



***AMENDED AGENDA**

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

Tuesday, July 26, 2016, 9:30 A.M.

**Mt. Iron Community Center
8586 Enterprise Drive South
Mt. Iron, Minnesota**

Directions: From Highway 53, exit West on US 169 in Virginia. Proceed West on US 169 for approx. 1.5 miles. Turn left onto Emerald Avenue. Take the 1st left onto Enterprise Drive. The complex is on the right.

**STEVE RAUKAR, Chair
Seventh District**

**FRANK JEWELL, Vice-Chair
First District**

**PATRICK BOYLE
Second District**

**CHRIS DAHLBERG
Third District**

**TOM RUKAVINA
Fourth District**

**PETE STAUBER
Fifth District**

**KEITH NELSON
Sixth 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>

***AMENDED AGENDA
St. Louis County Board
July 26, 2016
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9:30 A.M. Moment of Silence
Pledge of Allegiance
Roll Call

“Words of Wisdom” – Mark Rubin, County Attorney

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.

CONSENT AGENDA

Approval of business submitted on the consent agenda.

RESOLUTION TABLED:

Finance & Budget Committee – Commissioner Nelson, Chair

1. Lease agreement with the City of Orr for Assessor Office space. {16-305} [Tabled from July 12, 2016; requires majority vote to remove from table for consideration.]

REGULAR AGENDA

Environment & Natural Resources Committee – Commissioner Rukavina, Chair

2. Special sale of state tax forfeited land to the Duluth Economic Development Authority - Pastoret Terrace (Duluth). {16-319} [Without recommendation.]

Central Management & Intergovernmental Committee – Commissioner Jewell, Chair

3. Western National Settlement Agreement. {16-325}

Public Safety & Corrections Committee – Commissioner Dahlberg, Chair

- *4. Resolution declaring a State of Local Emergency in St. Louis County. {16-339} [Has not been to committee; requires consent of the Board to be considered.]

Finance & Budget Committee – Commissioner Nelson, Chair

- *5. Request to Issue Audit Request for Proposal. *Information to follow.* [Has not been to committee; requires consent of the Board to be considered.]

ADJOURNED:

BOARD LETTER NO. 16 – 305

FINANCE & BUDGET COMMITTEE CONSENT NO. 6

JULY 26, 2016 BOARD AGENDA NO. 1

JULY 12, 2016 BOARD AGENDA NO. 1

DATE: July 5, 2016 **RE:** Lease with the City of Orr for Assessor Office Space

FROM: Kevin Z. Gray
County Administrator

Tony Mancuso, Director
Property Management

Mark Monacelli, Director
Public Records & Property Valuation

RELATED DEPARTMENT GOAL:

To manage county construction, facility remodeling projects, and county office space lease activities.

ACTION REQUESTED:

The St. Louis County Board is requested to approve a five year lease for office space for the County Assessor and provide meeting space for the 4th District Commissioner in the former Orr City Hall located at 4540 Lake Street, Orr, MN 55711.

BACKGROUND:

Assessing property values is an essential component of Minnesota's property tax system. Property assessments define the tax base and consequently who pays what share of the overall property tax levy. To meet the needs of the citizens in the northwest part of St. Louis County and to provide efficient office space for one assessor, a five year lease agreement for 275 square feet was negotiated with the City of Orr for space in the former Orr City Hall. Currently this area is serviced from the Virginia Assessor's Office. The term of the lease is from July 1, 2016 to June 30, 2021. The rent is \$450/month for the first two years and increases to \$500/month for the last three years and does include utilities, custodial service and space for the 4th District Commissioner to meet with constituents. The lessee retains the right to extend the lease for one additional five-year term.

RECOMMENDATION:

It is recommended that the St. Louis County Board approve a five year lease effective July 1, 2016 and ending on June 30, 2021 with the City of Orr for office space for the Virginia Assessor's Office in the former Orr City Hall at a monthly rate of \$450 (annual commitment of \$5,400) for the first two years and monthly rate of \$500 (annual term commitment of \$6,000) for the last three years, payable from Fund 100, Agency 118001.

