

CITY OF CHATFIELD COMMON COUNCIL

AGENDA

December 20, 2022 4:15 P.M

- I. Chatfield City Council – December 20, 2022 – 4:15 p.m. – City Council Chambers
 1. Determine authorization regarding the sale of bonds to purchase property.
 2. Discuss/determine issues related to Shady Oak Park as it relates to the 2023 Street Improvement Project.
 3. Adjourn.

MEMORANDUM

TO: CHATFIELD CITY COUNCIL
FROM: JOEL YOUNG, CITY CLERK
SUBJECT: FUNDING THE PURCHASE OF PROPERTY
DATE: 12/15/22
CC:

Action Requested: Re-affirm the authorization to sell \$750,000 of bonds or determine a lesser amount.

Background: The current situation:

- The City has entered into an agreement to purchase property from People's Energy Cooperative at a cost of \$699,900.
- The City has authorized the sale of \$750,000 of bonds to cover the cost of acquisition, bonding costs and improvements that might be needed.
- The City has set up a budget so that the required interest and principle payments will be consistent with the City's Capital Financial Plan.
- The City would like to construct a new public works facility ~2029 and re-sell the property to a developer that would use the property in a way that is consistent with the Comprehensive Plan.
- The City Council would like to minimize the amount of interest cost associated with this transaction and, to do so, is now considering the use of cash on hand to fund part of the purchase cost. It is assumed that one or two of the parcels of property will be sold relatively quickly, which would recover the cash used for the overall purchase.

Please consider the following:

Savings: The thoughts of selling property quickly and/or selling less bonds than anticipated are worthy thoughts and represent a necessary effort to save money however possible. Since the City has the opportunity to call bonds as early as 2/1/26, though, the savings might be incremental at best. According to Mike Bubany, for every \$100K we reduce the borrowing it will reduce the capitalized interest (cash) required to cover the first interest payments only by about \$12,000. Bubany has suggested that this amount of savings is not enough to warrant the risk

involved. He reminds us that the City can prepay as soon as 2/1/2026 and points out that the 1% penalty associated with prepayment would cost an additional \$1,000 per \$100K, which he suggests is minimal.

Use of Cash: While the City does have cash on hand to float a purchase of ~\$250,000, there are concerns that go along with that. The primary concern is that this might cause the City to end the year with less cash on hand than is allowed by policy. Given that this transaction will take place in late December, there is no time to recover from the cash expense if we did fall below that amount. In other words, there is no time to re-sell the property and recover the cash in this fiscal year. To be clear, I haven't had the time to study this in-depth but Mr. Bubany has warned of this possibility and he further warns that the reduction of cash might impact the interest rate on sale of bonds for the upcoming street project.

Sale of parcels of this property: In order to sell the property, the City will need develop a process to do so, a fair market value of the property will need to be determined, either by an appraisal or some other process, and, of course, the sale process will need to be completed. Furthermore, the City will want to ensure that the buyers of the property will use the property in a way that is consistent with the Comprehensive Plan.

Decisions Made: The City Council has already determined that the property in question will meet the needs of the City for the next several years. The City Council has also determined that the purchase price is acceptable and has worked with its financial advisor to set up a financing method that is safe and fits within the City's Capital Financial Plan and budget.

Decisions Yet To Be Made: Some of the decisions yet to be made by the City Council is how and when to re-sell the property, including whether the property should be sold as one large property which might be capable of supporting a large development project at some point or if single parcels should be peeled off and sold independently, to support multiple smaller enterprises. Furthermore, since the City Council has pledged to ensure that the ultimate buyer of the property will use the property in conformance with the Comprehensive Plan, the City Council will need to determine what the desired uses might be.

Summary: In summary, the recommendation of staff, led by the City's Financial Advisor, would be to complete the transaction as designed, identify the uses desired on the property once the City no longer needs the property, and determine how and when to sell any property that the City does not need.

