

MINUTES
Special Eveleth City Council Meeting
2:30 p.m., March 26, 2009
Eveleth City Hall

A. CALL TO ORDER

Mayor Matos called the meeting to order at 2:30 p.m.

B. ROLL CALL

Councilor Liz Kuoppala, Present
Councilor Thomas Kallevig, Present
Councilor Joseph Koivunen, Present
Councilor Brian Hoag, Present
Mayor Bill Matos, Present

Also present: City Clerk/Administrator Jackie Monahan-Junek; Deputy Clerk Stephanie Friebe; City Attorney Mitch Brunfelt; Director of Public Works Michael Wiskow; Chief of Police Brian Lillis

C. NEW BUSINESS

- 1. Consider Granting Michael Jacobsen and Economy Ready Mix Corporation, d/b/a Economy Ready Mix, Inc. an Extension Beyond March 31, 2009 as Stated in Settlement Agreement and Release between Michael Jacobsen, Economy Ready Mix Corporation, d/b/a Economy Ready Mix, Inc. and the City of Eveleth**

The following portion of the Minutes is recorded verbatim:

Matos: "I've talked at length about this the last meeting. So, this is strictly looking for an extension."

Hoag: "I think that's everyone's understanding on that."

Matos: "You can come to the podium, Mike. Yes, please."

Jacobsen: "No, I mean, it's . . . we've had an agreement that and there was a vote in December to sell the land. And like Mitch said you don't have to have a lease to sell me the land. But what we do have to do is probably either extend this deadline or eliminate it pending the sale and let the sale committee do their work. I mean the other people are wondering what's going on too."

Matos: "Mike, this . . . "

Brunfelt: "Mayor, just to clarify the record there was no vote at anytime to sell the land. So, I just wanted to make sure the record is clear on that."

Matos: "This states that you are asking for an extension beyond March 31st, knowing that you do not own the land. You do not have a lease."

Jacobsen: "I agree."

Matos: "The purpose of this settlement would be for you to remove your stuff off of the property."

Jacobsen: "Yah, but at the last meeting you said that I hadn't cleaned it up. Well it's the middle of winter there's nothing you can . . . Joe said it's pretty clean but there's still a couple things we could do when the snow is gone."

Matos: "Well, it's not, the purpose of this meeting was to, and if we so vote, to grant you more time to get your stuff off of the property."

Jacobsen: "And it's my understanding that if they are going to sell the land, and I should be able to buy it. Why would I move my stuff off to buy the land only to move it back?"

Matos: "Because you . . ."

Jacobsen: "I mean, that's what the meeting was in December was to sell the property."

Matos: "No it wasn't, Mike."

Jacobsen: "That's the letter I got. That the City Council had voted to sell the property."

Matos: "There's a long history here that's developing longer every week we go. And the bottom line is a Court Order states that you will vacate that property."

Jacobsen: "Well, then that's what this meeting is for so they can extend that order."

Matos: "You're not going to extend your stay on that property, your business on that property. You are going to extend the time you have to get your stuff off that property or the City will take over that property on the 31st of March."

Jacobsen: "That's what the extension is for."

Matos: "And we will dispose of the property."

Jacobsen: "It is my understanding that property is going to be sold. That's what the meeting was for in December."

Matos: "Where is this coming?"

Brunfelt: "Number one, it's not even an extension to vacate the property. If there's any extension granted under the current deadline it's simply an extension for him to go on the property to remove his stuff, basically. The other thing about this, there is no meeting or vote to sell the property. The letter that Mr. Jacobsen is referring to was a letter that the City Administrator had sent to him after a City Council Meeting (I believe it was in December) simply saying that the City Council was appointing a committee to explore eventually the possibility of the sale to folks out in that area. And that's it. There was no vote to sell. It was just simply let's form a committee to look at it. And that's the letter that was sent. You know, I don't mean to be very nit picky on the record here, but I mean we gotta make sure that we are talking apples and apples and oranges and oranges here and not getting things mixed up."

Matos: "At first blush you look at this thing and it tells me an extension beyond March 31st as stated in the Settlement Agreement and Release between Michael Jacobsen and Economy Ready Mix, Inc. and the City of Eveleth. That's not what I'm hearing."

