

**CITY COUNCIL PROCEEDINGS**  
**BEMIDJI, MINNESOTA**  
**Regular Meeting/Work Session – January 26, 2009**

Pursuant to due call and notice, a regular meeting/work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, January 26, 2009, at 5:30 p.m. in the Conference Room of City Hall, Mayor Lehmann presiding.

Upon roll call, the following Councilmembers were declared present: Lehmann, Johnson, Negard, Downs, Meuers, Waldhausen, Hellquist

Staff Present: City Manager John Chattin, City Attorney Alan Felix, Finance Director Ron Eischens, City Engineer Craig Gray, Community Development Director Rita Albrecht, City Clerk Kay Murphy

Others Present: BSU Representative – Bill Maki; PFM Group – Heather Casperson

**Motion by Hellquist, seconded by Johnson, to approve the agenda as presented. Motion carried unanimously.**

**BSU Lease Agreement**

Chattin stated that MnSCU has signed the lease agreement.

Felix stated that the BSU Lease for the BREC has been reviewed by representatives of DEED and the Department of Management and Budget. Felix stated that although DEED and the Dept. of Management and Budget have not signed off on the Lease, he has received an e-mail stating that the City can expect their approval.

Downs commented that he would like to see an arbitration board or something like that to address unforeseen issues that may come up between the City and BSU. He stated that the faces of the Council will change as well as the faces at BSU but the taxpayers are going to stay the taxpayers.

Chattin responded that he has discussed Councilor Downs suggestion with Bill Maki and all parties are open to forming an operating committee that could meet and decide any operational challenges that could come up in the future.

Felix stated that Section 6 of the Lease does provide for periodic review and provides an opportunity to discuss anything that may come up in the course of the Lease. The Lease does provide procedural opportunity to remedy disputes or funding problems.

**Motion by Johnson, seconded by Waldhausen, to approve the BREC Lease with BSU/MnSCU and develop a Memorandum of Understanding with BSU regarding an operations committee. Motion carried with the following vote: Ayes: Lehmann, Waldhausen, Johnson, Downs. Nays: Negard, Hellquist, Meuers.**

Mayor Lehmann recessed the meeting at 5:40 p.m. at which time Mayor Lehmann and President Quistgard signed the Lease Agreement between the City and Bemidji State University/MnSCU.

Mayor Lehmann reconvened the meeting at 5:55 p.m.

**Sale of Bonds**

Eischens stated that the City received three bids for the purchase of the short-term, three year bonds. Staff believes that the City is getting the best rate, however, we were hoping for a better rate. The low bid was 3.96% from Hutchinson, Shockey, Erley & Co. Staff had Bond Counsel do an analysis to see what the rate would had been if the City had sold long-term bonds. They estimated the interest rate to be 6.5% to 7%. The rate is still below the 4.5% rate used in budget estimates.

**RESOLUTION NO. 5544: Awarding Sale of \$44,000,000 General Obligation Temporary Sales Tax Revenue Bonds, Series 2009, Fixing the Form and Specifications Thereof, Providing for their Execution and Delivery, and Providing for their Payment was offered by Councilmember Waldhausen, who moved its adoption, and upon due second by Councilmember Johnson, was passed with the following vote: Ayes: Waldhausen, Johnson, Downs, Hellquist. Nays: Negard, Meuers, Hellquist.**

**City-Owned Property Review**

Chattin stated that Council directed staff to identify and review city-owned property and assess its potential for development. GIS staff has developed a comprehensive list of city-owned property that totals nearly 2,000 acres. After the Council has reviewed the property, staff would like direction and prioritize.

**Liquor Store (Sites 6):**

- Downs asked if there was a possibility to move the Liquor Store from the Midway Drive to the southshore. Chattin suggested that the liquor store has better traffic count at its current location than it would at the south shore. Albrecht suggested the Old MnDOT property (#9) as a potential location. Albrecht suggested that liquor store manager should be involved in any discussions regarding liquor store relocation. Felix stated that the first phase annexation includes the Northern Liquor Store and the Council will have decisions to make in that regard. Council consensus was to discuss the liquor store(s) further at a future work session this year.

**Downtown Rail Corridor (Site 2):**

- Albrecht stated that the City owns approximately 15 to 17 acres in the “downtown rail corridor”. There are known contamination areas in this area. The RDG plan suggests a mixed use with housing and commercial. The property was purchased in 2003. Felix stated that some of the property has been used for the Westside receptor corridor and trail. Gray stated now is the opportunity to make a decision on the remaining property. Albrecht stated that the Council has committed property/space for the Science Center and the Parks Department would like to expand the existing Veterans memorial to the west. Currently, the City uses it for snow storage. Discussion continued on the contaminations and what could be done to prepare it for redevelopment. Gray stated that cleaning up the site could be reimbursed by grants. Discussion continued regarding the Science Center and the commitment by the City. Albrecht stated that there are two businesses located in the rail corridor and their possible relocation. Bemidji Paper Sales is willing to move but the Norfarm Seeds does not want to move as the nature of their facility and the equipment is not easily moved.

**Former MnDOT Office & Garage (Area 9):**

- The City is in the process of negotiating a sale of property with the DNR for the trail bridge. The property is zoned commercial. The RDG plan shows a trailhead park and additional multi-family. On the 197 side it shows commercial and residential behind and extending 4<sup>th</sup> Street through the property. Suggestion that there be a park and ride in the area.
- Council consensus that the old MnDOT property should be sold and perhaps keep the “Wye” area as a trailhead park.
- Chattin stated that this property is not a priority; however, the City should be prepared for when things get better economically. In the spring, the City will be preparing an RFP for demolition of the building for Council’s consideration. Albrecht stated that estimated cost for demolition and disposal is \$150,000 to \$200,000.

**Former MnDOT Storage Yard (Area 12):**

- Demolition and removal of structures and fence are nearly completed.
- Phase I and II are completed.
- Council has previously indicated willingness to sell to HRDC/HHDC for single family housing.
- Staff suggested that the Council consider reserving eastern-most parcel for a neighborhood park. State Trail enters the City at this location.
- Downs suggested that the HRDC look at a different location east of the City.

**Parkland:**

- Chattin asked the Council to consider whether to keep or sell the park on the east side of Lake Bemidji along Lake Avenue (20 acres abutting the State Park) and Brinkman Drive Park. Brinkman was purchased for consideration as a future sewer plant in the early 1980’s and was then designated a park in the early 1990’s. Downs commented that he would not be in favor of net loss in parkland.

**North Lake Irvine Area (Area 7):**

- Felix stated that the conveyance of the tax forfeited parcels has not been completed and will revisit it.

Chattin stated that the Council has a map available to review and perhaps bring back suggestions for future discussion.

**ADJOURN**

There being no further business, motion by Waldhausen, seconded by Hellquist, to adjourn the meeting. Motion carried. Meeting adjourned at 6:50 p.m.

Respectfully submitted,



Kay M. Murphy  
City Clerk