

CITY COUNCIL PROCEEDINGS
BEMIDJI, MINNESOTA
Special Meeting – January 3, 2008

Pursuant to due call and notice, a special meeting of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Thursday, January 3, 2008 at 5:30 p.m. in the Council Chambers of City Hall, Mayor Lehmann presiding.

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

Mayor Lehmann stated that the purpose of the meeting is to discuss the events center.

Jon Quistgaard, BSU President, stated that the Western Collegiate Hockey Association (WCHA) has granted BSU an opportunity on January 13 to make a 30-minute presentation. President Quistgaard recognized that this is pushing the timeline to prepare for state legislature. He respectfully asked that the Council give him a chance to make his presentation and then come back by January 15 and give a yes or no answer regarding participation with the City on the events center.

Mayor Lehmann commented that the Council has worked hard with BSU to come up with a lease agreement but it has now been watered down considerably. The City needs time to get their package together for the state legislature's consideration.

Erickson expressed concerns regarding final approval of the lease agreement by the MnSCU Board of Trustees.

President Quistgaard stated that it is his recollection that Vice President Maki stated at the October meeting that the lease would have to go to the MnSCU Board of Trustees because of the amount and length of the lease. He further stated that he has not engaged in any discussion with the Board regarding the lease.

Mayor Lehmann stated that staff and council need to know what type of facility needs to be designed to submit to the state.

City Manager Chattin pointed out that the latest draft of the Memorandum of Understanding does not commit BSU as an anchor tenant for the events center whether it is signed now or later. Discussion continued on the requirement of the Board of Trustees to make the final decision on the lease agreement between the City and BSU.

Erickson stated that this is a tremendous risk that the City is taking on behalf of BSU. She stated that the burden, for her ward, is too great and stated that she is uncomfortable with BSU as an anchor tenant, the cost to construct this project, and she believes it is unaffordable.

President Quistgaard stated he needs to feel comfortable before he can make a commitment on behalf of BSU that will not jeopardize the university. Discussion continued on BSU's ability to become a member of the WCHA.

Downs stated that he supports the partnership with BSU and would like to see the City give BSU the additional time requested.

President Quistgaard stated that BSU will be as open minded as can be, however, he has to go to the Board of Trustees regarding the lease. He stated that he wants the partnership with the City to work.

Johnson commented that he is concerned that if the City is not ready to submit a package to the state, that it could jeopardize the City's opportunity to build a community events center.

Erickson stated that the City cannot say to the legislature that the City has a partner as it puts the City on very shaky ground. She further stated that she was very uncomfortable regarding the cost estimates. Her concerns are greater than the partnership with the BSU, but also the operations and maintenance, etc.

Johnson asked President Quistgaard how quickly the Board of Trustee's could make a decision regarding the lease.

Quistgaard stated that the Board meets monthly and should be able to move fairly quickly. Typically, the Board of Trustees follows the president. He has authorization to approve the memorandum of understanding but not a full long-term lease.

Mayor Lehmann read the following statement:

“The Event Center project has been a city council priority for several years. Bemidji Leads rekindled that vision a few years ago and Bemidji State University joined the city as a partner in moving the project forward. We have all worked tirelessly to ensure that Bemidji would have a regional events center that would fulfill the needs of both the community and BSU.

The city has already used most of the \$3 million in bonding money, provided by the state, to develop site plans and schematic designs for such a facility. The city has secured 130 acres on southeast Lake Bemidji to enhance its parks and trails, promote redevelopment and serve as the site for the events center; addressing three of the council's priorities. Throughout this long and arduous process, plans and sites may have changed, but the city's commitment to this project has remained steadfast.

The city, with assistance from the Headwater Regional Development Commission, has been preparing for the challenges the 2008 legislative session will present. The city's half cent sales tax needs to be extended and bonding monies secured for the facility. Before we can finalize our legislative strategies, a firm commitment from BSU to be our partner is needed. The deadline has been delayed for the commitment several times. We are now being asked to accept another delay.

The city cannot accept another delay. We must move ahead with formulating a strategy for securing our sales tax extension and state bonding money. The city has been faithful and cooperative in ensuring that BSU would have a facility to operate a first class division one hockey program. However, without BSU's formal commitment to our partnership, we must now develop a new strategy that does not include the BSU hockey program. We regret that BSU has been unable to commit to this project but further delays will jeopardize the city's ability to have any project at all. That alternative is not acceptable.

We must now direct our resources to develop a new, downsized events center that can still meet the needs of the greater Bemidji community. We need to revise the vision we will carry to the legislature and leverage the most we can from extension of the sales tax. The Bemidji Regional Events Center is not dead. It will simply be restructured to meet the needs of our community. I ask the council for their support for the continuing vision of a regional events center and would entertain a motion to that effect.”

Hellquist stated there is the bigger question of a \$50 million commitment by Council and a \$100 million plus price tag on what has been presented and that is more than a little gap on an if, and or maybe. He stated he could not put the full faith and responsibility of the City at risk for that length of time. It will take away city projects for a long period of time. He stated that the college's product is learning not hockey and the government's charge is to provide infrastructure and public safety for its people, not a hockey rink. He commented that he enjoyed BSU hockey as much as anyone else but this is just financial responsibility.

Johnson stated that the events center started out as a hockey rink with meeting rooms and has blossomed into a “monster”. He commented that a lot of the cost of the building is the training center and other amenities to house BSU hockey. He stated that he would like to see the City spend money on a multi-use events center. The City has been waiting and there has been no commitment by BSU.

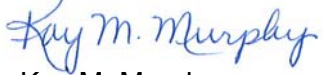
Meuers expressed concerns about why BSU had not signed the lease.

Motion by Hellquist, second by Erickson, to support the continuing vision of a regional events center and ask the state legislature to extend the City's half cent sales tax and request bonding to build a multi-use events center at a cost not to exceed \$50 million that meets the needs of the community. Motion carried by the following vote: Ayes: Hellquist, Lehmann, Meuers, Johnson, Downs, Erickson. Nays: Markeson. Absent: None.

ADJOURN

There being no further business, motion by Downs, second by Hellquist, to adjourn the meeting. Motion carried. Meeting adjourned at 6:43 p.m.

Respectfully submitted,



Kay M. Murphy
City Clerk