

**CITY COUNCIL PROCEEDINGS**  
**BEMIDJI, MINNESOTA**  
**Special Meeting – July 17, 2006**

Pursuant to due call and notice, a special work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on July 17, 2006, 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, Markeson, Hellquist, Johnson, Erickson, Downs, Meuers.

Others Present: Pat Donnay, Jim Eckstrom, Mike Smith, Alan Felix, Ron Eischens and Kay Murphy-Schuett.

Mayor Lehmann stated that the purpose of the meeting to discuss the Downtown Development Authority Management Agreement. Lehmann stated that one of the items noted by the Auditor is to bring money in DDA back to City as it is city funds.

DDA Management Agreement

Felix noted that the DDA Agreement has been amended and staff has drafted an agreement letter for Council consideration. The letter agreement addresses the submission of permit parking proceeds currently held by the DDA. The proposed letter also calls for reimbursement to DDA of 10% of the proceeds for services over the last two years.

Pat Donnay, DDA President, commented that this is step 2 of a negotiation process and the DDA hopes that the 10% is just for discussion.

Felix reiterated the parking proceeds are public money and must come back to the City first.

Donnay stated that Parking Agreement has been voted on by the Board with a couple of changes. Donnay stated that the DDA agreed that the money has to be returned to the City. However, they have not agreed to the percentage or the number of years to be paid for past services.

Jim Eckstrom, DDA, handed out a spreadsheet outlining the various uses of DDA parking funds going back several years.

Lehmann stated that the money being generated is for parking needs and suggested that the money returned to the City be put under a line item designating that it be used for parking.

Donnay stated that the DDA is expanding its purpose to do more, i.e., how can downtown be steered for the next generation. The DDA needs to expand beyond parking, cleaning and benches but driving toward a goal. The DDA is committed that the money paid to the DDA will be used for a purpose and investment that leads to a better downtown.

Felix stated that once the City pays the DDA for their service, the money is the DDA's to use as they wish.

Erickson suggested that BEDA do an economic housing study for the downtown. Smith stated that is one component another is marketing.

Discussion followed and consensus was to wait until after the Event Center study is completed before proceeding with a study initiated by the BEDA.

Motion by Hellquist, second by Downs, to pay the DDA for the last five years at 10% of revenues and that the BEDA pledge to do a three point study on demographics, housing and general marketing of the downtown area. Motion carried unanimously.

Masonic Temple

Lehmann stated that the City has received a request to possibly purchase the Masonic Temple.

Mike Smith stated that the Masons have approached the DDA who have stated that they feel that they need to get out of their building before winter. It would cost approximately \$900,000 to \$1 million to renovate the building. Discussion continued on the cost to purchase and demolish the building. Approximately 20-22 parking stalls could be placed in the 75' x 140' lot with green space around the lot. Smith commented that the Masons would like help to find another location if available for their organization/meeting needs in the downtown area.

Markeson as a member of historic preservation committee expressed his concerns with the idea of tearing down the historic Masonic Temple building.

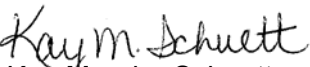
Smith commented that it is also strategic for the City to have the property for redevelopment proposes.

Felix suggested that the Council meet in a month to discuss this further. Council directed staff work with DDA and Masonic representative and report back to the Council.

ADJOURN

There being no further business, motion by Johnson, second by Markeson, to adjourn the meeting. Motion carried. Meeting adjourned at 6:55 p.m.

Respectfully submitted,

  
Kay Murphy-Schuett  
City Clerk