

BEMIDJI CITY COUNCIL

Work Session Agenda

Monday, August 12, 2013

**City Hall
Conference Room
5:30 p.m.**

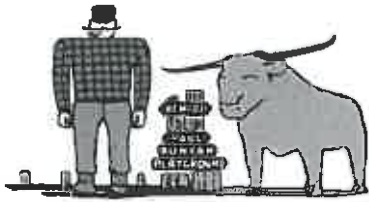


1. CALL TO ORDER

2. DISCUSSION: 2014 BUDGET

3. DISCUSSION: SOUTH SHORE AND PAUL BUNYAN PARK PRIORITIES

4. ADJOURN



City of Bemidji

Finance Office

Memorandum

To: Honorable Mayor and City Council
From: Ron Eischens, Finance Director *Ron*
Reviewed by: John Chattin, City Manager
Date: August 12, 2013
RE: 2014 Budget

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At the June 10th work session the 2014 budget recommendations were presented resulting in a \$36,204 budget surplus. Since that time, certain items have been clarified as follows:

Auto Theft Grant

The Police Department has confirmation the City will receive \$100,000 (\$50,000 each year) over the next two years to fund an auto theft police officer position. This increases the 2014 budget surplus by \$50,000.

Expenses

Several additional expenses are recommended including:

- \$24,000 for additional library staff person contingent on County support
- \$20,000 for possible JPB contribution increase
- \$10,000 increase for legal consulting, if required, for services associated with City/BEDA land sales or SE Shore development issues
- \$15,000 increase for Neilson Reise Arena maintenance - see below
- \$6,000 for increased assessing and technology costs from Beltrami County

The Neilson Reise Arena ice plant and building are over 40 years old. Increased maintenance is required to keep the facility functioning properly. While exact costs are unknown at this time, based on recent inspections of the facility, higher maintenance costs should be expected.

The net impact of the above changes results in a surplus budget of \$11,204. The Council can budget for additional services and/or projects with these funds or leave it for future needs.

Property Tax Levy

The State of MN imposed property tax levy limits for 2014 with the exception of levies for bond payments. As a result, the City's levy for 2014 actually decreases by \$7,000 or .2%. The decrease is a result of lower bond payments for the Law Enforcement Center and Public Works Facility.

Hospitality Tax/Sales Tax

At the June budget work session Council member Olson raised the issue of pursuing a sales tax in lieu of the hospitality tax as a way of funding Sanford Center operations. Staff need further direction on this matter.

Alternative Funding Options for Park Improvement Projects

As the Council considers how to fund additional park improvements and beach clean-up costs, the following are options:

- **General Obligation Bonding** – In order to bond for park improvements/beach cleanup, the City is required to conduct a voter referendum. The special election can be conducted at any time with proper notices. The referendum must ask the voters to approve a specific dollar amount for the bond, including the property tax increase required to repay bonds. The advantage of this method is the public as a whole gets to participate in the process.
- **Gas/Electric Franchise Fees** – the City has .5% of this fee available to charge utility users which would generate approximately \$104,000 annually in new revenue. As mentioned at the June work session, considering the City has increased this fee substantially in recent years, staff is not recommending this option.

- Liquor Store Profits – the City liquor stores generate \$600,000 annually in profits, of which \$290,000 is used to reduce property taxes and \$50,000 for annual park improvement projects. In order to use liquor profits as the payment source for bonds, a public referendum is still required. If the Council is interested in replacing and/or expanding liquor operations in the future, profits should be accumulated for this purpose. Additionally, the excess liquor profits are one source of funds to utilize if land sales on the SE Shore do not meet bond payment requirements. For these two reasons staff does not recommend utilizing liquor profits to fund additional park projects.
- Tax Increment – Staff confirmed with outside legal/financial counsel that tax increment financing is not an available funding source.
- Annual Park Improvement Property Tax Levy – For long term parks and trails funding stability, a designated property tax levy, similar to the annual street improvement levy is an option.

If the Council wants to clean up the beach and provide some basic park amenities for \$1 million or less, it may be possible to internally finance these costs over a period of time and avoid having a public referendum.

SUMMARY

Based on the above information, provide staff direction on 2014 budget and park/beach clean up issues.

COUNCIL AGENDA ITEM



Meeting Date: August 12, 2013
Action Requested: South Shore Park
Prepared By: Marcia Larson, Parks and Recreation Director
Reviewed By: John Chattin, City Manager

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Background

After a comprehensive public input process, the Master Plans for Library/Paul Bunyan Park and South Shore Park were adopted by City Council on July 9, 2012. Those original Master Plans for Library/Paul Bunyan and South Shore Parks are attached. The Parks and Trails Commission met on August 6th to prioritize amenities and a development plan for South Shore Park and Paul Bunyan Park.