RESOLUTION RESCINDING THE RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A \$750,000 TAXABLE GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BOND, SERIES 2022B AND LEVYING A TAX FOR THE PAYMENT THEREOF ADOPTED NOVEMBER 28, 2022 AND ADOPTING A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A \$_____ TAXABLE GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BOND, SERIES 2022B AND LEVYING A TAX FOR THE PAYMENT THEREOF



City of Chatfield

Thurber Community Center • Chatfield Municipal Building
21 Second Street Southeast • Chatfield, Minnesota 55923 • 507-867-3810
www.ci.chatfield.mn.us

MEMORANDUM

TO: CITY COUNCIL
FROM: CRAIG BRITTON
SUBJECT: SHADY OAK PARK DISCUSSION - CONTINUED
GRAND STREET SE, HAWLEY STREET SE AND PROSPECT STREET SE IMPROVEMENTS
DATE: DECEMBER 7, 2022
CC: CITY CLERK, JOEL YOUNG PUBLIC WORKS COMMITTEE, PAUL NOVOTNY & MIKE URBAN
SUPERINTENDENT OF CITY SERVICES, BRIAN BURKHOLDER

Action Requested: The Public Works committee met on December 6th to review the input received from the Council regarding Shady Oak Park. After further discussion at the committee meeting, the Public Works committee would like to continue the discussion about the park with the Council.

Background: Shady Oak Park is approximately 1.3 acres in area and has access from both Hawley Street SE and Prospect Street SE. With the upcoming street project planned for construction in 2023 the public works committee has reviewed different design considerations that could be affected depending on whether or not the park remains as is.

At the December 6th meeting, the committee began to evaluate the condition of the park and discussed what improvements may need to be made to the existing playground equipment and camping sites in order to make the park more of an amenity. The improvements will require an investment to be made in the park and the committee is seeking Council's input into how much of an investment, if any, the Council would like to make.

The following items were discussed at the Public Works committee meeting on December 6th.

1. Should the campsites remain at Shady Oak Park or is there a better location for them such as Mill Creek Park? To properly accommodate campers, grading within the park should be done to provide a level surface for the campers. Additional grading within the park will require trees to be removed and will be costly. In addition, existing electrical lines would need to be realigned as part of the grading work.
2. Currently there are approximately 6 camping sites available for campers in the park. Would the Council like to see more sites or fewer sites available for camping within the City?
3. If the decision is made to keep camping sites in Shady Oak Park, should campers be limited to a certain size, possibly 30 ft in length? This would reduce the amount of grading required

within the park and would reduce costs, but limits the camping options for those with larger campers / RV's.

4. If the camping sites are relocated to another location in the City, should Shady Oak Park remain as a park? If the decision is made to keep it a park, what, if any, improvements would the Council like to see?
5. Should sewer and water services be extended into the park to accommodate future residential lots?

If you have any questions prior to the Council meeting please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig Britton". The signature is fluid and cursive, with the first name "Craig" being more prominent than the last name "Britton".

Craig Britton

Shady Oak Park





Pictures taken from Hawley Street looking NE into the park.

MEMORANDUM

TO: CHATFIELD CITY COUNCIL
FROM: JOEL YOUNG, CITY CLERK
SUBJECT: SHADY OAK PARK INFORMATION
DATE: 12/15/22
CC:

Attached are the pages that reference Shady Oak Park in the City's Park Master Plan. As you will see, there are objectives and recommendations that directly address the camping amenities and an objective that seems to address sidewalks.

To date, we have not been able to determine how the City came to own the property that is Shady Oak Park, however, the attached documents were found in the City's files. We didn't find any references to these transactions in the city council minutes of 1918 and 1920. Presumably, a title search could develop more information but that won't be completed unless it is determined that it is necessary to do so.

If the City Council would like to consider disposing of the property or if there is a desire to discuss the value of neighborhood parks, the City Council should consider asking the Planning Commission to assist, as the Planning Commission is responsible to maintain the City's Comprehensive Plan and the other sub-plans, such as the Park Master Plan.

Parks, Trails, and Recreation Master Plan 2016



Final

Submitted to
City of Chatfield, MN

Updated, September 2017



Classification of Chatfield's Parks

The City of Chatfield classifies each park based on use and the users the park serves that was developed by the National Recreation and Park Association (NRPA) to be used as a resource to describe most types of parks. These standards are meant to be modified to address a specific agency and the unique types of parks that a city has to offer. Each park was classified under the category that met the broadest definition of amenities provided and the users it serves. The Chatfield classification system includes: a Regional Park, Community Parks, Neighborhood Parks, Mini Parks, Private Recreation, and Public Schools.

