

Harmony EDA Minutes

December 8, 2022
7:30 AM

Community Center
Council Room

Present: Kerry Kingsley, Steve Donney, Andy Batstone, and Greg Schieber

Also Present: Aaron Bishop, Amy Bishop, Allison Whalen, and Chris Giesen

The special meeting was called to order at 7:32 AM by Kerry Kingsley.

Consider Temporary Land Use Agreement with State

The board reviewed a proposed agreement between the City and State of Minnesota regarding the use of what is currently City owned property for the construction of the state bike trail extension to the Iowa border and Niagara Cave. It was discussed that the City purchased the land corridor needed for the trail via a grant from LCCMR and that the grant required the City to give the land back to the State. Giesen reported that the State is working on the transaction but it wasn't known when it would be completed at this time. It may or may not be completed prior to the construction of the trail, which is slated to start in spring/summer 2023, beginning. If construction begins before the State has full ownership of the trail corridor, they need the City's permission to work on our property. The agreement under consideration would grant such temporary permission until the land transfer is complete.

The board discussed. Consensus was that this agreement was more of a formality to keep the construction project on track in case the land transaction wasn't done yet. Motion by Schieber, second by Batstone to recommend that the city council approve the agreement for temporary use of the trail corridor as proposed, should the land transaction not be completed prior to construction. Motion carried unanimously.

Consider Contingency Construction Agreement with State

The board reviewed a second proposed agreement between the City and State. This agreement would encumber the bike trail project funds to the City to manage and carry out the bike trail construction should the State not be able to award any bids for construction prior to December 31, 2022. Because of how state bonding dollars work, projects have four years to encumber the bonding funds or they expire and are no longer available. In the case of the bike trail project, the four year mark is the end of 2022. If no bids are received or the bids are not feasible, the State won't be able to move forward prior to the four year mark.

As a measure to prevent the bonding funds from expiring and being no longer available, the State can encumber the funds with the City as an alternative. In this case, the City would carry out and manage the project as if it were its own project (similar to a street project) but the State would reimburse us for our expenses with the project funds left available. It was noted that the project bids are currently posted and will close on December 15, 2022.

The board discussed at length. Donney and Batstone were concerned about the \$1.2M amount reflected in the agreement compared to the approximately \$1.4M in funding being available in prior conversations with the State. The board agreed with those concerns. Consensus was that there were still many concerns and questions until the bids were opened and reviewed. In addition, if the City took over the project it wasn't clear who was in charge of the day to day management of the project. It was recommended that in any scenario where the City was responsible for the project, that it would be prudent to have the City Engineer represent the City to ensure the project was indeed carried out correctly. Giesen said he would follow up with the State and report back on the questions. Ultimately, the consensus was that the bike trail project needed to move forward and that the City should do what is needed to utilize the available funding as opposed to having the funds expire. It was further agreed that at the regular January meeting the board would develop a lobbying strategy to secure additional funds to complete the entire project. Motion by Schieber, second by Batstone, to recommend that the city council approve the agreement for construction and management of the trail project, as proposed, as a precaution in case the project funding becomes in danger of expiring. Motion carried unanimously.

Giesen said he would follow up with the DNR in regards to today's discussion and questions and report any findings back to the board.

There was no other business.

Hearing no objections, Kingsley adjourned the meeting. The meeting adjourned at 8:27 AM.