



## AGENDA

### REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF ST. LOUIS COUNTY, MINNESOTA

**Tuesday, October 13, 2015, 9:30 A.M.**

**Hermantown City Council Chambers  
5105 Maple Grove Road  
Hermantown, MN**

**PETE STAUBER, Chair  
Fifth District**

**FRANK JEWELL  
First District**

**PATRICK BOYLE  
Second District**

**CHRIS DAHLBERG  
Third District**

**TOM RUKAVINA  
Fourth District**

**KEITH NELSON  
Sixth District**

**STEVE RAUKAR, Vice-Chair  
Seventh District**

County Auditor  
Donald Dicklich

County Administrator  
Kevin Gray

County Attorney  
Mark Rubin

Clerk of the Board  
Phil Chapman

The St. Louis County Board of Commissioners welcomes you to this meeting. This agenda contains a brief description of each item to be considered. The Board encourages your participation. If you wish to speak on an item contained in the agenda, you will be allowed to address the Board when a motion is on the floor. If you wish to speak on a matter that does not appear on the agenda, you may do so during the public comment period at the beginning of the meeting. Except as otherwise provided by the Standing Rules of the County Board, no action shall be taken on any item not appearing in the agenda.

When addressing the Board, please sign in at the podium and state your name and address for the record. Please address the Board as a whole through the Chair. Comments to individual Commissioners or staff are not permitted. The St. Louis County Board promotes adherence to civility in conducting the business of the County. Civility will provide increased opportunities for civil discourse in order to find positive resolutions to the issue before the Board. Tools of civility include: pay attention, listen, be inclusive, do not gossip, show respect, be agreeable, apologize, give constructive criticism and take responsibility [County Board Resolution No. 560, adopted on September 9, 2003]. Speakers will be limited to five (5) minutes.

\*\*In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify Property Management 72 hours prior to the meeting at (218)725-5085.\*\*

All supporting documentation is available for public review in the County Auditor's Office, 100 North 5th Avenue West - Room No. 214, St. Louis County Courthouse, Duluth, MN, during regular business hours 8:00 A.M. - 4:30 P.M., Monday through Friday. Agenda is also available on our website at <http://www.stlouiscountymn.gov/GOVERNMENT/BoardofCommissioners.aspx>

**AGENDA**  
**St. Louis County Board**  
**October 13, 2015**  
**Page 2**

9:30 A.M.      Moment of Silence  
                    Pledge of Allegiance  
                    Roll Call

***Presentation: Update on the Essentia Health Regional Wellness Center***

AT THIS TIME CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD ON ITEMS NOT ON THE AGENDA. [Speakers will be limited to 5 minutes each.]

FOR ITEMS LISTED ON THE BOARD AGENDA OR COMMITTEE OF THE WHOLE AGENDA, CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD AT THE TIME A MOTION IS ON THE FLOOR.

9:40 A.M.      PUBLIC HEARING, pursuant to Resolution No. 15-559, adopted September 8, 2015, to solicit public input prior to considering an additional tax abatement for the Hermantown Marketplace Project (Hermantown). **{15-450}**

**CONSENT AGENDA**

*All matters listed on the consent agenda are considered routine and/or non-controversial and will be enacted by one unanimous motion. If a commissioner requests, or a citizen wishes to speak on an item on the consent agenda, it will be removed and handled separately.*

**REGULAR AGENDA**

**Environment & Natural Resources Committee – Commissioner Rukavina, Chair**

1.      Consideration of an appeal of a prescriptive easement across private land. **{15-445}**  
         **[Without recommendation.]**

**ADJOURNED:**

# **BOARD LETTER NO. 15 – 450**

## **FINANCE & BUDGET COMMITTEE**

**OCTOBER 13, 2015 BOARD AGENDA 9:40 A.M.**

**DATE:** October 13, 2015                      **RE:** Public Hearing on Additional  
Tax Abatement for  
Hermantown Marketplace  
Project (Hermantown) and  
Rescind Resolution No. 15-139

**FROM:** Kevin Z. Gray  
County Administrator

Barbara Hayden, Director  
Planning and Community Development

### **RELATED DEPARTMENT GOAL:**

Assist communities in achieving housing, economic development, and community development objectives.