South Shore Park.

Based on the original, the cost estimate for the development of South Shore Park ranges from \$1,481,015 to 1,703,168. This estimate does not include the cost for beach/lake clean-up/wood chip removal or building renovation. The estimated cost for renovating the building ranges from \$265,000 to \$304,750. Total cost to develop South Shore Park as presented in the Master Plan: \$1,746,015 to \$2,007,168.

The revised Master Plan for South Shore eliminates many of the amenities, but creates a usable beach space. As depicted in the plan, the park includes a drop-off area connected to Lake Shore Drive, walkways connected to the parking lot and outlining the beach area, a paved access to the building, beach, and a small shade structure. The construction budget for the revised plan ranges from \$340,000 to \$390,000. Including the cost of the building, design and inspection, (20%) the estimated cost of the revised master plan ranges from \$726,000 to \$834,000.

The Parks and Trails Commission made a motion approving the Revised Master Plan but also recommended that a playground, shelter, and splashpad be included in the plans for the park, if not included in the initial development of the park, then at least as a phase II project. The playground and shelter are a higher priority due to the lack of shade in the area and the playground will be a more important feature to the community and a draw to the beach area/park. Based on the original construction budget, the cost ranges for the additional amenities are listed below:

Playground	\$105,000 - \$130,000
Shelter	\$ 35,000 - \$ 40,000
Splashpad	\$325,000 - \$374,000

The Parks and Trail Commission agreed the restoration of the building to house restrooms is essential to have at the beach area.

Cost Estimates for Paul Bunyan Library Park

The cost estimate for the redevelopment of Library/Paul Bunyan Parks ranges from \$2,979,498.13 to 3,426,422. The Chief Bemidji Statue is also included in the first phase of park development with installation of the base in fall of 2013 and the statue in spring of 2014.

The Parks and Trails Commission and City Council have earmarked \$744,726 for the redevelopment of the lakefront area. After the design and survey there is approximately \$721,000 of the ½ cent sales tax available for final design and re-development of the lakefront area. In addition the State Legislature has allocated \$750,000 of Legacy Funds for Paul Bunyan/Library Park. The Legacy Funds will be available in 2015.

The Parks and Trails Commission identified priorities for the funding available – approximately \$1.4 million. The Commission priorities for park development are as follows:

- Family/Group Gathering Area
- Third Street Dock Plaza
- Main Visitor Center Improvements (includes removal of 3rd Street Exit)
- Chief Bemidji Platform
- Parking Lot
- Asphalt Trail
- Irrigation (in the festival area)
- Turf Restoration (in the festival area)
- Dock pads and trail connections to the dock pads

