

The Cannon Falls City Council met in a work session on Wednesday, November 13, 2019, at 6:30 p.m. in the City Council Chambers. Present were Mayor John Althoff and Council Members Morris Mattson, Bill Duncan, Derek Lundell, Mary Jill Bringgold, Matt Montgomery, and Steve Gesme. Also present were Dave Maroney, City Administrator; Lanell Endres, Finance Director; and Jeffrey McCormick, Police Chief. Buffy Beranek, Executive Director, Southeastern Minnesota Multi-County Housing and Redevelopment Authority; Karl Sonneman, Attorney; and Brad Anderson, Goodhue County Commissioner.

Call to Order

Mayor Althoff called the City Council work session to order at 6:30 p.m.

Sandstone Ridge
Development Project

Buffy Beranek introduced herself as the Executive Director for Southeastern Minnesota Multi-County Housing and Redevelopment Authority (SEMMCHRA). She reported that SEMMCHRA had determined that it would not be feasible to develop Sandstone Ridge for affordable housing. She noted that the legal issues involved in clearing the title were very complex. She stated that these legal issues arose as SEMMCHRA was taking the steps to clear the title to the land.

Director Beranek provided background information with regard to how SEMMCHRA took over the tax-forfeited property from Goodhue County and what had transpired to that point. She noted that SEMMCHRA would like to discuss with the City ways to clear the title and was looking for feedback with regard to the future of the Sandstone Ridge property.

Council Member Bringgold asked about the number of units that were originally proposed for housing, and Director Beranek provided additional information in this regard. She reiterated that this was no longer the plan. Council Member Bringgold asked whether SEMMCHRA would still hold the title. Director Beranek stated that SEMMCHRA would likely turn the property back over to Goodhue County. She explained that the property was sold to SEMMCHRA to create affordable housing, adding that if this was not going to happen, there would be no reason for SEMMCHRA to retain title to the property.

Karl Sonneman introduced himself as an attorney from Winona who had represented SEMMCHRA for a number of years and was currently working on the Sandstone Ridge project. He provided background information and reviewed the title issues. He explained that the property was platted in an unusual way, with the ownership of Lot 8 being unclear. He stated that Lot 8 was eventually deeded to SEMMCHRA from the Bank of Scotland.

Mr. Sonneman reviewed other issues that had arisen in trying to clear up the title for the entire parcel that SEMMCHRA holds. He explained these various issues in detail and pointed out areas under discussion on a site map.

- 1) Issues related to roads and streets.
- 2) Utility easements.
- 3) A permanent bluff land conservation easement.

Council Member Gesme requested clarification of road easements. Administrator Maroney described the original plan for access to the development. He noted that if SEMMCHRA and Goodhue County were going to clear up the title issues, the City may have to give up certain rights-of-way, platted streets, platted easements, and potentially a City park. He added that certain things would need to be retained, such as certain utility easements. Administrator Maroney referenced several ideas that had been discussed regarding this issue. He expressed support for SEMMCHRA to clean things up, but suggested that before everything was final, the City should be able to weigh in on their vision for alternative land uses, an alternative transportation plan, and an alternative easement plan.

Council Member Bringgold commented that there may be issues with the sewer and water lines. Administrator Maroney provided additional information related to trunk facilities. He noted that lateral sewer and water lines could be removed, unless there was a plan to utilize utility connections.

Council Member Duncan asked how title issues would be resolved. Attorney Sonneman reviewed the need for and the process of obtaining a quiet title.

Administrator Maroney asked about the dedicated park land. Attorney Sonneman explained that this park was titled to the City and that SEMMCHRA had nothing to do with this parcel. He noted that the only question that impacted the park pertained to what to do with the road.

Council Member Duncan asked what would happen once all of the title issues were cleared up. Director Beranek noted that this would depend on the City's vision for this land.

Mayor Althoff stated that a couple of developers had asked him about this property. Infrastructure issues and engineering cost estimates were discussed. It was noted that this was a challenging site to develop from an economic feasibility perspective.

