

Study Session Meeting - September 25, 2018
Council Chambers, Ely City Hall

CALL TO ORDER

Mayor Novak Called the Study Session and Public Hearing to order at 5:30pm.

PRESENT: Council members A.Forsman, Kess, Debeltz, Omerza, Callen, D. Forsman, and Mayor Novak

ADDITIONS OR OMISSIONS: None

PUBLIC HEARING

Public Hearing to take public comment on the potential sale of the Community Center located at 30 S 1st Ave E in Ely, MN

Mayor Novak stated that there were sign-up sheets for people to sign up on if they wished to speak, each speaker will be given 3 minutes to speak, first will be city residents, then nonresidents.

Carol Orban – 2 E Conan

Orban stated that she read the through the business plan of K-America and thinks it is a worthy endeavor. The couple has lots of experience with non-profits. Orban stated she was impressed with the research they have done. Orban stated that she has two nieces that are Korean adoptees and their parents have struggled to teach their children about their Korean culture. Minnesota has the highest number of Korean adoptees in the United States. Orban said to not throw away this opportunity to bring this to our town.

Anne Koskinen – 9 E Harvey

Koskinen was concerned about what could go on at the community center. The Community Center is a City asset and very useful to our city. K-America will be using the Community Center as an asset for themselves and not for the City Residents. Koskinen stated that she is only interested in selling the Community Center if it is for a use beneficial to Ely Residents.

Angela Campbell – 233 E Chapman St

Campbell handed out her Business Plan and Purchase Agreement for the Community Center. Campbell stated that it is important to keep the Community Center in the community; it was built by the miners for the people of Ely. Campbell stated that she intends to restore it and use it for profit. Her vision is to make the community center into a historical center, ethnic and cultural center, a community and business event center and also offer rental offices. The funding will be private capital. She intends to have 2 years of Construction and be open for business in the 3rd year with an income potential of \$135,000 per year.

Shelly Arnold – 1102 E Washington

Arnold stated that she agrees with Angela.

David Ziegler – 234 E White St

Ziegler said he has seen similar situations in California and Colorado and they turn into something else. Ziegler said the building is part of Ely and it should be used for purposes of the City of Ely residents. In his experience he has seen similar situations get out of hand with foreign entities taking over. Ziegler stated that in 15 year the City will regret this decision and he is absolutely against it.

Mark MacCoy – 117 E Harvey St

MacCoy stated that he lives right next door to the Community Center for the last 35 years. MacCoy said that he has dealt with a lot of the construction of the Community Center over the years and he has constantly been dealing with the traffic in the alley. He stated that his house would be up for sale if someone would want it, he wants the best for Ely.

Mike Banovetz – 427 E Harvey St

Banovetz stated that Campbell's proposal has merit and he has no issue with K-America's proposal either. He would like the city to look at both proposals and give an equal evaluation to each proposal.

Todd Denio – 210 W White St

Denio stated that the Community Center was built for community use. Denio stated that he understands that the city cannot afford to keep the Community Center, and that it should go to Campbell who has the heart of the community. Denio said that the other event centers in town are too expensive. Denio said that the Community Center should go to someone who sees that the residents of Ely will use it.

Lottie Pinckney – 114 E Harvey

Mayor Novak gaveled Pinckney for her comments that were inappropriate. She chose to leave the chambers on her own.

Scott Meland – 232 E Washington St

Meland stated that selling the Community Center to K-America would remove the building for public use. Campbell's proposal would return it to the community, provide jobs, and would bring money back to Ely in economic ways.

Betsy Flaten- 1375 Walsh Road

Falten stated that her daughter is an adopted Korean; she was excited to hear about the proposal from K-America. She has gone to Korean Camps with her daughter when she was younger. These camps will bring people to Ely and increase economic development in the area. The Korean camps are not like a traditional camp they should be called a school not a camp. They teach Korean language, technical skills, theater and other parts of Korean culture. Flaten discussed Africa Yoon's accomplishments over the years and her many connections with people.

