

October 11, 2021

CITY OF WASHBURN COMMON COUNCIL MEETING

5:30PM

Washburn City Hall & Remote

City Council Members:

Present, in-person:

Karen Spears-Novachek, Tom Neimes, Dave Anderson, Mary McGrath, Carl Broberg, Jennifer Maziasz

Present, remote:

Laura Tulowitzky

Municipal Personnel:

Present in-person:

Mayor Mary D. Motiff, City Administrator Scott J. Kluver, City Attorney Max Lindsey, Assistant City Administrator Tony Janisch, Director of Public Works Gerry Schuette

Present, remote:

none

Absent:

none

**Call to Order** - Meeting called to order at 5:30PM by Council President Karan Spears-Novachek. Roll call attendance depicted seven (7) of seven (7) members of the Common Council in attendance. Quorum of the Council recognized. The Mayor arriving after the meeting had started.

**Approval of Minutes – City Council Meeting of September 13, 2021** - A motion was made by McGrath to approve the September 13, 2021 minutes of the City Council, second by Neimes. Motion carried unanimously.

**Approval of Expenditures** - A motion was made by McGrath to approve the monthly expenditures, second by Novachek. Motion carried unanimously via roll-call vote.

**Public Comment** – Bo Belanger, owner South Shore Brewery, 532 W Bayfield St., spoke regarding the Brokedown Palace agreement, specifically about the available “Class B” liquor license being withheld from other business as part of the agreement with Brewing Badger. He stated that his business has been operating in compliment with other business in town. And if Council deems it necessary to issue his competitor a liquor licenses, then Council goes against their ideas of fair practices. Mr. Belanger further stated that an existing liquor license could have been used to enhance an existing business and surprised this information wasn’t shared. Jeremy Oswald, 401 W 5<sup>th</sup> St., is interested in the expansion of Thompson’s West End Park topic. Mr. Oswald indicated that he was on the committee that developed the expansion plan for Thompson’s Park and was worried this plan is being disregarded by starting all over again. He was excited to see a yurt in the capital plan, which have been very successful for Bayfield Co. as they operate three and had wondered why the discuss went away from this. Mr. Oswald encouraged Council to look at Thompson’s West End Park expansion plan. Oswald concluded by noting the topic of Ward Maps, being on the county board, he sat in the discussions on county district mapping and would be happy to answer any question of this process if they come up.

**Mayoral Announcements, Proclamations, Appointments-** The Mayor mentioned that the reason she arrived late was because she was meeting with the Governor and will be speaking with his staff in the morning to talk about the City. The Mayor then proclaimed October 11, 2021 as Indigenous Peoples Day in Washburn and read the proclamation. The Mayor next nominated the appointment of Nick Suminski to the Plan Commission. Novachek moved to appoint Suminski to the Plan Commission, second by Broberg. Motion carried unanimously.

**Discussion & Action on Request to Expand Driveway Access at 201 N 7th Avenue W. – Dan Mick and Betsy Arnsen, Petitioners** – McGrath moved to expand driveway access at 201 N. 7<sup>th</sup> Ave. W, seconded by Anderson. Tulowitzky asked if it was common to have driveways expanded and why the limit was set at what it was. Kluver responded that there is a trend to have wider driveways than when the code was set in 1991 at 24 feet. Maziasz noted, referencing the included picture, that the garage was built to need a wider driveway and wondered why this issue wasn’t identified earlier in the permitting process. Kluver stated that when garages are permitted, its assumed that the existing driveway would be used, but that sometimes tinkering is needed. Discussion continued. Motion carried unanimously.

**Discussion & Action on Development Agreement with The Brewing Badger, LLC on the Property Located at 204 W. Bayfield St. – Novachek moved to approve the development agreement between the City and the Brewing Badger, LLC on the property at 204 W. Bayfield St., seconded by Anderson.** Neimes stated that it has been 10 months and financials still have not been presented and suggested going back to the other interested party. Maziasz asked about the dates within the agreement. The Mayor noted that there may be an error of conflicting

