

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

August 16, 2004

Pursuant to due call and notice, a regular meeting of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, August 16, 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: Downs, Zachman, Lehmann, Meuers, Hellquist, Johnson, Erickson.

Mayor Lehmann called for approval of the agenda. City Clerk Sherman requested addition of a public hearing for City Project #04-11 (Extension of Street & Utilities on 23rd Street West of Johanneson Avenue). Motion by Zachman, second by Hellquist, to approve the agenda with the addition noted. Motion carried by unanimous vote.

APPROVAL OF MINUTES

Minutes of the July 26, 2004 Special Meeting/Budget Work Session, August 2, 2004 Regular Council Meeting, and August 9, 2004 Work Session were presented for approval. Two typographical errors were noted on the August 2nd minutes. Erickson requested an amendment to the July 26th minutes (High School Reuse Discussion) requesting that the sentence "Erickson affirmed her perception that there was a conspiracy to influence the outcome of the project" be stricken from the minutes. Erickson contended that she had not given the label '*conspiracy*' to the situation – instead, she felt there was a mammoth lack of information about how many times Metro Plaines tried to approach the Council to discuss the high school reuse project. Motion by Erickson, second by Johnson, to approve the July 26th, August 2nd, and August 9th minutes with corrections noted. Motion carried by unanimous vote.

CONSENT AGENDA

The following Consent Agenda items were presented for approval. Motion by Downs, second by Meuers, to approve the Consent Agenda. Motion carried by unanimous vote.

- A. Approved twelve (12) pages of claims in the total amount of \$890,732.33 as submitted by the Finance Officer.
- B. Approved Permit for Corner Sports Demonstration at Cameron Park on 8/21/04
- C. Approved On-Sale Beer License for Perkins Restaurant
- D. Approved Temporary On-Sale Liquor License for BSU 9/24-25/04 and 10/15/04
- E. Approved **Resolution No. 5169** Accepting Petition and Feasibility and Authorizing Improvement Project (Technology Park – Boring Road Water, Sewer, Storm and Street Improvements)
- F. Approved **Resolution No. 5170** Requesting Funding Reserves for Future Capital Purchases for Paul Bunyan Transit

BEMIDJI YOUTH ADVISORY COMMISSION

No Report

PUBLIC WORKS COMMITTEE REPORT

On July 19, 2004, the Downtown Development Authority (DDA) Parking Committee recommended a three-tier ramp to be constructed at the corner of 4th Street and Minnesota Avenue (currently parking lot #4). The issue was referred to the Public Works Committee for further discussion regarding maintenance, construction costs, funding options, etc.

The Public Works Committee met with representatives of the DDA Parking Committee on August 10th. Architect Jim Lucachick provided a cost analysis for demolition of buildings downtown to create new ground-level parking versus construction of a three-tier parking ramp. Downs reported that following a review of all of the alternatives, the ramp seems to be the most logical solution.

Funding options included the sale of Revenue Bonds by the City. The DDA proposed to cover all of the construction costs and the interest on the loan through the sale of parking permits. The possibility of a Special Service District was discussed. Minke explained that property owners could petition for a service that is not provided generally or is provided at a higher level in a particular geographic boundary. The property owners within that geographic boundary would then pay for the service. In this case it might be possible to set it up so that there would be no special tax in the district unless the parking permit revenues fall short.

The DDA felt that they had firm long-term commitments from the major employers in the downtown area to satisfy repayment obligations.

Erickson expressed concerns regarding maintenance of ramp type parking and the cost to the City for that maintenance.

Zachman noted that an endorsement by the Public Works Committee at this time was premature. Another meeting was scheduled for August 24th to review additional facts and figures.

Downs expressed the need for increased parking enforcement on downtown streets.

DEER COMMITTEE REPORT

Erickson provided an update on the results of a survey of residents in the East Bemidji area to determine the impact of the deer population on that community. Concerns were expressed regarding safety, health issues for herd and humans, nuisance to property, and cost to residents to replant trees, shrubs, etc.

