Mayor Paul Whitcomb called the meeting to order. Council member present was Thom Walker, Dick Dobson, Jules Zimmer, and Victoria Hallin. Staff present, Administrator Mark Karnowski, Public Works Director Bob Gerold, Community Development Director Jolene Foss, Liquor Store Manager Nancy Campbell, Police Chief Todd Frederick, and Clerk Shawna Jenkins. Absent was Finance Director Steve Jackson.

Riverside Park Bathrooms – continued discussion

Karnowski stated that at the August 4 Study Session, the Council reviewed the following information regarding the possible purchase of the former tattoo parlor building is aware, the city has set aside funding to replace and upgrade the bathroom facilities (including showers) for Riverside Park for several years. Currently there are no funds in the CIP for new bathrooms but there is the TIF funding ($90,000) that was earmarked for Riverside Park improvements.

The owner of the building has inquired if the city is still interested in his property and, if so, if we’d be willing to tender an offer and attempt to reach some negotiated selling price.

The building at 301 North Rum River Drive (PID: 24-040-0830, lot 6, Block 19, Plan of Princeton) is owned by Mark & Donna Walsh (31337 121st St.). According to the County’s web site, the Walsh’s bought the property in 2004 for $164,000. The attached ‘Sketch’ suggests that the property is 148.5 feet deep and 48 feet wide (including the vacated north 15’ of Third Avenue and the easterly 2.5 feet of Rum River Dr.). That said, the County’s web site has the lot’s square footage set at 7,396 ft² and the building’s footprint at 1,548 ft².

The property description from the county web page is as follows:

S 33 FT OF LOT 6 BLK 19, & TR BEG 33 FT N OF SW COR OF LOT 6 BLK 19, N'LY 6.5 FT, E'LY 13.5 FT, S'LY 4.5 FT, E'LY 40.66 FT, S'LY 2 FT, W'LY 54.16 FT TO BEG, & VAC E 2.5 FT OF LAGRANDE AVE ADJ, & VAC N 15 FT OF 3RD ST N ADJ, PRINCETON - ORIGINAL TOWNSITE

According to the County’s web site, the estimated market value of the property for property taxes payable in 2017 (set as of Jan. 2, 2016) is $112,900. That value has gone down over the recent years as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$145,200</td>
</tr>
<tr>
<td>2013</td>
<td>$135,100</td>
</tr>
<tr>
<td>2014</td>
<td>$129,800</td>
</tr>
<tr>
<td>2015</td>
<td>$128,300</td>
</tr>
<tr>
<td>2016</td>
<td>$120,200</td>
</tr>
<tr>
<td>2017</td>
<td>$112,900</td>
</tr>
</tbody>
</table>

The current annual property taxes are $3,856.00.

Staff checked with the Mille Lacs County Assessor and asked if the city bought the building and continued to rent out the upper floor to a private business whether the city would have to pay property taxes and was advised that, yes, city owned property made available for non-government or non-public use would be taxable. But the exempt/taxable value of the property would be prorated based on city vs. non-city use.

The Assessor also noted that, if the Chamber moved into the upper floor then the entire parcel would then be off the tax rolls

1. The taxable market value of that property has been reduced over the past 6 years or so. I’m assuming that’s based on comp sales. Can you share examples of comp
sales for commercial property located within the city that has sold in the past few years so we get a sense of what we should offer to pay?

There have been very little in the way of commercial sales in Princeton let alone something comparable to 24-040-0830. The Dept. of Revenue guidelines require a minimum of six good sales in a twelve month study in order to have a valid ratio. Princeton has had seven commercial sales in the last two years that would be considered good sales. The level of assessment on those seven sales is 84%, so based on that the County values are about 16% below the market on average. The current value on the property in question is $112,900. Any loss in value over the past years is likely due to additional depreciation. There have not been enough good commercial sales to warrant a value change due to a change in the commercial market.

The Walshs have been renting the property to Anchor Tattoo since 2013 for $1,000 per month. The renter has since relocated his business...so the building is now empty.