### **ACTION REQUESTED:**

The St. Louis County Board is requested to provide additional tax abatement financing for the City of Hermantown for public improvements in the Hermantown Marketplace project area.

### **BACKGROUND:**

On March 10, 2015, by Resolution No. 15-139, the St. Louis County Board authorized up to \$400,000 in tax abatement financing to the City of Hermantown for the Hermantown Marketplace Project. The city has executed a development agreement with Mills Properties, Inc., and has solicited bids for the city portion of the project. As a result of finalizing the project, the city has a shortfall and is requesting an additional \$100,000 from St. Louis County in tax abatement financing making the total request \$500,000.

The attached letter from the city provides an overview of the increased costs. When completed, the project includes the construction of a new 183,000 square foot retail building and related facilities in Hermantown. The city has agreed to pay a portion of the cost of the improvements partially through sales tax revenues and partially from tax abatement proceeds from the Fleet Farm project. Total direct city investment in the public improvements is estimated to exceed \$1.2 million. A site map is attached.

Hermantown is requesting tax abatement financing to accomplish the construction of the traffic signal system, sidewalks and Hermantown Marketplace street lights. The initial cost of the construction will be paid by Mills Properties, Inc. St. Louis County will have an agreement with the city and Hermantown would repay Mills Properties, Inc., for the public infrastructure costs. It is anticipated that St. Louis County's tax abatement financing of \$500,000 would be paid over three or four years.

County Board Resolution No. 02-187, adopted March 1, 2002, approved a tax abatement financing policy (TAF) as authorized under Minn. Stat. §§ 469.1812 through 469.1815 and any amendment thereto. It is recommended that applicant fees be waived since the TAF will be provided to Hermantown and the city has paid for all financial reviews and drafted legal documents.

TAF is considered a form of business subsidy which requires compliance with the Business Subsidy Act, Minn. Stat. §§ 116J.993 through 116J.995. This law requires that a public hearing be conducted prior to granting any business subsidy in an amount greater than \$150,000 in value. The public benefits of increasing the county tax base within the county are expected to exceed the costs of tax abatement.

**RECOMMENDATION:**

It is recommended that the St. Louis County Board authorize up to \$500,000 tax abatement financing to the City of Hermantown for public infrastructure improvements in the Hermantown Marketplace project area. It is also recommended that the applicant fees be waived. TAF will be payable from Fund 100, Agency 100001, Object 500900. It is further recommended that County Board Resolution No. 15-139 be rescinded.

**Additional Tax Abatement for Hermantown Marketplace Project (Hermantown)  
and Rescind Resolution No. 15-139**

BY COMMISSIONER \_\_\_\_\_

WHEREAS, Minn. Stat. §§ 469.1812 through 469.1815, Abatement Authority, requires that a public hearing be conducted prior to approving a tax abatement; and

WHEREAS, On March 10, 2015, by Resolution No. 15-139, the St. Louis County Board authorized up to \$400,000 in tax abatement financing for the public infrastructure in the Hermantown Marketplace Project; and

WHEREAS, The City of Hermantown, MN, has requested St. Louis County to consider an additional \$100,000 for a total of \$500,000 tax abatement to cover additional costs for the project; and

WHEREAS, The St. Louis County Board held a public hearing on Tuesday, October 13, 2015, at 9:40 a.m., at the Hermantown City Council Chambers, Hermantown, MN, to solicit public input prior to considering the additional business subsidy request; and

WHEREAS, The St. Louis County Board has determined that the public benefits of increasing the county tax base exceed the costs of tax abatement;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes up to \$500,000 tax abatement financing to the City of Hermantown payable from Fund 100, Agency 100001, Object 500900;

RESOLVED FURTHER, That the City of Hermantown is not required to pay applicant fees;

RESOLVED FURTHER, That provided all required documentation is submitted by the City of Hermantown, the appropriate county officials are authorized to execute a business subsidy agreement with the City of Hermantown and any other related documents after review and approval by a representative of the County Attorney's Office;

RESOLVED FURTHER, That St. Louis County Board Resolution No. 15-139 is hereby rescinded.

