

**CITY OF MILACA
SPECIAL COUNCIL MINUTES**

June 4, 2024

Pledge of Allegiance

Call to Order Roll Call

Mayor Dillan called the meeting of the Milaca City Council to order at 6:30 p.m.

Upon roll call, the following council members were present: Mayor Dave Dillan, Councilors: Norris Johnson, Lindsee Larsen, Laurie Gahm and Ken Muller.

Staff present: City Manager Tammy Pfaff and Assistant City Clerk Deloris Katke

Others present: Chris Carlson of Borgholm Township, Phil Gravel of Stantec and Chloe Smith.

Approval of Agenda

Mayor Dillan called for a motion to approve the agenda. Larsen made a motion for approval, seconded by Johnson. With no further discussion, all in favor of the approval of the agenda; motion passes.

New Business-

a. Approve Federal Grant Project Number B-23-CP-MN-0884 Airport Road Bid: Phil Gravel from Stantec was present. He stated bids for this project came in a lot higher than we had hoped. Contractors said it was due to inflation, fuel oil, materials and labor. We hoped to keep the bid closer to 1.7 million but now the whole project is 1.96 million. 6 bids were received with the low bid going to Northern Lines Contracting. If you want to proceed with the project, we would recommend awarding the project to them. The bid amount is \$1,575,00 for the construction and then there is the engineering costs (\$110,000) and soft costs (\$276,900) for a total estimated cost of \$1,962,200. The grant will take care of the road project of \$1,500,000 and then the sewer and water funds would pick up the balance of \$460,000. Project would start after the parade and be finished this summer except the second lift of paving wouldn't be done until 2025. There are some deep sewers running from Boulder Ridge to up north edge of the daycare. Sewer and water would be there for future development. The daycare does have city sewer and water. This project would connect them so they have shorter distances. There will be a new sewer running down the middle of 110th on the east side of the daycare. Same with the water. The sewer is only going 200 feet north of the daycare driveway. It's really deep there – about 25 feet.

When that lift station in Boulder Ridge was constructed, they ran the sewer line through their development and up to the east-west road and that is deep.

If you want to reject all bids, and run the risk of re-bidding it this winter, hoping things would be better next year, you have that option.

This bid is about \$250,000 more. Phil stated this project does not include putting up speed limit signs.

Mayor Dillan called for a motion to approve the low bid of \$1,575,256.20 to Northern Lines Contracting. Johnson made a motion for approval, seconded by Muller. No further discussion. All in favor of the bid of \$1,575,256.20 to Northern Lines Contracting. Motion passes.

b. Resolution #24-14 Approving Preliminary Plat for Worth Custom Homes- Mayor Dillan called for a motion to approve. Motion made by Johnson, seconded by Muller. City Manager Pfaff stated the preliminary plat approval went good at last night's Planning Commission meeting. Some of the property owners were present and just wanted to see how the project was developing. The neighborhood sounded like they were pretty happy with the new ponding location.

Johnson stated that they were going to start the project on the very south lot and build one 36 unit right off 10th and then the second property would be in view but it will be years down the road that the neighbors would lose their rustic view. Mayor Dillan asked if Jarod said anything on what his plans were for Lot 3. City Manager Pfaff stated that he may use the house that is currently there as a staging area for the construction crew so he would hold onto that house for a while. Possibly rent it out. No plans at this point.

Johnson stated the best case scenario would be to start this fall on the one apartment unit and then wait a couple years before he started on the second one.

City Manager did state that Jarod would like to get access off of 6th Ave NE so there is an access road for fire department. Phil Gravel commented that the road through the apartments and the water and sewer lines are private.

Mayor Dillan stated that grading would need to be addressed on his final plat. Dillan stated that there are currently some grading issues with the neighbors and we want to address this.

Gahm asked what percentage of his apartment building would be low-income. Pfaff stated that he decided not to do a TIF district.

Mayor Dillan asked if there was any further discussion. No further discussion. All in favor of Resolution #24-14 Approving Preliminary Plat for Worth Custom Homes. Motion passes.

*c. Discuss Property Development for the 13.52 acres-*City Manager Pfaff stated herself and Phil had a conversation before the meeting. Pfaff gathered some estimated costs: the street being at 305,800, sewer/water and some light within the road structure, gas lines, electric and surveying the lot. I checked with Stantec and Rum River. Stantec was \$13,000 and Rum River was \$ 27,470. The engineer costs were split between general, water and sewer funds. General would be \$443,800, Water \$166,250, and Sewer \$169,250 for a total estimated project of \$780,000. I did a little analysis today and in looking at just a few businesses that bring in city property taxes and just these 3 businesses are about \$10,000. I then did a water and sewer analysis of these three businesses for 2023 and that was over \$5,000 in revenue.

Before you, you will see maps. I think it would be best to start with a survey. There is one company that wants to get out there and purchase 5 acres. Pfaff stated it would be nice to get the survey so the 5 acres could be sold right away and in the future we could split the lot off as businesses approach us with their needs. Pfaff stated she would like to keep Stantec for the survey and the site plan (concept sketch). Pfaff stated that the business that really wants to get out there would be building approximately at 10,000 square foot building to allow semis to drive thru. Pfaff stated that it would be important to get the survey done and water and sewer and street design done.

Mayor Dillan stated the City of Milaca received an Empowering MN Small Cities grant with the University of Minnesota, which is a significant grant for us. I meet with them on Thursday and it will be a talk through about the application process. They would be able to be creative and look at the design and see what will work with what we want. They want this wrapped up in a year. This grant includes the bypass and the roundabouts. Mayor Dillan further stated that he is not sure if this bypass development is even something they can do, He will find out on Thursday. There were 100 plus some communities that applied and we were one of them.

EDC (Economic Development Committee) was pleased as to how the road would come into the development. We are trying to get the road to come in so the water runs off into the wetlands.

Muller asked what the average acreage was that a fast food like McDonalds would need. Pfaff stated the one in Mora sits on 2 acres. Gravel stated the average for fast food is 2 acres.

Mayor Dillan stated there would also be some land available by Sam Johnson's property and where the former Embers/MJ's restaurant was. Pfaff stated that the city was trying to get an easement through Circle K's property to get the sewer to the meat market and if that does not work, we have a 6 foot easement and we would put the sewer line right in there.


Muller stated that location is great for businesses who need exposure. Muller asked when they would be starting on the meat market. Pfaff stated that they just started on it yesterday. Mayor Dillan stated he was hoping to start up this fall.

Mayor Dillan asked if there were any other discussion. Pfaff asked the council if she should have Phil go ahead and get the sketch done on the property. Phil stated the survey would be the first to get done. Pfaff asked council if she should go ahead and get the survey done. Council stated that the survey has to be done. Johnson asked if there was an estimate on the cost and Pfaff advised him that Stantec was the \$13,000. No further discussion.


Mayor Dillan called for a motion to approve getting a survey completed by Stantec. Larsen made the motion to approve, seconded by Muller. All in favor. Motion passed to have Stantec conduct a survey for \$13,000.00.

Adjourn:

Mayor Dillan called for a motion to adjourn. Motion made by Johnson, seconded by Muller to adjourn. No further discussion. All in favor, motion to adjourn passes. Meeting adjourned at 7:05 p.m.


Mayor Dave Dillan

Attest:


Tammy Pfaff, City Manager