

CITY COUNCIL PROCEEDINGS
BEMIDJI, MINNESOTA
Regular Meeting – June 19, 2006

Pursuant to due call and notice, a regular meeting of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, June 19, 2006 at 7:00 p.m. in the Council Chambers of City Hall, Mayor Lehmann presiding.

Upon roll call, the following Councilmembers were declared present: Lehmann, Johnson, Erickson, Downs, Meuers. Absent: Markeson, Hellquist.

AMENDMENTS TO AGENDA

Lehmann called for any amendments to the agenda. Motion by Erickson, second by Johnson, to approve the agenda as presented. Motion carried by unanimous vote.

MINUTES

Minutes of the June 5, 2006 regular meeting and June 5, 2006 work session were presented for approval. Motion by Erickson, second by Meuers, to approve the minutes as presented. Motion carried by unanimous vote.

CONSENT AGENDA

The following Consent Agenda items were presented for approval. Motion by Meuers, second by Downs, to approve the Consent Agenda items as follows:

1. Approved Claims submitted by the Finance Officer in the total amount of \$1,076,925.75.
2. Approved miscellaneous business licenses.
3. Approved **RESOLUTION NO. 5328** Designating a Percentage of the Revenues from Paul Bunyan Amusement Park to the Jaycees for the 2006 July 4th Celebration.
4. Ratified the revision/correction made to the Personnel Policy Manual.
5. Approved Gambling Licenses:
 - North Country Health Services – Raffle – July 25, 2006
 - Bemidji Jaycees – Bingo – June 29-July 4, 2006 @ Waterfront
6. Approved appointment to Charter Commission – Casey McCarthy.
7. Authorized RFQ and RFP – Event Center Architecture and Design.
8. Authorized Agreement with Freeberg & Grund for Birchmont Drive Water & Sewer Project.

Motion carried by unanimous vote.

COMMITTEE REPORTS

Bemidji Youth Advisory Commission – John Staff, BYA President, reported that the June 7 Youth Rally was well attended and a success. The events and activities that were planned went well. He stated that it was a great day for the BYA Commission and the youth in our community. Police Department and citizen patrol handled things in a professional manner. Mayor Lehmann congratulated John and the BYA stating that their event was well received.

PUBLIC HEARINGS

North Central Door (Industrial Revenue Bonds)

City Attorney Felix provided an overview of the North Central Door's request for Issuance of Industrial Development Revenue Bonds. Felix stated that there is no exposure or obligation by the City.

Pursuant to published notice a public hearing was held regarding input on the Issuance of Industrial Development Revenue Bonds for North Central Door. Mayor Lehmann opened the Public Hearing at 7:14 p.m.

Mike Noonan, attorney for North Central Door, stated that the bonds are private activity bonds and the City is not liable, the obligation lies with North Central Door. The project is

for the development and construction of the new 104,000 sq. ft. facility which will include an office area and for the purchase of the new equipment.

With no further comment, Lehmann closed the public hearing at 7:17 p.m.

RESOLUTION NO. 5329: Authorizing the Issuance of Industrial Development Revenue Bonds on Behalf of North Central Door Company LLC was offered by Councilmember Downs, who moved its adoption, and upon due second by Councilmember Erickson was passed by unanimous vote.

North Central Door JOBZ Program

Pursuant to published notice a public hearing was held regarding input on the JOBZ Program Application and “Qualified Business” Status and Authorizing Execution of Job Opportunity Building Zone Business Subsidy Agreement. Mayor Lehmann opened the Public Hearing at 7:19 p.m.

Larry Young, Director of JEDC, stated that this is the first application using the JOBZ designation. The proposal before the Council is exactly the intention of the JOBZ program. North Central Door will be spending approximately \$7.5 million on a new facility and equipment.

Mike Noonan, attorney for North Central Door, asked for clarification on the Business Subsidy Agreement and asked the City Attorney work with him in this regard.