August 4, 2015

Ms. Barbara Hayden  
Planning / Community Development Director  
St. Louis County, Minnesota  
227 West First Street, Suite 100  
Duluth, MN 55802

**RE: Hermantown Tax Abatement Request, Traffic Signal at Mills Fleet Farm Store**

Ms. Hayden,

I am writing in regard to the recently approved tax abatement financing for the Hermantown Marketplace Project associated with construction of a new traffic signal and pedestrian facilities (the “Project”) near the intersection of Loberg Road and Market Street.

First, please let me begin by stating that the City of Hermantown is grateful for the County’s assistance and support of this project. Without the investment by St. Louis County, the Project could not have moved forward. The County Board considered and approved its Resolution 15-139 on March 10<sup>th</sup>, 2015, approving \$400,000 in tax abatement financing for the Project.

Recall that the purpose of the original \$400,000 tax abatement in support of the Project was specifically broken out as follows:

- Traffic signal: \$304,000
- Sidewalk: \$60,000
- Street lights: \$36,000

The City is now facing a shortfall in its efforts to finance the Project. Due to the shortfall, we are at this time requesting an additional \$100,000 in support from the County, for a total tax abatement of \$500,000. Estimated payback from this tax abatement remains short – no more than between 3-4 years of total abatement will be required to reach the \$500,000 total.

The City’s request for additional tax abatement is based on final bid prices and a few unexpected issues.

The final bid price for the street lights along Market Street was \$45,891. This represents an increase of approximately \$9,000 above the original estimate. The City has required that modern LED fixtures be installed in this location, consistent with current City policy. Installation of LED fixtures will result in lower year over year operating and long term maintenance costs. Total sidewalk costs were initially anticipated to be \$60,000. This was a relatively accurate estimate, with the bid price coming in at \$63,375.

During the design process, it was determined by St. Louis County Public Works that a traffic signal interconnection was needed between the Project and adjacent County infrastructure. According to St. Louis County Public Works, this interconnection is important to provide a platform for a future traffic management center for the traffic signals in the Miller Hill Mall area as well as provide coordinated operation with the traffic signal at Maple Grove Road. It should also be noted that during the Miller Hill Area reconstruction project in 2008, most of the traffic signals in this area were interconnected for the reasons noted. The estimated cost of the interconnection for this traffic signal is \$60,000 which was not included in the original cost estimate.

The other issue the City must address is the payment of interest to the Project partner, Mills Fleet Farm. The City has requested, and Mills agreed upon, terms that require Mills to front all costs for construction of the signal, new roads, and supporting infrastructure. The City's agreement with Mills allows for the City to pay back Mills over an extended term, with the City being responsible for a four percent interest charge on the principal. This interest payment corresponds to the private loans incurred by Mills to construct the public improvements. Though the County abatement does not include an interest charge, the City has accepted responsibility for paying Mills' interest charges for purposes of constructing the traffic signal. The cost of these interest charges represent a shortfall in the overall Project funding. The total interest that will be payable to Mills over the expected four (4) year life of the note will be approximately \$32,000.00.

The total increased costs then are:

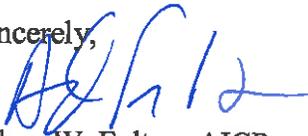
1. Street Lights: \$9,000.00
2. Sidewalks: \$3,375.00
3. Signal Lights: \$60,000
4. Interest: \$32,000

Total Increased costs: \$104,475

I appreciate the opportunity to make this request to amend the Tax Abatement Agreement between the City and the County, and understand that there will need to be a public process to review the request. Could you please let me know when this item could be scheduled for consideration?

I want to again note my personal appreciation, as well as that of the City of Hermantown, for the County's assistance in the Project items and the overall Mills Fleet Farm project. Without the support of a broad group of partners, these critical economic development improvements in the Hermantown Marketplace would not have been possible.

Sincerely,



Adam W. Fulton, AICP  
Community Development Director  
City of Hermantown  
5105 Maple Grove Road  
Hermantown, MN 55811  
[afulton@hermantownmn.com](mailto:afulton@hermantownmn.com)  
office: 218-729-3618

