

LEGAL NOTICES

TWO HARBORS CITY COUNCIL MEETING MINUTES MAY 9, 2022

Regular meeting of the City Council of the City of Two Harbors, Minnesota, held on Monday, May 9, 2022, at 6:00 p.m.

The meeting was called to order by President Redden.

Members present, Councilors:
Glaser, Rennwald,
Swanson, Passe, Erickson,
Redden, 5.

Members absent, Councilor:
Woodruff, 1.

Others present:
Interim Administrator, Dhein
Finance Director, Pietila
Community Development/
Planner, Sterbenz
City Attorney, Costley.

Pietila requested the addition of the following items under Consent Agenda:
17. Accepting the quote from Altec for the purchase of a bucket truck for the Electrical Department, for an amount of \$173,088; 18. Approving the application of Madeira, LLC, for On-Sale Wine; 3.2 Liquor and strong beer as the holder of a wine license who is also licensed to sell 3.2 liquor at 631 First Avenue, pending the approval of the Chief of Police, Lake County Health Department and the State of Minnesota; 19. Approving the minutes from the April 25, 2022 regular City Council meeting and changing New Business No. 1 from a resolution to a motion.

Motion by Glaser and Passe approving the agenda with the changes proposed by Pietila. Carried.

Appealances:
Paul Iverson, 809 Third Avenue, was present and addressed the Council, urging them to adopt the proposed Short-Term Rental Ordinance language.

He also asked the Council and administration to find a way to administer and contribute to a Neighborhood Revitalization Mini-Grant Program for the City. He expressed his opinion that the program provides positive results in improving the appearance of our City.

Tim Costley, City Attorney, was present and addressed the Council providing a review of the status of the recall petition and pending litigation regarding the matter.

Planning Commission:
Vice President Glaser reported on the most recent meeting of the Planning Commission where a lengthy discussion was held regarding the proposed short-term rental ordinance language. The group has come to consensus and is ready for the Council to move forward with the

adoption of this language.

Personnel:

Vice President Glaser reported that at their meeting of April 27, 2022, the committee discussed the hiring process and timeline for the City Administrator search. She expressed that the pending developments with the Resign and Recall petition may have them looking to extend the timeline.

Library Board:

Madeline Jarvis, Library Director, was present and reported that their archives room has been closed for some building repairs. She expressed appreciation to City staff for providing assistance with the repairs. She also reported that they have been busy with some indoor and in-person programming which has resumed for the first time since March of 2020. She encouraged folks to stop by on Fridays youth programs, during the month of May, some adult programs exploring how older Americans can age their way.

Trees & Trails Commission:

Councilor Passe was present and addressed the Council reporting that there was a lot of discussion at their April meeting, between representatives from the ATV, snowmobile and bicycle groups. The Commission recommended the installation of a 14 x 14' box culvert at the west end of the City to allow for snowmobile grooming equipment and a 12 x 12 box culvert for pedestrian traffic by the Golf Course. Dan Cruikshank was present at their meeting and presented a proposed route for a proposed bicycle trail; and discussion was held regarding the presence of Emerald Ash Borer within the City.

Motion by Swanson and Passe that the following consent agenda items:

1. RESOLUTION NO. 5-123-22 ALLOWING CLAIMS AGAINST THE CITY OF TWO HARBORS TO BE PAID ON MAY 10, 2022 IN THE AMOUNT OF \$2,281,241.80.
2. Approving payroll for the second half of April 2022 in the amount of \$237,639.80.
3. A City Administrator report from Joel Dhein, Interim City Administrator
4. A Memorandum from Joe Rhein, PE and Brian Guldán, PE, Bolton & Menk, providing engineering project updates.
5. Accepting, with regret, an email from Steve Detlefsen, providing his resignation from the Planning and Zoning Commission, and authorizing a letter of appreciation for his service.
6. RESOLUTION NO. 5-124-22 CERTIFYING ASSESSMENTS TO THE LAKE COUNTY AUDITOR AGAINST CERTAIN PROPERTIES WITHIN THE CITY OF TWO HARBORS FOR UNPAID UTILITY CHARGES.