dates. Attorney Lindsey directed Council to Article III, Section 3.1, b) of the agreement; if satisfaction of the conditions precedent Section 3.2 a),b),c) closing could occur by December 31, 2021 (not 2022 as indicated); but no later than March 31, 2022 (not 2023 as indicated). The Mayor asked and Lindsey confirmed that within Exhibit C, brewpub construction plans must be submitted by December 31, 2022 (not 2023 as indicated). Novachek noted that not only is the finance plan important, but also the application for a community development grant to which this project has received positive comments. Discussion occurred regarding the “Class B” liquor license which was mentioned during public comment. Lindsey stated that after speaking with the Department of Revenue, as long as a development agreement was in the place, the Council’s action to withhold a liquor license for said agreement was appropriate. Anderson moved to open the floor, seconded by McGrath. Motion carried unanimously. Dan Hudson, 6445 Hodgson Rd., Lino Lakes, MN, stated that he is not a resident of Washburn but does own properties in town, and as a taxpayer is worried that the City has put a lot of time and effort into this project with no financial information. He continued; at what time is enough enough, has a feasibility study been done, are there banks willing to stand by to finance, or is this going to be a white elephant just standing there. Lindsey stated that the agreement sets a March 31<sup>st</sup> deadline to provide adequate financial issuances; and that the City currently has no hard money invested, only the time for meetings and discussion. Hudson asked if there was a concern holding a hard liquor license and hurting other potential businesses in the city. Lindsey responded this does not hold the license indefinitely, this is also subject to the March 31<sup>st</sup> deadline. Bo Belanger, South Shore Brewery, reiterated what he previously stated in public comment by letting a new business, and his competitor, to have an advantage over an established business; it’s not fair. The Mayor replied that this is a different establishment, it is a brew pub with a restaurant, and it would attract the same type of customer that go to Belanger establishment; it would be complimentary. Tulowitzky stated concern with holding the liquor license because it hasn’t been shown by Colish the importance in having one. Lindsey answered that in discussion Colish has stated his business plan would not be viable without the liquor license. Maziasz commented that in five months, by March, we should have this information. Novachek moved to close the floor, then quickly rescinded her motion for more public comment. Dawn Bellile, 714 W 5<sup>th</sup> St., stated she is in full agreement with Belanger and seems that past practice of the City is not look upon its own citizens but to look at newcomers. She further stated that he (Colish) should be here to defend his business. Novachek moved to close the floor, seconded by Neimes. Motion carried unanimously. Maziasz stated that they knew this was a visionary proposal, and she’s willing to wait five more months, but that she is disappointed that Colish is not in attendance. The motion to approve the development agreement with the Brewing Badger LLC carried 6-1, Neimes voting nay.

**Discussion & Action on Tentative Approval of 2022 Stormwater Utility Budget** – Novachek moved to the tentative approval the 2022 Stormwater Utility Budget, seconded by Broberg. Novachek noted that the Stormwater Utility Budget is not asking for a rate increase, the budget is solid and in good shape. Motion carried unanimously.

**Discussion & Action on 2022 Fee Schedule** – The Mayor noted that the suggested increase to the Accommodations (room) Tax would still need approval by the Town of Bayview. Broberg moved to approve the 2022 Fee Schedule with the increase of room tax contingent on Town of Bayview’s approval, seconded by Neimes. Motion carried unanimously.

**Discussion & Action on Updates to/Recommendations on 2022 General Fund Operating, Capital, and Debt Service Budgets** – Novachek moved to the tentative approval the 2022 General Fund Operating, Capital, and Debt Services Budgets, seconded by Broberg. Kluver noted that the budgets still need to be published and a public hearing scheduled. Motion carried unanimously.

**Discussion & Action on 2022 Park Improvement Projects/Scope of Services for Engineering to Consider Campground Expansion at Thompson’s West End Park** – The Mayor began discussion noting past budgetary discussions for increasing revenue through campground expansion. Neimes stated that the overflow camping area at West End Park was well used this summer and has a premium view. Discussion ensued with references to the 2015 West End Park Master Plan. Maziasz stated hesitation with veering from the master plan as it involved community input and set a vision for the park. Novachek moved to open the floor, seconded by McGrath. Motion carried unanimously. Anderson stated that West End would be more suited for motorized camping and the vacant city land next to Memorial Park better for primitive and glamping. Council further discussed potential expansion in the open area used as overflow parking for Book Across the Bay. Jeremy Oswald, continuing his thoughts from public comment, one section of the master plan calling for an expansion of the number of camping sites in the existing campground area. Paul Johanik, 303 11<sup>th</sup> Ave. W, suggested to also look at expansion to the field east of 6<sup>th</sup> Ave, the overflow parking area. Director of Public Works Schuette stated that one of the biggest comments he receives is the beauty and spaciousness of the campground sites. Neimes moved to seek engineering services to consider campground expansion at Area #2 (field east of 6<sup>th</sup> Ave.) at Thompson’s West End Park, seconded by McGrath. Broberg moved to close the floor, seconded by Novachek. Motion carried unanimously. Kluver commented that with the motion, no work will be done at Area #1, the overflow camping area. McGrath stated