The Deer Committee met on August 5, 2004 and recommended that the City consider a Deer Management Plan that will focus on a three pronged approach – 1) educating the public; 2) possible feeding ban ordinance; 3) potential herd reduction.

Zachman asked who would generate the Plan. Erickson noted that the Committee would work on the Plan along with City staff - the DNR would provide technical advice. Downs asked about the cost. Erickson responded that there would be no cost to do the Plan. However, if the Plan were implemented, the Council would need to look at the options involved and make decisions at that time.

Steve Caron (DNR Area Wildlife Manager) noted that the purpose of the Plan is to identify the problem and formulate options. If the City pursues lethal options, there would be a formal application process for a DNR permit. If the City opts to allow hunting by ordinance in the affected area, DNR approval is not required.

RESOLUTION NO. 5171: A RESOLUTION AUTHORIZING A DEER MANAGEMENT PLAN was offered by Councilmember Erickson, who moved its adoption and upon due second by Councilmember Johnson, was passed by unanimous vote.

PUBLIC RELATIONS COMMITTEE REPORT

Johnson reported that the Public Relations Committee (*Michael Meuers, Andra Vaughn, Ron Johnson, and David Minke*) met on August 12, 2004. It was agreed that:

- ◆ A member of the City Council or other City representative will be a regular guest on the "Chat-About" radio program the first Monday of every month to discuss city issues. (Exception: Thursday, September 2, 2004 due to Labor Day Holiday).
- ◆ Committee members will rotate the responsibility of preparing an article highlighting City issues for the newspaper on a monthly basis. The first article will appear in September 2004.
- ◆ The City's web site should be identified on all mailings.
- ◆ The date of October 20, 2004 was scheduled for a District 4A-candidate forum with a focus on City issues.

PLANNING CASE #2004-23: Filed by Cooperative Development LLC, requesting to subdivide a 20-acre parcel into five commercial parcels and an outlot situated in the Paul Bunyan Technology Park, west of Power Drive NW and south of Fern Street NW. Planning Commission recommended approval of the Preliminary and Final Plats of Bemidji Technology Park – First Addition, with the following conditions:

1. The Preliminary and Final Plats, received on July 15, 2004, shall include five commercial parcels and one outlet, as identified on the plans.
2. The proposed cul-de-sac, Boring Court NW, shall be platted approximately 1,004 feet in length, or 504 feet longer than permitted by Ordinance.

Motion by Downs, second by Hellquist to accept the recommendation of the Planning Commission to approve the Preliminary and Final Plats of Bemidji Technology Park – First Addition, with the conditions noted. Motion carried by unanimous vote.

PLANNING CASE #2004-24: Filed by City of Bemidji and Beltrami County, requesting that a recently annexed 80-acre parcel to be rezoned from A-0 (Agriculture/Open) to I-2 (Light Industry) on property situated south of Balsam Road NW, north of the airport. Planning Commission recommended approval based on the five findings of fact.

Motion by Hellquist, second by Erickson, to accept the recommendation of the Planning Commission to approve the rezoning request. Motion carried by unanimous vote.

DEVELOPMENT – SE LAKE BEMIDJI AREA

Councilmember Johnson requested that this item be placed on the agenda to receive Council input as to whether there should be a question on the November ballot to determine voters support for issuing General Obligation Debt for the purchase of portions of the SE Lake Bemidji area. It was noted that if there were to be a question on the November ballot, it would need to be decided by the September 7th Council meeting.

Brian Grund, representing ShoreQuest (the developer), noted that the developer is moving ahead with a revised Preliminary Plat to be presented at the Planning Commission Meeting on August 23. He noted that the developer recently signed a purchase agreement with the railroad to purchase the corridor. The revised Plat is based on the direction given earlier this year by the City Council, with provisions for storm water basins and trail easements. Grund noted that the snowmobile trail is included along the railroad corridor up to the North Central Door area, which is where the Plat ends. The Plat also addresses a potential easement along the shoreline for a walk/bike trail.

