

# CITY COUNCIL PROCEEDINGS

## BEMIDJI, MINNESOTA

### Regular Meeting – May 7, 2007

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, May 7, 2007 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, Markeson, Hellquist, Johnson, Erickson, Downs, Meuers.

#### **AMENDMENTS TO AGENDA**

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

#### **MINUTES**

Minutes of the April 16, 2007 regular meeting and April 30, 2007 work session were presented for approval. Motion by Erickson, second by Downs, 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 Hellquist, to approve the Consent Agenda items as follows:

1. Approved Claims submitted by the Finance Officer in the total amount of \$617,003.16.
2. Approved miscellaneous business licenses.
3. Approved Gambling Permit: Northwest Technical College-Bemidji Foundation – Raffle on October 11, 2007
4. Approved Temporary On-Sale Liquor License: BSU Foundation – July 20, 2007.
5. Approved **RESOLUTION NO. 5405** Approving the Site for the 2007 Youth Day Event
6. Approved **RESOLUTON NO. 5406** Approving the Site for the Club Redline Street Show
7. Approved Supplemental Agreement No. 1 to the Agreement for Municipal Parking Administrative Management Services with the Downtown Development Authority
8. Approved Appointments to the Housing Redevelopment Authority Board – Jim Grimm and Janice Brown
9. Awarded Contract to Reierson Construction for 4<sup>th</sup> Street SE Improvement (City Project #07-07)
10. Declared Equipment Surplus: 1994 Chevrolet Pickup, 1999 Dodge Pickup, 1987 Oldsmobile, 2000 International Packer, 2002 Freightliner Packer and several refuse containers
11. Approved **RESOLUTION NO. 5407** Authorizing Execution of Agreement – Safe & Sober Communities
12. Approved Downtown Revitalization Project – HHDC Request:
  - Executed Grant Agreement with Deed
  - Executed Contract with HRDC and Bi-CAP for Administration
  - Approved Residential Anti-displacement and Relocation Assistance Plan
  - Approved Appointment of Design Review Subcommittee
14. Authorized using Braun Intertec for Construction Materials Testing Services and Inspections for Public Works Facility

Motion carried by unanimous vote.

#### **COMMITTEE REPORTS**

Bemidji Youth Advisory Commission – Brianna Pfemmer, BYA representative, reported that the Commission continue to plan the June 7 Youth Day event. She announced that there is a new youth column in the Pioneer. Charlie Christiansen and Onen Markeson were on Chat-A-Bout regarding the BYC and the June 7 youth event.

## **PRESENTATION**

### **Itasca Sports Rental**

Lehmann stated that the current leasee has a lease for use of the Waterfront area until approximately 2010 at a reduced level. In addition, he noted that another proposal has been received regarding use the waterfront. When the City is ready to proceed on another use at the Waterfront, it will do a request for proposals.

Caren Smith, owner of Itasca Sports Rental, stated that they have operated at Itasca State Park for 19 years and are proposing a bike and boat rental at the Waterfront. Currently, their business caters to bike and boat rental and would like to operate a bike and boat rental where the amusement park was located. Itasca Sports Rental would own and rent all of its own equipment.

Sam Smith, Itasca Sports Rental, stated that this is a great location for the City of Bemidji to have a bike and boat rental located near the bike trail.

Downs asked if a sub-lease with Mr. Trueblood was possible. Lehmann stated that the City Attorney would have to review Mr. Trueblood's current lease. No action was taken at this time by the Council.

### **Bemidji Curling Club**

Rich Reierson, co-Chair of 2008 USA National Seniors Men's Tournament, stated that there will be curling teams from Alaska, New York and Texas and they are expecting between 80-90 teams. In order to accommodate this many teams the Curling Club requires the use of the Neilson-Reise Arena for a curling tournament in February 2008.

Mayor Lehmann stated that as the Curling Capital of USA the Council supports the National tournament in Bemidji. Hellquist asked who takes care of the ice and noted there will be a loss of skating rentals for the week. Mr. Reierson responded that the Curling Club will take care of making the ice, etc. Discussion continued on where other groups would skate.

