

**SPECIAL ROSEAU CITY COUNCIL MEETING
TUESDAY – SEPTEMBER 16, 2014 @ 8:00 A.M.
ROSEAU CITY CENTER COUNCIL CHAMBERS
121 Center Street East Suite 201
Roseau, MN 56751**

A Special meeting of the Roseau City Council was held on the above date, time and place. Members present were Mayor Jeff Pelowski, Council members Pat Novacek, Don Ross and Curt Ireland. Others present were Community Development Coordinator Todd Peterson, Attorney Patrick Moren, Attorney Michelle Moren, and Police Chief Ward Anderson.

Mayor Pelowski called the meeting to order and the Pledge of Allegiance was said.

Pursuant to due call and notice a special meeting of the Roseau City Council was held on the above date, time and place. The purpose of the meeting was to:

- Consider Resolution #28-14 confirming alleyway is construed as public.
- Consider Parkland Place new developments

After discussion Council member Curt Ireland presented the following resolution and moved for its approval:

**RESOLUTION NO. 28-14
OF THE CITY OF ROSEAU
DECLARING EXISTENCE OF PUBLIC RIGHT-OF-WAY
IN SANDERS PARK ADDITION**

THE CITY COUNCIL OF THE CITY OF ROSEAU, MINNESOTA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. BACKGROUND.

- 1.01. WHEREAS,** There is an existing and established alleyway running through Lot Six (6) and Seven (7) and part of Lot Five (5) in Block Two (2) of Sanders Park Addition to the City of Roseau.
- 1.02. WHEREAS,** There is no recorded deed granting the City of Roseau the right to have a public alleyway along this entire alleyway, however, it is referred to in an Agreement between the City of Roseau and Jim’s Fishing Headquarters, Inc. in 1979 that the southerly 15.8 feet of the North Half (N½) of Lot Five (5) of Block Two (2) of Sanders Park Addition to the City of Roseau, “has for many years, been used by the general public as an alley way and public funds have been expended for the maintenance and upkeep of said 15.80 feet.”
- 1.03. WHEREAS,** This same alleyway referenced in the above agreement extends through Lots Six (6) and Seven (7) of Sanders Park Addition to the city of Roseau.
- 1.04. WHEREAS,** As evidenced by the 1979 Agreement, the City of Roseau has used and maintained this 15.8 foot wide strip as a public alley since before 1979.

BE IT FURTHER RESOLVED, The City Council of the City of Roseau, Minnesota declares that it has continuously for at least six years used and kept in repair and worked the property described below (the “Property”) as a public alleyway and therefore that the Property is deemed dedicated to the public as a public alleyway, pursuant to Minn. Stat. §160.05:

A 15.8 foot wide existing and established alleyway running through Lot Six (6) and Seven (7) and the West Twenty (20) Feet of the North Half (N½) of Lot Five (5) in Block Two (2) of Sanders Park Addition to the City of Roseau.

BE IT FURTHER RESOLVED, that the City Clerk of the City of Roseau make an extract of the minutes of the meeting containing this Resolution for purposes of recording in the office of the Roseau County Recorder, or in the alternate record a certified copy of this Resolution for recording in the office of said County Recorder.

This Motion for Resolution was seconded by Councilperson Don Ross, and upon a vote being taken, the following voted in favor: Mayor Jeff Pelowski, Councilpersons Don Ross, Curt Ireland and Pat Novacek.

The following voted against the same: NONE.

The following abstained: NONE.

The following were absent: Linda Vatnsdal

Adopted by the Council this 16th day of September, 2014.

EFFECTIVE DATE: September 16, 2014.

SS/Jeff Pelowski
Mayor

ATTEST:
SS/ Janet Lundbohm
City Clerk

After review and discussion of recent developments regarding the Parkland Place project, including the new purchase agreement dated September 10th, 2014 entered into by and between Darrin Smedsmo and Bergland Enterprises, Inc. for the subject real property, Mayor Jeff Pelowski made the following Motion, to rescind a portion of the motion passed by the City Council on September 8, 2014 regarding the City's prospective purchase of the subject real property and also to amend a portion of that same Motion:

Purchase by City of Real Property from Bergland Enterprises, Inc.

The City of Roseau hereby rescinds those portions of the September 8, 2014 Motion which reads as follows:

1. *The City of Roseau would enter into a Purchase Agreement for the purchase price of \$58,500.00 contingent upon said transaction being valid with the following amendments to the proposed Purchase Agreement already reviewed by Darrin Smedsmo, the proposed Sellers and the City:*
 - a. *That the condition of a Development Agreement being required prior to closing would be deleted from the proposed Purchase Agreement.*
 - b. *That the Buyer and/or assignee of Buyer would be allowed immediate possession of the subject real property prior to closing.*
2. *Authorizing the Mayor and Clerk to execute the Purchase Agreement following execution by Sellers, if the City is so able to enter into such Agreement.*
3. *Contingent upon the validity of said Purchase Agreement*
 - a. *The City would enter into a long term Lease Agreement if applicable with the terms to be negotiated with Darrin Smedsmo with Smedsmo having the option to purchase the real estate after expiration of the long term Lease Agreement.*

Amendment of September 8, 2014 motion.

The City of Roseau hereby amends the non - rescinded portion of the September 8, 2014 motion to read as follows:

Contingent upon Darrin Smedsmo receiving financing for the Parkland Place project through Border State Bank, and pending the appraisal which was not due to be complete for four to six weeks:

The City shall enter into a Loan Agreement with Darrin Smedsmo for the Parkland Place project for a loan amount of up to \$460,000.00 which amount is a match for the D.E.E.D. grant with the terms of said loan to be negotiable with the understanding, if applicable, the interest and principal payment could be deferred for a thirty (30) year time period.

The City shall apply for a matching grant through D.E.E.D. for up to 10% of the project cost or \$460,000.00.

That the City, in addition to the D.E.E.D. match as set forth above, the City shall enter into a Promissory Note/Loan agreement with Darrin Smedsmoe, which Note/Loan would be secured by a second mortgage on Parkland Place in an amount between \$0.00 and \$650,000.00 dependent upon the results of the appraisal and any gap in financing for the project.

All terms and conditions of said Motion are contingent upon Parkland Place obtaining all necessary permit approvals from the City and/or other regulating agencies and further contingent upon Darrin Smedsmo obtaining the necessary bank loan through Border State Bank for the apartment project to be built on the subject real estate.

Councilmember Curt Ireland seconded the Motion, All Councilmembers voted in favor of the Motion. Motion carried 4-0.

Council member Pat Novacek motioned, Council member Don Ross seconded and it was carried by unanimous vote that there was no further business, therefore the meeting be adjourned.

ATTEST:

Community Development Coordinator

Mayor