

BEMIDJI ECONOMIC DEVELOPMENT AUTHORITY

Special Meeting Agenda
Monday, June 6, 2011

City Hall
Council Chambers
7:00 P.M. (or soon thereafter)



1. CALL TO ORDER

2. CONSIDER EXTENDING THE MODEV PURCHASE AGREEMENT

3. HOLD PUBLIC HEARING ON PROPOSED SALE OF PROPERTY IN THE CITY OF BEMIDJI (Lot 4, and portion of Lot 3, all in Block 3, South Shore Addition – Brenny Properties, LLC)
- Approve Findings

4. ADJOURN

**LEGAL ADVERTISEMENT
NOTICE OF BEDA PUBLIC HEARING
ON PROPOSED SALE OF PROPERTY IN THE CITY OF BEMIDJI**

The Bemidji Economic Development Authority (BEDA) hereby gives Notice of a Public Hearing to be held on Monday, June 20, 2011 at 7:00 p.m. or soon thereafter in the Council Chambers of City Hall, 317 4th Street NW, Bemidji, MN, to consider the proposed sale of property located in the Plat of South Shore Addition. The property is legally described as: Lot 4 and that portion of Lot 3 lying easterly of a line parallel with and 62.00 feet, when measured at a right angle, westerly of the easterly line of said Lot 3, all in Block 3, South Shore Addition.

The BEDA has a tentative Purchase Agreement with Brenny Properties, LLC. A copy of the Purchase Agreement (proposed terms and conditions of sale) may be viewed at City Hall, 317 4th Street NW, Bemidji, MN 56601. At the Hearing, the BEDA will review and consider the proposed terms and conditions of sale and determine if the sale is advisable.

Kay M. Murphy, City Clerk

Note: Publish at least 10 days before hearing and not more than 20 days.

PROCEEDINGS OF THE BEMIDJI ECONOMIC DEVELOPMENT AUTHORITY (BEDA)

In Re: Proposed sale of Southeast Lake Bemidji Redevelopment Project Property (in South Shore Plat and PUD) by the BEDA to Brenny Properties, LLC.

BACKGROUND AND FINDINGS

On Monday, June 20, 2011, the Bemidji Economic Development Authority (BEDA) considered the proposed sale of BEDA-owned property in the Southeast Lake Bemidji Redevelopment Project Area and within the Plat of South Shore Addition, to Brenny Properties, LLC, hereinafter "Purchaser". The plat of South Shore Addition is the subject of the approved South Shore Planned Unit Development, and is subject to the General Planned Unit Development Guidelines dated November 6, 2009, administered by the BEDA's Design Review Committee (the "DRC") in conjunction with the Greater Bemidji Area Joint Planning Board (the "JPB"). The BEDA-owned property to be sold is legally described as ***Lot 4, and that portion of Lot 3 lying easterly of a line parallel with and 62.00 feet, when measured at a right angle, westerly of the easterly line of said Lot 3, all in Block 3, SOUTH SHORE ADDITION according to the recorded plat thereof, on file and of record in the office of the County Recorder, Beltrami County, Minnesota (hereinafter the "Property")***. The parcel is approximately 2.54 acres in size.

BEDA Staff has tentatively negotiated to sell the Property to Purchaser for One Million Eighty-five Thousand and no/100 Dollars (**\$1,085,000.00**), subject to the terms of that Purchase Agreement dated May 23, 2011, and including the approval of the proposed sale by the BEDA pursuant to the public hearing held herein. Purchaser intends to use the Property to construct a hotel thereon as well as to construct an enclosed pedestrian concourse connecting the hotel to the Sanford Center located on the adjacent BEDA property, in what is being promoted and marketed as a "Holiday Inn Resort".

Purchaser's proposed, tentative construction timeline is for construction to commence in 2011 with completion in the Summer of 2012.

Pursuant to Minnesota Statutes Chapter 469, the BEDA has conducted a public hearing in order to determine whether the proposed sale of the Property to Purchaser is in the best interests of the City of Bemidji and its residents and whether the proposed transaction furthers the BEDA's own general plan of economic development. Pursuant to the testimony received at the hearing and, based upon the discussion of Commissioners regarding the sale, the interests of the City and its residents, as well as the Authority's general plan for economic development, the Authority makes the following findings and decision:

1. The sale of the Property to Brenny Properties, LLC., will further a priority and goal of the BEDA to redevelop the Southeast Lake Bemidji Redevelopment

Project Area, in particular, to accomplish a hotel development adjacent to the newly constructed Sanford Center which hotel is connected to the Sanford Center by and with an enclosed pedestrian concourse.

2. That Purchaser's proposed use is consistent with the Southeast Lake Bemidji Planned Unit Development (PUD) approved November 16, 2009 by the JPB.
3. That the tentative building concept for the proposed Holiday Inn Resort Hotel and connecting Concourse previously presented to the BEDA and its DRC by Purchaser, has found general approval of and with BEDA Commissioners; however, Purchaser must secure approval of the final building plans and specifications from the DRC and JPB before commencement of construction. Moreover, construction must begin within one (1) year after the date of conveyance of the Property unless Purchaser has sought and obtained an extension from the BEDA for good cause established by Purchaser.
4. It is the consensus of the BEDA Commissioners that it is in the City's financial best interests that the sale close according to and in satisfaction with those terms and conditions set forth in the Purchase Agreement negotiated between the BEDA and Purchaser, a copy of which is attached hereto as **Exhibit A** and incorporated by reference.
5. That the proposed sale to Purchaser will further the Authority's general economic development plan for the City generally and the Southeast Lake Bemidji Redevelopment Project Area specifically, and furthers the aims and purposes of Minn. Stat. §§469.090-.108.
6. That the BEDA has published notice of the hearing as required by Minn. Stat. §469.105, subd. 2.
7. That the Limited Warranty Deed conveying the Property to Purchaser will contain the necessary covenants in compliance with Minn. Stat. §§469.090-.108.
8. That these findings are adopted and a decision rendered within thirty days of the noticed public hearing.

DECISION

NOW, THEREFORE, based upon the above Findings, it is the decision of the BEDA that the sale of Lot 4, and that portion of Lot 3 lying easterly of a line parallel with and 62.00 feet, when measured at a right angle, westerly of the easterly line of said Lot 3, all in Block 3, SOUTH SHORE ADDITION according to the recorded plat thereof, on file and of record in the office of the County Recorder, Beltrami County, Minnesota, to Brenny Properties, LLC, as described herein, is in the best interests of the City of Bemidji and its residents and that the proposed transaction does further the Authority's

general plan of economic development. Therefore, it is further recommended that the BEDA complete the sale, and that BEDA and City staff take all necessary administrative steps and actions leading to completion of the sale in accordance herewith and including Minn. Stat. §§469.090-.108 .

Dated: June 20, 2011

David A. Larson, President

ATTEST:

Kay M. Murphy, Secretary