

# BEMIDJI ECONOMIC DEVELOPMENT AUTHORITY MINUTES

Tuesday, September 7, 2010

Pursuant to due call and notice, a special meeting of the Bemidji Economic Development Authority (BEDA) of the City of Bemidji, Beltrami County, Minnesota, was held on Tuesday, September 7, 2010, at 7:50 p.m. in the Conference Room of City Hall, President Lehmann presiding.

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

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

Others Present: Ray Brenny, Brenny Properties; Jeff Jasperson, Right Choice Lodging; John Scott, DSGW Architects, Inc.; Dave Hengel, HRDC

President Lehmann stated that the purpose of the Special BEDA meeting was to discuss consideration of an offer for land in the South Shore area for a proposed hotel to be built adjacent to the Bemidji Regional Event Center (BREC). Lehmann outlined that the first part of the meeting would be open for purposes of discussing the general proposal for the hotel, followed by a closed session of the Authority to discuss the specific offer by Brenny Properties, as well as any negotiations and counter-offers leading to an agreement to purchase.

John Scott, DSGW Architects, Inc., reviewed Brenny Properties plan to construct a 143-room hotel that would be connected to the event center via a glass enclosed concourse. The hotel would be less than 80 feet tall, six stories with a restaurant located on the main level. He stated that there are no meeting rooms or banquet spaces planned in the hotel as this is a critical function reserved for, and to be provided, by the BREC.

Jeff Jasperson, Right Choice Lodging, stated that the hotel planned is a Holiday Inn Resort. This hotel would be one of the first of its kind and is a good fit as it will be located on the lake.

Ray Brenny, Brenny Properties, provided his background stating that he is currently the chief operating officer of Red Lake Gaming and has worked on several projects of this nature. Brenny stated that there is no connection to the Red Lake Reservation and no plans for a casino.

**At this point in the meeting, a Motion made by Hellquist, seconded by Negard, to close the meeting in accordance with Minnesota Statute Section 13D.05, Subd. 3 for the purpose of reviewing confidential or non-public appraisal data relating to the acquisition of real property, as well as to discuss, develop, and/or consider offers or counter-offers for the proposed sale of BEDA property to Brenny Properties. Motion carried unanimously. Meeting closed at 8:15 p.m.**

Staff present during the closed session: City Manager John Chattin, City Attorney Alan Felix, City Engineer Craig Gray, City Clerk Kay Murphy

Others present: Ray Brenny, Brenny Properties; Jeff Jasperson, Right Choice Lodging; John Scott, DSGW Architects, Inc. Discussion ensued with the developer regarding their offer and terms and conditions thereof to purchase land and build an enclosed concourse connection to the BREC. At 9:15 p.m., after discussion of the offer and terms, the Council then asked Mr. Brenny and his development group to step out of the room to allow further private discussion by the Authority and BEDA staff members respecting the offer and counter-offers or terms and conditions.

**Motion by Meuers, seconded by Waldhausen, to reopen the meeting. Motion carried unanimously. Meeting reopened at 9:30 p.m.**

**Motion by Downs, seconded by Johnson, to retain the services of Kennedy & Graven as legal counsel to assist staff in the continued negotiation of the terms and conditions of a sale of property to Brenny Properties, LLC per**

**recommendation of the City Attorney. Motion also required, as condition of continued negotiation of the terms and offer, that Developer will pay \$5,000 toward the cost of the BEDA's special legal counsel's services. Motion carried unanimously.**

ADJOURN

Motion by Downs, seconded by Waldhausen, to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 9:35 p.m.

Respectfully submitted,

  
Kay M. Murphy  
Secretary