**Motion by Johnson, second by Downs, authorizing the use of the Neilson-Reise Arena for the 2008 USA National Seniors Men's Curling Tournament, February 17 to February 24, 2008, and directed City staff to work with the Curling Club. Motion carried unanimously.**

## **PUBLIC HEARING**

### **Wellhead Protection Plan Amendments**

Pursuant to published notice, a Public Hearing was held to receive input regarding Wellhead Protection Plan Amendments. Mayor Lehmann opened the Public Hearing at 7:30 p.m., hearing no comments the public hearing was closed.

## **NEW BUSINESS**

### **Policy for Public Improvements**

Mayor Lehmann asked Councilmember Erickson to comment as she requested this item be removed from the Consent Agenda.

Councilmember Erickson stated that requiring single family residential homes to pay an additional special assessment for stormwater is unfair as they already pay for it on their property taxes. She commented that having stormwater control is a community benefit to catch the debris before it goes into the lakes but everyone should pay for it.

Hellquist stated he understood Councilmember Erickson's concerns but he would like to know what impact there would be on the stormwater fees if the Council deletes the language requiring single family residential to pay a special assessment.

Freeberg responded that on the 4<sup>th</sup> Street project by using the formula of 25% of a 12" pipe the City is generating about \$25,000 in special assessments which is approximately 10% of the storm sewer on the entire project. He stated that each project is different. Discussion continued on what the impact would be on stormwater fees. It was noted that \$900,000 in stormwater fees is available each year and is used for projects, debt service and maintenance.

Eischens stated that this project will have a minimal impact on the stormwater fee short term, however, the long term impact if this policy changes. Going forward the fee that is paid annually will be expected to pay for what would have been paid by assessments.

Erickson stated that the bulk of the dollars in the stormwater fund was used for the Public Works Facility and this will not happen every year. Chattin noted that there would be a shortfall within three to four years, there is approximately \$400,000 left in the stormwater utility fund after the new Public Works Facility.

Felix pointed out that by deleting the language will make it subject project by project determination and the policy needs to be clarified.

**Motion by Erickson, second by Meuers, to approve the Policies for Public Improvements deleting the following “In existing residential areas receiving storm sewer facilities, the assessment rate shall be 25% of the cost of a 12 inch sized pipe. There shall be no additional special assessment for larger pipe sizes or discharge pipes that are outside the project areas” and replaced with “In existing residential areas receiving storm sewer facilities there will be no special assessment”. Motion failed with the following vote: Ayes: Erickson, Meuers. Nays: Downs, Johnson, Lehmann, Hellquist, Markeson.**

**RESOLUTION NO. 5408: Amending the Policies for Public Improvements was offered by Councilmember Markeson noting that the paragraph regarding existing residential areas receiving storm sewer facilities remain, and upon due second by Councilmember Downs passed with the following vote: Ayes: Johnson, Markeson, Lehmann, Downs, Hellquist. Nays: Meuers, Erickson.**

Council directed Staff to provide more information regarding the stormwater fee special assessment.

#### Outdoor Recreation Facility Lease with BSU

City Manager Chattin reviewed the Lease Agreement for an Outdoor Recreation Facility at Diamond Point Park that has been negotiated with BSU which started out as a standard MNSCU agreement and was edited extensively by the City Attorney. Chattin stated that they have discussed terms with BSU and tried to negotiate a revenue-based escalating clause but the University is unable to do this. Instead there is an escalator clause at 3% per year. The lease is for 5 years and renewable.

Felix noted that the language is similar to that of the BCA Lab and staff attempted to do everything possible to make the lease comfortable from the City's perspective noting the limitations of the University.

Downs asked if BSU would be allowed parking. Chattin stated that parking is not addressed in the lease as BSU preferred to do a Memorandum of Understanding.

Discussion continued with concerns expressed by the Council regarding the length of the lease, maintenance and security. Erickson stated she would like some assurance that the building would be occupied for the length of time to pay for the building. Hellquist noted that the City has never removed snow from Diamond Point Park and felt that this needed to be looked at closer. Council discussed parking by students in Diamond Point Park.

