

**CITY COUNCIL PROCEEDINGS**  
**BEMIDJI, MINNESOTA**  
**Regular Meeting – May 18, 2015**

Pursuant to due call and notice, a regular meeting of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, May 18, 2015 at 6:00 p.m. in the Council Chambers of City Hall, Mayor Albrecht presiding.

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

Staff Present: City Manager Nate Mathews, City Attorney Alan Felix, Public Works Director/City Engineer Craig Gray, Finance Director Ron Eischens, City Clerk Kay Murphy

**PROCLAMATION**

Mayor Albrecht proclaimed May 2015 as Mental Health Awareness Month.

**AMENDMENTS TO AGENDA**

Mayor Albrecht called for any amendments to the agenda. The following item was requested to be added under new business by the Public Works Director:

- Consider submitting Midway Drive Trail Bridge for TIGER grant funding

**Motion by Hellquist, seconded by Johnson, to approve the agenda as amended. Motion carried by unanimous vote.**

**MINUTES**

The following minutes were presented for approval:

Council Meeting	May 4, 2015
Board of Review	May 5, 2015

**Motion by Johnson, seconded by Olson, to approve the minutes as prepared. Motion carried by unanimous vote.**

**CONSENT AGENDA**

The following Consent Agenda items were presented for approval. **Motion by Meehlhause, seconded by Johnson, to approve the Consent Agenda items as follows:**

1. Claims submitted by the Finance Officer in the total amount of \$352,755.44
2. Claims submitted by Venuworks for the Sanford Center in the total amount of \$83,435.70
3. Miscellaneous Business License Renewals for 2015
4. 1 Day Temporary Consumption & Display Permit – Greater Bemidji – May 19
5. Declare Vehicles as Surplus – Police Department
6. **RESOLUTION NO. 5947:** Approving the All School Reunion Street Dance – July 18
7. Alley Paving Contract to Knife River Materials in the amount of \$28,632
8. Crack Sealing Contract to Bargaen, Inc. in the amount of \$60,272.65
9. Purchase of New ¾ Ton Pickup – Thane Hawkins Polar Chevrolet in the amount of \$27,891.76
10. Change Order #1 - Paul Bunyan/Library Park Construction Project - Reiersen Construction contract increased by \$30,649.75 for pedestrian trail lighting and fire lane access. Additional Design/Construction Administration for WSB not to exceed \$8,500.

**Motion carried by unanimous vote.**

**CITIZENS NOT ON AGENDA**

- Chris Leinen, Director of Business Services with Bemidji School District #31, stated that the School District is proud to be partners in the improvement of the Old High School property. He noted that the School District's contribution to the University Heights Development is estimated to be \$1.4 million over the life of the TIF plan.

**COMMITTEE/OTHER REPORTS**

**Bemidji Youth Advisory Commission** – Joe Jackson, BYA representative, reported on planning for the June 7 event.

Save the Carnegie Committee Update

Cathy Marchand, SCC Treasurer, reported on the progress toward the Committee's goal to restore and re-purpose the historic Bemidji Carnegie Library. Widseth Smith Nolting has been hired and architectural drawings are midway through the design review process with the Minnesota Historical Society. She stated that the feedback from the State has been extremely positive. She reviewed the estimates for the project and construction budgets. To date, the Committee has raised almost 50% of the funds needed for the project. Fundraising will continue within the community. She stated that, with the Council's support, the Committee will be seeking funds through applications to Capital Grant in Aid, Minnesota State Historical Legacy Grant and State Bonding. A resolution supporting a bonding request will be brought for Council's consideration at their June 15, 2015 meeting.

City Land For Sale Update

Bob Kiewatt, Lake-N-Woods Realty, stated that there are some deals "percolating" on the City properties. He identified the following major concerns that have arisen in marketing the property for development:

- Requests for short-term limited city financing. Kiewatt suggested that the Council might consider financing the land purchases. Discussion continued and it was noted that there are resources in our community that could be explored to help with funding.
- He has been told by prospects that it is difficult to design structures with required parking and green space, as well as proximity to water.
- Use of alcohol on or in the park areas. City code restricts the consumption of alcohol in parks.
- Contaminated land, in particular, Lot 5. Kiewatt stated that it is difficult to sell or find a use for it and suggested that the Council consider this as a city parking lot.
- Adequate signage. Kiewatt stated that due to the location of the south shore signage cannot be seen by the traveling public on Paul Bunyan Drive. Discussion followed on MnDOT regulations and exploring options.

