

**MINUTES**  
**Eveleth City Council Workshop**  
**4:00 p.m., March 19, 2019**  
**Council Chambers, City Hall, Eveleth, MN**

Councilor John Rauzi, Absent  
Councilor Brad Hadrava, Present  
Councilor Brian Lillis, Present  
Councilor Joseph Koivunen, Present  
Mayor Robert Vlasisavljevich, Present

Also present: City Clerk Administrator Jackie Monahan-Junek; Deputy City Clerk Stephanie Friebe; City Attorney Mitch Brunfelt; Public Works Director Jerry Rosati; Police Chief Tim Koivunen; Alan Johnson, Benchmark Engineering

Mayor Vlasisavljevich called the meeting to order at 4:10 p.m.

**1. Project Updates**

Consultant Dave Salene updated the Council on several projects as follows:

Fresenius Lease – Salene reported that the lease renewal is for 10 years. The lease rate will be \$17.00/sq. (\$102,000 per year). The annual debt obligation for the City is \$63,841.08 per year. Fresenius recognizes that this building was constructed specifically to fit their needs of operating a dialysis unit. The City owns the building and the debt will be paid off in 10 years.

Day Care Development – Brandie Folken and Brandi Peterson are the developers of a prospective daycare unit which will provide 25 new full/part time jobs and be licensed for 142 children. The former FingerHut building (1250 Industrial Park Drive) is City owned. The value of the building and property (lease to own) is \$200,000. The EDA will be offering a \$15,000 EDA Storefront Loan for exterior improvements with \$5,000 forgiven after \$10,000 has been paid. The IRRRB Development Infrastructure grant has been awarded in the amount of \$175,000 with the IRRRB Commercial Redevelopment grant still pending in the amount of \$30,480.

Eveleth –Virginia Airport – Salene distributed a 2019 Capital Improvement Schedule for the Eveleth-Virginia Airport. Salene explained that the improvements are necessary in order to maintain the FAA licensure. The total project is estimated at \$3,561,983.43. Federal funding would make up \$2,576,744.21; state funding at \$632,406.47; and the remaining \$352,832.75 from the local share (Eveleth and Virginia dividing evenly). The IRRRB is expected to participate at an amount of around \$80,000 which would leave Eveleth responsible for around \$161,800. The City of Eveleth has \$45,000 set aside for the airport

improvements and will need to come up with the remaining amount. Salene suggested his fees be included as the City of Virginia should be responsible for half of his costs. The Airport Authority has no authority to borrow money. The City of Eveleth cannot be borrowing money directly or indirectly to the airport. The City does have the ability to borrow money through bonding predicated on grant reimbursements. The City of Eveleth is the fiscal agent. Salene explained the mechanics of the system are you start a project; you invoice the project; you close out the project. The Federal and State payments are made unusually within 60 days of the invoice.

The meeting adjourned at 4:56 p.m.