

BEMIDJI CITY COUNCIL
Special Work Session Agenda
Monday, May 5, 2014

City Hall
Conference Room
6:00 P.M.



1. CALL TO ORDER / ROLL CALL

2. DISCUSS PROPOSAL REGARDING ADJACENT PARCEL
- COREY KLINEFELTER, Owner/Operator McDondls

3. ADJOURNMENT

NOTE: All cellular telephones, pagers and BlackBerry devices to be switched to a non-audible function during Council and Committee meetings.



Cormac, LLC
520 Paul Bunyan Drive SW
Bemidji, MN 56601
Office: (218) 262-6618

April 23, 2014



Mayor of Bemidji and City Council
City Hall
317 4th Street NW
Bemidji, MN 56601

Mayor and Council Members:

I am writing in request of a meeting to discuss parcel 48 (C.S. 0416-903), which is located adjacent to my McDonald's business at 520 Paul Bunyan drive S.W. I would like to purchase or otherwise have the right to control parcel 48.

From the beginning of the Paul Bunyan Drive redesign creating one-way traffic routes I have worked with MnDot and its project engineers. It has been my desire to develop this right away to allow for safe and consistent flow of traffic in and out of Paul Bunyan Dr. (TH 197). In 2002 and 2003 I had discussions with project engineer, James Bittman and Land Management Supervisor, Ken Donaghue about the possibility of acquiring this land after the completion of this project. We discussed long range turn back plans regarding this property. According to state regulations and guidelines MnDot had advised me that upon completion of the turn back process, the appropriate state action would be to return these right away parcels to the City of Bemidji. I was told that I should discuss my intent in the property with city representatives. MnDot did, however grant me additional access over this right away parcel 48 in order to alleviate some ingress and egress congestion from Paul Bunyan Drive. The proper permits were obtained and monies paid in order to allow me to construct a driveway meeting state specifications for use during these intervening years in hopes of purchasing the property when it became available. During these years, I reached out to the city of Bemidji and discussed the possibility of purchasing this parcel. It was indicated to me that upon turn back to the city, from MnDot, city staff would recommend to the council that it convey the parcel to us in return for an agreed upon

amount of money. This turn back was projected to happen around 2005. Although it seemed to get delayed at the state level, I can assure you I have been involved in these discussions with MnDot and city staff every year throughout this process, encouraging a solution that would improve economic development to this site and improve ingress and egress of my business and the community.

As a local business owner I know the importance of business growth and job opportunities for its citizens. I believe that your willingness to sell me this parcel will allow me to continue to invest dollars in Bemidji and improve this restaurant.

Over the past 5 years, I have employed over 1,457 people and contracted with numerous local companies for services. I have paid over \$277,000.00 in property taxes, \$1,799,467.00 in state sales tax, \$147,952 in city sales taxes, over \$701,000.00 in employer payroll taxes and roughly \$10,000 in use tax and state licenses in relation to the Bemidji restaurants. In addition to tax reinvestment I have continually invested in the development of my employees and staff with wage and benefit programs to encourage individual prosperity and career success within the community. I am at a point with my two Bemidji restaurants that I must remodel or rebuild them. I am in the process of that planning and design. Owning parcel 48 will significantly affect the planning I must do at that location, encouraging future success. I am willing to reinvest in infrastructure but need cooperation from the city in order to keep these two already existing businesses successful. Time is now becoming a priority because of the delay in the turn back process from its original projected date. I am now asking for your consideration so that I can reinvest in my Bemidji locations.

As parcel 48 sits now it really has no use, if you allow me to gain interest in this parcel for an agreed amount I will create more tax revenue, jobs and market value just by simply improving this parcel at no cost to the city.

To summarize:

- I would like to purchase or control this parcel paying fair market value to the city. I am not asking for any monies, grants or investment dollars from the city to do so.
- I am willing to reinvest in my business, which in turn increases tax revenue by increasing market value.
- Parcel 48 plays a major role in the decisions and plans for restaurant reinvestment.
- Time is of major importance in the planning process and your timely consideration and action is vital.
- I have a history of working with MnDot and the city of Bemidji to come up with solutions and want that history to continue.
- I am a proven generator of jobs and will have an economic impact if allowed to continue to invest in the community of Bemidji.

Money and cooperation are often available for use in attracting new business. I am asking that you invest in this existing business merely by transferring unused property to me at fair market value.

Thank you for your consideration and I look forward to a meeting in order to discuss this further.

Sincerely,

A handwritten signature in blue ink that reads "Corey Klinefelter". The signature is written in a cursive style with a large, stylized 'C' at the beginning.

Corey Klinefelter
Owner/Operator
McDonald's of Bemidji