# Proposed Mills Fleet Farm Store #36 - Hermantown, MN

New Market Street Extension  
w/sidewalk, water, sewer

Existing HOM Furniture

New Traffic Signal

Pru Parcel 1  
395-0010-03830

**Development Site**

New Sidewalk

Member's Cooperative  
CU Parcel  
395-0010-03835

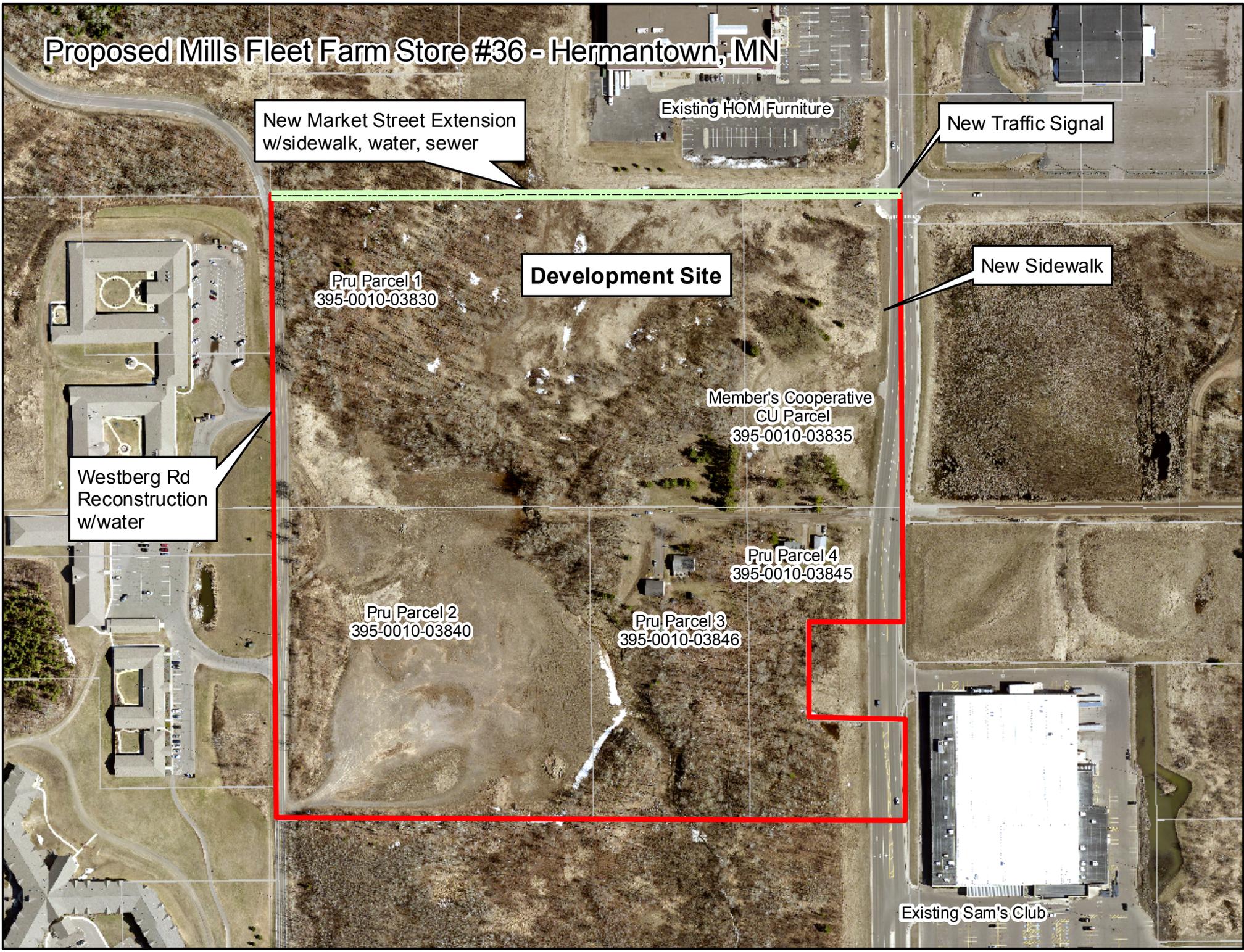
Westberg Rd  
Reconstruction  
w/water

Pru Parcel 2  
395-0010-03840

Pru Parcel 4  
395-0010-03845

Pru Parcel 3  
395-0010-03846

Existing Sam's Club





**RECOMMENDATION:**

It is recommended that the St. Louis County Board retain the map designation for prescriptive easement RD-ID-40520 to ensure the road will be available to the county's land managers in perpetuity, so they can continue to provide the county's citizens with high quality land management practices.