7. RESOLUTION NO. 5-125-22 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$53,795.35 FOR PROFESSIONAL SERVICES FOR THE WASTEWATER TREATMENT PLANT PROJECT AND SERVICES RELATED TO THE ADJACENT PROPERTY DEVELOPMENT REGARDING THE LAND ACQUISITION, USAGE, AND IMPACTS ON CONSTRUCTION.
8. RESOLUTION NO. 5-126-22 AUTHORIZING PAYMENT TO LAKEHEAD CONSTRUCTORS FOR THE \$708,245.04 FOR THE CONSTRUCTION OF THE WASTEWATER TREATMENT PLANT PROJECT.
9. RESOLUTION NO. 5-127-22 ACCEPTING THE QUOTE FROM NORTH COUNTRY GM FOR THE PURCHASE OF A 2023 GMC 2500HD FOR THE AMOUNT OF \$43,857 FOR THE ELECTRIC DEPARTMENT.
10. RESOLUTION NO. 5-128-22 ACCEPTING THE QUOTE FROM NORTH COUNTRY GM FOR THE PURCHASE OF A 2023 GMC 2500HD FOR THE AMOUNT OF \$44,618 FOR THE GAS DEPARTMENT.
11. RESOLUTION NO. 5-129-22 CREATING A HIRING POOL FOR FUTURE VOLUNTEER FIREFIGHTER POSITIONS AND AUTHORIZING CONDITIONAL OFFERS FOR FIVE INDIVIDUALS FOR THE POTENTIAL HIRE FOR EXISTING AND UPCOMING VACANCIES (CONTINGENT ON BACKGROUND CHECKS AND MEDICAL EVALUATIONS).
12. RESOLUTION NO. 5-130-22 AUTHORIZING BOLTON & MENK TO CONDUCT TOPOGRAPHIC SURVEY FOR THE ODEGARD TRAIL FOR \$6,500 FROM THE UNDERPASS TO THE PARKING LOT/9TH STREET AND ADDING AN ADDITIONAL \$900 TO INCLUDE 9TH STREET TO 8TH STREET.
13. RESOLUTION NO. 5-131-22 ACCEPTING THE QUOTE FROM AG O'BRIEN FOR HOUSETRAP REMOVAL/FLOOR REPAIR AND RESTROOM UPDATES FOR \$8,894 AT THE TWO HARBORS LIBRARY.
14. RESOLUTION NO. 5-132-22 ACCEPTING THE QUOTE FROM BASEMENT PROS FOR BUILDING REPAIRS AT THE TWO HARBORS LIBRARY FOR \$24,226.
15. RESOLUTION NO. 5-133-22 AUTHORIZING THE LIBRARY DIRECTOR TO SUBMIT A GRANT APPLICATION TO THE EMERGENCY CONNECTIVELY FUND.

16. Reviewing the 2023-2024 Street Improvement Project Draft Design Agreement with Lake County and authorizing administration and Bolton & Menk to send a draft Joint Powers Agreement to Lake County for review.
17. RESOLUTION NO. 5-134-22 ACCEPTING THE QUOTE FROM ALTEC FOR THE PURCHASE OF A BUCKET TRUCK FOR THE ELECTRICAL DEPARTMENT, FOR AN AMOUNT OF \$173,088.
18. RESOLUTION NO. 5-135-22 APPROVING THE APPLICATION OF MADEIRA, LLC, FOR ON-SALE WINE; 3.2 LIQUOR AND STRONG BEER AS THE HOLDER OF A WINE LICENSE WHO IS ALSO LICENSED TO SELL 3.2 LIQUOR AT 632 FIRST AVENUE, PENDING THE APPROVAL OF THE CHIEF OF POLICE, LAKE COUNTY HEALTH DEPARTMENT AND THE STATE OF MINNESOTA.
19. Approving the minutes from the April 25, 2022 regular City Council meeting.

Be adopted as read. Carried by a unanimous yeavote of all members present on roll call.