Felix discussed the Business Subsidy Policy and the reason for requiring the additional five year requirement. Council had this requirement to keep a business in our community for an additional five year. The City is attempting to use the JOBZ requirements as well as the City’s own business subsidy.

With no further comment, Lehmann closed the public hearing at 7:33 p.m.

Council reviewed the request to determine that the request met both the statutory and Business Subsidy Policy criteria.

RESOLUTION NO. 5330: Approving Job Opportunity Building Zone (JOBZ) Program Application and “Qualified Business” Status and Authorizing Execution of Job Opportunity Building Zone Business Subsidy Agreement was offered by Councilmember Erickson, who moved its adoption, and upon due second by Councilmember Johnson was passed by unanimous vote.

OLD BUSINESS

Cross Street Projects (City Project #06-08)

Erickson asked Mayor Lehmann if the 10th Street residents at the meeting could have an opportunity to comment on the parking ban. Mayor Lehmann invited those present to make a short statement regarding 10th Street parking.

Carol Olson, 211 10th Street NW, stated she has lived in this neighborhood and has reservations both ways because she lives in the middle of the block and has a very narrow driveway. Her home is 100 years old with no parking available for family or friends that visit. There are beautiful trees along this street; however, she has a tree in front of her home that could be removed. Ms. Olson stated that no parking on 10th Street has a significant impact on her property.

Alan Brew, 10th & America, stated he has owned and operated a business in this neighborhood. He commented that this neighborhood is busy and parking is needed on this street as parking has become difficult.

Teresa Foley, 312 10th Street, stated she owns a rental unit which is up for sale and there is no parking available on this small lot. This property is worthless to Ms. Foley without parking availability on the street. Ms. Foley stated she would prefer the street to be widened.

Freeberg stated he continues to recommend that 10th Street be widened 4 feet. Freeberg pointed out that Mn/DOT is reconstructing Bemidji Avenue in 2008 with the construction to

happen in phases and Mn/DOT will use the light at 10th Street as a designated traffic corridor for a detour. He commented that widening the street would require removal of 15 trees and there are no plans to replace the trees. However, there is an allowance for replanting some trees along 10th Street which would be on some private property and they would work with the property owners as they replant the trees.

Lehmann stated that there were compelling arguments at the last council meeting to not widen the street and save the trees and there are compelling arguments this week.

Erickson stated she could not support the Resolution as she feels that widening 10th Street is planning for the future needs of Bemidji.

RESOLUTION NO. 5331: Authorizing Awarding Bid for City Project No. 06-08 with the 10th Street to remain with Calendar Parking (Cross Streets Project between Bemidji and Irvine Avenue, including 9th to 14th Streets and along 3rd Street between Park and America Avenue) was offered by Councilmember Downs who moved its adoption, and upon due second by Councilmember Johnson was passed by the following vote: Ayes: Johnson, Downs, Lehmann. Nays: Meuers, Erickson. Absent: Hellquist, Markeson.

4th Street SE Project (City Project #06-19)

Freeberg noted that adjustments will be made to the project due to the change of 4th Street SE being designated as a Municipal State Aid street.

RESOLUTION NO. 5332: Accepting Feasibility Report and Calling for a Public Hearing on 4th Street SE Project (City Project #06-09) was offered by Councilmember Erickson, who moved its adoption, and upon due second by Councilmember Meuers passed by unanimous vote.

NEW BUSINESS

Discussion: Tax Forfeited Parcels

Tim Flathers, Headwaters Regional Development Commission, stated he is representing the HHDC and Habitat for Humanity. He recently met with the HHDC Board and asked if they would be willing to sell the two tax forfeited lots to Habitat for Humanity. Habitat is in need of several lots as the organization intends to build up to four new houses next summer. HHDC agreed to sell the two lots to Habitat for Humanity provided that such a sale would not be inconsistent with the City's intentions for the use of the lots.

Mayor Lehmann stated that it is the Council's intent to work with both of these groups as housing is a priority for the City. Consensus of the Council is that selling the lots to Habitat is not inconsistent with the City's intentions for the use of the lots.