Originally, the Walsh’s have advised that they would sell the building to the city for $145,000 and ‘gift’ $10,000 of that back to the city parks. So the proposed out of pocket cost to the city would be $135,000.

At the August 4 meeting, the question was asked what it would cost to remodel the tattoo building for bathrooms. Bob Gerold checked and believes the absolute worst case scenario for bathroom remodeling: $80,000 if our staff doesn’t do any of the work and a new provision for 2 stools in each women’s bathroom becomes law (which our building inspector advises isn’t in effect and isn’t on the horizon.

We also checked with Ron Weyer (RW Builders) whose guestimate for new bathroom on new site would be about $50,000. The issue is...do we have a site that won't flood and, if there is not, we would have to get permission to build in the floodplain and the building would have to be constructed such that it could be sealed up during a flood and hosed out after the water recedes.

He asked how the Council wished to proceed.

Hallin asked for clarification that since there is already a bathroom building there, we would not need to get approval to build in the flood plain.

Foss said they did meet with a potential outfitter. She also said that the Chamber board would be in favor of assisting with an outfitting operation if they were located in the building.

Karnowski stated that when the city acquired Riebe Park, we had hoped to have some additional camping sites. The Visionary committee talked about moving a camp ground to the other side of the river as well, but if it were to ever happen, it would be a long time down the road.

Frederick said the Park Board’s first priority is figuring out the bathrooms at Riverside Park as it is the number one complaint that they hear.

Zimmer asked who would need to be involved if a new building was put up. Karnowski replied that the DNR and the Army Core of engineers would need to be involved. Zimmer said
if they didn’t approve the building, the City wouldn’t have another option if Walsh’s sold this building.

Dobson asked how much park space would be used if a new building was put up. Gerold said it could be tucked back into the hillside if retaining walls were used. We can’t go up as it would need to be handicap accessible, but only a few feet of park would be lost to a building.

Whitcomb asked how much room there is to the property line. Gerold said he wouldn’t want to move it back much farther than it is now, so it will be far enough from the property line.

Frederick stated that when the Park Board looked at putting in a new building a few years ago, it was quite expensive.

Walker questioned how much higher would it need to be to be out of the flood area. Gerold replied that he thinks it would need to be 5 feet higher than it currently is.

Walker said he would prefer a standalone building.

Gerold stated the building would need to have a sealed sump pump, with a switch to shut it off if needed. He would want to camera the line to see how the condition is. He said there is a mini lift station there now, but a new force main would need to be installed. He said right now, the power is killed to the lift station if the park floods.

Zimmer asked how it is handled if the water were to rise overnight. Gerold responded that if they know there is a potential of flooding, the police monitor it overnight.

Karnowski added that when conditions are favorable for the park to flood, they get people out of the park and close it.

Zimmer said he has a concern with the bathrooms being vandalized. Frederick said that when the city has a camp host, the amount of vandalism has gone way down.

Whitcomb commented that he thought his original idea of buying the building would be a good option. However, when you put all the numbers down, a standalone building is a better option financially.

WALKER MOVED TO AUTHORIZE STAFF TO CHECK WITH THE DNR ABOUT GETTING THE PROJECT ROLLING. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Karnowski stated that he will Mr. Walsh and let him know that the city is going a different route at this time.

**Safe Routes to Schools Grant Support**

Karnowski reported that District Superintendent Espe is requesting support from the City in applying for a Safe Routes to School Grant. The School District’s would like to continue its Safe Routes to School initiative by installing sidewalks near and around the new Primary School, including sidewalks connecting the Intermediate School and Middle School, as well
as a safe connection to the new baseball and soccer fields. The project includes pedestrian curb ramps and marked crosswalks. It is expected that all improvements will be constructed within existing right of way.

Hallin said she noticed in the information regarding the grant request, it states there would be an additional $184,000 that will be needed and that they will work with the county and city for the additional amount needed.

Karnowski stated that another thing to keep in mind is this sidewalk would be used by all the school children, not just those that live in town and are walking to school. He suggested that the District also request assistance from the Townships as well.

