

**MINUTES**  
**Eveleth City Council Workshop**  
**6:15 p.m., March 18, 2014**  
**Council Chambers, City Hall, Eveleth, MN**

**1. Letter from Eveleth Merchants regarding proposed tri-school merge**

This item was added to the regular agenda.

**2. Project Update from David Salene and Jackie Monahan-Junek**

Alice Location: Salene has had conversations with St. Raphael's Health & Rehabilitation Center about the City purchasing the Arrowhead building and garage. The City would buy both for one dollar, but would be responsible for the pollution issues. The agreement would put the burden of cleanup on the City. Northeast Technical Services has indicated the risk seems to be low. Grants would cover 80 percent of the cleanup cost. The buildings would become City property, and the City would look to lease or sell the property.

Chicagami: Salene has had multiple conversations with Doug Ellis (Chicagami President) and James Glancy (Financial Adviser) regarding Chicagami's limited ability to fund a new facility. He has requested a review of their operating costs, but to date has not received that information.

Councilor Hadrava wondered if the City could purchase the church, and lease the property to Chicagami. Salene said Chicagami does not have the financial capacity to both lease and remodel the church.

Monahan-Junek said Chicagami has been unwilling to look at their financial books and make operational changes. They would have to make changes if the City would acquire the building.

Councilor Koivunen does not want to see Chicagami leave. Councilor Hadrava would like to see the school get involved as a daycare in town benefits the school.

The Council would like Salene and Monahan-Junek to pursue Chicagami to keep them in Eveleth.

Aqua Power: The development agreement is pending final drafting.

Draper Lease Agreement: A temporary lease agreement term sheet was provided to Jon Marcaccini, who is representing Dr. E.W. Draper. There is an outstanding \$26,000 lease payment.

VEEDA: Salene and Monahan-Junek had a phone conference to review the proposed reorganization of VEEDA. Virginia is aware of Eveleth's intent to restructure VEEDA. The intent is to create a joint powers board between Eveleth and Virginia with one Council Member from each City, and possibly the City Administrators alternating. The assets would remain with the joint powers board.

### **3. Agenda Q&A**

Discussion took place on funding the additional expense (over the Taconite Tax Relief Grant in the amount of \$420,297.46) for the Auditorium building renovation.