Council Member Mattson asked if SEMMCHRA had obtained the property for \$1. Director Beranek confirmed that this was the case.

Council Member Mattson discussed other potential uses for the property. Director Beranek noted that SEMMCHRA was not in the business of developing solar or wind farms and stated that it would be up to the City to determine a vision for the site.

Mr. Sonneman referenced statutory law in terms of the title transfer. He noted that the legal issues could be solved, adding that the real issues were economic in nature.

Mayor Althoff referenced past discussion of sharing the estimated \$750,000 of additional soil correction costs. He noted that the City of Cannon Falls had already lost hundreds of thousands of dollars in this project.

Goodhue County Commissioner Brad Anderson stated that the \$750,000 estimate was to fix the soil under where the building would take place and that it would not do anything to fix the soil where the infrastructure was going, which would still be a problem. He stated his understanding of SEMMCHRA's intention to clean up the title and replat the property into three separate single plats with no building sites.

Commissioner Anderson noted that he sat on SEMMCHRA's Board of Directors. He expressed agreement that SEMMCHRA had no desire to be involved in any solar or non-housing-related projects. He suggested resolving the title issues, in order for the City and the County to decide what would happen to this property.

Mr. Sonneman commented on the need for a petition to vacate streets, adding that SEMMCHRA would like to have an understanding of what would be acceptable to the City. Director Beranek noted that SEMMCHRA's next step would be to come before the City Council to request vacation of the roads.

Council Member Gesme asked if there were utility services that ran through Lot 8 currently. Director Beranek clarified that this was believed to be the case. Council Member Gesme asked whose responsibility it would be to take care of this. Attorney Sonneman stated that it would be SEMMCHRA's responsibility because they were the titled owner to the property. Council Member Gesme asked whether these issues would be resolved.

Director Beranek stated SEMMCHRA's intent to conduct research and to get the title as clean as possible, as this would be cost beneficial.

Administrator Maroney stated that these issues had been problematic for a long time. He expressed agreement with the quiet title process and some joint planning. He stated that these efforts would help alleviate part of the problem, adding that other problems would still exist, including bad soils, bad streets, unused utilities, and a poor drainage system. He stated his opinion that, due to these issues, developers would not be rushing in to develop this property.

Administrator Maroney suggested that one of the next steps should be to determine what the City was willing to do to clean up the physical mess that was present and whether SEMMCHRA and/or Goodhue County would be involved.

Council Member Bringgold commented that even if everything was fixed that needed to be fixed, there were remaining issues with adjoining properties.

Administrator Maroney stated that there were privately held lots adjacent to the SEMMCHRA property that was fronted by badly deteriorated streets, which would be a future problem to be discussed.

Director Beranek stated that there may be some State grant funding available for cleanup and noted that SEMMCHRA could look into this.

Council Member Gesme asked what needed to be done at this time. Council Member Bringgold suggested proceeding with a street vacation request. Council Member Duncan asked whether this should be done before or after the title was cleared up. Mr. Sonneman noted that vacation of the streets should be requested first, in order to clear up the title faster. It was noted that other next steps would include replatting the parcel and establishing easements.

Council Member Montgomery asked Administrator Maroney if there was a separate issue with the park.

Administrator Maroney clarified that the dedicated park was in the City's ownership presently, and the City would need to decide if they wanted to retain this dedicated park in that location or not. He noted that this could be discussed and a vision decided for this parcel.

Administrator Maroney explained that there had been a fair amount of development proposed in the area that did not occur which was the reason for the dedicated park land in the first place.

Mayor Althoff summarized the discussion. Director Beranek stated her intention to forward a street vacation request for discussion during an upcoming City Council meeting.

Adjournment

The work session adjourned at 7:07 p.m.

Adopted by the City Council of the City of Cannon Falls on the 17th day of December, 2019.

John O. Althoff, Mayor

ATTEST:

David Maroney, City Administrator