Hoag: "I think, correct me if I'm wrong, I think the intention here, hear me out, to give Mr. Jacobsen a chance to get his stuff out and as far as the City we don't want it. You know what I mean? Give him a chance to get his stuff out of there but there's also the chance, that you've got to be realistic, that a sale might not come in that time frame."

Jacobsen: "Well that's what I'm saying. Just leave it open ended or . . . even Liz had said that she expected it to be done this winter. So, why we are still here?"

Brunfelt: "Just so you know the timing on the sale, I mean, we are talking literally, I mean, this might be a year or two process."

Matos: "At least."

Brunfelt: "Because it has to be platted before we can sell it, and a plat process alone is going to take . . . even if we had a lawyer working just exclusively on that issue alone which we don't have a luxury of doing in a small firm. I mean the platting process alone is going to take a year. So, it's just not a short time frame where the City is in a position to sell real property to anybody out there. It has to be platted. That process is going to take many, many months."

Matos: "Mike."

Jacobsen: "Well and I understand there will be meetings where everything is supposed to be and what everybody is willing to pay."

Matos: "Mike, I have to tell you . . ."

Jacobsen: "To extend this out another year isn't unreasonable if we are going to be able to buy the property."

Matos: "I'm going to tell it to you straight what this is. This is an extension and we don't have to give you this extension."

Jacobsen: "I understand. That's why I'm here."

Matos: "This is an extension for you to vacate the property. There's nothing in here about selling the land to you. There's nothing in here about leasing the land to you. The order was for you to vacate the property. You had since December--until March 31st to do it. You haven't done a thing."

Jacobsen: "Well there's nothing you can do in the winter when there's four feet of snow. There's four feet of frost. "

Matos: "I mean, there could have been some . . . if there was some movement as far as you moving out of there I would grant this thing; for the sake of you moving out of there. But you don't get it. You don't want to get it."

Jacobsen: "I do get it. That's why I'm here today."

Matos: "You don't want to get it because you think somehow you are going to be able to stay on that property. And if, and when, it ever does come up for sale you're gonna buy that property and everything is going to be happily ever after. It doesn't work that way."

Jacobsen: "Well, I'm under the assumption that I should have as much right to buy it as the other leaseholders."

Matos: "And you do. You have as much right as anybody else."

Jacobsen: "That's right. Yah. So, it would be asinine to move out all my buildings and my plant and buy the land a year from now and try and move it back. You'd be looking at hundreds of thousands of dollars just to move."

Matos: "So I should go down to City property and build a house?"

Jacobsen: "Well have you got the authority to build in there?"

Matos: "Do you?"

Kuoppala: "Mr. Mayor . . ."

Jacobsen: "We're not talking about that."

Koivunen: "I think we are getting off the beaten path . . ."

Jacobsen: "Alls I'm asking for is an extension until the sale committee can be or decide what we want to do."

Koivunen: "What we are here today is to see if we can grant him extra time or not. At our last meeting we discussed if he could get another lease or not. That's a whole different story. Right now he has until like next Tuesday to get everything off if I'm not mistaken."

Matos: "Exactly."

Koivunen: "So this is what we're talking about right here. So grant this for him and then in the meantime if he wants to come and approach the City about a lease then there's a time for that. Because it's always a step thing that we have to do otherwise we get into an argument and stuff like this right now. So, I mean, let's take care of one thing here and then the next step we will go somewhere else."

Hoag: "Yah, and take it step by step."

Matos: "That's fine. I just want to make sure that Mike understands this."