**Zimmer moved to approve the letter of support for the Safe Routes to School Grant Application with the stipulation that the School also request assistance from the surrounding Townships as well. Hallin seconded the motion. The motion carried unanimously.**

**Disposal of surplus PRFD equipment**

Karnowski reported that Chief Roxbury advises that the PFRD’s new Grass Fire/Rescue truck is now in service. The 1987 ¾ Ton 4X4 Chev Pickup that it replaces is having the slide in pump system removed so it can be used by the Public Works Department for watering flowers, trees, site clean-up and other such tasks within the city.

When the city purchased the pumper with class A foam capacity from the City of Roseville a couple of years ago, the city placed our 1980 American LaFrance Century Engine into reserve status. It’s the opinion of the PFRD that both the pick-up and the LaFrance vehicles can be sold.

He is asking the Council adopt the appropriate motion declaring both pieces of equipment as surplus and authorize the sale of both at auction.

**Hallin moved to approve the disposal of surplus PFRD equipment at auction. Walker seconded the motion. The motion carried unanimously.**

**PFRD Grain Rescue grant support**

Karnowski reported that Chief Roxbury advises that the city was recently awarded a $3,000 grant to purchase a “Great Wall of Rescue Supreme Package and Rescue Auger” which will give the PFRD the equipment it needs to do grain silo and trench rescues in our area.

The Chief noted that he’s aware of only one other Fire Department in the central part of Minnesota that has that type of equipment.
This is a 100% grant but still needs the approval of the City Council. So if the Council concurs that this is a great enhancement to the PFRD’s skill sets, then a motion to approve the receipt of the grant would be in order.

Hallin asked if the Department has had these types of rescues. Roxbury responded that they have, but it has been a while.

Hallin asked what how much it weighs. Roxbury responded that he believe it weighed approximately 100lbs.

Dobson asked if they would need to set something up with other communities if this is something they would need to use if an emergency arises. Roxbury responded that the department has mutual aid agreements with the surrounding departments. If the equipment was needed, our trained firefighters would respond with the equipment.

ZIMMER MOVED TO APPROVE THE PFRD GRAIN RESCUE GRANT APPLICATION. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

**Comprehensive Plan Update and GIS Upgrade**

Foss stated that the City of Princeton requested proposals from consultants to complete a comprehensive plan update. We received 2 responses.

One was from LHB Corporation. They respectfully declined submitting a proposal for this project. They stated “Comprehensive planning is not a core part of our work, although we do enjoy supporting cities on certain portions of that kind of work when it is a good fit.”

The second proposal was from WSB’s Eric Zweber, Senior Planner, and Breanne Rothstein, Principal/Planning Group Manager. They stated that they are pleased to submit a proposal to provide planning services for the Comprehensive Plan update.

Staff recently met with WSB’s Andy Brotzler, Municipal Senior Project Manager, and John Mackewitz regarding the system the city is using for GIS and mapping. They presented to us a system that would be accessible to all city staff and to the general public. We could have shape files or layers that only we can access (sewer, water, etc.) and layers that the public could see (trails, parks, sidewalks).

Here is a description of this service:

*DataLink is WSB’s ArcGIS Server application that gives users easy-to-use tools to access, edit, and analyze GIS data. Based on HTML5 and JavaScript, DataLink provides the same interface on any device, anywhere. DataLink is in use in more than 10 communities. It is reliable, lightweight, and based on standards. DataLink will provide a reliable tool for you today and let you leverage other tools such as ArcGIS Online and the Esri Local Government Resource Center in the future.*

Staff is requesting that we use WSB’s Planning and GIS services for the Comprehensive Plan update and DataLink for ongoing operations in planning, community development and public works. Both of these projects are already budgeted for in the CIP.
Dobson suggested staff check with the PUC to see what system they are working with and if it would be compatible. Gerold responded that the City has worked with the PUC on the GIS system in the past, but will confirm.