Lease with the City of Orr for Assessor Office Space

BY COMMISSIONER _____

WHEREAS, Assessing property values is an essential component of Minnesota's property tax system, with property assessments defining the tax base, and consequently, who pays what share of the overall property tax levy; and

WHEREAS, The St. Louis County Assessor requires office space in Orr, MN, to better deliver required assessment services to property owners in this area and provide the 4th District Commissioner a convenient location to meet with constituents;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes a five year lease beginning on July 1, 2016, with the option for one (1) five-year extension, for 275 square feet of office space at the monthly rate of \$450/month for the first two years (annual commitment of \$5,400) and \$500/month for three years (annual commitment of \$6,000) payable from Fund 100, Agency 118001.

BOARD LETTER NO. 16 – 319

ENVIRONMENT & NATURAL RESOURCES COMMITTEE NO. 1

JULY 26, 2016 BOARD AGENDA NO. 2

DATE: July 12, 2016

RE: Special Sale to the Duluth
Economic Development
Authority – Pastoret Terrace
(Duluth)

FROM: Kevin Z. Gray
County Administrator

Mark Weber, Director
Land and Minerals

Barbara Hayden, Director
Planning and Community Development

Donald Dicklich
County Auditor/Treasurer

RELATED DEPARTMENTAL GOAL:

Working with communities to create vibrant neighborhoods.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize the sale of state tax forfeited land to the Duluth Economic Development Authority (DEDA).

BACKGROUND:

St. Louis County Board Resolution No. 16-168, adopted on March 8, 2016, approved the placement of the Pastoret Terrace, Kozy Bar, and Paul Robeson Ballroom (Lots 29 and 31, Duluth Proper 1st Division East 1st Street, Parcel ID: 010-0930-00270) on a list of tax forfeited lands to be withheld from repurchase for one year to allow time for the property to be acquired by a municipal subdivision. DEDA has requested to purchase the Pastoret Terrace, Kozy Bar, and Paul Robeson Ballroom to correct blighted conditions for redevelopment purposes. DEDA and the City of Duluth have determined that this transaction is in the best interest of the city and that it will further the general plan for economic development and revitalization in Duluth's downtown business district.

Prior to the 2015 forfeiture (Lots 29 and 31, Duluth Proper 1st Division East 1st Street, Parcel ID: 010-0930-00270) an Abatement Order was issued on January 29, 2015, by

the City of Duluth ordering the prior owners to repair, rehabilitate, demolish, or remove the building because an inspection had revealed that the building was in an unsafe and unsanitary condition. The abatement order was not corrected and the property went into tax forfeiture. The building has been condemned for human habitation.

Minn. Stat. § 282.01, Subd. 1a.(d) allows for non-conservation tax forfeited land to be sold to a governmental subdivision for less than market value if a reduced price is necessary to provide an incentive to correct blighted conditions or will lead to the development of affordable housing.

In addition, St. Louis County and DEDA are partnering on site redevelopment by the county providing funds of up to \$325,000 to DEDA to be paid from the county's Economic Development Fund, of which portions of this fund are from the City of Duluth's Tax Increment Financing (TIF) repayments. Redevelopment costs may include ongoing site security, property stabilization, cleanup, hazard material investigation and remediation (removal), and partial site redevelopment (which could include demolition).

RECOMMENDATION:

It is recommended that the St. Louis County Board approve the sale of state tax forfeited land to the Duluth Economic Development Authority for the price of \$75,000 plus fees to be deposited into Fund 240 (Forfeited Tax Fund) and St. Louis County Board approve providing funds of up to \$325,000 to DEDA. Funds are available in the Economic Development fund balance (Fund 178, Object 311428) to be transferred into Fund 178, Agency 178005.

**Special Sale to the Duluth Economic Development Authority –
Pastoret Terrace (Duluth)**

BY COMMISSIONER _____

WHEREAS, The Duluth Economic Development Authority has requested to purchase the following described state tax forfeited land for the price of \$75,000 plus fees and St. Louis County providing funds of up to \$325,000 to correct blighted conditions for redevelopment purposes:

Pastoret Terrace, Kozy Bar, Paul Robeson Ballroom
Lots 29 and 31
Duluth Proper 1st Division East 1st Street
Parcel: 010-0930-00270

WHEREAS, Minn. Stat. § 282.01, Subd. 1(a) authorizes the sale of state tax forfeited land to an organized governmental subdivision for any public purpose for which the subdivision is authorized to acquire property; and

