

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Regular Meeting – June 17, 2013

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, June 17, 2013 at 7:05 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, Thompson

Staff Present: City Manager John Chattin, Public Works Director/City Engineer Craig Gray, Finance Director Ron Eischens, Deputy City Clerk Michelle Miller

AMENDMENTS TO AGENDA

Mayor Albrecht called for any amendments to the agenda. The following items were requested to be added:

- Consider Revised Loan Terms from Wayzata Bemidji Hospitality Associates, LLC
- Consider Submitting a State Bond Request to the Minnesota Management and Budget Office

Motion by Erickson, seconded by Thompson, to approve the agenda as amended. Motion carried by unanimous vote.

MINUTES

The following minutes were presented for approval:

Council Meeting	June 3, 2013
Work Session	June 10, 2013

Amended minutes for the June 10 work session were presented to the Council.

Motion by Erickson, seconded by Johnson, to approve the minutes as presented. Motion carried by unanimous vote.

CONSENT AGENDA

The following Consent Agenda items were presented for approval. **Motion by Erickson, seconded by Meehlhause to remove item nine, Waive Various City Permit Fees for Habitat for Humanity, for discussion under New Business. Motion by Erickson, seconded by Meehlhause, to approve the Consent Agenda items as follows:**

1. Claims Submitted by the Finance Officer in the total amount of \$752,474.05
2. Claims Submitted by VenuWorks for the Sanford Center in the amount of \$72,280.48
3. Miscellaneous Business Licenses for 2013
4. 1 day Temporary Consumption & Display Permit – Chamber on 7/9/2013
5. **RESOLUTION NO. 5840:** Approving a Temporary Off-Premises Liquor Permit for the 2013 Eagles State Convention – June 19 through June 22, 2013
6. **RESOLUTION NO. 5841:** Conveyance of Tax-Forfeited Lands
7. **RESOLUTION NO. 5842:** Accepting a \$9,025 Donation from the Event Center Committee for the Sanford Center
8. Accept an Auto Theft Prevent Grant – Police Department

Motion carried by unanimous vote.

CITIZENS NOT ON AGENDA

No one appeared.

COMMITTEE REPORTS

No one appeared.

NEW BUSINESS

Discussion regarding Bemidji joining the Mississippi River Cities & Towns Initiative

Albrecht stated there is no cost to join this program. It is a great way to gain national publicity for the community. This is an organization that has been funded by a grant from Walton Foundation to give attention to the Mississippi River and its economic potential and environmental aspect to the community. Rita will be attending the annual conference to be held in St. Cloud.

Motion by Johnson, seconded by Thompson, for Bemidji to join the Mississippi River Cities & Towns Initiative. Motion carried unanimously.

Waive Various City Permit Fees – Habitat for Humanity (200 Gemmel Ave SW)

Albrecht stated that it is the usual practice for the City to waive various permit fees for Habitat for Humanity which they have made in the amount of \$1,353.00 for their new Habitat home build at 200 Gemmel Ave SW. In addition, they have requested that a 10 year old deferred utility assessment be waived in the amount of \$2,151.13.

Erickson stated that she can support the usual fees being waived; however, she stated she has concerns about waiving the utility assessment.

Chattin stated that when the City obtained this property through tax forfeit that assessment should have “gone away” and that the city has the opportunity to reassess this amount if it chooses to. In essence, this request is asking the City to not reassess the deferred utility.

Erickson stated she is not in favor of waiving this expense because Habitat has the ability to hook up to water and sewer and will not have the additional expense of accessing city water and sewer. Erickson doesn't feel that this is an unusual amount to be paid.

Motion by Meehlhause, seconded by Thompson, to waive the City permit fees in the amount of \$1,353.00 and to write-off the deferred utility assessment in the amount of \$2,151.13. Motion carried with the following vote: Ayes: Meehlhause, Johnson, Thompson, Albrecht, Olson. Nays: Hellquist, Erickson.

Consider Revised Loan Terms from Wayzata Bemidji Hospitality Associates, LLC

Tiffany Fettig, HRLC, appeared with a request to amend the loan terms from Wayzata Bemidji Hospitality Associates, LLC. The changes are in the collateral section of the loan terms to remove the personal guarantees of Kraus-Anderson and the PRS Family Trust for the loan. When the council approved the terms the last time the personal guarantees for Kraus Anderson and the family trust were not set in stone. Kraus-Anderson was not willing to guarantee the gap debt. The Family Trust document does not allow the trust to guarantee this kind of debt.