Council recognized Lake-N-Woods Realty's recent sale of the "old MnDOT" property. The Council suggested that Mr. Kiewatt work with City staff to develop answers to his concerns which will provide him with "tools" to help sell the property.

**PUBLIC HEARING**

Pursuant to published notice a public hearing was held relating to BEDA's Proposed Modification of the Tax Increment Financing (TIF) Plans for TIF Districts Nos. 2, 3, and 5, the Proposed Modification of Development District Nos. 2 and 3 and the Development Programs, the Proposed Establishment of the University Heights TIF District, and the Proposed Adoption of a TIF Plan. Mayor Albrecht opened the Public Hearing at 6:50 p.m.

Jason Aarsvold, Ehlers & Associates, Inc., provided an overview of the establishment of the University Heights Tax Increment District to be located in Economic District No. 1, which is being established by the Bemidji Economic Development Authority. He stated that the duration of the University Heights TIF District will be 25 years from the date of receipt of the first increment which will be 2019. It is estimated that the District, including any modifications of the Plan for subsequent phases or other changes, would terminate in 2044.

Hearing no further comments, Mayor Albrecht closed the Public Hearing at 7:03 p.m.

**RESOLUTION NO. 5948: Adopting a Modification to the Tax Increment Financing Plans for Tax Increment Financing District Nos. 2, 3, and 5; Modifying the Development Programs for Development Districts Nos. 1, 2, and 3; and Establishing the University Heights Tax Increment Financing District and adopting a Tax Increment Financing Plan Therefor was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Meehlhause was passed by unanimous vote.**

**NEW BUSINESS**Request Revolving Loan

Tiffany Fetting, HRDC Business Loan Specialist, reviewed the request by B&B Enterprises, LLC to renew the note for \$250,000, which is scheduled to mature on June 1, 2015. She stated that the Revolving Loan Fund committee has reviewed the request and the consensus was to approve the renewal terms as outlined below:

- 3 year term with quarterly interest only payments
- Principal payments due upon sale of units
  - \$14,000 for units 12 to 17
  - \$42,000 for units 18 to 21

- Maturity date of June 1, 2018
- Interest rate of 1.5%

**Motion by Hellquist, seconded by Johnson, to extend and renew the loan with B&B Enterprises, LLC with the terms as outlined. Motion carried unanimously.**

Architectural Design and Engineering Services for Fire Station #2 Project

Fire Chief Hofer stated that the fire department is ready to seek proposals for professional architectural and engineering services for Fire Station #2. He stated that the plans will be due by June 5 and would be reviewed by a selection committee and bring a recommendation to the Council's June 15 meeting. Discussion followed regarding the selection committee and funding for the project.

**Motion by Erickson, seconded by Larson, authorizing the Fire Chief to seek proposals for professional architectural and engineering services for the Bemidji Fire Station 2 project. Motion carried unanimously.**

Shevlin Avenue Reconstruction

Public Works Director Gray stated that during the winter of 2013-2014 the watermain in Shevlin Avenue froze and broke in multiple spots. It was determined that the watermain was too shallow. The roadway was not repaired at that time in order to allow time to see what type of developer access would be required for the old MnDOT parcel. Gray has been working with the developer to insure that their requested driveways and other improvements are incorporated into the city work. The following bids for the project were received:

M&T Excavating, Inc.	\$213,144.75
Sparky's Construction	\$235,705.43
Reierson Construction	\$239,213.12
Gladen Construction	\$259,999.95
Gordon Construction	\$279,849.40

Gray stated that the estimated total project cost will be approximately \$255,000 (including design and inspection). The project will be funded using a combination of utility funds and street property tax levy for 2015 road projects. The developer will pay approximately \$23,000 for their share of the city installed improvements.

**Motion by Meehlhause, seconded by Olson, to award the bid for City Project #15-13 to M&T Excavating in the amount of \$213,144.75. Motion carried unanimously.**

Wastewater Treatment Facility Digester Nozzles

Gray reported that the two digesters at the WWTF have been experiencing some serious foaming issues during the past year or so. Although only one bid was received from K.H.C. Construction Inc., in the amount of \$67,000, Gray recommended awarding the bid as the price is good. He further commented that the City has successfully worked with K.H.C. on other projects at the plant.

**Motion by Olson, seconded by Erickson, to award the bid to K.H.C. Construction in the amount of \$67,000 for City Project #15-11. Motion carried unanimously.**

Center City Housing

City Manager Mathews stated that staff had a conference call with the attorney from Center City Housing to go over details on the agreement. He stated that they are working on the final draft of the agreement should be ready for the Council's June 1 meeting. Mathews noted that Center City will be including trail relocation in their project.