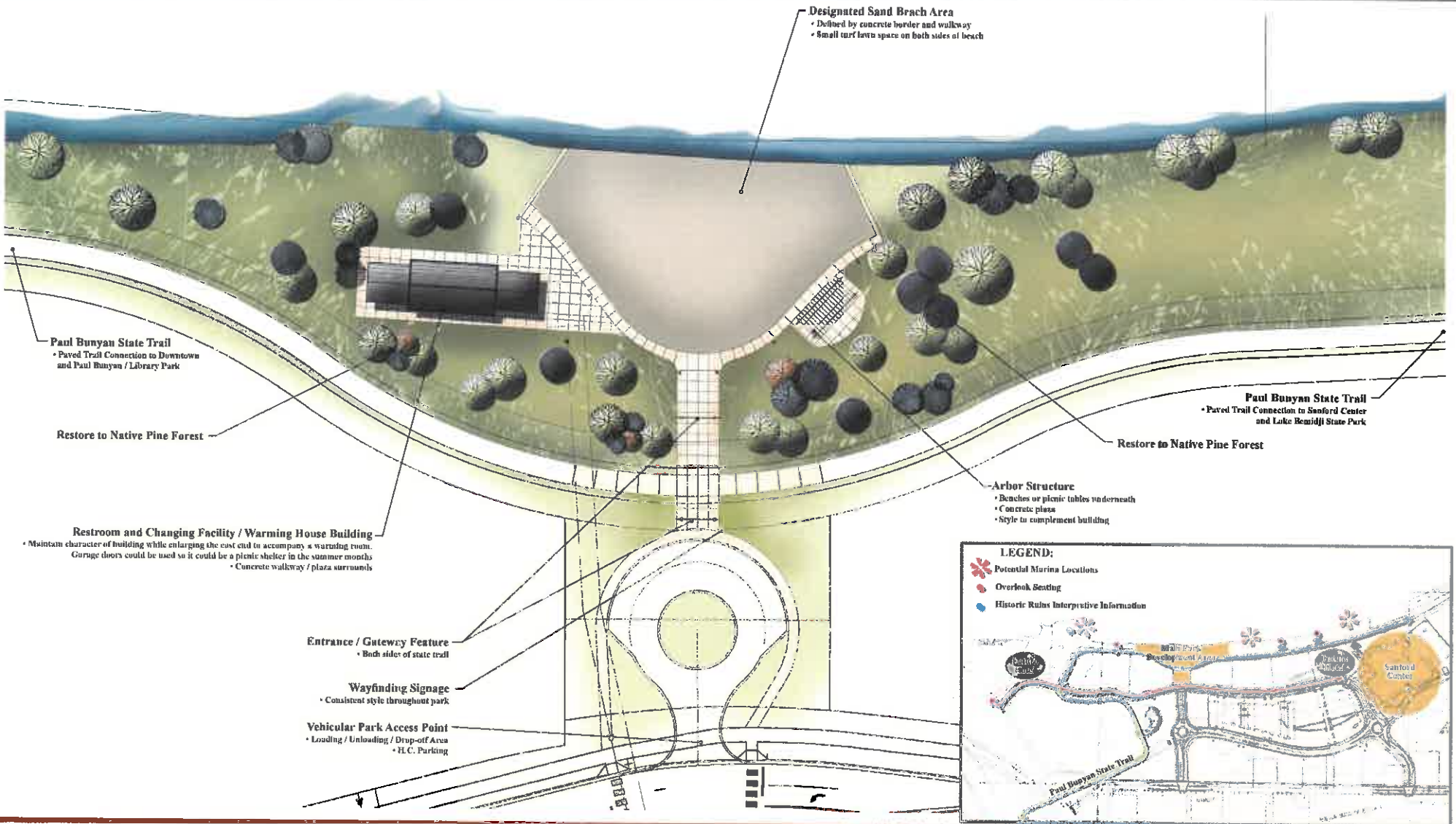
Recommendations

The Parks and Trails Commission recommends the City Council approve the 2013 Alternate Master Plan and include a playground and shelter as high priority for South Shore Park.

The Parks and Trails Commission recommend the City Council approve allocating the remaining sales tax funds and Legacy Funds to Paul Bunyan/Library Parks and approve the park priorities identified.

South Shore Park Master Plan

City of Bemidji, Minnesota



Master Plan

2013 Alternate



Prepared for:
City of Bemidji
211 South State Street, Suite 100
Bemidji, MN 56601
www.bemidji.org



Preliminary Master Plan Cost Estimate
South Shore Park - Alternate Design Implementation
 Aug. 5, 2013