Olson stated concern that there is enough collateral with the removal of these two guarantees. Fettig is not concerned with the loss of the Family Trust. She stated it would have been nice to have Kraus Anderson's guarantee but that would have only been through construction.

Fettig stated that financing is moving along well and she feels good about them meeting the July 15 deadline.

Erickson stated concern about the unlimited personal guarantees and their ability to secure them. Fettig stated she has reviewed their financial statements and is comfortable with their ability to guarantee this loan.

Olson stated concern about other projects being personally guaranteed by the same individuals and having to compete against those other projects. Fettig isn't concerned about guarantees on other projects.

Motion by Thompson, seconded by Johnson, to approve the revised loan terms for Wayzata Bemidji Hospitality Associates, LLC subject to approval of the Business Subsidy Policy. Motion carried with the following vote: Ayes: Hellquist, Johnson, Olson, Erickson, Thompson, Albrecht, Meehlhause.

Consider Submitting a State Bond Request to the Minnesota Management and Budget Office

Albrecht stated that the state bond request to the Minnesota Management and Budget Office is due June 21 and is seeking ideas from the council.

Meehlhause suggested the Paul Bunyan Park project, although he didn't feel there was enough time to submit a request for that project. Olson stated that \$750,000 will be received from Legacy Funds which will be available in 2015; which is the year work should begin on the park project. He stated there may be other funding sources without seeking state bonding dollars at this time.

Johnson stated that the Carnegie building would be a good project to request bonding dollars for because it is a city building and some of the uses could be important to the City of Bemidji, like a welcome center, or possibly a portion for our public and community access stations.

Johnson feels it is important to identify a project. The Carnegie project really stands out as a project that could help the City.

Albrecht stated a project with regional significance is always helpful in requesting bonding money. Representatives of the Carnegie group were in attendance and provided an update from the Save the Carnegie Campaign Committee; they also stated the ability to make a request for state bonding dollars; both in matching dollars as well as support in lobbying for the money. The amount they would request is \$800,000 which would cover moving the building, construction of a new foundation and construction of the addition.

Erickson stated concern that the group could make any match without having to make a request of the City for matching dollars. Cathy Marchand, Treasurer of the Save the Carnegie Committee, stated they would not seek matching dollars from the City.

Hellquist stated that there are other projects, like a detox center, that would be more important to the community.

Johnson stated that the projects that get funded are those that have a group with the passion to support the request.

Motion by Meehlhause, seconded by Thompson to submit a state bond request on behalf of the Save the Carnegie Committee in the amount of \$800,000. Motion carried with the following vote: Ayes: Johnson, Olson, Erickson, Albrecht, Thompson, Meehlhause. Nays: Hellquist.

ORDINANCES

ORDINANCE NO. 90, 3RD SERIES, AN ORDINANCE Amending an Uncoded Section of Bemidji City Code Vacating a Paper Alley (Located in Block 4 of Henderson’s Addition) was given a final reading and passed by unanimous vote.

Motion by Hellquist, seconded by Meehlhause, approving publication of a summary of Ordinance No. 90, 3rd Series. Motion carried unanimously.

ORDINANCE NO. 91, 3RD SERIES, AN ORDINANCE Amending an Uncoded Section of Bemidji City Code Authorizing the Sale of Real Property (Emily Holmer) was given a final reading and passed by unanimous vote.

Motion by Meehlhause, seconded by Olson, approving publication of a summary of Ordinance No. 91, 3rd Series. Motion carried unanimously.

UPCOMING COUNCIL MEETINGS

- Monday, July 1 6:00 p.m. Special BEDA Meeting (Open/Closed)
- Monday, July 1 7:00 p.m. Council Meeting
- Monday, July 8 5:30 p.m. Work Session (2012 Audit & CGMC Update)

COUNCIL/STAFF REPORT

- Council members provided updates on current events and meetings.

ADJOURN

There being no further business, motion by Olson, seconded by Meehlhause, to adjourn the meeting. Motion carried. Meeting adjourned at 8:35 p.m.

Respectfully submitted,



Michelle R. Miller
Deputy City Clerk