

CITY COUNCIL

7:00 P.M.

February 21, 2017

Present: Scott M. Johnson
 Shane Hoff
 Carlene Perfetto
 Richard DeRosier

Dustin Goutermont – excused

Lana Fralich, City Administrator
 Phil Huston, Belay Reality
 Ken Vogel, Lake County News Chronicle
 Lisa DeRosier

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

Agenda – Motion by DeRosier, second Hoff to approve the agenda as presented.
MOTION CARRIED.

Consent Agenda – Motion by DeRosier, second Perfetto to approve the minutes of the February 6, 2017 regular Council meeting and the February 15, 2017 special Council meeting. MOTION CARRIED.

Petitions, Requests and Communications

Thank You Note – The Council reviewed a thank you note sent to the Arena staff from a participant at a recent youth hockey tournament complimenting the well maintained facility.

City Administrator

Resolution 2017-12 DEED Grant Agreement – The Council reviewed a grant agreement for investigation and contamination clean up at the former Spur station, on the corner of Highway 61 and Outer Drive, and it was noted that the land owner will provide the matching funds required by the grant and the City is the fiscal agent for this grant. The EDA recommends approval of this grant agreement. Motion by Perfetto, second Hoff to approve Resolution 2017-12, to execute a grant agreement with the Minnesota Department of Employment and Economic Development's contamination cleanup and investigation grant program for the site formerly known as the Spur gas station.

Member Perfetto – aye

Member Goutermont – absent

Member DeRosier – aye

Member Hoff – aye

Mayor Johnson – aye

RESOLUTION 2017-12 WAS ADOPTED 4 aye, 0 nay, 1 absent

Development Agreement – Parcel #22-7401-32375 – Huston presented a development plan for the former Spur station and the City property (parcel 22-7401-32375) located behind this property for the North Shore Adventure Center, which would be a destination business for rock climbing, a climbing tower, a zip line, a rope course, mountain biking, and walking trail. There would also be a food court, food market, vendor space, meeting space, areas for guides, training, and tourist information. Jobs and taxes to be generated

were discussed. It was noted that this proposal includes the City conveying Parcel #22-7401-32375 to the Spur Property owners for \$100. There was discussion about working with MNDOT for adjacent property that would be included in this development. It was noted that the easement for the snowmobile / ATV trail will remain with this development, that local and state permitting needs to be obtained, and that the City property would revert back if the property is not developed as proposed. There were no City funds expected at this time, but the city would act as the fiscal agent for grants if awarded. The EDA recommends moving forward with creating a Development Agreement for conveying Parcel #22-7401-32375 for \$100 for the purpose of the North Shore Adventure Center. Motion by DeRosier, second Hoff to authorize the City Administrator and City Attorney to move forward with creating a Development Agreement with Kali Partners/Belay Reality for the purpose of conveying land parcel 22-7401-32375 for a North Shore Adventure Center at a cost of \$100 and that language be included for securing the ATV/Snowmobile Trail Easement, obtaining proper permits, and a reverting clause if property is not developed as proposed. Hoff, DeRosier and Johnson voted aye, Perfetto voted nay.
MOTION CARRIED.

Airport Entitlement Transfer – The Council reviewed two requests to transfer the 2014 airport entitlement funds to Eveleth Airport or the Cook County Airport. There was discussion about which airport to make the transfer to. Motion by Perfetto, second DeRosier to move forward with transferring the \$150,000 2014 airport entitlement funds to the Cook County Airport. Perfetto and Johnson voted aye, DeRosier and Hoff voted nay.
MOTION DID NOT PASS. Motion by Hoff, second Perfetto to move forward with transferring \$75,000 of the 2014 airport entitlement funds to the Cook County Airport and \$75,000 to the Eveleth Airport. MOTION CARRIED.

OLD BUSINESS – No old business was presented.


NEW BUSINESS – No new business was presented.

Claims – Motion by DeRosier, second Perfetto to approve payment of \$91,087.98 paid claims and \$33,456.37 in unpaid claims. MOTION CARRIED.

Motion by Perfetto, second Hoff to adjourn at 7:58 p.m. MOTION CARRIED.

Minutes taken by Lance K Beachem


 Scott M Johnson, Mayor


 Lana Fralich, City Administrator