## **Appeal of a Prescriptive Easement Across Private Land**

BY COMMISSIONER \_\_\_\_\_

WHEREAS, Pursuant to Minn. Stat. § 282.041, the St. Louis County Board has adopted and recorded a county forest road map to record county forest road prescriptive easements for access to state tax forfeited lands according to Minn. Stat. § 89.715; and

WHEREAS, A property owner who is directly affected by a proposed map designation may appeal the map designation to the County Board within 60 days of the map being recorded by filing a written request for review. The County Board shall review the request and any supporting evidence and render a decision within 45 days of receipt of the request for review; and

WHEREAS, Mr. Paul Weisinger has formally appealed the decision to record prescriptive easement RD-ID-40520 across his property by filing a written request for review on August 20, 2015;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board has reviewed a request to appeal the map designation for prescriptive easement RD-ID-40520, and has decided to retain prescriptive easement RD-ID-40520 to ensure the road will be available to the county's land managers in perpetuity, so they can continue to provide the county's citizens with high quality land management practices.

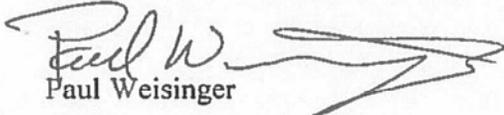
Chair of St. Louis County Board

RECEIVED  
SEP 11 2015  
8/20/15  
LAND COMMISSIONER

I would like to formally appeal the decision to record easement across my land. I attended the public hearing and at that meeting I was told that the land you were interested in reaching was south of my land and could be easily reached from the Bodis road so you would not have to cross my land.

I explained at the meeting that the only reason I purchased the 77 acre parcel that we are talking about was to control access and to have a legal right away to my land. I have a 33 acre parcel along the river and my cabin on this land has been burgled 4 times. I have suffered over \$5,000 in damages and lost property. I closed the road off when purchased the land three years ago and my cabin has not been burgled again. Who is going to be responsible for the damages I receive if you open up the road to the public? I have no use for the land I purchased, the only reason I purchased it was to control access. I checked before I purchases it and the only easement is for the power line.

My proposal is first that you access the land you are interested in from the Bodis road to the south, the second choice is that you use the power line right away for access to your land which utilize only the edge of my land, the third choice it that you buy this land from me and then you can do whatever you want with the road. I do not feel like it is fair for me to have purchased this land in good faith expecting to be able to treat it like my private land, which it is, and now you are trying to make my land public. This is not fair.

  
Paul Weisinger

5631 McQuade Rd

Duluth, MN 55804

218-343-1291

WIESINGER PAUL L

5631 MCQUADE RD  
DULUTH MN 55803

677-0011-00220	T 57 R 16 Section 5	SE1/4 NE1/4 EX E 160 FT OF N 930 FT & EX PART LYING WLY OF A LINE RUNNING FROM A PT ON S LINE 40 FT ELY OF SW COR TO A PT ON N LINE 20 FT E OF NW COR
677-0011-00320	T 57 R 16 Section 5	NE1/4 OF SE1/4 EX PART LYING WLY OF A LINE RUNNING FROM A PT ON S LINE 100 FT E OF SW COR TO A PT ON N LINE 40 FT ELY OF NW COR

Friday, July 10, 2015

## Jason Meyer

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**From:** Steve-Kathy Bradach <skbradach@gmail.com>  
**Sent:** Tuesday, September 15, 2015 4:42 PM  
**To:** Jason Meyer  
**Subject:** Support for Prescriptive Easement on RD-ID-40520

Jason:

In 2005, the Minnesota Legislature passed Minnesota Statutes, Section 89.715, enabling the Commissioner of the Department of Natural Resources (commissioner) to claim prescriptive rights on long-used Forest Roads via an expedited process.

I am writing you to ask that St. Louis County strongly support the prescriptive easement process to re-open the Fire Trail located off Hwy 20 that runs through to the Bodas Road (RD-ID-40520).

I am an adjacent land owner (Parcels # 677-0011-00730 & 740) that has been accessing my land through the north end of the Fire Trail for 35 years (since 1979). My parent's owned the land prior to me and my grandparent's prior to them. I do not have the exact year that my grandparent's acquired the land but I do know it was prior to my birth in 1964 so we are over 50 years of using this north access of this road to access our property, as this was their homestead and family farm.

