

# **CITY COUNCIL PROCEEDINGS**

## **BEMIDJI, MINNESOTA**

### **July 19, 2004**

Pursuant to due call and notice, a regular meeting of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, July 19, 2004, at 7:00 p.m. in the Council Chambers of City Hall, Mayor Lehmann presiding.

Upon roll call the following Council members were declared present: Erickson, Hellquist, Zachman, Meuers, Lehmann, Downs, Johnson.

Mayor Lehmann called for approval of the agenda. Councilmember Hellquist requested addition of a discussion item relating to BSU development on Birch Lane. Clerk Sherman requested addition of Planning Case #2004-01 – Shore Quest Subdivision-Preliminary Plat for SE Lake Bemidji development, which was continued for 60-days at the May 17<sup>th</sup> meeting. Motion by Hellquist, second by Johnson, to approve the agenda with the additions noted. Motion carried by unanimous vote.

#### **APPROVAL OF MINUTES**

Minutes of the July 6, 2004 Regular Council meeting were presented for approval. Erickson noted a correction as follows: *Plan Review Fees for the Boys & Girls Club – Erickson amended the motion, not Meuers.* The correction was duly noted. Motion by Erickson, second by Meuers, to approve the minutes as corrected. Motion carried by unanimous vote.

#### **CONSENT AGENDA**

The following Consent Agenda items were presented for approval. Zachman requested removal of item 7 (*Resolution Supporting Application to MHFA for High School Reuse Project*) and item 9 (*Contract with HRDC to complete the SCDBG application for the High School Reuse Project*). Motion by Zachman, second by Hellquist to approve the remaining items on the Consent Agenda. Motion carried by unanimous vote.

- A. Approved eleven (11) pages of claims in the total amount of \$786,982.00 as submitted by the Finance Officer.
- B. Approved a gambling permit for Ducks Unlimited, Bemidji Chapter, to have a raffle on September 9, 2004.
- C. Awarded bids for 2004 Street Overlay Project to the low bidder, Northstar Materials, Inc., of Bemidji in the amount of \$355,937.61.
- D. Awarded the Clausen Avenue Street Paving Project to Christiansen Industrial Developers, Inc., who provided the low quote of \$34,823.60.
- E. Approved **RESOLUTION NO. 5164**, Supporting Restoration of Greyhound Bus Service to Bemidji and the Surrounding Communities.
- F. Approved HHDC Application #4 for gap financing for the Lincoln School Neighborhood Housing Project.

#### **BEMIDJI YOUTH ADVISORY COMMISSION**

Becca Crawford noted that several new members have been installed, and new officers have been elected. Current activities include a beach bash, and a trip to the north shore to encourage improved communications and team building among group members. Discussions also included the development of a youth hang out with facilities for the BYAC office; and a local skate park.

**PLANNING CASE #2004-20**: Filed by Leisure Time Land Company (John Zacher), requesting a Subdivision, Preliminary and Final Plats, to subdivide approximately 12.1 acres into four commercial parcels. The property is situated west of Jefferson Avenue SW and South of Division Street West. Planning Commission recommended approval with the condition that the property shall be subdivided as proposed in the Preliminary and Final Plats, received on June 16 and 18, 2004.

Motion by Erickson, second by Downs, to accept the recommendation of the Planning Commission as noted. Motion carried by unanimous vote.

**PLANNING CASE #2004-21:** Filed by the Boys and Girls Club of Bemidji, requesting a Special Use Permit to locate the Boys and Girls Club in the former Bemidji High School building situation on the northeast corner of 16<sup>th</sup> Street NW and Minnesota Avenue NW, in an R-3 (Single-Family Residential) District. Planning Commission recommended approval with the following conditions:

- (a) The addition to the building, parking, and landscaping will be constructed as shown on the site plan received June 24, 2004.
- (b) The Special Use Permit is only for the Boys and Girls Club of Bemidji, and any long-term rental of space in the complex may only be to other non-profit organizations and government units that are permitted in the zoning district.
- (c) The Planning Commission shall conduct annual reviews of the Special Use Permit for at least the first two years after City Council approval.

Motion by Hellquist, second by Meuers, to approve the Special Use Permit with the listed conditions.

Erickson noted that the Council had been advised of the need for a 4<sup>th</sup> condition to be added to this request. Planner Oakes explained that the final plans propose that the size of the existing building with addition would be 35,890 square feet or 32.7% of the total parcel. The maximum permitted lot coverage on this R-3 (Single-Family Residential) zoned property is 30%. Oakes noted that the Planning Commission discussed the variance at their July 1, 2004 meeting. He recommended that the variance be included in the Special Use Permit approval as a 4<sup>th</sup> condition.

Hellquist and Meuers agreed to add the following fourth condition to the motion:

- (d) The lot coverage cannot exceed 32.7% of the parcel.

Motion carried by unanimous vote.