After discussion, the City Council directed staff to revisit the lease agreement addressing their concerns with BSU.

#### Land Conveyance with HHDC

Tim Flathers, HHDC, stated the Headwaters Housing Development Corporation (HHDC) is interested in developing sixteen units of supportive housing and four units of transitional housing in the City. The housing would most likely be five four-plexes. The housing would be owned by the Beltrami County Housing and Redevelopment Authority. He further stated that the housing would be designed to provide shelter and services to homeless families and single adults in the community. He requested that the Council agree to the following three items:

1. Convey four parcels located on Park Avenue to the HHDC. He stated that the property is currently designed as park property but there is no plan to invest resources for park improvements in this area. HHDC proposes to pay the City \$35,000 for these four parcels close to the estimated market value. He suggested that the City could choose to designate these funds to make park improvements in the neighborhood, creating a win-win situation.

2. The City formally request the tax forfeited Parcel #80.02703.00 from the County and convey the property to the HHDC for purposes of the proposed affordable housing development.
3. The City formally request from the County a portion of Parcel #80.02691.02. HHDC is primarily interested in the frontage along Park Avenue to a depth of approximately 150 feet. This property could be used either to support housing development, accommodate a neighborhood park, or both. He stated that it was his understanding that the County is unable to convey the entire parcel without legislative approval because it includes lakeshore.

Meuers stated she was in favor of Mr. Flathers' request as she works with long-term homeless people and it is very difficult to find homes for them.

Erickson asked if the county tax forfeited lot was wetland. Oakes responded the entire parcel is within the 1,000 foot shoreland zone. Discussion continued on whether there was wetland on the County lot and access if lot was divided.

Hellquist stated that the House of Hospitality is considering moving and wondered if there was some type of relationship that could work. Flathers stated he would love to say yes but it is a challenge to coordinate with them.

City Attorney Felix stated that the city lots are designated as park and would have to be re-designated.

Flathers stated he needs the Council's action so he can make a strong case to Minnesota Housing by the middle of June. Flathers has talked to Bob Milne, Beltrami County, regarding splitting of tax forfeit parcels and was informed that they would do this if it is in the best interest in the County.

**Motion by Downs, second by Johnson, directing staff to request the four tax forfeited parcels as indicated from Beltrami County and to convey the city-owned parcels. Motion carried unanimously.**

### **ORDINANCES**

**ORDINANCE NO. 14, 3<sup>RD</sup> SERIES**, AN ORDINANCE Amending Chapter 16 of the Bemidji City Code (Pertaining to Burning of Leaves) was given a final reading and passed by unanimous vote.

Pursuant to published notice, a Public Hearing was held to receive input regarding an Ordinance Amending Compensation for City Appointed Members on the Bemidji Area Growth Joint Planning Commission. Mayor Lehmann opened the Public Hearing at 8:55 p.m., hearing no comments the public hearing was closed.

**AN ORDINANCE** Amending Compensation for City Appointed Members on the Bemidji Area Growth Joint Planning Commission was given a second reading.

**AN ORDINANCE** Vacating an Alley (Located between Grant and McKinley Avenues SE and 3<sup>rd</sup> and 4<sup>th</sup> Street SE) was given a first reading.

**AN ORDINANCE** Vacating a Street (Portion of Norton Avenue) was given a first reading.

### **CITIZENS NOT ON AGENDA**

Heidi Lindseth, 1005 East Avenue NE, stated she was representing 85% of the homeowners that live in the proposed area for city sewer and water on Lake Avenue, Mill Street, East Avenue and Taft Avenue. She stated she had a petition and the following is a summary of the reasons why they are opposed to the project: 1) The proposed cost is outrageous and unaffordable. 2) 62 homeowners cannot be expected to pay for the project. 3) The City code states in Section 2-451 Special Assessment policy "that special assessments be levied against the benefited properties to the extent that the costs of such project can be deemed to benefit the properties" – which these will not. 4) The Council-Manager Charter for the City states in Section 8.03, "no assessment shall exceed the benefits to the property". 5) Minnesota Statutes 429.051 states "cost of any improvement or part thereof, may be assessed upon property benefited by the improved based upon the benefits received". She quoted a court case Southview Country Club vs. City of Inver Grove Heights "a special assessment that does not meet these requirements is an unconstitutional taking". 6) One-fourth (1/4) of the assessments would be more than the market value of the property. 7) If

city sewer and water is needed in other areas and it has to pass by this property to get to them, then they should be included in the project and the costs need to be lowered substantially so that it is affordable. 8) If this project continues to progress, people will be forced from their homes and this would include her family.

