

Detroit Lakes, Minnesota
August 25, 2015

The Special Meeting of the City Council was called to order in the Council Chambers of the City of Detroit Lakes Administration Building, August 25, 2015 at 5:00 P.M., all members of the City Council having been notified of the meeting and the business to be transacted.

Present: Mayor Matt Brenk; City Administrator Robert Louiseau; City Clerk Glori French; Public Works Director Brad Green, Finance Officer Pam Slifka and Community Development Director Larry Remmen

Aldermen: Boeke, Imholte, Marks Erickson, Schiller, Schurman, Sukke, Waller, Wenner and Zeman

Absent: None

Mayor Brenk opened the meeting noting that the Special Council Meeting discussion would be limited only to the one agenda item.

Pursuant to the hearing notice having been published that the Council, at this meeting would conduct a public hearing to receive public comments on the request for a redevelopment project and redevelopment plan and approving a tax increment financing district 35-1 and a tax increment financing plan. Mayor Brenk called the hearing to order at 5:03 P.M. Community Development Director Larry Remmen summarized the Project, noting the Development Authority held a public hearing and approved Redevelopment Project 35, adopted the Redevelopment Plan and approved the Tax Increment Financing District 35-1 at their August 4, 2015 Meeting. The Project is a \$9.5 million dollar project with approximately 23,000 square feet of retail space with three stories of apartments (36 units) above it, approximately 38 underground parking units and approximately 170 onsite parking stalls. This property qualifies for a Redevelopment Project because of the approved special legislation during the Highway 10 Realignment Project. There being no other oral or written comments, Mayor Brenk closed the hearing at 5:06 P.M. and reconvened the Special City Council Meeting.

Alderman Marks Erickson asked the question had this Redevelopment Project been presented to the Community Development Committee. Alderman Imholte noted that this Redevelopment Project had been presented and approved at a Development Authority Meeting. City Administrator Bob Louiseau commented the Planning Commission did approve this Plan and this Plan is consistent with the City of Detroit Lakes Comprehensive Plan. Alderman Marks Erickson stressed this request feels like it is out of sequence per the normal approval process. Community Development Director Larry Remmen commented this request is following the normal procedure for tax increment financing projects, only difference is this is at a Special Council Meeting, because the request/plans were not available in time for the August Council Meeting, but the request was approved at the Planning Commission and the Development Authority.

Alderman Zeman clarified the reason this project qualifies for redevelopment and tax increment financing is because of the legislation approval during the Highway 10 Realignment Project.

After further discussions, a resolution was introduced by Alderman Imholte, who moved its adoption, approving a resolution approving Redevelopments Project No. 35, adopting the Redevelopment Plan for the Redevelopment Project No. 35 and establish Tax Increment Financing District No. 35-1 (“TIF District No. 35.1”) with the maximum duration of TIF District No. 35-1 fifteen years (15) or maximum value of up to one million (\$1,000,000) dollars whichever comes first. Alderman Imholte shared McKinley Plaza Partners LLP (Developer) has also received a \$250,000.00 interest only loan for five (5) years.

Community Development Director Larry Remmen noted the paperwork for this project will be given to the Developer to sign and closing should take place sometime in September. Alderman Zeman commented if this project does not proceed, the Developer would sell the property back to the City of Detroit Lakes at the amount they purchased the property for.

Alderman Marks Erickson commented she does feel this request should be given more time and go through the process.

Community Development Director Larry Remmen clarified the reason why this request is being made at a Special City Council Meeting, is the required time needed for proper notification of the hearing could not be meet at the Regular August Council Meeting. Alderman Imholte asked if action on this request can be deferred till after the next Community Development Committee Meeting. Remmen advised the Council, yes it could wait, but the typical discussions at the Community Development Committee would consider the recommendations of the Development Authority, and the Development Authority approved the requests. Community Development Director Remmen clarified this Project is not requiring any variances or special conditions, so no additional approvals are needed. Alderman Imholte noted the Development Authority did require the Developer to allow the Development Authority to have some input in the building design and landscaping designs of the project. Remmen commented the Development Authority’s building design and landscape design input is limited by the approved Request for Proposal.

The motion for the adoption of the resolution was seconded by Alderman Zeman and carried with one dissenting vote (Marks Erickson). The Mayor declared Resolution 2015-0825 adopted.

There being no further business to conduct, by general consent, the Mayor adjourned the meeting 5:25 P.M.

Respectfully submitted,



Glori French
City Clerk