#### **PUBLIC HEARING – Annexation of Norvold/Lillemo parcels**

Pursuant to 30-days mailed notice, copy of which was placed on file in the City Clerk's office, a public hearing was held to consider the annexation of certain properties along Oak Hills Road to the corporate limits of the City of Bemidji (Norvold/Lillemo Parcels). Mayor Lehmann opened the public hearing and invited those present to comment on the issue. He acknowledged receipt of communication from Bemidji Township objecting to the Lillemo annexation. Copies of communications from Bemidji Township and their legal counsel were distributed to the City Council. There were no comments by the Council. No one appeared and there were no further objections. The public hearing was closed.

**ORDINANCE NO. 383, 2<sup>ND</sup> SERIES:** AN ORDINANCE ANNEXING PROPERTY ALONG OAK HILLS ROAD TO THE CORPORATE LIMITS OF THE CITY OF BEMIDJI (Norvold/Lillemo Parcels) was presented for final reading and approved by the following 6-1 vote: Ayes: Hellquist, Downs, Johnson, Zachman, Lehmann, Erickson. Nays: Meuers. Absent: None.

#### **PUBLIC HEARING - Annexation of Williams parcel**

Pursuant to 30-days mailed notice, copy of which was placed on file in the City Clerk's office, a public hearing was held to consider the annexation of a parcel located along West Division Street to the corporate limits of the City of Bemidji (Williams Parcel – 2003 & 2007 Division Street). Mayor Lehmann opened the public hearing and invited those present to comment on this issue. No one appeared.

**ORDINANCE NO. 384, 2<sup>ND</sup> SERIES:** AN ORDINANCE ANNEXING PROPERTY ALONG WEST DIVISION STREET TO THE CORPORATE LIMITS OF THE CITY OF BEMIDJI (Williams Parcel) was presented for a final reading and approved by unanimous vote.

#### **DDA RECOMMENDATION FOR MULTI-LEVEL PARKING – Mike Smith**

Background: Earlier this year, Beltrami County proposed the purchase a portion of City Parking Lot #9 to be used for a County Office Building. Representatives of the Downtown Development Authority (DDA) expressed concerns regarding the potential loss of parking in the downtown area with the sale of a portion of Lot #9. At that time, it was suggested that the DDA work with the city staff as well as the Public Works Committee to find a replacement for the lost parking. On May 13<sup>th</sup>, the Public Works

Committee reached consensus to recommend decentralized parking (removal of some vacant structures in the downtown to create several small lots) and reported their recommendations at the May 17<sup>th</sup> Council meeting. The DDA considered demolition of buildings but recommended development of a multi-level parking in Lot #4 at the corner of Minnesota and 4<sup>th</sup> Street. The decision for multi-level parking as a long term solution was supported by positive response from downtown businesses.

It was noted that the DDA currently administers a parking permit program for the city-owned public parking lots in the downtown area. The City provides maintenance, lighting, insurance, etc.

Mike Smith, representing the DDA Parking Committee, provided an update, noting that initially a two-tier parking ramp had been proposed but the feedback from downtown businesses supported a three-tier ramp even though the capacity and cash flow will initially be more difficult to support. Construction costs were estimated at \$1.5 million. Smith noted that amenities and landscaping would add additional costs. The proposal included a plan for the City to up-front the cost of construction with repayment by the DDA over a 20-year period through the sale of parking permits. Revenue from parking permits would increase substantially over a five-year period. The City would assume the risk in the event the sale of parking permits does not match projections, and would also pay the interest on the loan at a cost of approximately \$500,000. The DDA Parking Committee recommended moving forward with the proposal for construction in 2005.

Discussion followed and consensus was reached to refer the issue back to the Public Works Committee for further review and discussion with the Public Works Department staff regarding maintenance issues. It was also suggested that the Finance Director review the cost figures and recommend funding options. It was further suggested that 2005 construction might be somewhat ambitious.

#### **FUNDS TRANSFER FOR RAILROAD PROPERTY ACQUISITION**

The City recently completed the purchase of the railroad property for trail and recreational purposes in the amount of \$505,093.50. Finance Director Eischens noted that while the Council approved this purchase, the minutes and resolutions do not clearly reflect approval of the various funds to pay for the purchase. He recapped his understanding of Council's intentions as follows:

Funds received from the sale of Candy Store Property	\$225,000.00
DNR Grant	\$ 55,000.00
Donation from North County Snowmobile Club	\$ 50,000.00
UDAG Funds	<u>\$175,093.50</u>
	\$505,093.50

Eischens requested Council approval of the funding allocation as noted above. Motion by Zachman, second by Hellquist, to approve the funding allocation as noted above for this purchase and authorizing the Finance Director to transfer money from the appropriate funds into the Permanent Improvement Fund account for this transaction. Motion carried by unanimous vote.

#### **ITEM #7 FROM THE CONSENT AGENDA: A Resolution Supporting An Application To MHFA For An Allocation Of Housing Tax Credits (High School Reuse Project)**

was presented for Council approval.

Zachman explained his reason for removing this item from the Consent Agenda was that he wanted a roll call vote on the issue.

Motion by Erickson, second by Meuers, to offer the resolution along with a letter of support from the Council. Motion failed on the following 4-3 vote: Ayes: Erickson, Meuers, Johnson. Nays: Hellquist, Zachman, Lehmann, Downs. Absent: None.