In 2012 Potlatch sold a parcel of land that the road is located on to Paul Weisinger (Parcel #677-0011-00220). Shortly after his purchase he blocked the road off along the north end (adjacent to a strip of land owned by St. Louis County) with brush piles and logs. He continues to cross St. Louis County land and an adjacent land owner's property to access his own while denying anyone else to use the road that has been place for more than 50 years.

He also dug out a culvert and one other location, without the permission of the Gulbranson family, on their land to deny anyone from coming up from the south. The Gulbranson's were not aware of this until recently as they do not hunt on their land anymore. He has advantage of this fact and taken it upon himself to trespass and destroy the road that is not even on his own property.

In years past hundreds of people have used this road each year to access the public and private lands along this road. Now no-one who hunts, trail rides, horseback rides, berry picks or manages their timber is allowed to use this road.

Also, since the time Mr. Weisinger blocked off the road the Lakeland Fire Department has had to take the long southerly access to put out numerous fires. Had any of these fires gotten out of control there could have been vast devastation to thousands of acres of timberland and structures owned by both public and private land owners.

The road also has a sign along the southerly entrance that states that it is a "St. Louis County Fire Trail" which shows how much use this road has had for many years in the past.

I ask you to please deny any appeals by Mr. Paul Weisinger and open this road back up to the public and private landowners.

Please call me if you have any questions.

Thank you.

Steve Bradach  
218-780-2021 - cell phone

## Jason Meyer

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**From:** Amy LaMotte <amynado@hotmail.com>  
**Sent:** Thursday, September 17, 2015 7:47 PM  
**To:** Jason Meyer  
**Subject:** Support for Prescriptive Easement on RD-ID-40520

Dear Jason,

I am sending you this letter in support St. Louis County's prescriptive easement process to re-open the Fire Trail off Hwy 20 that runs to the Bodas Road. (RD-ID-40520).

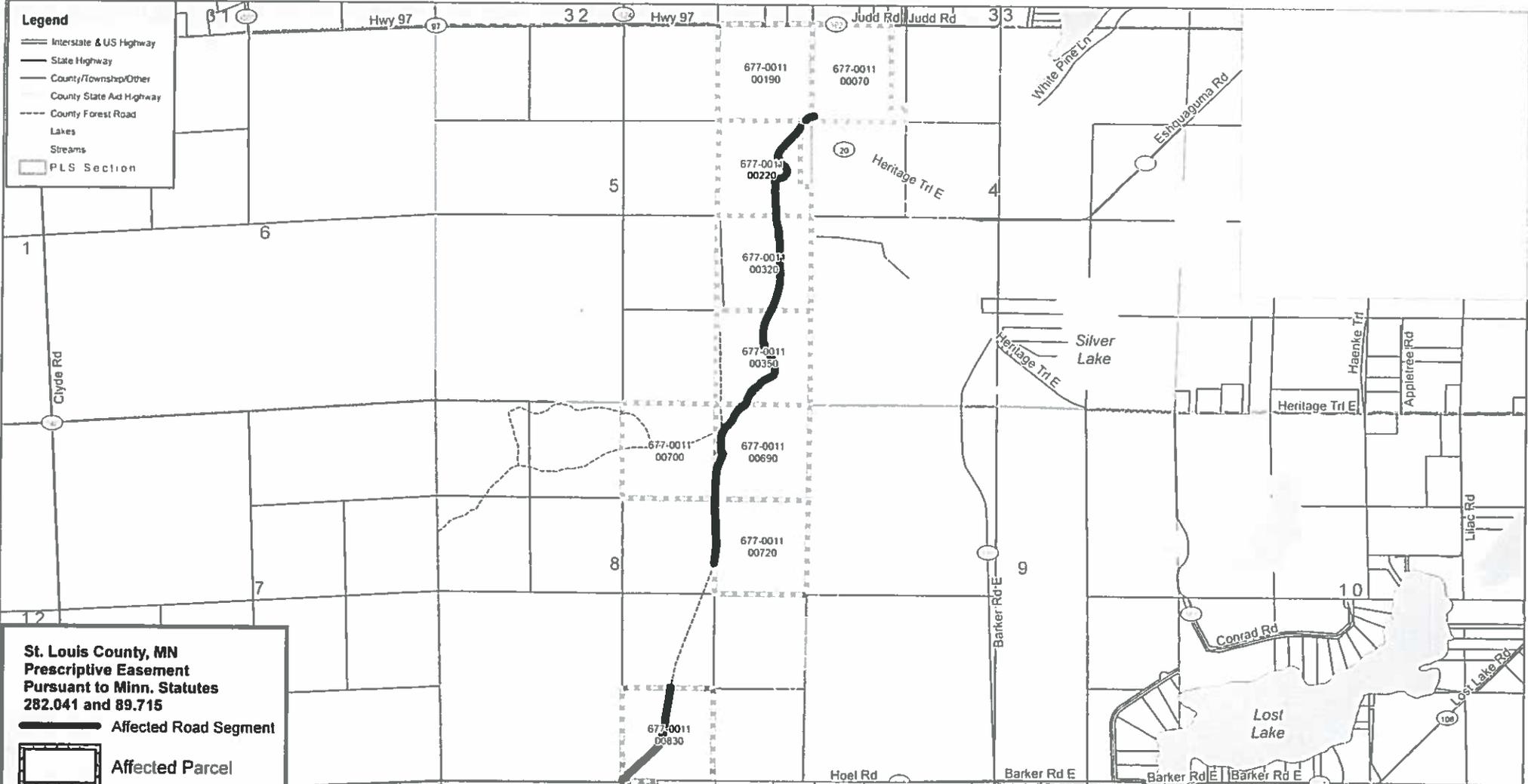
For the past ten years or more, I have been using this fire trail to access my families adjacent land that we use for hunting, camping, berry picking, four wheeling, and hiking. This was until 2012 when Paul Weisinger purchased this parcel (#677-0011-00220), and blocked the road shortly after. Not only did Mr. Weisinger block the North entrance of the fire trail, but he also dug out a culvert that is not on his land, making the fire trail inaccessible by anyone that needs to get through.