Jaycees – Waive Softball Field Rental Fees

Char Blashill, Bemidji Jaycees 2006 Water Carnival Chair, stated that the Jaycees is requesting the City Council waive the softball field rental fees for a two-day softball tournament they are holding on July 1 and 2 at the City softball fields. The Jaycees are asking for the fees to be waived as this is their first year and have no idea how the tournament will turn out; however, it is their hope that this event will grow in future years.

Johnson commented that it is a big thing for the City and it would be great for our community. Johnson stated that this could help market the City's softball fields.

Motion by Johnson, second by Downs, to waive the softball field rental fees for the July 1 and 2, 2006 Bemidji Jaycees softball tournament. Motion carried unanimously.

Northview Manor Subsidy

Eischens reviewed agenda statement stating that the City has received a request for additional funds in the amount of \$68,892.66 for the Northview Manor project. These funds are required in order for the City to stay in compliance with bond covenants. Eischens stated that any UDAG funds transferred to Northview Manor during 2006 may be repaid to the City if the party that submitted the bid to purchase Northview Manor completes the transaction.

Eischens stated that the sale of Northview Manor is schedule to close on July 5 and staff will be recommending two adjustments to the agreement at the July 3 BEDA meeting. One adjustment is to increase the amount of vacant units from five to eight apartments. Staff has agreed to make minor repairs to the gutters and the shingles on the Manor before the closing.

Motion by Erickson, second by Meuers, to authorize the transfer of \$68,892.66 from UDAG to US Bank to fulfill the debt service requirements with the understanding that this money will be replaced at the time of closing. Motion carried unanimously.

Chat-A-Bout - July 3 - Lehmann will go on Chat-A-Bout as an open forum to discuss Council activities.

ORDINANCE

ORDINANCE NO. 429, 2ND SERIES, AN ORDINANCE AMENDING THE ZONING MAP ADOPTED IN CHAPTER 13, SECTION 13.08 OF THE BEMIDJI CITY CODE (Planning Case #2004-35 – Matt Sparby/Harold Gordon) was given a final reading and passed by unanimous vote.

UPCOMING MEETINGS

- June 26 – Noon to 8 p.m. – Council Work Session/Retreat – Budget Overview
- July 10 – 5:30 p.m. – Regular Work Session – Audit
- July 11 – 5:30 p.m. – Special Work Session with Charter Commission
- July 13 – 5:30 p.m. – Special Work Session – Stormwater Issues

COUNCIL/STAFF REPORT

- Meuers reported that the Public Affairs Committee met recently and will meet on August 8 to discuss rental property parking issues. She has received a request to ban cigarette smoking in the Diamond Point Park which she will bring to the Parks & Recreation Commission for their consideration.
- Lehmann directed staff draft letters of thanks to the members of the bonding/conference committees for the Senate and House, i.e., Rep. Moe, Senator Ruud, Larry Howes, Rod Skoe, Parks & Trails Council and Governor Pawlenty.
- Lehmann reported that the Event Center Task Force met for the first time this evening and will meet next Monday at 7:30 a.m. There will be 12-15 members on the task force representing as many fractions of the city as possible.
- Felix advised that Harry Takhar, Pinnacle, came in and signed a letter dissolving the Developers Agreement with the City and paid outstanding fees due. In addition, Mr. Takhar requested that the final plat be extended to 18 months which staff approved.
- Felix stated that it is important to find a representative to Kitchigami Regional Library. There are no Library Board members that can step up and do this job.
- Freeberg commented that on July 13 there will have a kick off meeting with our consultants regarding the stormwater issues into the future and will be formalizing those efforts along with public education opportunities and better policy guidelines for developers and so on.

ADJOURN

There being no further business, motion by Downs, second by Meuers, to adjourn the meeting. Motion carried. Meeting adjourned at 8:55 p.m.

Respectfully submitted,



Kay Murphy-Schuett
City Clerk