Brunfelt: "Mayor, I put together a together a fairly carefully worded amendment to the Settlement Agreement. I can pass this out. You can take a look at it. I can walk you through it. If the Council is inclined to grant an extension, I have something here I think that if the majority is inclined to do it . . . I'll kind of review this with you. So what this is, is this is if you see attached to this there is an Exhibit A attached to the four pages. And then, that's the original. This document, this Exhibit A, is the original settlement agreement and release that was entered into with Mr. Jacobsen in November that grants him the deadline of March 31, 2009 to remove his stuff from the property, okay? So what I did for the City Council's consideration is I drafted what's called an Amendment to the Settlement Agreement and Release. What this says is that essentially the original Settlement and Release gave him until that March 31, 2009 for his deadline and that the City and Jacobsen would be agreeing to amend the Settlement Agreement. So we would actually be amending the specific paragraphs in the Settlement Agreement. Instead of having the March 31st date in there it would simply be putting a new dated in there. So, Paragraph 8 of the Settlement Agreement would be modified so it grants Jacobsen up to and including whatever date you would want to pick to insert into that line 'access to the Subject Property for the sole purpose of Jacobsen removing all buildings, including cement plant, from the Subject Property, etc. And then also there is a Paragraph 9 in the Settlement Agreement that had that March 31st date in it as well in terms of his obligation to restore the property. There again, you would simply amend the Settlement Agreement and put a new date (whatever date you would pick). Then, if you look at the third paragraph in this amendment, you would also be modifying Paragraph 11 to change the March 31st date to some other later date that the Council might choose. And as of that new date, Jacobsen would be relinquishing any right that he would have to the buildings or any property. Relinquishing any right that he may have to the buildings that are on site there and basically saying on the new date anything after that date is owned by the City of Eveleth. Now there's a couple other things that I added in here. Of course, Paragraph 4 is that all of the other terms and provisions of the original Settlement Agreement and Release

are still in full force and effect. Also, what I put in here is that just as an example, let's say you granted him instead of being March 31st, let's say we amended the original settlement agreement to make it May 15th. What I put in here in Paragraph 5 is I put in the City Council would be willing to consider granting Jacobsen one additional short extension of time beyond let's say it's the May 15th as the new deadline. Beyond that May 15th deadline, on the following conditions: That on or before the new deadline, this is in sub 5(a), he would have to pay any and all delinquencies owing to the City including the delinquent utility bill; that on or before (whatever the new date is) he must clean up garbage on the property and remedy any blight on the property to the satisfaction of the City's blight enforcement officers. Then also, I put a subparagraph (c) here for any other conditions that the City Council would like to impose. You can impose those on him. So, you can impose those conditions and hopefully that would be an incentive on the part of Mr. Jacobsen to make some of those things right. And then if he does, at some subsequent City Council Meeting you would be willing to consider granting him one additional extension beyond that. But, again, bottom paragraph on Page 2 here, I'm also putting in that whether or not to grant him another extension is completely within the exclusive discretion and control of the City Council and that you are not legally obligated to provide him any additional extensions; so we are covered that way. And then also, Paragraph 6, I put in boldface in this Amendment that 'By entering into this Amendment and by his signature below, Jacobsen again agrees, confirms and acknowledges that he has absolutely no rights (legal, equitable, leasehold or otherwise) in the Subject Property; that he has absolutely no right, entitlement or option to purchase or acquire the Subject Property; and Jacobsen further agrees, confirms and acknowledges that the City has full, sole and exclusive ownership, occupancy, possession and control of the Subject Property and that the City has made no promises or commitments to sell, transfer, convey or lease the Subject Property to Jacobsen at any time in the future.' So, I think this pretty much locks it up that you grant him an extension for access you're simply changing that March 31st date to a later date. That's all you are doing. If the majority of the Council wants to grant an extension, this may be the conditions under which you do it."

Matos: "Mitch, we are not obligated to even grant him this first extension?"

Brunfelt: "That is correct. You are under no legal obligation to grant him an extension beyond March 31st."

Matos: "As I've said before to Mr. Jacobsen, if there was some effort being made (the dismantling of the plant and the removal of his stuff from the site) it would be a different story, but there has been nothing."

Brunfelt: "It's the policy discretion of the Council of whether or not you do this, but just to make it clear, you are under no legal obligation to grant any extensions beyond March 31st."

Kuoppala: "And, Mayor, recognizing that we are under no legal obligation to do anything, I think that we as, in good faith, as a policy board . . . I think that we are unable to at this point even tell him how much, if we were selling the land to anybody how much it would be. It might be \$12,000 or \$20,000 for that piece nobody knows. I think for that Mr. Jacobsen to decide whether or not he would even be interested in buying . . . it's just I think we've put

him in a very, we've put each other, I think, in a difficult place. So what I would like to do is do this, and I thank you, Mitch, for writing this up. I would like to extend to May 31st the time Mr. Jacobsen has to remove his things and would encourage us all to do as much as we can with our planning committees to figure out: what we want to do with that kind of area of town; whether we're going to be selling this land at some point; what kind of money we would be charging if we do sell the land at some point. So we would be doing our homework at the same time Mr. Jacobsen is cleaning up his area. But I realize too, to me it's a little bit common sense that as long as he's still holding out hope that he might (and I realize that the settlement says there is no hope that you could ever buy the land) it doesn't make sense to me just as a human being that you would be taking down the buildings and everything if you are still hoping that you can buy the land. So I suggest we have a mid-point, April 30, in the Paragraph 5 . . .”

