

**MINUTES
SPECIAL CITY COUNCIL – WORKING SESSION**

FEBRUARY 19, 2019

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Alicia LaBeau, Neil Herzberg, Len Gilmore, and Shawn Reinke. Others present were Renee Eckerly, City Administrator; Ron Mergen, Public Works Director; Jennifer Welling, Administrative Assistant/Zoning Specialist; Paul Wegner, Police Chief; Bill Ludwig, Liquor Store Manager; Bill Spooner, City Attorney; and Craig Hanson, Hanson Law Office, PA.

2019 STRATEGIC PLANNING RETREAT

The last planning retreat was held in 2015. Some Council members suggested just having more working sessions. Herzberg suggested having a retreat next year. For 2019 there will be no retreat.

SCHEDULE A MEETING WITH SCHOOL BOARD & ADMINISTRATION AND TOWNSHIP BOARD OF SUPERVISORS & CLERK

Eckerly suggested holding a meeting so that introductions could be made and to share what each entity is working on. Possible dates included April 9, 15, 16, 29, and 30, 2019 at 6:00 p.m.

A Special City Council Working Session will be held immediately after the meeting with the Township and school representatives.

ASSISTED LIVING

Craig Hanson, Hanson Law Office, PA was in attendance and explained that he has been working with Steve Peterson and Leo Louis on a downtown redevelopment project. He explained the following:

- Focus is a 70-100 unit senior living facility
- Management group is a non-profit from Maple Grove, MN
- Location would be from the former Corner Drug building down to the bank building on Washburne Ave. to the west over to the Blessing Well building and K-Payne
- 60,000 square feet or a 200x30 area
- Structure is 3-stories; a massive building in the downtown
- Creates jobs, housing and brings more people to the community
- A continuum care facility including independent living, assisted living, and memory care living
- 16-18 units would be for memory care
- 50-60 units would be assisted living
- Common areas may include a salon, theater, gym, library, etc.
- Staffed facility
- Want to partner with CentraCare
- Economic impact – salon and restaurant open to the public with street access
- Bare minimum – 60 units \$10-11 million for construction, financing, etc.

- Financing includes – outside lenders, investors, bonds, and equity
- Biggest risk is the first 3 years, must get to 90% full for stabilization in 3-5 years
- Exit strategies include refinancing, the management company would purchase the facility, or a hedge funder would buy it
- It will take 1 – 2 years to fill the facility
- Other redevelopments were in Cambridge, MN; Rush City, MN; Detroit Lakes, MN; and Platteville, WI
- Want to receive the land for free and get a 15-20 year TIF from the City
- What interest does the City have and what does the City want?
- Redevelopment is more expensive than starting with bare land
- There has been no direct communication with AMPI and their future plans for the downtown area
- Demolition and acquisition will take some time
- There is some interest in other locations within the City
- Should know what CentraCare is going to do by May, 2019
- The facility needs to be a reasonable distance from a hospital, but not necessarily right next to it
- Time table:
 - June, July & August – finalize land
 - September, October & November – acquire land
 - December, January & February – demolition
 - Spring & summer of 2020 – construction

AMPI PROJECT

Mergen reported that the design is complete. On 2-25-19 the Council will consider approving plans and specification and authorize advertisement for bids. This is for phase 1 at \$4 million dollars. AMPI will only gain 500 lbs. of BOD loading. Phase 2 will be a \$4-6 million dollar project to gain 6,000 lbs. of BOD. This project will handle the bio-solids by installing clarifiers. The time line for phase 2 is unknown. Phase 2 will increase the amount of labor for the City. It was questioned what will happen to the BOD loadings between phase 1 and phase 2. It was stated that if AMPI is over their maximum BOD loadings they will get penalized.

2019 STREET & STORM SEWER DRAINAGE PROJECT

Mergen reported that the design is complete. On 2-25-19 the Council will consider approving plans and specification and authorize advertisement for bids. The final assessment public hearing is tentatively set for May, 2019.

PUBLIC WORKS FACILITY

Mergen reported on the bonding information that the City received. Additional funding is being researched or the project could be pushed back to try and keep the tax levy lower. Mergen requested to let himself and the employee on call take a City vehicle home at night which would free up space in the shop area.

PARKS & EQUIPMENT

Eckerly reported that she and Mergen met with Matt Bullard and David Oehrlein of Paynesville Schools; however, there was not a lot of sharing, mostly one word answers. What is currently at the school playground is their 5 year plan. Eckerly has asked for the school's list of equipment and what the kids asked for, but has not received them to date.

CITY HALL SECURITY

Eckerly reported that this has not been done. Herzberg stated that emergency buzzers were approved.

K-9

Wegner reported that Fread and Jerry have been bonding and going to obedience classes. The K-9 squad is done. All veterinary services are free of charge though the Granite City Pet Hospital in St. Cloud. Donations are still being accepted as well as Kwik Trip gift cards, car washes and t-shirt sales. The pork chop stand will also be a fundraiser during Town & Country Days. A K-9 Facebook is also being worked on.

STAFFING

Eckerly reported on the following:

- Police Secretary/Bookkeeper application deadline is February 22, 2019 – received 6 to date
- Police Officer application deadline is February 28, 2019 – received 5 to date
- Liquor Store will need to hire additional help for the summer
- Public Works Department will need to hire for an open seasonal position
- Lifeguards are needed for the beach

In addition, the auditors are here this week so Council members may get called.

BLIGHTED PROPERTY

Wegner reported that each officer has been tasked to take a quadrant of the City. This fall 18 properties were identified. This spring the officers will relook at them again and add to the list if necessary.

DOWNTOWN REDEVELOPMENT

Eckerly explained that the EDAP Board has reviewed this and will be a part of the March 19, 2019 Special Joint City Council and EDAP Board meeting with the tour at 5:30 p.m. and meeting at 7:00 p.m. Bonding for this type of project is not recommended. Eckerly will check to see if there is any other monies available for this type of project. It was asked what the money from the sale of the lots is being used for. Eckerly stated to buy down some of the bonds and pay for the infrastructure that was put in. Eckerly asked what does the Council want the downtown to look like. Not everyone wants something done downtown and why should the burden be on the taxpayers. In 2023 the downtown street project is scheduled. The typical taxpayer only sees a benefit from emergency services, parks and sidewalks. It was suggested

that the City could do a TIF or land, but not both for Craig Hanson. The Council discussed the downtown in general and what the rental rates would be for units in a facility like what was proposed by Hanson.

There was further discussion on what to do with the former Corner Drug building. It was asked why it is the City's problem. Eckerly stated that the structure would not qualify for a redevelopment TIF; as 50% of the structure must be substandard and according to the Building Official it is not.

Hanson will be back in a couple months to check with the Council on what the Council wants to do.

STRATEGIC PLAN – 2015 LEADERSHIP RETREAT

Eckerly reported on the following:

- Goal #1 – Increase staffing to accommodate City growth and increasing demands
- Goal #2 – Redevelop & revitalize downtown Paynesville
- Goal #3 – To address the City's economic development efforts one store at a time
- Goal #4 – To address the City's housing needs
- Goal #5 – To follow through with annexation plans
- Goal #6 – To follow through with existing and current programs and projects
- Goal #7 – To address the need for improved City facilities
- Goal #8 – To develop a community identity
- Goal #9 – To improve communication and collaboration with other jurisdictions
- Goal #10 – To adapt to new mandates affecting the Police Department
- Goal #11 – To address evolving social issues

There being no further business, the meeting was adjourned at 7:42 p.m.

Renee Eckerly, City Administrator