Downs noted that the snowmobile issue would only be half solved. With the Plat going no further than the North Central Door, it lacks a connection to the end of the trail near Gould Avenue in the Lincoln School area.

Grund reminded the Council that the plan for development for SE Lake Bemidji is not property owner specific – it is area wide – and there are a number of property owners besides ShoreQuest that would be involved.

Discussion followed regarding acquisition or condemnation of the Georgia-Pacific property and the railroad corridor. City Attorney Felix noted that the City hired a firm to provide an appraisal of that property, and should have some information soon, but was skeptical that the City would be able to negotiate a purchase price by September 14th when the City is required to notify the County of a ballot question for the General Election in November. He noted the council must first determine whether they want to purchase both the Georgia-Pacific site and the railroad corridor.

Johnson pointed out that the question could be decided at a Special Election to be held anytime – it does not have to be on the 2004 General Election ballot.

Minke noted that the question before the Council tonight is whether the City wants to continue working with the developer in the capacity of a regulatory agency or whether the city wants to purchase land. He noted that the Plat being presented to the Planning Commission next week has designation for some trails but the City does not have the money to acquire them. The property owner has expressed a willingness to work with the city in various ways but the City will have to give something in return – some money will need to exchange hands somewhere along the line.

Downs asked if the property owner is going to pursue MPCA clean-up grants and how they would be utilized. At one time there was some discussion about having those grants flow through the city in exchange for some easements.

Felix was uncertain what ShoreQuest is considering in terms of available grant monies.

Minke pointed out that the Plat would create 40+ lots that would presumably be sold.

Grund noted that the platting process itself does not designate what type of development would be going in there.

Downs was concerned that if the lots were sold individually, the City would have to deal with many different people to get trails through that area. He questioned whether the Council must approve the Plat if it is not in the best interest of the city.

Felix noted that there are no findings of fact for a Plat approval, such as needed for a special use permit or a variance. He explained that the best interest of the city is certainly a consideration, but Council also needs to look at whether the proposal meets the City's standards for platting regulations. That is what the City looks at as the benchmark as to whether or not something warrants an approval. If the proposal meets the standards, then the Council can consider how the proposal butts up against the more subjective determination of whether it is in the best interest of the city; whether it is in concert with the Comprehensive Plan, zoning and surrounding uses of the area, etc.

Hellquist noted that if the question goes on the ballot and is approved by the voters, the City would assume a multi-million dollar loan that would require a substantial levy increase. At that point the city would own the land and would have many different opinions on the best use of the property. He suggested that it might be better for ShoreQuest to own the property and the City would still have control through zoning and other land use regulations. That would eliminate the need for the City to go through debt process when there are other issues to deal with.

Downs felt the question should be placed on the ballot with an estimated dollar amount.

Johnson felt there are too many variables. He expressed the need to have everything clear-cut and suggested that the Council delays the decision on issuing General Obligation debt to a Special Election to be held sometime during 2005.

Meuers expressed concerns about the potential development in the area and the possibility that it could be multi-family development. She supported City ownership with the possibility of recapturing some of the purchase price through the sale of land.

Felix noted that it is difficult to connect when you don't have some idea of what kind of values you might be committing to or realistically talk to the voters about. He agreed to try to get something preliminary from the appraiser so the Council would have something to work with.

Minke noted that regardless of what the appraisal shows, the question really is whether the council is satisfied with using its regulatory authority (the plat review process, the subdivision – site plan review, etc.) in the redevelopment of SE Lake Bemidji. If the Council is satisfied with that, there is no need to own the property because the Council will have the regulatory process. He encouraged the Council to think about what sort of control they want.