Brunfelt: “If this is leading up to a motion we can fill in the settlement.”

Matos: “I do not agree with you, Liz.”

Kuoppala: “That's okay. Let me just finish my thought here, Mayor. Let me just finish my thought and then I welcome people's thoughts on it.”

Brunfelt: “So, you are thinking in Paragraph 1, it would be May 31, 2009.”

Kuoppala: “Yep.”

Matos: “What happens after May 31, 2009 if nothing is done on the site?”

Jacobsen: “Am I assuming now that you guys are gonna try and get something going on the sale before the end of May?”

Matos: “No.”

Kuoppala: “The Mayor really doesn't seem to be interested in working on any of this, but . . .”

Jacobsen: “You guys are the sales committee. What's your reasonable deadline to try and get an agreement worked out? Whether we transfer a title at the end or not at the end of the lease what he's saying is it's going to take for legal . . . to get it platted and this and that and whatever you got to do, it's going to take a year. How soon can the sale committee get something where there is a price within a few grand?”

Koivunen: “That I don't know about.”

Matos: “Number one, I didn't know we had a sale committee.”

Jacobsen: “May may not be enough time.”

Matos: "I'm not aware of a sale committee here in this Council."

Kuoppala: "But that's why, again, I just want to continue my thought here."

Jacobsen: "Two months from now we will be back here doing the same thing."

Matos: "I know we will."

Jacobsen: "And he'll be saying, you know, we've tied up the budget meetings and this and we had to get that. I mean, we've got a committee together let's see if we can't get something worked out so we're not back here in two months."

Matos: "If anybody thinks, and you included, Liz, that by May 15th or May 31st that we're gonna have all the answers to that property down there done you are way, way off base."

Kuoppala: "Well and that's why I would appreciate just a chance to finish my thoughts."

Matos: "Well, I mean, do you know why we are in this situation in the first place? Did you read the Court Case? You were on the Council when this case was decided. You were in the conference room with us. . ."

Kuoppala: "Please do lecture me, Mr. Mayor."

Matos: "And you actually agreed with all of us to pursue this matter."

Kuoppala: "Your point being?"

Matos: "The point being, why are we waffling now?"

Kuoppala: "So the way I described this to Mr. Jacobsen is that, if I have a brother who borrows my car repeatedly and every time he borrows it he displeases me with something: returns the car empty; returns it full of empty beer cans; returns it smashed up. Every single time he borrows it he disappoints me. At some point I say, 'Hey, Buddy, I'm not going to borrow it to you anymore.' But then, if he comes back to me and says, 'I would like to buy that car,' to me that's a different deal. And so when Mr. Jacobsen called after I agreed that I do not support leasing land, so last fall, December, whatever, when Mr. Jacobsen called and said, 'Hey I'd like to buy it. What do you think about that?' And I thought, 'Huh. That's a different deal.' You know, this isn't the brother who is borrowing my car and disappointing me over and over and over again. I could consider selling it. And not that I would sell it, I could just consider it. To me that's a different deal. But when we haven't yet been able to figure out if we would sell it; how much we would sell it for; or whether or not we would allow for a conditional use permit to have concrete making happen down there; I just feel like there's some stuff we need to do. And I agree we have been busy with budget meetings and stuff, but I feel like there's some good faith . . . I don't feel like we are in a place, or me as a City Councilor, to work at making it harder for business owners in town. I think that it's our job to make it . . . and right now we are saying we have no idea. We are not going to do our

homework, but we just say no. Like, I just feel like there's a little bit of good faith on both sides. So, that's why I would, and maybe people don't feel it's enough time, but I would put May 31st on these other things and then April 30th under the issues under Paragraph 5 to show good faith that Mr. Jacobsen has paid back any money he owes us. He's cleaned up the garbage and the blight and that kinds of stuff. If he does those things, and if by May 31st we still don't know enough information, then we could consider extending it beyond that under Paragraph 5. So that's where I'm at."