Mini Neighborhood Parks

Mini parks generally address specific recreation or open space needs. This type of park is usually created of a single lot or irregular piece of land and is intended to serve users directly adjacent to it. Often these parks are too small for recreational use but sometimes may accommodate a small playground and places to sit outside. Mini parks can add value to the adjacent private properties if they fit their surroundings and have desirable uses.

Service Area: Typically the service area for a mini park is less than (0.25) one square mile.

Park Size: Typically these parks cover less than one acre and accommodate no more than one or two users. Often such parks provide only benches or picnic tables.

NRPA standards call for between 0.25 to 0.5 acres of neighborhood parkland per 1,000 residents. Ranging in size from 0.25 acres to 1.4 acres. Hendricks Park is .33 acres and contains a bench for 1-2 people and would fall into the standardized NRPA guidelines.

Neighborhood Parks

Neighborhood parks are considered the basic unit of a community's park system and provide a recreational and social focus for residential areas. These parks desirably provide space for informal active and passive recreational activities. Park space is provided for recreational for recreational activities such as field games, court games, picnic facilities and playground equipment. Neighborhood parks may contain amenities that serve the community as a whole. An example of this is an athletic field that is used by an athletic organization.

Service Area: The typically service radius for neighborhood parks is between (0.25) one quarter and (0.5) one half mile. A neighborhood park should be easily and safely accessed by the neighborhood it serves, uninterrupted by major roads or any other barrier.

Park Size: Neighborhood parks must be a size adequate enough to accommodate facilities that successfully serve a neighborhood. Such parks should contain at least 3 acres if possible. Of this total acreage, 2-3 acres should be relatively flat open space area suitable for a number of activities, including "pick up" ball games and room to run or throw a ball.

NRPA standards call for between 1 to 2 acres of neighborhood parkland per 1,000 residents. Chatfield currently has about 9.74 acres of neighborhood parkland. This translates into 3.74 acres per 1,000 residents.

Shady Oak Park Inventory

Size	1.41 Acres
Land Cover	Mowed turf and oak tree cover
Recreational Facilities / Activities	A tot lot area, benches, fire pit, sand volleyball court, sandbox, removable restrooms, and RV Camping area.
Buildings / Shelters	Small covered sandbox and a shelter-concrete pad
Pedestrian Accessibility	No sidewalks, some steep grads along Prospect Street
Parking	Parking Prospect Street
Signage	One monument sign along Prospect Street
Utility & Capacity Issues	Limited
Frequency of Use	Medium
Maintenance Requirements	Medium
History	
Donations / Gifts and Donor	

Goals:

- To create a neighborhood park that is easily accessible and provides for a variety of family friendly activities.

