

# **BEMIDJI CITY COUNCIL**

## **Work Session Agenda**

**Monday, October 9, 2017**

**City Hall  
Conference Room  
5:30 P.M.**



1. CALL TO ORDER / ROLL CALL
  
2. CONSIDER AND APPROVE PROPOSAL REGARDING HISTORIC TAX CREDITS RELATIVE TO THE CARNEGIE LIBRARY
  
3. TOURIST INFORMATION CENTER UPDATE
  
4. UPDATE ON PRIVATE WELLS – City Engineer Gray
  
5. ADJOURN

**HANFT FRIDE**  
A PROFESSIONAL ASSOCIATION

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October 4, 2017

GILBERT W. HARRIES\*  
WILLIAM M. BURNS  
JOHN D. KELLY\*  
FREDERICK A. DUDDERAR, JR.  
R. THOMAS TORGERSON\*  
CHERYL M. PRINCE\*  
ROBIN C. MERRITT\*  
JENNIFER L. CAREY\*  
MARK D. PILON\*  
JACOB J. BAKER\*  
SCOTT A. WITTY\*  
LEAH L. FISHER  
HOLLY LABOONE-HALLER  
BRENT W. MALVICK  
JOCELYN E. BREMER

RICHARD R. BURNS,\* OF COUNSEL  
CHARLES H. ANDRESEN, OF COUNSEL  
DAVID C. LINGREN, OF COUNSEL

\*ALSO ADMITTED IN WISCONSIN

**Via Email Only**

Mr. Alan Felix  
City Attorney  
City of Bemidji  
317 – 4th Street NW  
Bemidji, MN 56601

Re: Carnegie Library Project  
Our File No.: 32624.000

Dear Alan:

Responding to your request and our exchange of emails, this is a proposal from Hanft Fride, A Professional Association, and Mahoney Ulbrich Christiansen & Russ, P.A., respectively of Duluth and St. Paul, to consult with the City on the use of historic tax credits (“HTCs”) relative to the Bemidji Carnegie Library.

As you are aware from discussion, I did some pro bono work with the Friends of the Carnegie Library and have had some discussions with them regarding the project and also, previously, with Mr. Reis. Your suggestion that we submit a proposal to the City for consulting services relative to this matter is appreciated.

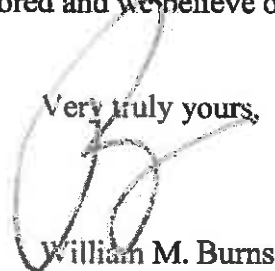
Our proposal is as follows:

1. Upon receiving information requested, we would provide, within 45 days of receiving that information, a comprehensive analysis of our view of how HTCs might be utilized in connection with this project.
2. Our review will include a proposal regarding a structure, address the marketplace as we see it for such HTCs and include identification of issues which we see as necessary to resolve before such a project can proceed. We will address specifically our opinion on feasibility of the HTC use.

3. To commence the project, we need your authorization and appropriate action through the Council or otherwise, and the following information:
- Current source and use for the project.
  - Current documentation of any grants or other funding that is available.
  - Status of architectural approval regarding an historic renovation (including what I understand is a move of the building, which might be abandoned).
  - An authorization to discuss the project with the State Historical Preservation Office and identification of personnel at that office, and elsewhere, who have been involved in the project.
  - We also would appreciate authorization to talk to Charlene Roise of Hess Roise, the historical consulting firm, which I know has looked at the project. Ms. Roise and I talked briefly over this last weekend.
4. The total cost for this review and report would be \$7,500.00.

By way of background, both my firm and John Reis's firm work actively and continually with developers on various development projects throughout the region, including historic tax credits. John has worked with tax credits through his career and my work with the historic tax credits goes back to 1978. John and I have had the privilege to work together on any number of projects and believe that we have established appropriate expertise to assist the City in evaluating the feasibility, likelihood and, ultimately, economics of utilizing historic tax credits here. These credits, as you know, present an opportunity to, on a gross basis, obtain 40% (less expenses) of the cost basis of the historic renovation. This is an opportunity that should be explored and we believe our proposal will allow the City to do that.

Very truly yours,



William M. Burns

WMB/dac

c: Mr. Ron Eischens  
Mr. Nate Mathews  
Mr. John Ries