

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Work Session – April 14, 2014

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, April 14, 2014, 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, Olson, Erickson, Thompson

Staff Present: City Manager John Chattin, City Attorney Alan Felix, Parks & Recreation Director, Marcia Larson, Public Works Director, Craig Gray, Deputy City Clerk Michelle Miller

Mayor Albrecht stated that the purpose of the work session was to consider a request from Peterson Companies, LLC regarding the old High School property and review the energy audit from Honeywell.

OLD HIGH SCHOOL DEVELOPMENT PROPOSAL

Trudy Peterson presented a proposal to develop the old high school property into a mixed use development consisting of commercial properties on the main level and housing in the upper three levels. The housing would mainly cater to college students. The ultimate goal would be to attract college students away from the residential areas by the college and return that area to single family homes. Peterson's focus for this meeting is to have a conversation about the City's involvement in this development regarding the current infrastructure that would need to be replaced before new construction can begin. Chattin stated that there are a couple of requests that could be involved, including a TIF request or other incentives that the City could provide. Dave Hengel of Greater Bemidji spoke about the importance of this project to Bemidji State University; opening up homes to entry-level homeowners; returning this property to the tax rolls; and the TIF process.

Gray highlighted the street improvements and infrastructure that would need to be completed and replaced and the costs associated with those improvements. Gray estimated the cost to replace the pipes is approximately \$200,000. Gray answered several infrastructure questions posed by the Council.

Discussion continued regarding TIF and the timing of this process, installation of the infrastructure, whether tax abatement is a better alternative, the process with the consultant, and if an expanded TIF district is beneficial.

The consensus was that a TIF application would be viewed favorably by the Council.

ENERGY AUDIT REVIEW WITH HONEYWELL

Madonna Rykken and Gavin Benson, of Energy Services Group (ESG), a division of Honeywell, presented the Energy Audit findings and proposed project options for consideration by the Council for improvements and energy savings to several city buildings as well as retrofitting downtown street lights. Chattin stated that ESG must guarantee that there are adequate savings from these projects to pay for themselves. Gavin outlined the proposed improvements in Options 1, 2 and 3; which build upon themselves on each level. Madonna summarized the financial costs, savings and loan terms of each option. Most of these projects are financed through operational leases.

Council discussed the arena and not investing a significant amount of money through this project at this time without further discussion and looking at the bigger picture of the future of the arena. Council also discussed the risks involved in not getting the guaranteed savings. Madonna stated there are safeguards in place and they are monitored by the State. She also stated that ESG provides quarterly reports to clients to help monitor the energy costs and savings and any changes that deviate from the recommendations.

Motion by Meehlhause, seconded by Olson to pursue Option 2 as presented by ESG. Motion carried.

DISCUSSION ITEMS/UPDATE

Chattin provided an update on a meeting staff had with the DNR and the proposed marina, which would be located by the Country Inn & Suites and would provide up to 80 boat slips. The city will be submitting an application to the DNR based on those discussions.

ADJOURN

There being no further business, motion by Hellquist, seconded by Meehlhause, to adjourn the meeting. Motion carried. Meeting adjourned at 7:45 p.m.

Respectfully submitted,

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

Michelle R. Miller
Deputy City Clerk