

**BIG LAKE CITY COUNCIL  
WORKSHOP MINUTES**

**JUNE 25, 2014**

**1. CALL TO ORDER**

Mayor Danielowski called the meeting to order at 5:00 p.m.

**2. ROLL CALL**

Council Members present: Dick Backlund, Nick Christenson, Raeanne Danielowski, Seth Hansen, and Mike Wallen. Also present: Interim City Administrator/Finance Director Jessica Green, Economic Development Manager Heidi Steinmetz, Police Chief Joel Scharf, Public Works Director Mike Goebel, City Clerk Gina Wolbeck, City Engineer Brad DeWolf from Bolton and Menk, Inc., Sherburne County Commissioner Ewald Petersen, and Sherburne County Administrator Steve Taylor.

**3. PROPOSED AGENDA**

Council Member Christenson motioned to adopt the proposed Agenda as presented. Seconded by Council Member Wallen, unanimous ayes, agenda adopted.

**4. BUSINESS**

**4A. Proposed Rail Park Discussion**

Land Developer Larry Palm provided an update on the proposed rail park in the Marketplace Development. Palm noted that they have entered into a proposal with a propane manufacturer who needs an 18 acre parcel with rail. Palm reviewed that private entities cannot apply for State funding without local assistance. Jessica Green reviewed discussions held at the January 2014 Joint City/Township/EDA meeting where the consensus was to list this project at the end of the priority list until the developer secured a viable anchor tenant. Green also discussed the potential costs for the City Engineer's office to update grant documents and the limited internal staff available to lead this project.

Council Member Hansen questioned the limited FTE job creation and discussed the importance that the City recognize that congestion on the rail line is a Burlington Northern problem. Council Member Wallen discussed what it means to be a regional rail park and questioned if this project is a Big Lake project, or a county/state wide project. Wallen also agreed that the job creation is a concern.

Larry Palm noted that the private entities involved in the project did not assign this project as a regional park. Palm also explained that he would not have invested millions of dollars if he would have foreseen how negatively the economy would decline. Palm noted that the

propane company appears to be best opportunity for them to bring a viable project to the site and they feel that the best way to market the property is as a rail park.

Council questioned if propane is the best use for the site and noted a concern with the current zoning. Staff clarified that it is currently zoned B3 and I1 which would both require some type of zoning reclassification for propane storage. Council also discussed the potential cost of the spur and questioned how much of a commitment from the City would be needed.

Ewald Petersen stated that we need to look at the region we are living in, and noted that the rail system is in place to get people to where they need to go. Petersen also noted that other areas have shown an interest in putting in a rail park.

Palm explained that the City keeps getting hung up on the projected dollar commitment and expressed that at this time they are just looking for City support. Mayor Danielowski stressed that the Council is supportive of the idea of a Rail Park, but every time the City has gotten involved in the project, there has been engineering costs that were paid out of the general fund.

Steve Taylor questioned if the Letter of Intent the developer has from their proposed tenant has a deadline. Palm noted that the agreement is open ended, but that the propane user expects to see movement within 8 to 10 months. Taylor reviewed discussions he has had with Senator Kiffmeyer where she stated that before she would support State Bonding for this project, a partnership needs to take place. Taylor also noted that next year is not a State Bonding year. Taylor questioned who the actual partners are. Sherburne County, the State of MN, the City and Township of Big Lake, utility companies, and BNSF Railway were all discussed as possible partners.

Discussion was also held about the possibility of the County Regional Rail Authority acting as a taxing authority, how Remmele Engineering and Midwest Lumber were able to construct their micro-spurs, and questions as to why we haven't seen other developers pursue a rail park in this area. Council discussed if they want to move this project up on the priority list. The general consensus of the City Council was to establish a Rail Park Committee consisting of Mayor Danielowski and Council Member Wallen, with Council Member Hansen acting as an alternate.

## **5. ADJOURN**

Council Member Hansen motioned to adjourn at 5:43 p.m. Seconded by Council Member Backlund, unanimous ayes, motion carried.

Gina Wolbeck  
Recorder

07/09/14  
Date Approved By Council