Because of this, he has created a hazard to those who respectfully use the land around him. Now when we go to our families land, it adds an extra 40 minutes drive through the woods. This also adds extra travel time for anyone else, including any type of emergency fire & rescue services. Because I am a mother of three small children (5 year old twins, and a 6 year old), I am more nervous about enjoying the land because of the amount of time it would take to get in and out of the woods incase there were any type of emergency.

This fire trail also has a sign on the south side that states it is a "St. Louis County Fire Trail", which shows the need for this road to be open and accessible to those who NEED it.

I am asking that you deny any appeals made by Mr. Paul Weisinger and open the road back up to the public, so that the land can be used as it has been used for many years to come.

Thank you,  
Amy LaMotte



**St. Louis County, MN  
Prescriptive Easement  
Pursuant to Minn. Statutes  
282.041 and 89.715**

**Affected Road Segment**

**Affected Parcel**

February 26, 2014  
Public Hearing Date  
*[Signature]*  
Chair, St. Louis County Board

Date of Adoption  
6-18-15  
Date

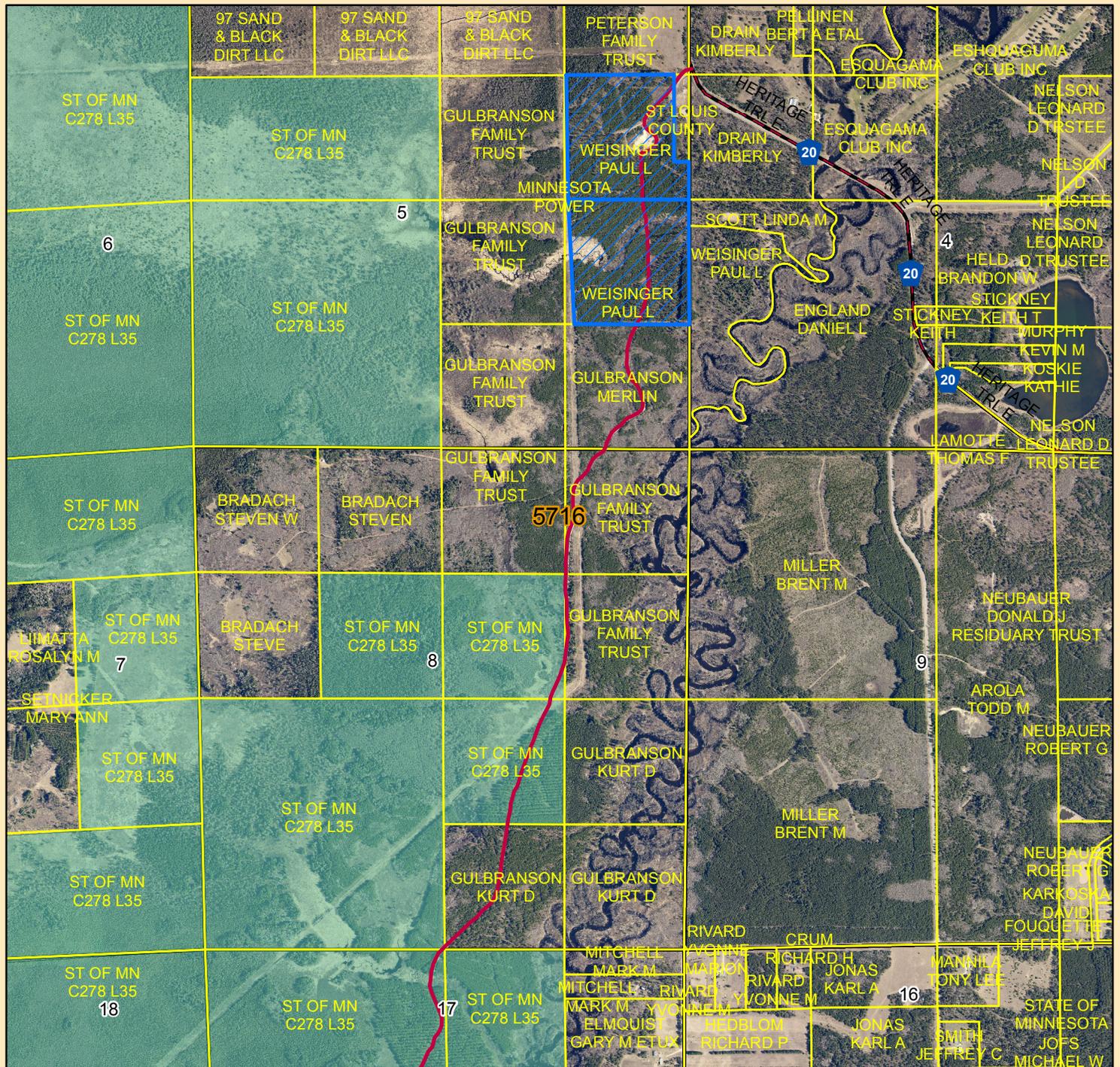