WALKER MOVED TO ACCEPT THE PROPOSAL. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

**Hanger Space reservations**

Karnowski stated that the city has received a couple of requests relating to the availability of some new hangar lots that will become available with the completion of this year’s airport improvement project (a new hangar area and taxiway). There are apparently three potential hangar owners who are interested in reserving spaces.

Since the city has no policy or provision for reservations of this nature, he is hoping the Council will consider adopting a policy for such a practice (short of actually renting the space).

Some of the questions included whether there were other airport that allowed for reservations. Engineer Joel Dresel advises that there are several. He noted that the more successful of them charge a fee to get on the list so they have some ‘skin’ in the game rather than tie one up not knowing whether the person inquiring is actually committed.

Apparently many airports put an ‘end date’ on how long individuals have the spot reserved so that they must act on a building permit or building construction by a certain date or else their site will be offered to the next party. One airport that recently did a reservation system for a new taxi lane essentially did short term (6 month or 1 year) land leases to reserve the spot (with a lease fee). Then that lease was renewable at the regular land lease terms if they initiated construction.

He said his thoughts are to charge a flat reservation fee that actually covers the city’s costs for having the proposed space surveyed and posted so the building knows where to put the corners. In the past we’ve not had to do that because the old hangar area was platted. But the new area won’t be and the city should charge the hangar builder for the cost of locating the building corners. If the ‘reserver’ backs out prior to the survey being done, then the fee could be returned.

Regardless, he thinks the city needs to recoup the surveying fee as part of the initial rental. Because of FAA setback regulations, He said he feels we need to use SEH’s surveyors and their guestimate to do one survey would be $2,500.

Dresel advises that the $2,500 should cover their travel time to meet, coordinating the building location, and draft the legal description.

The taxiway paving should be done prior to this week’s study session (weather permitting) and so construction on hangars can begin almost any time after completion.

Walker stated he likes the idea of the cost of the survey to reserve a space. Zimmer and Hallin agreed.

Karnowski added that once in a while you get a flurry of those interested, but most never move forward with building. If the cost of the survey happened to be less than $2500, the balance could be refunded.

The Council was in agreement to follow this Hanger Reservation Process.
TED Grant

Foss reported that the current owners of the 200 acre shovel ready industrial land on the west side of town are, apparently, backing away from developing that parcel.

Therefore, City Staff has been working with ECRDC and DEED to apply for additional funds to cover the cost of the local match portion of the infrastructure extension and modify the scope of the original TED grant application.

Staff is researching possible options that may still qualify the city for the TED Grant funding for development of options close to where the infrastructure extension was proposed to stop. The scope change of the project would make development easier due to the proximity of that area to the proposed sewer and water extension. Further, that area is more conducive for development as there are no wetlands.

Staff’s goal would be to adjust the proposal such that the city could still meet the growth needs for industrial expansion as defined in the Comprehensive Plan while utilizing the opportunity to significantly decrease cost with the help of the grant dollars.

Staff is looking for the consensus of the Council to pursue this alternative option and try and retain the TED grant funds earmarked for Princeton. Does the Council support staff’s continued pursuit of the option with the understanding that any final commitment would come back to the Council.

Hallin asked how much the TED grant was for. Foss replied that $170,000 was separated and set aside for the roundabout, and the sewer and water portion was $800,000. She said she is looking at the possibility of enhancing the grant funds so the properties would not need to be assessed as much. Karnowski added that while the current developer has backed away from developing the property, it doesn’t mean someone won’t come in and make an offer that the sellers can’t refuse.

Whitcomb said he feels it is a good idea to move forward. Foss stated that said she spoke to someone from the Federal EDA and he said some additional funding could be a possibility.

The 40 acres is much closer to the water and sewer, so it should be a bit easier to develop that site. She will keep the council posted.

DOBSON MOVED TO ADJOURN THE STUDY SESSION AT 5:30PM. WALKER SECONDED THE MOTION. MEETING ADJOURNED

Respectfully Submitted,

_________________________
Shawna Jenkins
City Clerk

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ATTEST:

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Paul Whitcomb, Mayor