

BEMIDJI ECONOMIC DEVELOPMENT AUTHORITY

Special Meeting Agenda **Monday, March 21, 2016**

**City Hall
Council Chambers
6:00 P.M. (or shortly thereafter)**



1. CALL TO ORDER

2. HOLD A PUBLIC HEARING ON PROPOSED SALE OF PROPERTY IN THE CITY OF BEMIDJI (Lots 1 and 2, Block 2, South Shore Addition – Bemidji South Shore Properties, LLC)
 - Approve Findings

3. CLOSE THE MEETING
Pursuant to §13D.05, Subd. 3, for the purpose of developing or considering offers or counter-offers for the purchase or sale of real or personal property.

4. REOPEN THE MEETING

5. ADJOURN

BEDA AGENDA ITEM



Meeting Date: March 21, 2016

Action Requested: Public Hearing on proposed sale of BEDA real property to Bemidji South Shore Properties, LLC, and Consideration of Findings to Authorize Sale

Prepared By: Alan R. Felix, City Attorney

Reviewed By: Nate Mathews, BEDA Executive Director *Nate*

Background:

Per Minnesota Statutes and in furtherance of the proposed sale of BEDA real property in the Plat of South Shore Addition, (Lots 1 and 2, Block 2), a public hearing has been scheduled to allow the public and the BEDA Commissioners to consider the proposed sale to Bemidji South Shore Properties, LLC ("Purchaser").

The Purchaser proposes to construct a mixed use development on the property comprised of an approximate 78-unit apartment building with detached garages, along with a commercial development comprising no less than 20% of the property. The Purchase Agreement for the sale is attached to draft Findings which are attached hereto.

Upon conclusion of the public hearing it is incumbent upon the BEDA to prepare and approve Findings in support of its decision to either approve the sale or to decline to proceed. Staff, in anticipation of a decision to authorize the sale, have prepared the attached Findings as a template for assisting the BEDA in its consideration and decision. Be reminded that Minnesota Statutes allow the BEDA up to 30 days after the public hearing to render a decision and to adopt formal Findings in support of that decision.

Recommendation:

Conduct public hearing on proposed sale of BEDA real property to Bemidji South Shore Properties, LLC, and consider draft Findings in support of the BEDA's ultimate decision at the conclusion of the public hearing.

PROCEEDINGS OF THE BEMIDJI ECONOMIC DEVELOPMENT AUTHORITY (BEDA)

In Re: Proposed sale of Southeast Lake Bemidji Redevelopment Project Property (in South Shore Plat and PUD) by the BEDA to Bemidji South Shore Properties, LLC.

BACKGROUND AND FINDINGS

On Monday, March 21, 2016, the Bemidji Economic Development Authority (BEDA) considered the proposed sale of BEDA-owned property in the Southeast Lake Bemidji Redevelopment Project Area and within the Plat of South Shore Addition, to Bemidji South Shore Properties, LLC (hereinafter "Purchaser"). The plat of South Shore Addition is the subject of the approved South Shore Planned Unit Development, and is subject to the General Planned Unit Development Guidelines dated November 6, 2009, and amended March 14, 2012, administered by the BEDA's Design Review Committee (the "DRC") in conjunction with the Greater Bemidji Area Joint Planning Board (the "JPB"). The BEDA-owned property to be sold is legally described as ***Lots 1 and 2, Block 2, SOUTH SHORE ADDITION according to the recorded plat thereof, on file and of record in the office of the County Recorder, Beltrami County, Minnesota (hereinafter the "Property")***. The lot is approximately 4.5 acres in size.

The BEDA Staff has tentatively negotiated to sell the Property to Purchaser for One Million Twenty-five Thousand Seven Hundred Ninety-seven and 50/100 Dollars (**\$1,025,797.50**), subject to the terms of that Purchase Agreement dated March _____, 2016, and to the approval of the proposed sale by the BEDA pursuant to the public hearing held herein. Purchaser intends to use the Property to construct a mixed use development comprised of an approximate 78 unit residential apartment building served by stand-alone garages, along with a commercial development comprising no less than 20% of the Property (the "Development Project").

Purchaser's proposed construction timeline is for residential building construction commencement in Summer of 2016.