WHEREAS, This parcel of land has not been withdrawn from sale pursuant to Minn. Stat. §§ 85.012, 92.461, 282.01, Subd. 8, and 282.018, and other statutes that require the withholding of state tax forfeited lands from sale; and

WHEREAS, This parcel of land has been classified as non-conservation land pursuant to Minn. Stat. § 282.01; and

WHEREAS, Minn. Stat. § 282.01, Subd. 1a(d) allows for non-conservation tax forfeited land to be sold to a governmental subdivision for less than market value if a reduced price is necessary to provide an incentive to correct blighted conditions or will lead to the development of affordable housing;

THEREFORE, BE IT RESOLVED, That subject to Duluth Economic Development Authority compliance with all requirements of Minn. Stat. § 282.01, Subd. 1a(d), the St. Louis County Board approves the sale of state tax forfeited land, as described, to the Duluth Economic Development Authority for the price of \$75,000 plus fees to be deposited into Fund 240 (Forfeited Tax Fund);

RESOLVED FURTHER, That the St. Louis County Board approves providing funds of up to \$325,000. Funds are available in the Economic Development fund balance (Fund 178, Object 311428) to be transferred into Fund 178, Agency 178005.

RESOLUTION 16D-25

**RESOLUTION CONDITIONALLY AUTHORIZING ACQUISITION
OF PASTORET TERRACE PROPERTY FROM
ST. LOUIS COUNTY FOR \$75,000**

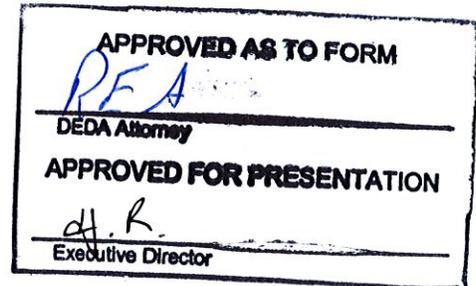
RESOLVED, by the Duluth Economic Development Authority ("DEDA"), that the proper DEDA officials are hereby authorized to acquire the below-described, tax forfeited property from the State of Minnesota through St. Louis County for the purpose of redeveloping said property at a cost to DEDA of \$75,000, payable from Fund 860, subject to said County providing \$325,000 for the use of DEDA in funding said redevelopment:

Lots 29 & 31, East First Street, DULUTH PROPER, First Division.

Approved by the Duluth Economic Development Authority this 22nd day of June, 2016.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: The purpose of this resolution is to authorize DEDA to acquire the Pastoret Terrace property which is currently forfeited to the State for non-payment of real estate taxes for \$75,000 to facilitate the redevelopment of the property, subject to the County's commitment to contribute \$325,000 to DEDA to help pay some of the anticipated costs of that redevelopment.

The property is carried on the tax roles as having a land value of \$175,000 but the County is willing convey it to DEDA at the lesser amount in order to encourage its redevelopment and its return to tax paying status.

Upon approval of this resolution by DEDA and the approval of the terms by the County Board, DEDA will be in a position to begin the process of actively seeking a developer for the property with an acceptable redevelopment plan and to invite possible participation by other property owners and by the public in the process.



City of Duluth
Construction Services & Inspections Division

411 West First Street • Room 210 • Duluth, Minnesota • 55802-1194
218-730-5300 • Fax: 218-730-5901 • www.duluthmn.gov/onestop/

An Equal Opportunity Employer

January 29, 2015

ABATEMENT ORDER

Attn: Temple Corporation
Eric Ringsred
701 West Arrowhead Rd.
Duluth, MN. 55811

Copasetic, Inc.
Paul King
441 Kenilworth Ave
Duluth, MN 55803

Re: Pastoret Terrace
Parcel ID: 010-0930-00270

Dear Property Owner,

A recent site inspection by this office has revealed that the building at the above listed address is in an unsafe and unsanitary condition.

Minnesota State Building Code (MSBC) Section 1311.0107 requires that all buildings, structures, systems, devices and safeguards and all parts thereof be maintained in a safe and sanitary condition in conformance with applicable codes. Further, MSBC Section 1300.0180 requires that the unsafe building and building appendages be abated by repair, rehabilitation, demolition, or removal, according to Minnesota statutes, sections 463.15 to 463.26.