that site layout and distance should be similar to the current campgrounds. Maziasz moved to open the floor, seconded by Anderson. Motion carried unanimously. Jeremy Oswald stated that the master plan calls for RV expansion in the west side of the park, but his perception is that expansion will occur on the east side of the park. He then reiterated that the master plan has four different possibilities for expansion in the current area and would rather that occur than to expand into green space. Kluver stated that one of the factors in expanding the current campgrounds, would be having to close the campground down for the construction. Maziasz stated that closing the campgrounds is a short-term effect to a long-term benefit of expanded campsites. Discussion continued. Anderson stated that Area #1, the overflow camping, should also be looked at for expansion. Neimes amended his motion to seek engineering services to consider campground expansion at Area #1 (overflow camping area) and Area #2 (field east of 6<sup>th</sup> Ave.) at Thompson's West End Park, seconded by McGrath. Maziasz stated disagreement of the purpose to look at the City's revenue stream, pointing out that this area is the City's lakefront and walking trail, and it is used by citizens, not just tourist, and would like the community's input. Mr. Oswald suggested discussing with the engineer to increase the number of sites at the current campground while keeping the existing roadway. Novachek moved to close the floor, seconded by Neimes. Motion carried unanimously. Motion to seek engineering services to consider campground expansion carried 5-2, Maziasz & Tulowitzky voting nay.

**Discussion & Action on Resolution 21-008 to Authorize a Tax Levy Referendum to Fund Emergency Services Staffing and Operational Needs During the Spring 2022 Election –** Novachek moved to approve Resolution 21-008 authorizing a Tax Levy Referendum to fund Emergency Service Staffing and Operational Needs at the amount of \$200,000 for the Spring 2022 Election, seconded by Maziasz. Motion carried unanimously.

**Discussion & Action on Temporary Street Closure (Omaha St. between 1st and 2nd Aves W.) and Property Use for Free Outdoor Play at Stage North on December 2-4, 9-11, and 16-18 – Tecumseh Salas, Petitioner –** McGrath moved to approve the temporary street closure of Omaha St., between 1<sup>st</sup> & 2<sup>nd</sup> Aves. W for a free outdoor play at Stage North on December 2-4, 9-11, and 16-18, seconded by Novachek. Motion carried unanimously. Tecumseh Salas thanked Council for the approval.

**Discussion & Action on Issuance of Alcohol Licenses for Scare Crow Pizza LLC, at 905 W. Bayfield Street, for Class "B" Fermented Malt Beverage License and a "Class C" Wine Alcohol License –** McGrath moved to approve the issuance of a Class "B" Fermented Malt Beverage License and "Class C" Wine License for Scare Crow Pizza, seconded by Novachek. Motion carried unanimously.

**Discussion & Action on Resolution 2021-009 for the Creation of Wards in the City of Washburn as Part of the 2020 Census Redistricting Process –** Kluver stated that in the process of redistricting there is a move from four (4) Wards to five (5) Wards, to accommodate the shift in County Supervisor Districts. Discussion ensued with two options, E and F, being presented. Broberg moved to approve Resolution 21-009 Option F for the creation of Wards in the City of Washburn as part of Redistricting, seconded by Novachek. Motion carried unanimously.

**Discussion & Action on Proposed Development Agreement with Washburn Iron Works for Relocation of Sewer Main/Iron Works Expansion and on the Proposed Agreement with Bayfield County on the Use of ARPA Funds Related to that Project –** Novachek moved to accept the development agreement with Washburn Iron Works and the agreement with Bayfield County on the use of ARPA funds, seconded by Broberg. Lindsey stated that Bayfield County requested a separate agreement, rather than the combined agreement that was originally presented in August. Kluver stated that the approved TID #3 development agreement has not changed. Motion carried 6-0-1, with McGrath abstaining.

**Adjourn –** Mayor Motiff adjourned the meeting at 7:48PM.

Tony Janisch  
Assistant City Administrator

#### **FINANCE COMMITTEE MEETING 4:30pm**

Committee Member Karen Spears-Novachek, Mary McGrath & Laura Tulowitzky reviewed monthly expenditure vouchers.