Matos: "Let me get this straight. So we are gonna allow him, and the recommendation some of the stuff voiced from the EDA was to clean that property up, plat the property, and sell the property. This is not going to happen in a month or two or happen within a year."

Hoag: "Okay. . ."

Jacobsen: "I got an idea."

Matos: "Excuse me. I have the floor here. This is not going to happen. So we are going to allow Mr. Jacobsen (who doesn't own the land, who doesn't have a lease, who doesn't have a conditional use permit) to run a plant down there. To squat on City property for as long as he wishes until such time comes that we may be ready to sell the land. And then, we are going to make an offer to sell the land; and he might not buy the land because the offer we make might be too high; and we still have his cement plant and his garages and everything on the property. This makes absolutely no sense whatsoever."

Kuoppala: "That is exactly not what I proposed."

Matos: "It is certainly what you proposed."

Hoag: "I think the thing is, you know, we don't want the stuff. Ok, and I took a ride down there yesterday just so I could see, and there have been improvements. I'll give you credit on that. Does going six months make a difference on that? I mean it's been that way . . ."

Matos: "I don't think six months makes any difference."

Hoag: "Hold on. I mean it's been down there since before I was born."

Matos: "Does that justify it?"

Hoag: "And it has improved, ok. Is six months really gonna make a big difference in the big scheme of things?"

Jacobsen: "I've done a lot of improvements. I filled in all of those lots. I tore down all the old foundations from the buildings in the 1900s. I leveled all that land. I put in the water and sewer."

Matos: “Mr. Jacobsen, yes it is cleaner down there; somewhat cleaner. But, if you look alongside for your buildings, I’ll tell you how long some of that stuff has been down there. There’s trees growing through some of that junk on the side of your buildings. So don’t tell me that it’s clean. The branches are growing through the stuff.”

Jacobsen: “I’m not admitting that it’s totally clean. No. But we did all the mowing. We cut down a lot of brush, and 99 percent of that stuff has been taken out of there before winter came. Then when winter came . . .”

Matos: “We are getting off the original motion here. The motion is to grant you an extension, and the extension would be for you to vacate that property as stated by the Court’s Order.”

Jacobsen: “Let me say one more thing. The road bans are on until May 15th. Moving some equipment in to finish cleaning off some of that you can’t even move it in there for another 90 days, 60 days, anyway. So by then we should be get . . .the ground is dried up, you can do the leveling if whatever we need to. And if they think they can get something together by the end of the year just make the motion to . . . by the end of May to show a good faith, we’d have it cleaned up pretty nice.”

Kallevig: “I have an idea here. The attorney says it’s going to take a year to do this; to sell anybody the property. So here’s my idea. Grant him this extension, like Liz says, for the City to have time to lease him the land for one year. Then the City’s getting money for it, and he would have to meet these conditions that Mitch has outlined here. He would have to pay all his delinquencies in full including the utility bill. Clean up the garbage on the property. The stuff that’s listed here, he would do that. If he did that, we would lease him the property for a year. So by the time that year was up we would know whether or not we were going to sell him the property. Otherwise there’s no sense in giving him an extension if it’s not going to be for at least a year.”

Brunfelt: “I don’t think you should do a lease. Because when you get into a lease you get into a whole different ballgame in terms of if you have additional problems at the end of that lease of getting him off the property. So a lease, I would strongly recommend you would not do a lease at this point. What you are doing here is you are simply granting him an extension. And by the way, this is not an extension for him to operate anything on this site. It’s not an extension for him to operate a business there. All this is, is an extension for him to be able to access the property, to remove his belongings and extend the clean up.”

Matos: “Would you please repeat that end part again? A motion for him to remove his belongings.”

Brunfelt: “What this document is, all this is, it’s an Amendment to the Settlement Agreement. The only thing the Settlement Agreement and this document do is grant him the right, it’s not even a right, I don’t even want to use that word. It’s simply to grant him access to the property. He can go on the property to remove his belongings and to restore the property to the condition it is supposed to be in.”

Matos: "And by March 31st or May 31st, if there isn't substantial . . ."

Brunfelt: "Yah. What this would simply do if there isn't . . . May 31st is the deadline."