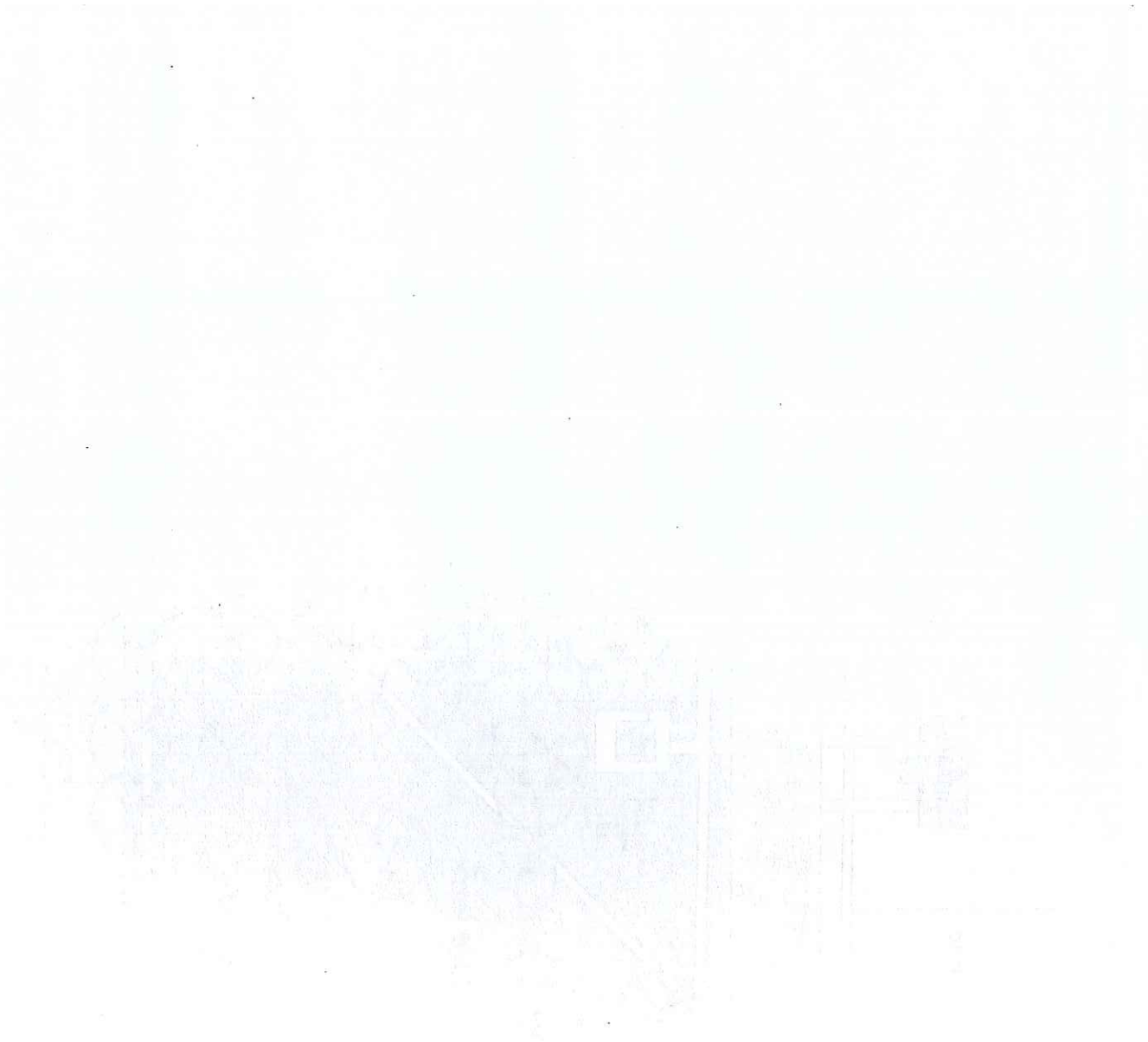
Objectives:

- Remove and improve park facilities to encourage family use.
- Phase out the RV Park sites as other sites are established in other park areas in Chatfield.
- Make the park safer and easily accessible for pedestrians.

Recommendations:

- Install a new picnic shelter in the same location of the previous pavilion
- Remove the RV camping amenities and restore the area to turf.
- Remove the old fire pit and restroom when RV camping is removed.
- Add picnic tables throughout the park.
- Improve the vitality of the grass by trimming some lower branches of the oaks, removing some small areas of grass and increasing the level of turf maintenance.

- Add a connecting trail from the Park to John and Mary Drive along the easement as shown on the map.
- Install shrubs along the perimeter adjacent to the private homes and yards to enhance the park's definition.
- Maintain the Oak Stands and watch for Oak Wilt.
- Plant other varieties of trees.