You are hereby ordered to comply with MSBC 1311.0107 and MSBC 1300.0180 by repairing, rehabilitating, demolishing, or removing the building. In order to establish the scope of required repairs, you are ordered to submit a complete report of the structural condition of the building prepared by a Minnesota licensed structural engineer as well as a report on the condition of the building's ability to resist infiltration of water. The report shall include a description of the current condition and a plan to repair the roof, floors, exterior walls, and foundation to comply at a minimum with the standards required by the building code or for the demolition and removal of the structure.

In order to prevent further deterioration of the structure and eliminate the blighted condition of the property, within 90 days of the date of this letter the report and plans described above and applicable permit applications must be submitted to Construction Services or a demolition permit shall be obtained and the building demolished. If the building is not demolished, all work required to achieve code compliance shall be completed by December 31, 2015.

Please feel free to contact me with any questions.

Respectfully,

Dan Nelson
City of Duluth Building Official

C: Michael Conlan, Pastoret Partners

NOTICE OF APPEAL RIGHTS

You have a right to appeal an order, decision or determination issued by the building official about the Minnesota State Building Code (MSBC) by appealing to the State Building Code Appeals Board in accordance with MSBC 1300.0230. You have a right to appeal an order, decision or determination about Duluth City Code Chapter 10 within 15 days, by submitting application for appeal and payment of the appeal fee (\$120) in accordance with Duluth City Code Section 10-5. An application for appeal to an order by the building official shall be based on a claim that the true intent of the code or the rules has been incorrectly interpreted, the provisions of the building code do not fully apply or an equally good or better form of compliance is proposed. The board has no authority to waive requirements of the building code.



St. Louis County Land & Minerals Department Tax Forfeited Lands

Legal :

Lots 29 and 31

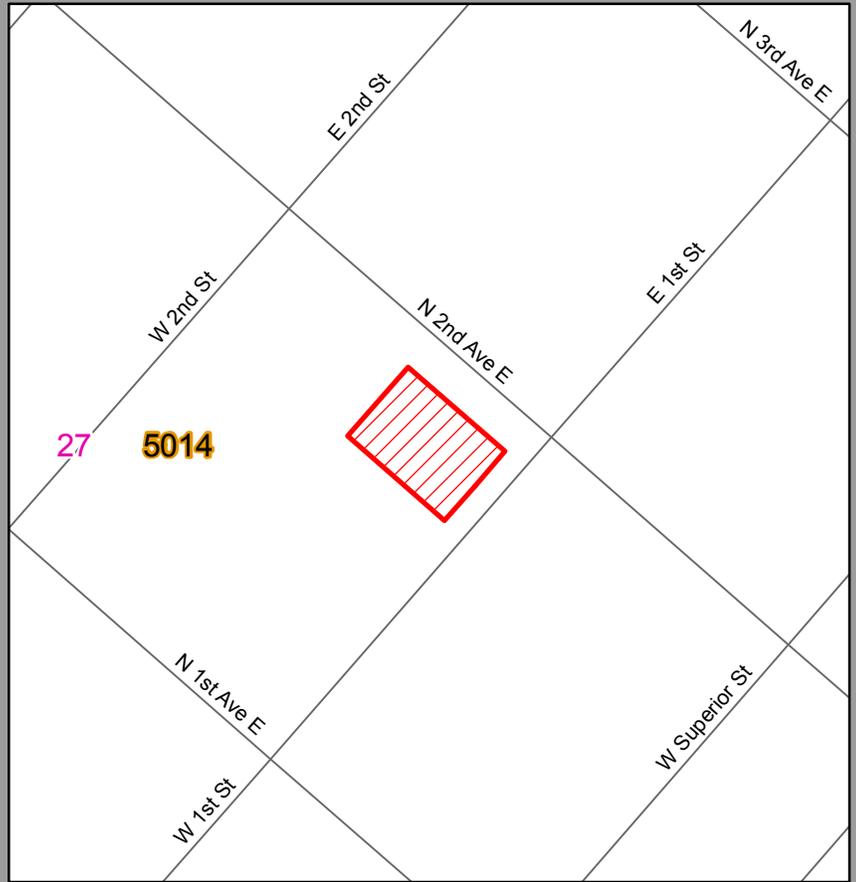
Duluth Proper 1st Division East 1st Street