New Business:

Motion by Glaser and Passe declaring second reading of the Ordinance of the City of Two Harbors, Minnesota Amending Section 4.42 of the Two Harbors City Code Concerning Short-term Rentals. Carried.

Motion by Swanson and Glaser that RESOLUTION NO. 5-136-22 AMENDING THE CONTRACT WITH THE INTERIM CITY ADMINISTRATOR TO ALLOW FOR HOUSING AT A CITY OWNED BUILDING LOCATED AT 622 7TH AVENUE, TWO HARBORS, MN 55616 be adopted as read. Carried by a unanimous yeavote of all members present on roll call.

Motion by Swanson and Rennwald that RESOLUTION NO. 5-137-22 AUTHORIZING LAKEHEAD CONSTRUCTORS TO BUILD AN ACCESS ROAD ACROSS CITY OWNED PROPERTY BETWEEN THE WASTEWATER TREATMENT PLANT AND THE WATER TREATMENT PLANT ACROSS THE CITY OWNED ANKRUM PROPERTY be adopted as read. Carried by a unanimous yeavote of all members present on roll call.

Announcements:

Mayor Swanson encouraged the Council to consider the proposal of Katja Gordon to provide mediation services for the Council. He also recommended that the Council find a way to make the Revitalization Mini-Grant Program happen. Jennifer Sterbenz, Community Development/Planner, reported that there

is potential for the HRA to continue with this process if some changes were made regarding payment of grant funds by the City. Councilor Erickson expressed concern with these items being discussed under the Announcements section of the meeting.

Motion by Glaser and Passe that the meeting adjourn. Carried.

Ben Redden, President, City Council
Patricia D. Nordean, City Clerk

Northshore Journal: July 8, 2022

Two Harbors City Band Concert

in Thomas Owens Park

Saturday, July 9, 2022 at 11:00 A.M.

Directed by John Carr

Star Spangled Banner	Francis Scott Key
Robinson's Grand Entrée	K.L. King
Agate City March	Paul Gauche
Moonlight Serenade	Glen Miller, arr. Paul Yoder
Valdres	Johannes Hanssen, arr. Bainum
Finlandia	Jean Sibelius, arr. Cailliet
Edna G. March	David Haaverson
New Orleans Bump	"Jelly Roll" Morton, transcr Sproxtton
Them Basses - March	G.H. Huffine
Pirates of the Carribean	Klaus Badelt, arr. Ted Ricketts
Hosts of Freedom	K.L. King
Thanks for the Memory	Robin & Rainger, arr. Griegel
Them Basses - March	G.H. Huffine
Pirates of the Carribean	Klaus Badelt, arr. Ted Ricketts
Hosts of Freedom	K.L. King
Thanks for the Memory	Robin & Rainger, arr. Griegel
Washington and Lee Swing (THHS School song)	
.....	Allen & Sheafe, arr. Yoder
Hands Across the Sea	John Philip Sousa

Thursday, July 14, 2022 at 7:30 P.M.
Directed by John Carr

Star Spangled Banner	Francis Scott Key
Golden Gate March	Edwin Franko Goldman
God Bless America	Irving Berlin, arr. Leidzen
Oasis	Fred Kepner
The Gladiator March	John Philip Sousa
Battle Hymn of the Republic	James Ployhar
Star Wars "Main Title"	John Williams, arr. Lowden
Burr's Triumphal March	R. Alexander
The Music Man	Meredith Wilson, arr. Lang
Strike Up the Band	George Gershwin, arr. Barker
The Fairest of the Fair	John Philip Sousa

Cook County EDA Publishes Housing Needs Analysis Report

By Steve Fernlund

The Cook County/Grand Marais Economic Development Authority has released a report it commissioned that is titled a *Comprehensive Housing Needs Analysis for Cook County Minnesota*. The 75-page report is dated May 2, 2022, and was prepared by a St. Paul-based consulting firm called LOCi Consulting.

LOCi is managed by a man named Grant Martin who submitted this report. According to its website, LOCi does "market feasibility studies across the country for a wide variety of commercial real estate uses, including retail, office, residential, and mixed use."