Shady Oak Park

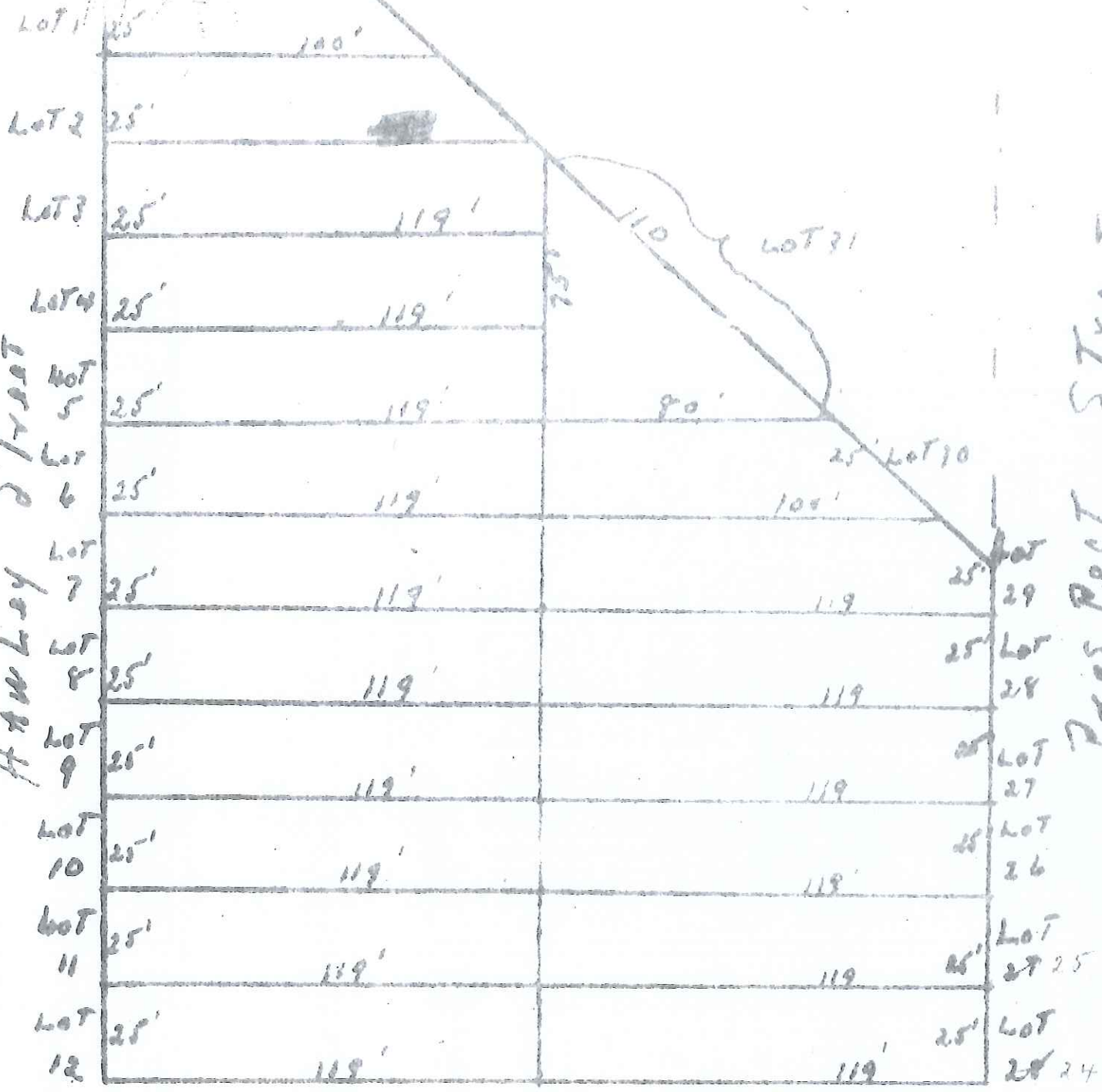


0 20 40 80 Feet



Handley Street

Prospect Street



Shady Oak Park

This Indenture Made this 21st day of May
in the year of our Lord one thousand nine hundred and twenty between

Melissa Aldrich (Widow)
Formerly of Fillmore County and State of Minnesota now
of the County of Habasha and State of Minnesota part 1 of the first part, and

Charles B. Ream
of the County of Fillmore and State of Minnesota part 1 of the second part,

WITNESSETH, That the said part 1 of the first part, for and in consideration of the sum of Fifty and no/100 DOLLARS,
to her in hand paid by the said part 1 of the second part, the receipt whereof is hereby acknowledged,
do hereby Grant, Bargain, Sell and Convey unto the said part 1 of the second part, her
heirs and assigns, Forever, all tracts or parcels of land lying
and being in the County of Fillmore and State of Minnesota, described as follows, to-wit:

All of lots one (1) and two (2) in Block one (1) in Hillcrest
addition to the City of Chutfield according to the plat thereof as
and
on file of record in the office of the Register of Deeds in and
for said Fillmore County.

To Have and to Hold the Same, Together with all the hereditaments and appurtenances thereunto
belonging or in anywise appertaining, unto the said part 1 of the second part, her
heirs and assigns, FOREVER. And the said Melissa Aldrich (Widow)

part 1 of the first part, for herself, her heirs, executors and administrators, do
covenant with the said part 1 of the second part, her heirs and assigns, that they are
well seized in fee of the lands and premises aforesaid, and have good right to sell and convey the same in manner
and form aforesaid, and that the same are free from all encumbrances

and the above bargained and granted lands
and premises in the quiet and peaceable possession of the said part 1 of the second part her heirs and
assigns, against all persons lawfully claiming or to claim the whole or any part thereof, the said part 1 of the
first part will WARRANT AND DEFEND.

