 150 members plus the communities that support them and when you look at the Chambers they start going over a thousand members and that is a great platform for BLAEDC to get information out to.

He stated with regards to the Xcel project it will get the Heart of the Good Life Development kicked off with a tremendous company that has a good solid plan for this area. He stated that he is willing and able to do whatever is needed to help and make the best decision

Commissioner Holley stated that New Heritage Architecture and Design in the old Pfeiffer building will be renting out the front, about 800 square feet, to a retail business. She wanted to make people aware that space is available.

11. City of Jenkins Update

Commissioner Lubke informed the EDC that they have been working with Jenkins Township, Ideal Township, and Crow Wing County on County Road 145. He stated that they are going to be widening it and making it a little more user friendly. He discussed the new restaurant in Jenkins and thanked Tyler Glynn for his assistance with the new business.

Commissioner Lubke also discussed trying to work with the local units of government to try to get some kind of consortium together to start looking at a real strategic push to try to get broadband in this area,. He does not believe that it is something that can be done by any one community on its own. He stated that it is a long range project but they are looking at trying to get these communities together to sit down at one table and figure out what needs to be done to make it happen.

11. Other Business

11.1. Open all businesses

Commissioner Rieck stated that she was caught off guard when she read that the City of Pequot Lakes had voted to open all businesses in the City. She stated that she is curious and concerned on what the City's liability would be if a business that is open and is exposing someone to COVID-19 or if they go ahead with the 4th of July parade and people get sick.

Council Member Pederson stated that the proposal stated that businesses that chose to open must follow OSHA, CDC and state health department guidelines. He stated that they felt that it was really a good stand for the businesses and that every business in town is essential to our economic community. He said without them we are not going to have a town. He stated he believes the pushback is needed from cities and there has been a dozen or more cities and a few counties right now that he knows of that have done the same thing. He stated that the City Attorney had glanced at the Councils resolution there was a suggestion not to

make it a constitutional argument, although there probably is one, but rather an argument that our businesses are to open as they provide the same business that is available to shoppers at bigger stores. Council Member Pederson stated that he had 17 contacts from different people throughout the community and all of them have been 100% positive but there is a frustration out there with the salons because they have state licenses.

Ms. Malecha stated that in the resolution it does state that businesses can open if they so choose, however they have to be mindful of the Minnesota department of Health and CDC guidelines. She stated that we did get several calls at city hall and there was a little confusion. She stated that we did get calls from salons, bars, and restaurants and what we told those individuals that if you have any type of licensing through the state, this resolution does not supersede that and you need to contact your state licensing agency to make sure that you can open, even though there is an executive order from the governor out there with the guidelines that those establishments need to follow. Ms. Malecha stated if they so choose to open they have to do their due diligence to make sure they are covered insurance wise, liability wise, and make that decision for themselves. She stated the City Council is not saying you have to open, it's just giving them the opportunity to open it as long as they follow those guidelines.

Commissioner Lelwica stated that she wants to publicly thank the City Council for doing it and standing up for our businesses. She stated that she believes that with the small businesses following the guidelines that the risk to the individual is actually lower than at big box stores. Discussion ensued about businesses with licenses and the possibility that they could lose their license if they open before the Governor's Executive Order allows them to.

12. Adjournment

There being no further business, Chair Lindholm adjourned the meeting at 9:26 a.m.

Respectfully submitted,

Angie Duus
City Clerk/Treasurer

May 19, 2020

Pequot Lakes Housing & Redevelopment Authority

(March and April Meetings were not held due to COVID-19 virus outbreak)

Commissioners present: Robert Ritter, Pat Dittes, Pat Dullum, Bonnie Eastvold

Also present: Executive Director-Tamra Lanning, Lynn Katzenberger, Brad Moser, D. Botham,

***Call Regular Meeting to Order**

3:00p.m. Chairman Ritter called the meeting to order.

***Consider Agenda/Changes**

No Changes

***Consent Agenda/Regular Meeting**

Motion to accept the Minutes.

Moved by Dullum, Seconded by Dittes, all Ayes; motion carried.

Motion to accept the Payment of the Bills.

Moved by Dittes, Seconded by Eastvold, all Ayes; motion carried.

Motion to accept the Financials (Monthly).

Moved by Dullum, Seconded by Eastvold, all Ayes; motion carried.

***West Grove**

2 units nearly finished and have applications for both.

***Sibley Terrace**

Re-opening community room with social distance guidelines. Soft furniture will be cleaned.

***ParkView**

Parkview II playground re-opened. Parkview I community room re-opened with social distance guidelines. Soft furniture will be cleaned.

***Alpine**

Residents have asked for a patio or ground deck area with furniture. Will call for bids.

Motion to use up to \$5,000 from Reserves for outdoor sitting area.

Moved by Ritter, Seconded by Eastvold, all Ayes; motion carried

***Executive Director's Report**

Having difficulty renting West Grove as rental dynamic has changed. Looking into part-time help for Maintenance. We have been following the COVID-19 guidelines. CARES- \$6,100 sent to us from State Rep for COVID-19 related expenses only. Guidelines for these expenses are very rigid.

***Maintenance Report**

Working on turnovers and spring cleaning has started.

***Other Business**

Social distancing complaint calls from residents have increased.

***Open Forum**

Sibley Terrace resident asked us to reconsider the decision to eliminate the scheduled laundry hours for residents with Aides. The previous scheduled laundry hours will be re-posted.

***Adjournment**

4:02 p.m. meeting adjourned.

Moved by Dittes, Seconded by Eastvold, All Ayes; Motion carried.

Chrm. _____

Sec. _____