

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Special Work Session – April 24, 2023

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 Monday April 24, 2023, at 5:30 p.m. in the Council Chambers of City Hall, Mayor Prince presiding.

Upon roll call, the following Councilmembers were declared present: Prince, Fiskevold Gould, Peterson, Johnson, Rivera, Eaton, Thayer (5:48 p.m.)

Staff Present: City Attorney Katie Nolting, City Engineer Sam Anderson, Assistant City Attorney Andrea Kingbird, City Clerk/acting City Manager Michelle Miller.

Others: Airport Executive Director Karen Weller, Assistant Airport Manager Kyle Christianson, Airport Engineer Mike Karvako, Greater Bemidji Executive Director Dave Hengel

Mayor Prince stated that the purpose of the meeting was for a discussion regarding Airport Planning Area 3.

Airport Planning Area 3

Anderson stated that at the July 25, 2022 work session, Council was approached by the airport about a proposal for additional infrastructure expansion in the NW corner of the airport referred to as Planning Area #3 (PA #3). This area is partially served by a “dead end” water & sanitary sewer main that was installed back in 2009, with currently no users. Refer to Map 1 in your packet for an overview of these existing conditions. Being there’s currently no users, staff only flush that line twice a year for roughly a city cost of \$500 annually.

At the July 25 work session, staff were concerned with this proposal for additional expansion, essentially adding a longer “dead end” water main, with no plans for future water main looping. Water main looping is a common requirement with development within the city and especially with this development not having a number of users ready to connect and help with keeping the water circulating through this line. This would equate to additional city staff time to more frequently flush this water main to ensure safe and aesthetically acceptable water to those eventual users. At that time, staff’s recommendation was that Council require the water main loop as part of the proposed project.

Anderson provided the following update since the July 2022 Work Session:

Over the past few months, staff have been working with Karen Weller, Airport Executive Director, Mike Karvako, Airport Engineer, and Dave Hengel, Executive Director of Greater Bemidji to develop a plan to incorporate and fund the proposed infrastructure and water main looping for Planning Area #3.

The new proposal is for the airport to still pursue the DEED BDPI grant, with assistance of the City, to construct Phase 1a infrastructure as shown on Exhibit A. The BDPI grant would cover 50% of the project costs up to \$2 million. The remaining 50% local match for that initial phase of the project would come from federal funding being used to construct a taxilane this year and some additional airport funding to cover the difference. There’s no financial ask of the City for this first phase of development.

The next phase would include plans for future water main looping. The estimate in today’s dollars is \$2 million to complete the water main loop from the end of the Phase 1a extension to the Technology Park. Exhibit B displays 2 different looping options that meet the water main looping requirements. Option #1 is the water main looping route that not only addresses the PA #3 development looping requirements, but also provides some added benefit to the City with better system redundancy and matches our overall water comprehensive plan. Option #2 is another water main looping route that meets the water main redundancy requirements for the development, but doesn’t provide any direct benefit to the City’s system. The difference in cost between these two options is roughly \$700,000 (or 35% of the overall water main looping cost) and the amount that staff are recommending that we program into our CIP for construction in 2028.

The airport authority has authorized a levy increase to cover the remaining water main looping cost. They are proposing a 50/50 split of the water main loop or \$1 million from each entity, which we can certainly discuss further with Council during the meeting.

In talking with our Finance Director, since this is a new project that wasn’t previously included in the CIP we would need to make the assumption that this project would be debt funded by the City for our \$700K share. Assuming a 20 year bond time period, this would result in a required rate increase of approximately 1.6%, not including any rate increases to cover the future WWTP clarifier project. Staff may have the option to move other capital projects around, but wanted to make it known that adding a project of this size into our CIP will require a rate increase and/or delaying other capital projects.

In regards to the additional hydrant flushing that may be required if development occurs prior to the water main looping being completed. The airport has committed to paying for those additional costs, estimated at \$30,300 per year from the July 2022 work session, until the water main looping is completed.

Upon Council discussion and questions, consensus of Council was to move forward in assisting the airport and Greater Bemidji with a DEED BDPI grant application and to allocate \$700K to the 2028 PA #3 water main looping project in the Capital Improvement Plan. Staff will bring a resolution supporting the BDPI grant application to a future council meeting for consideration.

ADJOURN

There being no further business, motion by Johnson seconded by Peterson, to adjourn the meeting. Motion carried. Meeting adjourned at 6:20 p.m.

Respectfully submitted,



Michelle R. Miller

City Clerk