

CITY COUNCIL PROCEEDINGS
BEMIDJI, MINNESOTA
Special Meeting/Work Session – April 15, 2013

Pursuant to due call and notice, a special meeting/work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, April 15, 2013, at 6:00 p.m. in the Conference Room of City Hall, Mayor Albrecht presiding.

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

Staff Present: City Manager John Chattin, Finance Director Ron Eischens, City Clerk Kay Murphy

Others Present: John Meyers - President, Pace Development

Mayor Albrecht stated that the purpose of the special work session was to hear a proposal for a third liquor store.

Chattin stated that he was approached by Mr. Meyers with a proposal to locate a third liquor store in the east end of the Westridge Shopping Center aka Marketplace Foods. Eischens and Chattin have met with Mr. Meyers and have come close to negotiating the terms of a lease. However, it is ultimately the Council's decision on whether they want a third liquor store.

John Meyers, President of Pace Development, described the changes that will be made this summer at the Westridge Shopping Center. He stated that the proposal to the City for a third liquor store includes a "kick out" clause after three years if sales don't exceed \$1 million. In addition, if the new store does well and the City wants to close its north liquor store, Pace Development would assume the risk of that building. He stated he owns and operates six liquor stores and would assist the City in design and layout of the new store.

Erickson expressed concerns about giving economic advantage to one business when the City has the monopoly on liquor stores in City limits.

Hellquist asked if other proposals have come to the City. He stated he received a call from a realtor regarding the Sears building. Hellquist provided a copy of an MLS listing for the Sears building stating it was available for rent.

Chattin responded that staff have been approached about the Sears building, however, the location and the cost of purchasing the building and construction would likely be in the \$2 to \$3 million range. He stated that Pace Development's proposal seemed like a better investment to staff as it was less risk to the City.

Albrecht stated that the City has been "accused" of not being business-like. She stated that an additional liquor store could have a positive impact on revenues.

Meyers stated he would like to know the City's interest within two weeks as he would like to open by Labor Day.

No action was taken by the City Council.

ADJOURN

There being no further business, the meeting adjourned at 6:59 p.m.

Respectfully submitted,


Kay M. Murphy
City Clerk