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Miles

PRCL_NBR	TOWNSHIP	RANGE	SECTION	LEGAL
677-0011-00070	57	16	4	LOT 4 E & E 209 67.100 FT OF N 1147 FT
677-0011-00190	57	16	5	LOT 1
677-0011-00220	57	16	5	SE 1/4 NE 1/4 E & E 100 FT OF N 830 FT E & E PART LYING W/4 OF A LINE RUNNING FROM A PT ON S LINE 43 FT ELY OF SA COR TO A PT ON N LINE 20 FT E OF NW COR
677-0011-00320	57	16	5	NE 1/4 OF SE 1/4 E & E PART LYING W/4 OF A LINE RUNNING FROM A PT ON S LINE 100 FT E OF SA COR TO A PT ON N LINE 43 FT ELY OF NW COR
677-0011-00350	57	16	5	SE 1/4 OF SE 1/4
677-0011-00690	57	16	8	NE 1/4 OF NE 1/4
677-0011-00720	57	16	8	SE 1/4 OF NE 1/4
677-0011-00830	57	16	8	SW 1/4 OF SE 1/4
677-0011-00700	57	16	8	NN 1/4 OF NE 1/4





# St. Louis County Land and Minerals Department



Section 4, T57N, R16W

This drawing is neither a legally recorded map nor a survey and is not intended to be used as such. This drawing is a compilation of recorded information and data located in various city, county, state and federal offices. St. Louis County is not responsible for any incorrectness herein.

## St. Louis County

Prescriptive Easements

-  Dep't Road (Class 3)
-  Weisinger Parcels
-  Tax Forfeit Parcels