

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Special Work Session – Tuesday, March 27, 2018

Pursuant to due call and notice, a work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Tuesday, March 27, 2018, at 5:30 p.m. in the Chambers of City Hall, Mayor Albrecht presiding.

Upon roll call, the following Councilmembers were declared present: Albrecht, Meehlhause, Hellquist, Johnson, Lehmann, Erickson, Larson

Staff Present: City Manager Nate Mathews, City Attorney Al Felix, City Engineer Craig Gray, Finance Director Ron Eischens, Deputy City Clerk Michelle Miller

Others Present: Monte Hilleman (Saint Paul Port Authority), Jeff Shopek (Loucks), Tom Goodrum (Loucks)

Albrecht stated that the purpose of the meeting was to review and discuss the Bemidji Rail Corridor Redevelopment Site Technical Memorandum 1 and Consultant Findings.

Mathews summarized the process of working with Loucks and the Saint Paul Port Authority to obtain the Phase 1 report being presented to Council for discussion and consideration of the proposed Phase 2 tasks submitted in the report.

Hilleman, Shopek and Goodrum presented findings from the report, including a market study, environmental concerns and development potential. The area involved in this study is a 14-acre Rail Corridor area lying between Irvine Avenue and Bemidji Avenue, north of Lake Irving and west of the Mississippi River.

Goodrum discussed the market study and development scenarios. The most feasible development area is located on the westerly side with the easterly side containing higher concentrations of contaminated soil. The primary development being proposed is housing.

The biggest concern is soil management and correction; with costs ranging from \$1.1 million to \$8.2 million. However, the actual cost could be in the range of \$2-3 million by minimizing off-site hauling and utilizing land treatment and berms on contaminated soil areas. To obtain an accurate evaluation of the level of contamination a formal request will have to be made to the MPCA. It will be more cost effective to remove the contaminated soil and to compete for grants if removal is done as one project, rather than in phases. The unknown aspects of the project include: (1) MPCA approval; (2) Tribal review; (3) Utilities; (4) Geotechnical review; and (5) Overall land use.

Council discussed the following:

- Feasibility of development on snow removal area
- What kind of property tax base would be generated
- Housing could drive retail development in the downtown
- City will have to be involved in the cleanup of the soils to obtain DEED grants
- Development should complement the downtown (focus should be on housing), additional retail space would compete with the downtown
- People who live downtown, spend more money downtown than people who do not live in a downtown area
- In order to make a decision to proceed further in the process the city should move forward with Phase 2 and then decide if it is feasible to development the property

The Saint Paul Port Authority is seeking direction on the following:

1. Formal environmental investigation by the MPCA
2. Tribal consultation
3. Cost analysis of updated development scenario
4. Construction costs, funding sources and property tax projections
5. Preparation of Technical Memorandum 2
6. Begin site marketing and analysis of redevelopment proposals (brokerage services)

Hellquist stated he does not support the city being involved in selling of land. He stated there are other big projects that the city should be spending money on.

Albrecht stated that if the city cleans up and sells the property that the city should break even and reduce public ownership of the downtown area.

Motion by Larson, seconded by Meehlhause, to move forward with the Phase 2 tasks outlined in the March 20, 2018 Technical Memorandum 1 presented by the Saint Paul Port Authority (dba Port Consulting) in the amount of \$13,500. Motion carried with the following vote: Ayes: Meehlhause, Johnson, Lehmann, Erickson, Larson, Albrecht. Nays: Hellquist.

ADJOURN

There being no further business, motion by Lehmann, seconded by Johnson, to adjourn the meeting. Motion carried. Meeting adjourned at 7:30 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Michelle R. Miller". The signature is written in a cursive style.

Michelle R. Miller
Deputy City Clerk