

CITY COUNCIL PROCEEDINGS
BEMIDJI, MINNESOTA
Work Session – November 13, 2017

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, November 13, at 5:30 p.m. in the Council Chambers of City Hall, Mayor Pro-tem Erickson presiding.

Upon roll call, the following Councilmembers were declared present: Albrecht (by phone), Hellquist, Johnson, Erickson and Larson. Meehlhouse arrived at 5:45 p.m.

Staff Present: City Manager Nate Mathews, Public Works Director/Engineer Craig Gray, City Attorney Alan Felix, City Finance Director Ron Eischens, Parks & Recreation Director Marcia Larson and Deputy City Clerk Michelle Miller

Erickson stated that the purpose of the meeting was to discuss a hospitality tax proposal and the Sanford Family Sports and Wellness Complex.

Proposal for Hospitality Tax

Bryan Nermoe, Executive Vice President of Sanford Health and Dave Hengel, Executive Director of Greater Bemidji made presentations to the council regarding the proposed Sanford Family Sports and Wellness Complex and hospitality tax proposal. The complex would be about 175,000 square feet which would include a wellness center, a multi-use sports facility and a two sheet ice arena. The facility would be owned jointly by Sanford Health and Greater Bemidji. The proposed two percent hospitality tax, which could potentially raise \$1.25 million dollars per year, would be split two-thirds to create and fund an Amateur Sports Commission and one-third could support the operating deficit of the Sanford Center.

Council expressed various concerns and questions regarding the project, the hospitality tax proposal and the fact that the projected \$500,000 tax revenue to support the Sanford Center operating deficit will not be enough to provide property tax relief. Albrecht expressed a concern regarding the relationship between the Sanford Center and the Neilson Reise City arena and providing practice ice for BSU Hockey and if the city arena closes, would the ice at the new complex be available for the same purpose. Hengel opined that something could be worked out. Mathews stated that since this is a public tax request for a private project, staff will need to get the financial information for the project.

Council took no action and Erickson stressed that this is an informational meeting only and they will need more information, including the legality of using public money, and further discussion will be needed to see if council supports this request.

ADJOURN

There being no further business, motion by Hellquist, seconded by Johnson, to adjourn the meeting. Motion carried. Meeting adjourned at 7:15 p.m.

Respectfully submitted,



Michelle R. Miller
Deputy City Clerk