

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Special Work Session – October 3, 2007

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 Wednesday, October 3, 2007, at 6:00 p.m. in the Council Chambers of City Hall, Mayor Lehmann presiding.

Upon roll call, the following Councilmembers were declared present: Meuers, Johnson, Downs, Hellquist, Markeson, Erickson, Lehmann.

Staff Present: John Chattin, Kay Murphy

Other Present: Dr. Jon Quistgaard, Bill Maki, Cliff Tweedale, Dave Hengel

Mayor Lehmann stated that the purpose of the meeting was to open discussions regarding BSU as an anchor tenant for the proposed events center.

Dr. Jon Quistgaard, BSU President, stated that the University at this time does not intend to take the same path as Wayne State who announced last week that they were dropping men's hockey. He stated that BSU is working extremely hard to be the anchor tenant for the City's event center. However, there are certain challenges that BSU must meet: they need to be competitive and economics are a concern. BSU is working to raise \$2.5 million and need this over the next 5 years to transition the hockey team to a new home. He viewed the events center as an opportunity for economic revitalization for downtown and for the community as a whole. Dr. Quistgaard stated that by the end of December 2007 BSU will be able to say whether they will be the anchor tenant.

Mayor Lehmann stated that the City needs an agreement with BSU to submit with the bond request to the State legislature by the end of the year. He recommended that a smaller group made up of City Council members, City staff and BSU representatives sit down to "hammer" out the details of a lease agreement.

Discussion continued on the progress of the fundraising effort by BSU. Bob Peters, former BSU hockey coach, stated that he has \$100,000 in commitments from alumni and felt confident that they will complete the mission. Other fundraising includes pre-purchasing of the rights to suites at the events centers. There is an interest in suites and BSU is hoping for 25 suites to pre-sell.

Councilor Johnson stated it would be dangerous to delay the bonding request as a delay could increase the cost of the project.

Councilor Erickson stated that the recent lease with BSU for the OPC was only for 5 years and asked if the lease for the events center could be longer.

Dr. Quistgaard responded that anytime BSU enters into a lease arrangement the Office of Chancellor is their legal representative. The lease for the events center will be for a longer period of time.

Bill Maki, BSU chief financial officer, stated that the lease agreement with Diamond Point Park OPC was for five year increments to move it along quickly and did not require MnSCU approval.

Discussion continued regarding BSU joining the WCHA.

Councilor Erickson asked about the second sheet of ice and was concerned about the City generating revenue with other events using the events center.

Dr. Quistgaard stated that this was a question to be negotiated with the lease.

Motion by Hellquist, second by Councilor Meuers, to appoint Mayor Lehmann, Erickson and Downs to the Committee to negotiate a lease agreement with BSU. Motion carried unanimously.

Dave Hengel, HRDC, recommended that the City consider retaining the services of Brian Schoenborn as a consultant on the events center. He stated that Mr. Schoenborn would be

better able to address issues such as naming rights, concessions and operations as there is no one in our community with that experience.

Councilor Meuers stated she was uncomfortable in hiring him without knowing more about him. Councilor Hellquist would like to look at perhaps another individual. Councilor Johnson felt it was important to have a consultant and was in favor of using Mr. Schoenborn. Discussion continued and it was suggested that Mr. Schoenborn be asked to meet with the Council. No decision was made at this time.

ADJOURN

Motion by Hellquist, second by Meuers, to adjourn the meeting. Motion carried with the following vote: Ayes: Lehmann, Erickson, Hellquist, Meuers, Downs, Johnson. Nays: Markeson. Meeting adjourned at 6:55 p.m.

Respectfully submitted,



Kay M. Murphy
City Clerk