OFFICIAL PROCEEDINGS

Pursuant to due call and notice thereof, the special meeting of the Spring Lake Park City Council was held on October 26, 2026 at the City Hall, 1301 81st Avenue NE, at 5:30 PM.

1. CALL TO ORDER

Mayor Nelson called the meeting to order at 5:30pm.

2. ROLL CALL

MEMBERS PRESENT
Councilmember Ken Wendling
Councilmember Barbara Goodboe-Bisschoff
Councilmember Lisa Dircks
Councilmember April Moran
Mayor Robert Nelson

MEMBERS ABSENT

STAFF PRESENT
Administrator Daniel Buchholtz

OTHERS PRESENT
Kristi Cobbs, 8085 Jefferson St, Spring Lake Park

3. NEW BUSINESS

A. Discussion Regarding Potential Acquisition of 8455 Terrace Road NE for Expansion of Sanburnol Park

Administrator Buchholtz presented information regarding the potential acquisition of 8455 Terrace Road NE for the future expansion of Sanburnol Park. He explained that the approximately 0.65-acre property is immediately adjacent to Sanburnol Park and directly south of the City-owned Morgan property at 8463 Terrace Road NE. Acquisition would allow the City to square off the southwestern corner of the park and provide additional land for future recreational improvements.

Buchholtz reviewed the City's history of acquiring property along Terrace Road for park expansion, including the acquisition of approximately 0.41 acres of the Morgan property in 1995 and the remaining Morgan property in 2006. He noted that the City has informally discussed acquiring 8455 Terrace Road NE since 2006, particularly in connection with the potential construction of a recreation building at Sanburnol Park. The additional land would provide flexibility for future recreational facilities, parking, and other park amenities.

The property is currently listed for sale for $250,000 and contains a single-family residence constructed in 1957 with an attached two-car garage. Buchholtz reported that the residence is in poor condition and would require substantial improvements if retained. The Council discussed the property's history of maintenance issues, previous City enforcement actions, and potential environmental considerations related to a former underground fuel oil tank.

Mayor Nelson expressed support for exploring the acquisition, noting that the property has been of interest to the City for many years and that its availability presents a limited opportunity to expand Sanburnol Park. Councilmembers discussed potential future uses of the property, including a recreation building that could accommodate indoor recreational activities and gymnasium space. Buchholtz explained that existing school facilities are heavily utilized, making it difficult to secure space for City recreation programming.

The Council also discussed options for the existing residence, including demolition or potential rehabilitation for use by the Spring Lake Park Lions Club. Mayor Nelson noted that he had discussed the possibility of the Lions Club utilizing the building as a Lions' den. Ryan Julien, President of the Spring Lake Park Lions Club, indicated that potential grant opportunities through Lions Clubs International were being explored to assist with rehabilitation costs. Buchholtz explained that a determination regarding the future use or removal of the residence would not need to be made as part of the initial acquisition decision.

The Council discussed the financial implications of the proposed acquisition, particularly its potential impact on the Terrace Park Community Building project. Buchholtz explained that the City has sufficient resources in its Park Improvement Fund to consider purchasing the property; however, those funds are currently earmarked to address additional costs associated with the Terrace Park project. He noted that construction bids for the Terrace Park building were substantially higher than anticipated, requiring the City to reevaluate the project.

Buchholtz further explained that the City has received a $450,000 Community Development Block Grant (CDBG) award for the Terrace Park project and has requested $1.2 million in federal Community Project Funding, of which $500,000 was included in the FY 2027 House Appropriations Bill. The federal appropriation has not been finalized. Without additional funding, redirecting Park Improvement Fund resources toward the acquisition could require the City to reduce the scope of the Terrace Park project, identify alternative funding sources, or reconsider proceeding with the project. Depending on the outcome, the City could also be required to return the CDBG funds if the project cannot be completed in accordance with grant requirements.

Councilmember Moran questioned whether acquiring the property would result in additional costs to taxpayers and how the acquisition would affect other planned park improvements. Buchholtz explained that while existing resources could potentially fund the purchase without an immediate property tax increase, utilizing those funds would reduce the amount available for other projects. He noted that the City does not have a dedicated, sustainable funding source for park capital improvements and has historically relied on grants, park dedication fees, and General Fund transfers.

Councilmember Moran expressed opposition to pursuing the acquisition at this time, citing concerns regarding the City's limited financial resources, the uncertain timing and cost of future improvements at Sanburnol Park, and the need to prioritize completion of the Terrace Park project. She questioned whether purchasing land for a potential future recreation facility was appropriate when the City was already experiencing difficulty funding an identified park improvement project.

Other Councilmembers expressed interest in further exploring the acquisition, recognizing the potential long-term value of obtaining property adjacent to an existing City park. Discussion also addressed possible demolition and site preparation costs, potential environmental liabilities, and the need to evaluate the property's condition before making a final purchasing decision.

Buchholtz explained that the purpose of the public discussion was to determine whether the Council wished to pursue the acquisition further. If the Council supported proceeding, a closed session would allow the Council to develop or consider offers or counteroffers and provide negotiating direction to staff. He emphasized that proceeding to closed session would not constitute a decision to purchase the property.

Following discussion, a majority of the Council expressed interest in further considering the potential acquisition.

B. Closed Session Pursuant to M.S. § 13D.05, subd. 3(c)(3) to Develop or Consider Offers or Counteroffers for the Purchase of Real Property Located at 8455 Terrace Road NE

Motion made by Mayor Nelson to close the meeting pursuant to M.S. § 13D.05, subd. 3(c)(3) to develop or consider offers or counteroffers for the purchase of real property located at 8455 Terrace Road NE.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Mayor Nelson. Voting Nay: Councilmember Moran. Motion carried 4-1.

The City Council entered closed session at 5:54pm.

Mayor Nelson reconvened the meeting at 6:35pm. Administrator Buchholtz reported that the City Council conducted a closed session pursuant to M.S. § 13D.05, subd. 3(c)(3) to develop or consider offers or counteroffers for the purchase of real property located at 8455 Terrace Road NE. He stated that staff has been given direction from the City Council.

4. ADJOURN

Motion by Councilmember Wendling to adjourn.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Motion carried.

Robert Nelson, Mayor

Attest:

Daniel R. Buchholtz, Administrator, Clerk/Treasurer