Airport Runway Protection Zone (RPZ) Land Purchase

Mathews reviewed the request from the Regional Airport Authority who is seeking to purchase a portion of land in the designated Runway Protection Zone (RPZ) at the end of the crosswind runway. He stated that his original recommendation was to deny the request as there is no funding. He has visited with the Airport Manager who indicated they would like to get this land. She indicated to Mathews that the Authority can take a look at reimbursing the City over a three year period of time through their CIP entitlement dollar planning program.

Johnson stated that the Authority was not aware of this purchase and liked the solution to borrow the money. He stated that he felt it was a good idea to own this portion of land.

Hellquist stated he would have recommended against it as well but was in favor if the Authority would repay it.

**Motion by Hellquist, seconded by Johnson, to loan the Airport Authority in the amount of \$36,667 from the UDAG fund for the purchase land for the Airport Runway Protection Zone to be repaid in 3 years. Motion carried unanimously.**

TIGER Grant

Gray stated that he received a request on Friday, June 15 from the MnDOT Office of State Aid and a phone call from Cultural Resources regarding a Federal TIGER Grant for funding engineering and rehabilitation costs for a group of historic bridges. They would like to submit the Midway Drive trail bridge on the City’s behalf. Cultural Resources indicated that the application amount would be \$950,000 but required a 20% local match or \$190,000 from the City. He stated that if the Council is interested in participating, the match will need to be included in the budget and kept there. Otherwise, he said the Council could leave the bridge as is and deal with it at a future point.

Mayor Albrecht noted that the bridge is on the National Registry of Historic Places and this could be good leverage of local dollars. However, the challenge is that they did not give the City enough time to find funding for the local match.

Discussion continued regarding the condition of the bridge. Gray stated that the bridge is inspected annually and the bridge is classified as deficient which is why vehicles are not allowed on it. He stated that at some point the bridge will need to be repaired or replaced.

Olson commented that this would be one more thing to put on the City’s “dream list” and figure out where the funds would come from.

No recommendation was made.

**ORDINANCES**

AN ORDINANCE Amending Chapter 14 of the Bemidji City Code Article VII Relating to Erosion and Sedimentation Control was given a first reading.

**ORDINANCE NO. 116, 3<sup>RD</sup> SERIES, AN ORDINANCE ADOPTING THE MINNESOTA STATE BUILDING CODE. THIS ORDINANCE PROVIDES FOR THE APPLICATION, ADMINISTRATION, AND ENFORCEMENT OF THE MINNESOTA STATE BUILDING CODE BY REGULATING THE ERECTION, CONSTRUCTION, ENLARGEMENT, ALTERATION, REPAIR, MOVING, REMOVAL, DEMOLITION, CONVERSION, OCCUPANCY, EQUIPMENT, USE, HEIGHT, AREA, AND MAINTENANCE OF ALL BUILDINGS AND/OR STRUCTURES IN THIS MUNICIPALITY; PROVIDES FOR THE ISSUANCE OF PERMITS AND COLLECTION OF FEES THEREOF; PROVIDES PENALTIES FOR VIOLATION THEREOF; REPEALS ALL ORDINANCES AND PARTS OF ORDINANCES THAT CONFLICT THEREWITH. THIS ORDINANCE SHALL PERPETUALLY INCLUDE THE MOST CURRENT EDITION OF THE MINNESOTA STATE BUILDING CODE WITH THE EXCEPTION OF THE OPTIONAL APPENDIX CHAPTERS. OPTIONAL APPENDIX CHAPTERS SHALL NOT APPLY UNLESS SPECIFICALLY ADOPTED was given a final reading and passed by unanimous vote.**

**Motion by Hellquist, seconded by Olson, approving publication of a summary of Ordinance No. 116, 3<sup>rd</sup> Series. Motion carried unanimously.**

**UPCOMING COUNCIL MEETINGS**

- Tuesday, May 19            5:30 p.m.            Joint Planning LGU Meeting – Northern Town Hall
- Monday, June 1            6:00 p.m.            Council Meeting
- Monday, June 8            5:30 p.m.            Work Session - TBD

**COUNCIL/STAFF REPORT**

- Council reports on current events and meetings were given at the conclusion of the BEDA meeting.

**ADJOURN**

There being no further business, motion by Meehlhause, seconded by Erickson, to adjourn the meeting. Motion carried. Meeting adjourned at 7:59 p.m.

Respectfully submitted,



Kay M. Murphy  
City Clerk