Parcel Code:010-0930-00270

Address: 109, 113 N 2 Ave E

127, 129 E 1 St

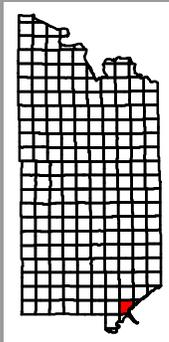
Duluth, MN 55803



City of Duluth

Commissioner District # 1

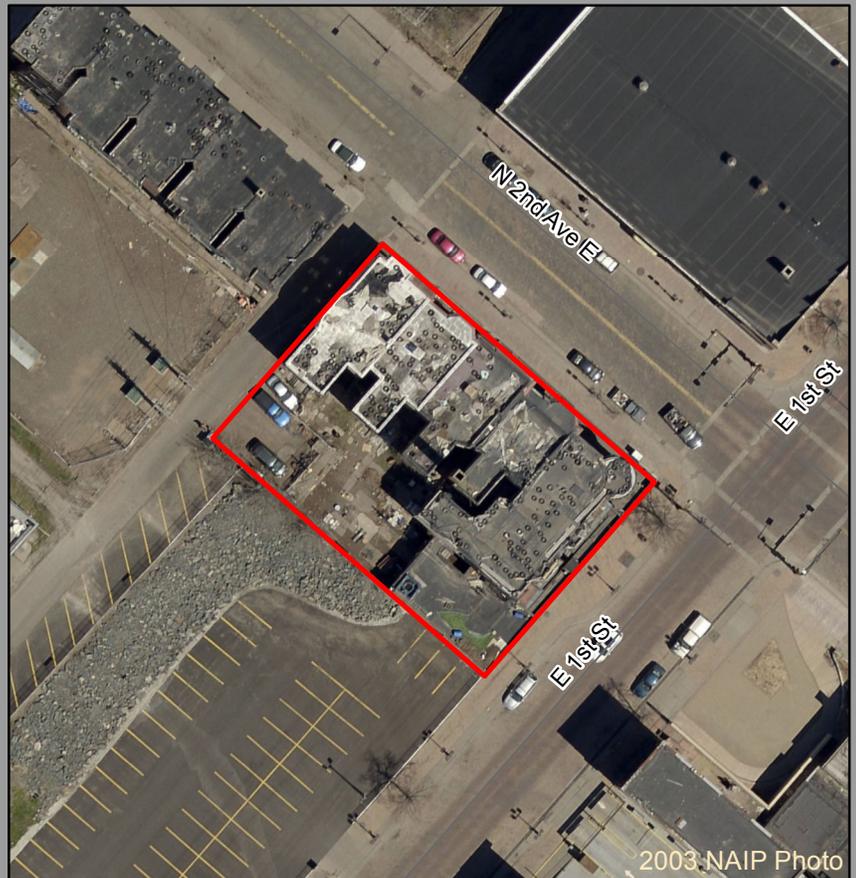
-  State Tax Forfeited Land
-  Water
-  Road
-  Area of Interest
-  Tract



St. Louis County, Minnesota

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
Land & Minerals
Department**



2003 NAIP Photo



*Resolution
of the
Board of County Commissioners
St. Louis County, Minnesota
Adopted on: March 8, 2016 Resolution No. 16-168
Offered by Commissioner: Dahlberg*

List of Forfeited Lands: 127-129 East First Street (Duluth, MN)

WHEREAS, Minn. Stat. § 282.322 authorizes county boards to file a list of tax-forfeited lands with the county auditor to be withheld from repurchase if the board is of the opinion that such lands may be acquired by the state or any municipal subdivision for public purposes. If no proceeding to acquire such lands by the state or a municipal subdivision is started within one year after filing the list, the county board shall withdraw the list and the previous owner shall have one year in which to repurchase; and

WHEREAS, On November 30, 2015, the following described property forfeited to the State of Minnesota for nonpayment of taxes:

Pastoret Terrace
Lots 29 and 31
Duluth Proper 1st Division East 1st Street
Parcel 010-0930-00270; and

WHEREAS, The former owner of Pastoret Terrace did not comply with an Abatement Order issued by the City of Duluth in 2015 ordering the submission of a report by a licensed engineer on the structural condition of the building; and

WHEREAS, The Duluth Economic Development Authority, working with the City of Duluth, has expressed an interest in acquiring the property for redevelopment purposes;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board shall add parcel 010-0930-00270, also known as Pastoret Terrace, to a list of tax forfeited lands to be filed with the County Auditor to be withheld from repurchase for one year because the County Board is of the opinion that the property may be acquired by a municipal subdivision for redevelopment purposes.