Matos: "We could chase this date all year."

Jacobsen: "And that's why we might as well extend it out further to the end of the year."

Kallevig: "How long would it take for the City Council to know how much it would cost for these people down there to buy the property? You said a year? Or could we do it faster than that?"

Brunfelt: "Well, I mean, in terms of how much we're gonna know for an amount, I think in terms of what we might charge folks to buy their land, I mean, we might know that earlier. I mean, we might know that a lot sooner than the actual plat process is completed because that's part of our committee discussions is to try to come up with some number that we might charge each of them to buy their land. So in terms of a number that we can go to the property owners and say, 'We'd be interested in signing a purchase agreement for you to eventually buy this land;' we'll have that number in place sometime in the near future. The actual platting process though is going to take a year. So in terms of actually closing on the transaction and conveying those properties to those folks it might be a year from now."

Kallevig: "Common sense says there is a chance that you are going to sell him the property. You're going to look into the sale of the property to Mr. Jacobsen. Then we have to extend it long enough so he can buy it."

Jacobsen: "That's right."

Kallevig: "Otherwise there's no sense in extending it at all. We might as well just cut it off right now."

Matos: "That's what we should do. We should cut it off right now."

Kallevig: "That's what we are trying to decide on; whether we want to sell him the property or not."

Matos: "A couple of years ago you had told me right in this Council Chambers, if we don't sell you the property, you are going to take your plant down and move it to Biwabik."

Jacobsen: "No. I said I wasn't gonna put anymore money into it if I can't own it."

Matos: "Well, you were right on that part."

Jacobsen: "Yah."

Matos: "So . . ."

Kuoppala: "If the extension was until the end of August, I'm just concerned if we get to winter again then we get into this road restrictions and stuff like that. Would the end of August be a reasonable time to . . ."

Jacobsen: "Yah. I mean at least that sale committee should be able to get a number together . . ."

Matos: "There's no intention . . ."

Jacobsen: "I'm not worried about where the lot lines are. I pretty much know where everything is. I'm never gonna quivel over a foot one way or another or the wording on it. August or September would be, by then we should have an idea where we need to be. And if they decide they don't, or you know, if I decide that this number is too great, I'll be out of there. Absolutely."

Kuoppala: "So then my, for the Council and Mayor, my new suggestion would be that we go (I think there's 30 days in August) that we make most of these lines August 30th. And then the ones under Paragraph 5 (to show good faith, pay debts, clean things up), I'd change that to May 31 so we could . . ."

Jacobsen: "That's certainly doable. The frost is out of the ground. The ground is dried up. If we've got some nice weather it can easily be cleaned up."

Kallevig: "Is that your motion, Liz?"

Kuoppala: "Yep. That's my motion."

Matos: "Before I entertain that motion, I will say, I'm only one vote here and I'm going to vote 'No' on this."

Jacobsen: "Well I knew that."

Matos: "So that's fine. And I will vote 'No' to sell you that land because you are a poor owner for that property down there. You are not the type of person or business I would want in this City. But your past record, and the trouble we've had with . . .when's the last time you mixed a truck of cement?"

Jacobsen: "Probably in October of 2006."

Matos: "Ok. Three years ago."

Jacobsen: "Well it would be now."

Matos: "So we're beating a dead horse here gang. I'll go through the motion. I don't have the votes to stop it, but it's totally wrong; totally wrong we shouldn't have gave him any extension from the get go in December, and that's what happened. It's ludicrous."

Jacobsen: "Well if it didn't live up to your expectations, I'm sorry."

Matos: "My expectations . . .if you take a ride by that plant, my expectations are pretty low."

Jacobsen: "I don't think so, I was a member of the Better Business Bureau. You know how long you've got to be in business to become a member of the Better Business Bureau? You can't even join it you have to be invited."

Matos: "Are you in business now?"

Jacobsen: "No."

Kuoppala: "So we have a motion and a second, I have just a . . ."

Brunfelt: "Let's make sure we get the motion right. I think the motion is to, I want to make sure it's straight. The motion is to approve Amendment of the Settlement Agreement and Release and to authorize signatures of that document and to, as I understand it then the two blank lines in Section 1, you are going to put the dates of August 30th in there, is that right?"

Kuoppala: "Yes."

