

# CITY COUNCIL PROCEEDINGS

## BEMIDJI, MINNESOTA

### Work Session – September 13, 2010

Pursuant to due call and notice, a work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, September 13, 2010, 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, Waldhausen, Hellquist, Johnson, Meuers. Absent: Downs and Negard

Staff Present: City Manager John Chatten, Deputy City Clerk Michelle Miller

Mayor Lehmann stated that the purpose of the work session was to consider quotes for FF&E – BREC and consider HRDC proposal for marketing and development of the South Shore.

Mayor Lehmann called for any amendments to the agenda.

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

#### CONSIDER QUOTES FOR FF&E - BREC

Bob LeBarron of VenuWorks recommended approval of quotes for the purchase of Forklifts, Concourse & Club Level TV's and Network Equipment. Hellquist had concerns about the process of how these amounts were obtained. In addition, Hellquist questioned why there were no written specifications and why the same information was not provided to prospective providers, in particular regarding the forklifts and the televisions. Chatten stated that this was not a bid process so the guidelines regarding the bid process did not apply.

**Motion by Hellquist, seconded by Meuers, to accept the quotes for Network Equipment in the amount of \$68,684.11 and to reject the quotes for Forklifts and Concourse & Club Level TV's and to request new quotes for those two items. Motion carried with the following vote: Ayes: Waldhausen, Meuers, Hellquist, Johnson. Nays: Lehmann.**

#### HRDC PROPOSAL FOR MARKETING & DEVELOPMENT OF THE SOUTH SHORE

Dave Hengel, Northwest Minnesota Foundation, presented two proposals to help the City develop and market the South Shore and former MnDot areas. Hengel stated that the City has done an outstanding job securing the site, preparing it for development and facilitating the permitting for the planned unit development. The challenges faced now are as follows:

- Product Development
- Marketing the Site
- Process Development

Hengel stated that the HRDC is confident it has the capacity and skills to market the South Shore and former MnDot site and aid in its development. Hengel stated that the HRDC is not as confident in its ability to assist in the third element, process development. Hengel presented a second option to the proposal which includes retaining a real estate broker, North Central Real Estate, to help with all three facets but, more specifically, with process development. There could be cost savings with using the broker if the area(s) can be sold within two years. The cost of Option 1 is \$50,000 for the City with the HRDC contributing \$20,000. The cost of Option 2 is a \$2,500 monthly retainer with 50% of the retainer reimbursed from commissions. Additionally, 5% commission on sales generated would be shared by the HRDC and North Central. A 7% commission would be paid on outside broker sales.

Council discussed the following:

- Information regarding other relationships this broker has with other cities.
- Need to identify what tools to offer to potential developers.
- Need to clean up lakeshore (this is a major issue with potential developers).
- There should be no commission if developer comes directly to city.

Council requested more information on the potential broker and asked that staff arrange another work session in this regard.

**ADJOURN**

There being no further business, motion by Hellquist, seconded by Meuers, to adjourn the meeting. Motion carried. Meeting adjourned at 6:25 p.m.

Respectfully submitted,



Michelle R. Miller  
Deputy City Clerk