Commissioner Dahlberg moved the adoption of the Resolution and it was declared adopted upon the following vote:
Yeas – Commissioners Jewell, Boyle, Dahlberg, Rukavina, Stauber, Nelson and Chair Raukar - 7
Nays – None

STATE OF MINNESOTA
Office of County Auditor, ss.
County of St. Louis

I, DONALD DICKLICH, Auditor of the County of St. Louis, do hereby certify that I have compared the foregoing with the original resolution filed in my office on the 8th day of March, A.D. 2016, and that this is a true and correct copy.

WITNESS MY HAND AND SEAL OF OFFICE at Duluth, Minnesota, this 8th day of March, A.D., 2016.

DONALD DICKLICH, COUNTY AUDITOR

By

Deputy Auditor/Clerk of the County Board

RECOMMENDATION:

It is recommended that the St. Louis County Board approve the proposed settlement and authorize the appropriate county officials to negotiate and execute appropriate settlement documents and to make the settlement payment contemplated by the proposed settlement in the amount of \$57,194.76.

Western National Settlement Agreement

BY COMMISSIONER _____

WHEREAS, In December 2008, an accident involving a car owned and operated by an insured of Western National Mutual Insurance Company and a snowplow owned by St. Louis County and operated by an employee of St. Louis County occurred near the intersection of Midway Road and Old Highway 2 in Hermantown, Minnesota; and

WHEREAS, In connection with the accident, Western National provided to its insured medical-expense benefits and income-loss benefits under the Minnesota No-Fault Automobile Insurance Act; and

WHEREAS, In January 2015, Western National initiated an arbitration in which it alleged that the accident resulted from the negligence of St. Louis County's employee and asserted an indemnification claim against St. Louis County; and

WHEREAS, The arbitration is pending before Arbitration Forums, Inc.; and

WHEREAS, Western National and St. Louis County have reached agreement on a proposed settlement that is subject to the approval of the St. Louis County Board; and

WHEREAS, Under the proposed settlement, Western National will release its claims against St. Louis County and St. Louis County will make a settlement payment in the amount of \$57,194.76; and

WHEREAS, The St. Louis County Board wishes to approve the proposed settlement to avoid the expense and risk associated with further arbitration;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves the proposed settlement and authorizes the appropriate county officials to negotiate and execute appropriate settlement documents and to make the settlement payment contemplated by the proposed settlement in the amount of \$57,194.76, payable from Fund 720, Agency 720001, Expense Code 636200.

Resolution Declaring a State of Local Emergency in St. Louis County

BY COMMISSIONER _____

WHEREAS, The thunderstorms and hurricane velocity winds of July 5 and July 21, 2016 producing heavy rain, flash flooding, wind damage, and widespread electrical power outages have severely impacted the population of St. Louis County and its cities and townships; and

WHEREAS, These July thunderstorms and straight wind events have resulted in widespread damage to trees, powerlines and buildings producing a significant amount of public and private property damage; and

WHEREAS, St. Louis County is conducting a Damage and Impact Assessment Report for submission to Minnesota Homeland Security and Emergency Management (HSEM) to determine eligibility for state public disaster assistance in accordance with Minn. Stat. § 12B.30; and

WHEREAS, The St. Louis County Sheriff's Office Division of Emergency Management requests that the St. Louis County Board of Commissioners declare St. Louis County in a STATE OF LOCAL EMERGENCY due to the July thunderstorms and tree blowdown events of 2016;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board of Commissioners hereby declares a STATE OF LOCAL EMERGENCY in St. Louis County, Minnesota, due to conditions resulting from the thunderstorms, hurricane velocity winds, massive tree blowdown, damage to public and private property and extended power outages resulting from the severe thunderstorms of July 5 and July 21, 2016, and requests state public disaster assistance in accordance with Minn. Stat. § 12B.30, for any eligible storm recovery activities.