Brunfelt: "And then in the blank line at the top of page 2, that's August 30th. The blank line in Paragraph 3 is August 30th. In Paragraph 5, it says again, it's the August 30th deadline but on or before May 31st Jacobsen must pay in full any delinquencies, etc. So that's going to be May 31st in 5B. Is that right?"

Kuoppala: "That's correct."

Brunfelt: "Ok, and then in 5A and 5B are May 31st. Does the Council want to add any additional conditions beyond A and B? And then if Jacobsen satisfies all those conditions by May 31, 2009, then at which City Council Meeting are you going to consider, if any, granting him any extension beyond August 30th?"

Kuoppala: "It would be the second meeting in August."

Brunfelt: "The second meeting in August which would be . . .the second meeting in August is August 18th. So at the August 18th Meeting, if he's met those conditions, then you might be willing to grant him one short extension beyond that if he's met the conditions. Is that what the Council's looking at?"

Kuoppala: "Yep. That's my motion."

Brunfelt: "Ok. Alright."

Matos: "Well I'm sure there will be another motion after the date comes and goes that we will grant another extension to let this travesty go on for another six months. So before I call for a vote is there anyone from the audience who would like to speak? Sure. Come on up to the mike."

Audience Member: "My name is Roberta Palen. I live out in West Eveleth, and I'm on the Comprehensive Plan Committee. I would just like to remind the Mayor and the Council before you get involved in all kinds of fancy things, that there is a comprehensive plan about to be finalized and that may or may not reflect on whatever you decide. So that is a document that you will have to okay and just be a little bit careful about what you do before the plan is approved because it's almost ready to be brought to Council."

Matos: "Okay. Now, Tom you made the motion to . . ."

Kallevig: "I didn't make the motion."

Matos: "Oh. I thought you had a motion on the floor."

Kallevig: "I seconded, supported the motion."

Matos: "Liz made the motion?"

Kuoppala: "Yes. I made the motion."

Matos: "Okay. Read that motion please."

Kuoppala: "It's this entire document. You want me to read it?"

Matos: "Just read it, yah."

Brunfelt: "Well, the motion . . ."

Matos: "Not the document. This piece here."

Kallevig: "He just read it . . .he just gave us the dates. The City Attorney did."

Matos: "Well I don't think it's too much to ask to read it."

Brunfelt: "You know I can read it."

Matos: "Alright. Whatever."

Brunfelt read the entire Amendment to Settlement Agreement and Release.

Matos: "So. In other words, when it's platted and the time comes when we're ready to make a sale if some other business comes and is interested in this property they have just as much right to buy that property as Mr. Jacobsen. Am I correct?"

Brunfelt: "They would have just as much right to buy the property at anytime. Any third party could buy this property at anytime. Mr. Jacobsen has no rights at all to buy the property."

Matos: "That's all included in the motion?"

Brunfelt: "That's included in this agreement."

Kuoppala: "And even if there is no other business owner, we don't have to sell it to anyone."

Matos: "That's true. That's true."

Kuoppala: "One other thing I'd like to clarify, I guess, before we vote. Or, well, maybe it could be after we vote, but I'm just wondering if the blight officer could prepare like a report for us. Maybe for the first . . . maybe the last, second meeting in April. Just a report of what would need to be done on the property and then copy it to Mr. Jacobsen so that everyone (the Council and Mr. Jacobsen) are aware on what the 'To-Do' list is. So if we get that like for the second meeting in April, and then the first meeting in May we kind of have an update. Then the second meeting in May another update, and then a final update at the end of the month. Then there can't be any, 'Well, I didn't know that's what blight is.' You know, we will all be on the same page."

Matos: "So, one more question. Jackie, that property down there we had a Phase 1 environmental study done?"

Monahan-Junek: "Correct."

Matos: "Would it take a Phase 2 to sell this property?"

Monahan-Junek: "Mayor, I think that's a question better answered by the Attorney."

Matos: "Mitch, do you have any idea?"

Brunfelt: "No."

Matos: "I think that's a question we also have to answer."

Kallevig: "I have one more thing to say for discussion. It's not only Mr. Jacobsen's property, all the properties down there are just a mess. The reason they're a mess is because nobody owns them. You look at the houses that are leased in our part of the town it's the same situation. People won't take care of it if they don't own it. Not only Mr. Jacobsen, I

think we should try move this along as quickly as possible sell the property to all the people down there so they will start fixing it up.”