Steve Saari – 2387 N Hwy 21

Saari thanked the Mayor and Veterans for having this opportunity. Saari stated that he is concerned with the secrecy of the potential sale of the Community Center. Saari stated that we need more transparency to control the message; the City could have had a press release or

something. Saari said he went to the Planning and Zoning hearing and said that 8 people spoke against the rezone and it still passed, he felt like they were not heard. Saari stated that he supports Campbell's offer and would like to see her offer and any other offer get a chance.

Gerald Tyler – 1142 S 3rd Ave E

Tyler stated that he supports Angela and he will submit a written statement.

Celia Domich – 3055 Van Vac Road

Domich spoke about the history of the Community Center. In 2012 an Ad Hoc group was formed, in 2013 the decision was made to build a new library. In 2015 two groups were interested in purchasing the Community Center, one would be subsidized by the tax payers and one was a Data Center that never came up with a business plan after a year of waiting. In 2017 the City hired a Steve Bragg from Calhoun Realty as a broker to sell the Community Center for \$85,000 for the 30,000 sq. foot building; the city had several people interested, but never received a complete offer. In 2017 the City had another group interested in making it a Community Center, but they did not complete the offer. In 2018 K-America made an offer on the building with a business plan. Domich stated that this is the first plan that really recognizes the challenges of the building and they would bring a new business to Ely. Domich stated that she has met with the Yoon's and fully supports the Yoon's proposal and would like the Council to accept the offer.

Elton Brown – 1603 Hanson Road

Brown stated that K-America will bring people to town and Campbell's proposal would recycle the building and compete with new entrepreneurs investments in town.

Andrea Zupancich – 37 Locust Dr, Babbitt, MN

Zupancich talked about the Bryant Center in Babbitt, which was sold 16 years ago. Originally there were big plans for the building, but the building was gutted and then left empty. The City of Babbitt bought back the building in tax forfeiture and then had to tear it down. Zupancich stated that she has nothing against the Yoon's, but does not think the use fits the neighborhood.

Mayor Novak indicated that the zoning of the Community Center needs to be rezoned from P – Public for any use. The only way the zoning could stay the same is if a Public Entity like the county or state would purchase the building.

Mayor Novak stated that the issue with the rumors is the plan was shared when the project was vested.

Mayor Novak closed the hearing @ 6:13pm and recessed the meeting until 6:30pm

Mayor Novak called the meeting back to order at 6:31pm

OLD BUSINESS: None

NEW BUSINESS:

Lookout Ridge – Landfill/Tax Forfeited Property -Proposed Annexation Agreement

Mayor Novak indicated that at the joint meeting with Commissioner Rukavina, Town of Morse and City of Ely on September 20, 2018 the Town of Morse proposed the following agreement. The township would allow the city to acquire the 60 acres and annex a total of 140 acres, in return the township would require no heavy industrial use in the 140 acres, the township would acquire a 40 east of Highway 1 owned by the city, and shared tax revenues in the 140 acres with the township getting 25 percent of city tax revenues once a lot is sold for a 10 year period and no further annexation allowed on city boundaries without mutual agreement of both government entities. The 1973 annexation agreement would remain in place. The entire agreement would be filed with the state.

Langowski stated that on the map Ownership. Area Parcels for Swap the black dashed line is the current city limits. The Old Landfill is the yellow area next to 5,4,3. The City of Ely's plan was to extend 8th Avenue into 1 Ely and 2 Ely on the map to connect to the Old Landfill. There has been an extensive amount of environmental work done out at the Old Landfill some as recent as this summer. In discussions the City of Ely has had with the county they are interested in cleaning up this property as well as it is adjourning to other county properties, Commissioner Rukavina saw the clean up as a definite benefit to the county as well. Council members discussed the property and stated that this issue will be put on the next Council Agenda.

ADJOURN

Mayor Novak adjourned the meeting at 6:52pm without objection.

Casey Velcheff
Deputy Clerk