Pursuant to Minnesota Statutes Chapter 469, the BEDA has conducted a public hearing in order to determine whether the proposed sale of Lots 1 and 2, Block 2, SOUTH SHORE ADDITION to Purchaser is in the best interests of the City of Bemidji and its residents and whether the proposed transaction furthers the BEDA's own general plan of economic development. Pursuant to the testimony received at the hearing and, based upon the discussion of Commissioners regarding the sale, the interests of the City and its residents, as well as the Authority's general plan for economic development, the Authority makes the following findings and decision:

FINDINGS

1. The sale of Lots 1 and 2, Block 2, SOUTH SHORE ADDITION, to Bemidji South Shore Properties, LLC will further a priority and goal of the BEDA to redevelop the Southeast Lake Bemidji Redevelopment Project Area.
2. That Purchaser's proposed mixed use development is consistent with the Southeast Lake Bemidji Planned Unit Development (PUD) approved November 19, 2009; and as amended March 14, 2012 by the JPB.
3. That the tentative building concept for Bemidji South Shore Properties, LLC presented to the BEDA and its DRC by Purchaser, has found general approval of and with BEDA

Commissioners; however, Purchaser must secure approval of the final building plans and specifications from the DRC and JPB before commencement of construction.

4. The sale is conditioned upon the sale closing according to and in satisfaction of the terms and conditions set forth in the Purchase Agreement negotiated between the BEDA and Purchaser, a copy of which is attached hereto as **Exhibit A** and incorporated by reference. ~~The sale is further conditioned upon the successful negotiation and execution of a Development Agreement between the Purchaser, the BEDA and the City of Bemidji.~~ Moreover, construction of the mixed use development must begin within one (1) year after the date of conveyance of the Property unless Purchaser has sought and obtained an extension from the BEDA for good cause established by Purchaser.
5. It is the consensus of the BEDA Board that it is in the City's financial best interests that the sale close according to and in satisfaction with those terms and conditions set forth in the above-described Purchase Agreement.
6. That the proposed sale to Purchaser will further the Authority's general economic development plan for the City generally and the Southeast Lake Bemidji Redevelopment Project Area specifically, and furthers the aims and purposes of Minn. Stat. §§469.090-.108.
7. That the BEDA has published notice of the hearing as required by Minn. Stat. §469.105, Subd. 2.
8. That the proposed Limited Warranty Deed conveying the Property to Purchaser will contain the necessary covenants in compliance with Minn. Stat. §§469.090-.108.
9. That these findings are adopted and a decision rendered within thirty (30) days of the noticed public hearing.

DECISION

NOW, THEREFORE, based upon the above Findings, it is the decision of the BEDA that the sale of Lots 1 and 2, Block 2, SOUTH SHORE ADDITION to Bemidji South Shore Properties, LLC, as described herein, is in the best interests of the City of Bemidji and its residents and that the proposed sale does further the Authority's general plan of economic development. Therefore, it is recommended that the BEDA complete the sale, and that BEDA and its staff take all necessary administrative steps and actions leading to completion of the sale in accordance herewith and including Minn. Stat. §§469.090-.108.

Dated: March 21, 2016

Rita C. Albrecht, President

ATTEST:

Kay M. Murphy, Secretary

NOTICE OF PUBLIC HEARING ON PROPOSED SALE OF PROPERTY IN THE CITY OF BEMIDJI

The Bemidji Economic Development Authority (BEDA) hereby gives Notice of a Public Hearing to be held on Monday, March 21, 2016 at 6:00 p.m. or soon thereafter in the Council Chambers of City Hall, 317 4th Street NW, Bemidji, MN, to consider the proposed sale of property located in the Plat of South Shore Addition. The property subject of the proposed sale is legally described as:

Lots 1 and 2, Block 2, South Shore Addition, according to the recorded plat thereof, "the Development Property".

The BEDA has a tentative Purchase Agreement with Bemidji South Shore Properties, LLC. A copy of the Agreement may be viewed at City Hall, 317 4th Street NW, Bemidji, MN 56601.

Purchaser desires to purchase the Development Property to construct a mixed use development comprised of an approximate 78-unit residential apartment building and a commercial development comprising no less than 20% of the Development Property.

At the Hearing, the BEDA will review and consider the Purchase Agreement and Purchaser's proposed Development Project for the property and determine if the sale is advisable.

Kay M. Murphy, BEDA Secretary

Published: March 11, 2016