#### **ITEM #9 FROM THE CONSENT AGENDA: Contract With Headwaters Regional Development Commission To Complete The Small Cities Development Block Grant For The High School Reuse In The Amount Of \$1,500.00**

It was noted that the project would probably not be viable from a development perspective if all the funding pieces are not aligned. One of the funding pieces for the project is housing tax credits, and paying the HRDC to do an application for the Small Cities grant even though the City did not support tax credits, seems like poor use of \$1500.00. Minke suggested that the Council decide whether they support the project or not.

Motion by Johnson, second by Meuers, to approve the proposal by HRDC to prepare an application for a Small Cities Development Block Grant for the High School Reuse project at a cost of \$1500.00.

City Attorney Felix reminded the Council that before proceeding to the final on this issue, any person voting in the majority on the tax credits issue could move for Council's reconsideration of the vote on the tax credits issue. There was no motion for reconsideration.

The motion failed on the following 4-3 vote: Ayes: Meuers, Johnson, Erickson. Nays: Zachman, Lehmann, Downs, Hellquist. Absent: None.

**RESOLUTION NO. 5165:** A RESOLUTION SUPPORTING AN APPLICATION TO MHFA FOR SUPPLEMENTAL HOUSING TAX CREDITS (Kestrel Pines Townhomes) was offered by Councilmember Downs, who moved its adoption, and upon due second by Councilmember Hellquist, was passed by the following 6-1 vote: Ayes: Meuers, Hellquist, Johnson, Downs, Erickson, Zachman. Nays: Lehmann. Absent: None.

**RESOLUTION NO. 5166:** A RESOLUTION AUTHORIZING APPLICATION AND CONTACT PERSON FOR MN/DOT COMMUNITY ROADSIDE LANDSCAPING PARTNERSHIP was offered by Councilmember Zachman, who moved its adoption, and upon due second by Councilmember Downs, was passed by unanimous vote.

### **REVIEW 2003 CITY AUDIT**

The 2003 City Audit was reviewed and discussed by Council. Motion by Hellquist, second by Downs, to accept the 2003 Audit Report. Motion carried by unanimous vote

### **2005 LIBRARY BUDGET PRESENTATION**

Randy Berg, and JoAnne Henningsgaard presented an overview of the 2005 library budget which included a 4% increase – approximately \$2,500.00 – over the current contribution of approximately \$62,000. Following discussion, Council agreed to consider the request during the upcoming budget work sessions.

### **DISCUSSION: BSU development on Birch Lane**

Hellquist noted that he was contacted by a property owner in the Bixby/Calihan area who expressed concerns about BSU development on Birch Lane. Council discussed the need for BSU to have a neighborhood meeting to review their long-range plan. It was also suggested that BSU should share a copy of the long-range plan with the City and schedule a meeting with the Council to review/discuss the plan. Minke will follow up with BSU.

### **PLANNING CASE #2004-01 – Shore Quest Subdivision-Preliminary Plat for SE Lake Bemidji development**

City Attorney Felix noted that the ShoreQuest Subdivision-Preliminary Plat for SE Lake Bemidji Planning Case was continued for 60-days at the May 17<sup>th</sup> meeting. Felix noted that the property owner and city staff are continuing to make progress with regard to trail development and property acquisition. He further noted that Shorequest is requesting an additional 60-day delay for Council consideration of the preliminary plat. Motion by Hellquist, second by Zachman, to accept the request for an additional 60-day extension. Motion carried by unanimous vote.

### **PUBLIC HEARING:**

Pursuant to published notice, copy of which was placed on file in the City Clerk's office, a public hearing was held to consider renewal of the Charter Communications cable franchise ordinance. Mayor Lehmann opened the public hearing and invited those present to comment on the ordinance. No one appeared. The public hearing was closed.

**AN ORDINANCE** GRANTING A CABLE FRANCHISE TO MIDWEST CABLE COMMUNICATIONS, INC. d/b/a CHARTER COMMUNICATIONS IN THE CITY OF BEMIDJI; SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE; PROVIDING FOR CERTAIN SERVICE REGULATIONS; AND

PRESCRIBING PENALTIES FOR THE VIOLATION OF THE PROVISIONS HEREIN was given a second reading. .

**ORDINANCE NO. 385, 2<sup>nd</sup> Series:** Amendments to the Massage Ordinance were discussed and approved at the July 6<sup>th</sup> meeting. Those amendments were incorporated into the final document, which was presented for final adoption by the Council. AN ORDINANCE AMENDING CHAPTER 6, SECTION 6.60 OF THE CITY OF BEMIDJI CODE (Pertaining to Massage Businesses) was given a final reading and passed by unanimous vote.

**ADJOURN**

There being no further business presented for discussion, motion by Hellquist, second by Meuers, to adjourn the meeting. Motion carried by unanimous vote. Meeting adjourned 9:30 p.m.

Respectfully submitted

Shirley J. Sherman, City Clerk