CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES – 03-27-07

The City of Pelican Rapids City Council met in regular session on Tuesday, 03-27-07, Council Chambers, City Hall. Mayor Wayne Runningen, Council Members John E. Waller, III, Ben Woessner and David Gottenborg were present. Council Member Richard Peterson was absent. Administrator Don Solga, Clerk-Treasurer Glenys Ehlert, Library Director Annie Wrigg, Gerald Grefsrud, Kendra Ferencak, Kelley Gorman of the Pelican Rapids Press, Waylon Karsten and Randy Monson of Environmental Control Systems were also present.

Meeting called to order by Mayor Runningen.

There were no additions or deletions to the agenda.

Motion by Waller, seconded by Gottenborg to approve the Accounts Payable Listing of 03-27-07 as corrected. Motion passed unanimously.

Administrator Don Solga reviewed the Small Cities Development Grant. Working with the Otter Tail County Housing Redevelopment Authority, the City was successful in obtaining $992,000 in funding for commercial redevelopment, residential redevelopment and commercial/rental combinations.

Library Director Annie Wrigg requested the City Council recommend a new Library Foundation representative to replace Tom Bruns who resigned.

Motion by Woessner, seconded by Gottenborg to introduce the following **RESOLUTION FOR REGIONAL LIBRARY BASIC SYSTEM SUPPORT.** (A complete text of this resolution is part of permanent public record in the city clerk's office.) Motion passed unanimously and resolution was declared duly adopted.

Administrator Don Solga reviewed the Otter Tail County Highway Bridge Improvement Plan. The estimated price to replace the bridge northeast of the library is $450,000 in today's dollars. There are eight bridges on the list and the county funds them as the money is available. The City would be required to pay 20% to replace the bridge. However, if the City decides to remove the bridge, the county will remove at no cost to the City.

Motion by Gottenborg, seconded by Waller to authorize the Economic Development Authority's approval of payment to Svingen, Hagstrom, Karkela & Cline in the amount of $767.65, for legal expenses associated with site acquisition for the proposed Fire Hall and to Pelican Press for Fire Hall bids in the amount of $380.14, to acknowledge the apparent low bidder for construction of the Fire Hall as R.A. Bristlin & Son Construction with a base bid of $620,800 and the apparent low bidder for demolition of existing building and site preparation as JL Trucking, Excavating & Grading at $72,465 for the base bid and $7,400 for Alternate 1and to authorize the Economic Development Authority's approval to proceed with purchasing the Roger and LuAnne Schleske property, Lot 9, Block 1 of Blyberg's First Addition, setting the closing date for 3:00 p.m.,04-05-07. Motion passed unanimously.

Council Member Ben Woessner and Kindra Ferencak of the West Central Minnesota Housing presented information on housing from a meeting they recently attended. The City of Pelican Rapids will need to address the critical issue of additional housing for the new jobs being created at West Central Turkeys, LLP. They recommended that the City work on a community plan for housing through the West Central Initiative Visioning Grant Program. Motion by Gottenborg, seconded by Waller to authorize the application for the West Central Initiative Visioning Grant Program and to authorize the city's share of the costs, in the amount of $2500 from Economic Development funds. Motion passed unanimously.

Pursuant to due call and published notice thereof, Mayor Runningen opened the Public Hearing on the TIF 7 "C-Store" Development Plan and Tax Increment Financing Plan at 5:00 p.m. City Tax Increment Consultant Michele Hartman of Municipal Economic Development Network reviewed the proposed amendment to the development district to create Tax Increment District No. 7 "C-Store" and the plans and programs relating thereto. The district will run for nine years and will run on a pay as you go district. The developer takes the risk and arranges his own financing. After the project is completed, then each year for eight years the developer will get a portion of the TIF eligible expenses back from the taxes as they are paid. Hartman included the authorized budget and debt.

Mayor Runningen called for questions. Park Region Cooperative General Manager Galen Teichert was present to discuss the project. He said they are doing all the planning and preparation and as soon as the TIF is in place, they will start. Motion by Woessner, seconded by Waller to close the hearing. Motion passed unanimously.

Mayor Runningen opened the Public Hearing on the TIF 7 "C-Store" Business Subsidy Agreement. Hartman reviewed the agreement. Council and Teichert discussed the number of jobs that will be created. They discussed four full time or full time equivalents. The sport shop will be a part of the new project. Mayor Runningen called for questions. There were no additional questions. Motion by Waller, seconded by Woessner to close the hearing. Motion passed unanimously.

Motion by Gottenborg, seconded by Waller to introduce the following, written resolution, entitled, **RESOLUTION FOR THE PROPOSED AMENDMENT TO PELICAN RAPIDS MUNICIPAL DEVELOPMENT DISTRICT NO. 2, ESTABLISH TAX INCREMENT DISTRICT NO. 7 "C-STORE" AND APPROVAL OF THE PROGRAMS AND FINANCE PLANS RELATING THERETO.** (A complete text of the resolution is part of permanent public record in the city clerk's office.) Motion passed unanimously and resolution declared duly adopted.

Motion by Woessner, seconded by Waller to enter into Business Subsidy Agreement with Park Region Cooperative and introduce the following written resolution, entitled, **RESOLUTION AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF PELICAN RAPIDS AND PARK REGION COOP (TIF-7 Project).** (A complete text of the resolution is part of permanent public record in the city clerk's office.) Motion passed unanimously and resolution declared duly adopted.

Council discussed the culverts in the Pelican River northeast of the Library. Options are to remove the culverts permanently, redirecting traffic to use the bridges at 1st St. SW or Broadway or replace the culverts with a bridge. Replacing the third bridge in the block would cost over $400,000 with the City's portion to be 20 percent.

Derek Satter discussed his plans to reopen the restaurant and liquor on-sale operation at 10 S. Broadway, formerly called Bridges Bistro and Bar. Paul Evenson and Jeanne Hovland have requested that the City Council transfer their liquor license to Derek Satter doing business as Crossroads Corner. Motion by Waller, to approve the transfer of the liquor license subject to receipt of the liquor liability insurance and restaurant license. Motion passed unanimously.

Waylon Karsten and Randy Monson were present for the Public Hearing on Environmental Control Systems Business Subsidy Agreement. Pursuant to due call and published notice thereof, Mayor Runningen called the hearing to order at 6:00 p.m. Waylon Karsten said they design and install dust control systems for facilities. They have purchased the former BTD building in the Pelican Rapids Industrial Park. They plan to grow from 28 employees to 34 in a couple of weeks and grow to 50 within the year. They manufacture the systems, fabricating, welding the metal, and they install the systems in facilities. Installation of the systems generally takes eight to ten weeks. All crews are based out of his facility.

Administrator Solga reviewed the development agreement with Waylon Karsten which calls for some capital investment of new equipment.

The start date is 05-01-07 and the job goal of creating six (6) new positions must be reached by 05-01-08 and maintained through 2015, the period of time for JOBZ. Mayor called for questions. There were none. Motion by Waller, seconded by Woessner to close the hearing. Motion passed unanimously.

Motion by Woessner, seconded by Waller to approve the Business Subsidy Agreement between the City of Pelican Rapids and Environmental Control Systems, Inc. Motion passed unanimously.

Meeting adjourned at 6:25 p.m.

Glenys Ehlert, CMC
Clerk-Treasurer