The report does not present much in the way of new information from what local folks might have heard in conversations at the post office, hardware store, or coffee shop in recent years. On the other hand, it is well researched and presented in a logical fashion. It provides an analysis of demographic and economic trends to estimate future demand for housing to assist government planners looking to address housing issues.

Jason Hale, Executive Director of the Cook County Housing and Redevelopment Authority (HRA) since April of this year, has been busy meeting with local folks, developers, builders and other interested parties. He thinks this report will be useful as HRA planning and action go forward.

"Clearly everyone agrees that Cook County has a housing shortage," Hale said. "If the private market could have solved it, it would have been solved by now."

LOCi conducted interviews with local realtors and home building contractors and presents a fairly consistent message. Cook County has a housing problem.

The second paragraph of the Executive Summary of the report says this:

Overall, there is a shortage of housing in Cook County across all housing types, from for-sale to rental, senior housing to special needs housing. At the time of this study, there was limited inventory of single-family homes available for sale. There were no vacant general occupancy apartment units available, and low vacancy rates in the age-restricted properties.

Among the findings in the report is that Cook is a rural county with a small and dispersed population. It is characterized by a large number of vacation properties with an economy dominated by tourism.

Asked if anything in the report surprised him, Hale said, "Just the total number of the projected demand for housing over the next five years. It's a lot."

The population and number of households are expected to increase at a rate that is higher than Minnesota's increase over the next five years. The projection in this report is a population increase of 266 people and 143 households. The majority of household growth will occur in households with people aged 65 and over and there is a significant shortage of housing for this group.

The median household income (meaning half the population earns less and half earns more) in Cook County is \$57,206. That number is 32% lower than Minnesota's median income.

Although the hospitality industry is the largest employer in Cook County, the top five employers include government services, health care, and schools. Only one of the five listed is in the tourism industry. Shortages in the housing markets have driven up median sales prices significantly while increasing the difficulties of employers in attracting and retaining employees.

According to the report, half the homes in Cook County, roughly 2,900 of them, are seasonal properties, meaning they are not home-stayed by the owner.

The rental property market reports zero vacancies for general occupancy rental property. One out every four renters is paying rent that exceeds 30% of household income. Anything over 25% to 30% of income is generally thought to be unaffordable.

The median home value in Cook County, according to the US Census Bureau, is \$240,100, a bit above the statewide median. On the other hand, the median sale price in Grand Marais is \$370,000, an increase of 69% since 2017. LOCi reports that the number of sales have been slowing in the first four months of 2022,

down almost 50% from the same period last year.

LOCi interviewed a number of realty firms and brokers for this report. A key point is found on page 38 of the report:

"Cook County is desirable for homebuyers from the area, hybrid workers, and retirees, but people often have unreasonable expectations."

The report concludes that all of the new "for sale" homes in the county are built or were built by custom home builders on lots that the homeowner purchased and improved. There are no new home developments or spec homes, although some may be in the works.

LOCi recommends the EDA/HRA focus on so-called workforce housing over the next five years. It recommends that such housing be in the form of rental property rather than "for-sale." It recommends one or two bedroom apartment style buildings along with three to four bedroom townhouse style and twin home rentals for families. These are also recommended for low income residents.

For senior housing, assisted living especially, LOCi recommends association maintained communities of single level patio and twin homes that will appeal to the 65 and over crowd.

Another recommendation is exploring zoning changes that make additional land available for housing. That may include increasing current density or opening up public lands for housing. In addition, LOCi recommends infrastructure subsidies from public funds.

Finally, LOCi recommends public purchase of dilapidated properties and either bringing them up to current standards or removing the buildings to position the land for future development.

HRA Director Hale has already been researching the recommendations for the report. He believes that public/private partnerships are needed to bring affordable housing for the workforce, the aging, and low income folks, and he's been working to bring together the various interest groups.

"The solutions will take time, but we need an all hands-on-deck approach starting now to address the housing issue," Hale said.