Johnson noted that even if the City does the minimum such as expanding the beach area, acquisition of wetland for storm water retention and some sort of trail access, there is going to be a cost involved. He felt Council may find that the price tag for the whole thing may be a better deal than trying to piecemeal what is being set aside for the City. He felt the City would probably need to go to the voters to approve General Obligation bonds in some form even if it were decided that all the City wants is regulatory authority.

Grund noted that at this point the property owner is moving forward based on the direction that the council gave with the vision that was shared several months ago. The vision addresses storm water retention basins, easements along the lake for a trail and provision for a snowmobile trail along the railroad corridor. The Plat does not specifically address what type of development will go there.

Lehmann suggested that based on tonight's discussion, the results of the August 23rd Planning Commission Meeting, and the anticipated appraisal information, further discussion on the issue will be continued at the September 7th meeting.

PUBLIC HEARING City Project #04-11 (Extension of Street & Utilities on 23rd Street West of Johanneson Avenue)

Pursuant to mailed and published notice, copies of which were placed on file in the City Clerk's office, a public hearing was held to consider construction of utilities and extension of 23rd Street, West of Johanneson Avenue. The project involves three property owners including Icelandic Properties LLC, Beltrami County Housing and Redevelopment (HRA) and Beltrami County (leased property to the Youth Baseball Association – responsible for property improvements including any special assessments that may result from this street project). Two of the property owners (Icelandic Properties and HRA) are in favor of the project. In a memorandum dated August 13th, to the petitioner (Keith Johanneson - Icelandic Properties), City Engineer Freeberg suggested that the two property owners who are in favor of the project get together and design the project (in accordance with City specifications and approval), go out for bids, complete and pay for the project on their own, avoiding the cost of the assessment process.

Mayor Lehmann opened the public hearing and invited anyone present to speak to the issue.

Councilmembers were provided a copy of a request from Icelandic Properties LLC to continue the public hearing to September 7th to allow them an opportunity to meet with the City Engineer and the other two property owners regarding the alternative presented in the August 13th memorandum.

No one else appeared.

Motion by Hellquist second by Erickson to continue the hearing to September 7, 2004. Motion carried by unanimous vote.

RESOLUTION NO. 5172, A RESOLUTION DESIGNATING POLLING PLACES AND APPOINTING ELECTION JUDGES FOR THE 2004 PRIMARY AND GENERAL ELECTIONS was offered by Councilmember Downs, who moved its adoption and upon due second by Councilmember Erickson, was passed by unanimous vote.

ORDINANCES

An ordinance amending an Uncoded Section of the Bemidji City Code (Authorizing Sale of Real Property to Habitat for Humanity, 1200 America Avenue) was given a first reading.

UPCOMING MEETINGS

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| Council Work Session | Monday, August 30, 2004 | 5:30 PM, City Hall |
| Joint City/Township meeting | Tuesday, August 31, 2004 | 6:00 PM, Beltrami Electric |

COUNCIL/STAFF REPORTS

Meuers and Erickson reported having received negative comments regarding the fence along the lakeshore on Bemidji Avenue. Lehmann noted that MnDOT would be holding some public meetings to receive input and provide information regarding the fence in question. Dates for the public hearings will be forthcoming.

Erickson noted that the Council recently discussed a rather extensive street reconstruction project in the BSU area. During that discussion the Council talked about dedicating \$731,500 of liquor store funds to this project. Erickson expressed hesitation about totally dedicating the City's only discretionary funds to a single project, especially in light of the pending LGA cuts that the City may face again in 2005-2006. She asked that the Council consider dedicating only a portion of liquor store funds and selling revenue bonds for the remainder of the project. She suggested that the remaining liquor store funds be used as discretionary funds to buy down next year's levy.

Downs expressed the need for trails to be mowed. He also suggested the need for some signage to keep ATV's off of the trail.

ADJOURN

There being no further business presented for discussion, motion by Hellquist, second by Downs, to adjourn the meeting. Motion carried by unanimous vote. Meeting adjourned. 8:45 p.m.

Respectfully submitted

Shirley Sherman, City Clerk