Lehmann stated that preliminary costs were given at a neighborhood meeting by staff. The meeting was to get a public feel for the project. If there is a feasibility study by staff, everyone would get a better idea of the costs. Mayor Lehmann asked for a show of hands of those that would be interested in a feasibility study and he noted that approximately 100% of homeowners present were opposed to a feasibility study (note: approximately 33 residents were present at the meeting). Lehmann noted that this item has not come before the Council for any action at this time.

Leander Peterka, 1160 East Avenue NE, stated he was opposed to the project as he is retired and cannot afford it.

Andy Lindseth, 1005 East Avenue NE, is opposed to the project and commented that the lake will be cleaner as there would be no one living there.

Mayor Lehmann commented that he has spoken with Senator Coleman and Congressman Peterson regarding finding federal funding for projects of this type. He encouraged residents to contact their representatives in this regard.

### **UPCOMING MEETINGS**

- May 8                    5:00 p.m.    Board of Review
- May 9                    6:00 p.m.    Greater Bemidji Joint Planning Board (GBJPB)
- May 14                  5:30 p.m.    Work Session – 2008 Budget/CIP Public Utility  
Cashflow
- May 21                  7:00 p.m.    Regular Council Meeting
- May 22                  7:00 p.m.    Bemidji Avenue Project – Mn/DOT @ Chambers

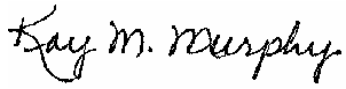
### **COUNCIL/STAFF REPORT**

- Chattin stated that staff is arranging a visioning session for the Council and department heads. He recently met with the four refuse employees and the union regarding potential layoffs and will continue to meet with them. He reported they interviewed for the City Engineer position recently and agree on a candidate. The Public Works Committee provided direction on parameters for a pay range to negotiation with the applicant. Attended a Northwest Service Coop meeting and discussed an insurance pool and it is estimated insurance premiums will go up 78%-- this pool is supported by legislators. The Public Affairs Committee met at the High School and discussed potential broadcasting and putting together information for consideration by the Council and School District. Completed interviewing for the Assistant City Attorney position and have a consensus regarding a candidate. He reported that the 106 Group will be in Bemidji regarding Diamond Point Park and assess the situation.
- Lehmann set a Special Work Session to discuss the Event Center on May 15 at 5:30 p.m. The purpose of this meeting is to develop questions for Leo A Daly.
- Markeson reported that the Parks & Recreation Commission will be meeting at 3:45 p.m. on May 8 to continue prioritizing the parks. He reported that the Youth Commission is exploring a location for a skate park and working with the Parks Commission.
- Johnson stated that June 25 is the deadline for the Event Center for the bonding at State. Chattin stated that the City is working with Paul Richards in developing a timeline for June 25.
- Downs received a call from Terry McGaughey and encouraged people to participate in the June 3rd Oberstar Paul Bunyan Trail Ride. Chattin suggested that the group should have t-shirts with the City's logo. Downs commented that the Event Center will displace some downtown residents and suggested that perhaps this could dovetail with Flather's project.
- Oakes thanked Tim Flathers for his work on the Joint Planning Ordinance. Oakes commented that there will be a couple meetings to educate the public on the Joint Planning Ordinance.

**ADJOURN**

There being no further business, motion by Downs, second by Markeson, to adjourn the meeting. Motion carried. Meeting adjourned at 9:34 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kay M. Murphy".

Kay M. Murphy  
City Clerk