In Testimony Whereof, The said part 1 of the first part has hereunto set her hand
and seal the day and year first above written.

Signed, Sealed and Delivered in Presence of

Melissa Aldrich

Seal

Seal

Seal

WARRANTY DEED

Made this 11th day of June
in the year of our Lord one thousand nine hundred and Eighteen (1918) between

Charles L. Thurber and Nina Thurber, husband and wife,
of the County of Fillmore and State of Minnesota parties of the first part, and

Mary J. Carson
of the County of Fillmore and State of Minnesota party of the second part;

WITNESSETH, That the said parties of the first part, for and in consideration of the sum of Sixty DOLLARS,
to them in hand paid by the said party of the second part, the receipt whereof is hereby
acknowledged, do hereby Grant, Bargain, Sell and Convey unto the said party of the second part,
her heirs and assigns, Forever, all those tract or parcels of land lying and being
in the County of Fillmore and State of Minnesota, described as follows, to-wit:
Lots Twenty Four (24) and Twenty Five (25) in Block One (1) in
Hillcrest Addition to Chatfield, according to the Plat thereof, as on
file and of record in the Office of the Register of Deeds in and for
said Fillmore County

To Have and to Hold the Same, Together with all the hereditaments and appurtenances thereunto
belonging or in anywise appertaining, unto the said party of the second part, her heirs and
assigns, FOREVER. And the said Charles L. Thurber and Nina Thurber

parties of the first part, for themselves, their heirs, executors and administrators,
do covenant with the said party of the second part, her heirs and assigns, that they are
well seized in fee of the lands and premises aforesaid, and have good right to sell and convey the same
in manner and form aforesaid, and that the same are free from all encumbrances.

and the above bargained and granted
lands and premises in the quiet and peaceable possession of the said party of the second part, her
heirs and assigns, against all persons lawfully claiming or to claim the whole or any part thereof, the
said parties of the first part will WARRANT and DEFEND.

In Testimony Whereof, The said parties of the first part have hereunto set their hand
and seal the day and year first above written.

Signed, Sealed and Delivered in Presence of

MARY J. CARSON

Charles L. Thurber
Nina Thurber

Seal
G.S.D.

This Indenture Made this fourteenth day of October
in the year of our Lord one thousand nine hundred and Twenty (1920) between

NINA THURBER (witness)

of the County of Fillmore and State of Minnesota part y of the first part, and

MARY J. CARSON

of the County of Fillmore and State of Minnesota part y of the second part,

WITNESSETH, That the said part y of the first part, for and in consideration of the sum of
- - - ONE HUNDRED FIFTY & no/100ths - - - - - DOLLARS,
to her in hand paid by the said part y of the second part, the receipt whereof is hereby acknowledged,
does hereby Grant, Bargain, Sell and Convey unto the said part y of the second part, her
heirs and assigns, Forever, all those tracts or parcels of land lying
and being in the County of Fillmore and State of Minnesota, described as follows, to-wit:

Lots Twenty-Six(26), Twenty-Seven(27), Twenty-Eight(28), Twenty-Nine
(29), Thirty(30), and Thirty-One(31) in Block One(1), All being
in Hillcrest Addition to the City of Chatfield.

To Have and to Hold the Same, Together with all the hereditaments and appurtenances thereunto
belonging or in anywise appertaining, unto the said part y of the second part, her
heirs and assigns, FOREVER. And the said NINA THURBER

part y of the first part, for her heirs, executors and administrators, does
covenant with the said part y of the second part, her heirs and assigns, that she is
well seized in fee of the lands and premises aforesaid, and has good right to sell and convey the same in manner
and form aforesaid, and that the same are free from all encumbrances

and the above bargained and granted lands
and premises in the quiet and peaceable possession of the said part y of the second part her heirs and
assigns, against all persons lawfully claiming or to claim the whole or any part thereof, the said part y of the
first part will WARRANT AND DEFEND.

In Testimony Whereof, The said part y of the first part has hereunto set her hand
and seal the day and year first above written.

Signed, Sealed and Delivered in Presence of

Nina Thurber Seal

Mary J. Carson Seal