Matos: “As long as we sell it right, and as long as we don’t get stuck holding the bag on some pollution or something that’s in that property. All I’m asking is we look and see what is needed before we decide to sell this property.”

Kallevig: “I agree with that.”

Matos: “And if it takes a Phase 2 and whatever time it takes to do the Phase 2 . . . any idea what it costs to do a Phase 2, Jackie?”

Monahan-Junek: “I’m sorry. I don’t know.”

Kallevig: “But all those owners down there, all those business owners down there if we’re gonna sell them, if there’s a chance we’re gonna sell them the property, I don’t think we can tell them to move all their stuff off before know if we’re gonna sell it or not.”

Matos: “Well Mr. Jacobsen is under a different scenario.”

Kallevig: “If there’s a chance he can buy the property . . .”

Matos: “Tom, he’s under a scenario.”

Kallevig: “I know he is.”

Matos: “Alright. Thank you.”

Kallevig: “If there’s a chance he can buy the property, it’s foolish to haul everything off.”

Matos: “So, you’re not comparing apples to apples. You’re comparing someone who insisted we told him we’d sell him the land and we had to take him to court to get our land back.”

Kuoppala: “I think if we could just quit the personal attacks.”

Matos: “Sorry. Sorry this Council isn’t always the Land of Milk and Honey.”

Kuoppala: “But we can be respectful.”

Matos: “Sometimes it’s tough up here. Okay, we have a motion . . .”

Hoag: “I’ll say, and I think going through for all businesses kind of makes us look like we are a community that wants to encourage . . .”

Matos: “We will bend over backwards for businesses, but we will not bend over backwards for habitual . . .”

Hoag: “Okay, let’s be respectful.”

Matos: “You started it. These are habitual violators.”

Hoag: “I know, but let’s be respectable and let’s . . .”

Matos: “Yah. So I think we have been more than respectable. The next motion, did you make the motion?”

Kuoppala: “I did.”

Matos: “Okay. We have a motion by Councilor Kuoppala, support by Councilor Kallevig.”

Brunfelt: “And by the way Mr. Jacobsen, the language in the Agreement is nonnegotiable.”

Jacobsen: “It’s not what?”

Brunfelt: “It’s not negotiable. It’s the Mayor and City Administrator are being authorized to sign this Agreement. To get your extension, you’re going to have to sign it, and the language is not negotiable.”

Kuoppala: “And just one final time, just to be clear that, so I made the motion, but I’m not in any way saying that I think we will be selling you the land or I promise, you know, it’s none of that. It’s I think there’s some homework we need to be doing, and . . .”

Jacobsen: “Well I think we have the votes to sell the land; we just have to get time to do it. We gotta get . . .”

Brunfelt: “And the only action that’s being taken here is to approve that Agreement or that Amendment that I just read for the record. That’s all that’s being approved here that the motion is to approve that document and authorize signatures and there’s no promises being made at all.”

Matos: “You’re not being placed ahead of anyone else.”

Jacobsen: “You’re not being placed in front of anybody else for the sale of the property. Oh, I agree, but in the 25 years I was there they haven’t been approached by any business.”

Kuoppala: “Can we vote?”

Matos: “Yah. I’m ready. The motion is on the table. We’ll take a role call vote.”

Brunfelt: “Go ahead and take a role call.”

Matos: “We’ll take a role call vote. Jackie, please.”

A role call vote was taken on the following Motion:

Motion by Councilor Kuoppala, second by Councilor Kallevig to approve Amendment of the Settlement Agreement and Release between Michael Jacobsen, Economy Ready Mix Corporation, d/b/a Economy Ready Mix, Inc. and the City of Eveleth and to authorize signatures of the document. Role Call Vote: Kuoppala – Aye; Kallevig – Aye; Koivunen – Aye; Hoag – Aye; Matos – Nay. Motion carried.

Matos: “That concludes our Special Meeting. Being no further business, meeting adjourned.”

D. ADJOURN

The Meeting adjourned at 3:20 p.m.

Attest:

Bill Matos, Mayor

Jackie Monahan-Junek
City Clerk/Administrator

Approved: April 7, 2009
Published: April 29, 2009