WSB & Associates, Inc.
 Project #02125-020

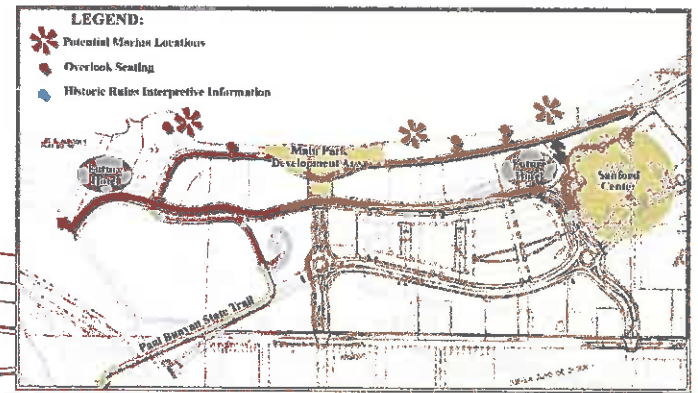
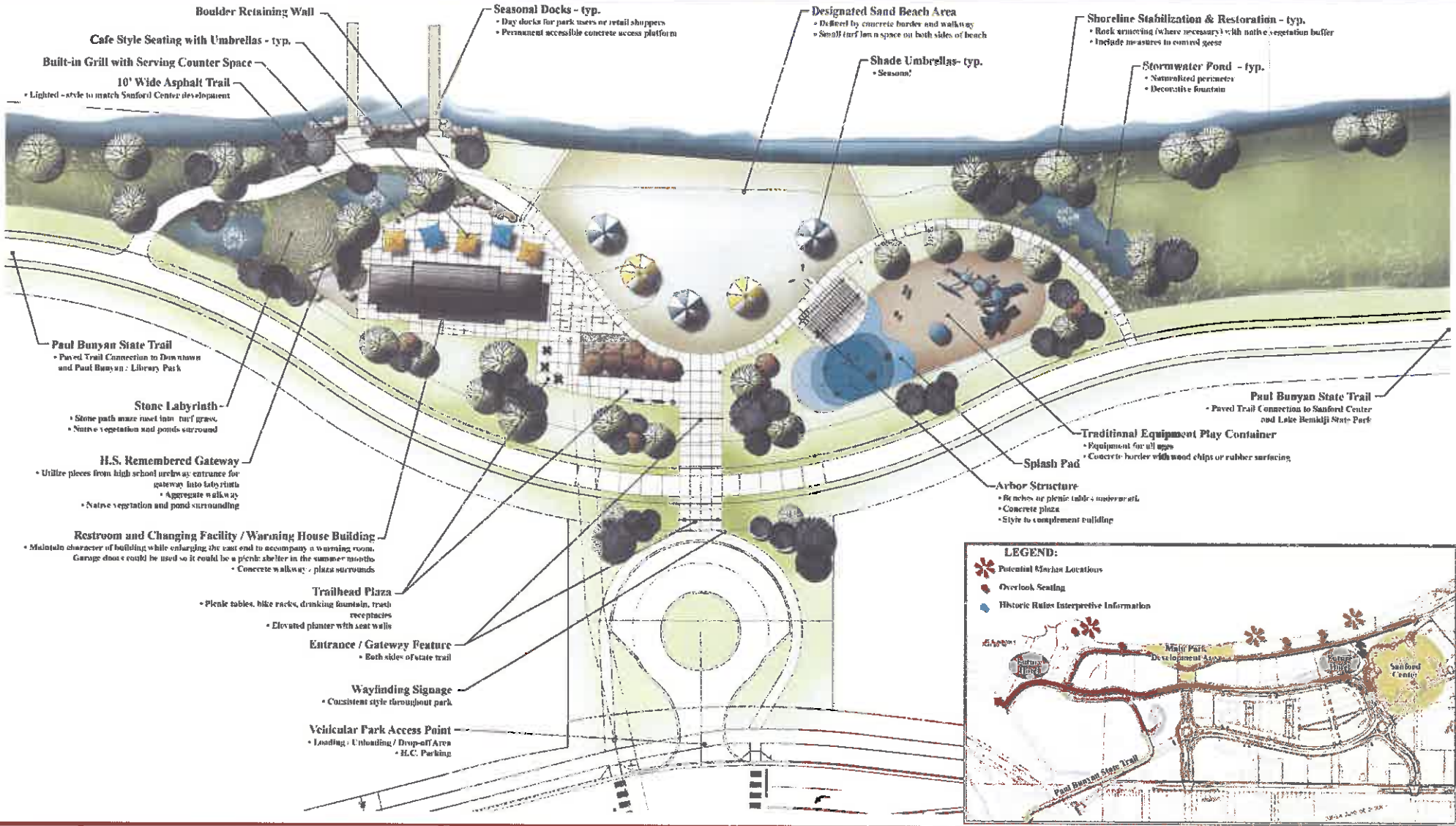
This cost estimate defines the estimated costs associated with each component of the master plan for South Shore Park. It is based on a combination of site-specific development requirements and projects of similar size and complexity. These estimated costs are also based on having the work completed by private contractors and specialists. It does not take into consideration work that could be performed by City staff, volunteer groups, or by other means. **Please note this does not include costs associated with the building improvements or beach cleanup.**

The cost figures are based on master plan level evaluation, which brings with it inherent limitations. The cost figures are meant for general budgeting purposes, project phasing, and comparing the relative cost of one item to that of another. The costs are in 2013 dollars. Although intended to be conservative, actual costs will vary depending on the year that each aspect of the master plan is implemented, implementation parameters, economic conditions affecting bidding, and unexpected site conditions found in the field during construction.

Part Improvement Description		Cost Range Estimate	
#		Low	High
1 - Removals, Earthwork and Surveying			
1	Removals	5,000.00	5,750.00
2	Earthwork operations (including erosion control)	30,000.00	34,500.00
3	Surveying	5,500.00	6,325.00
Estimated Subtotal (includes 10% contingency and 15% testing, cd's, and surveying fees)		\$50,625.00	\$58,218.75
2 - Utilities and Lighting Improvements			
1	Electrical / Lighting (budget)	37,500.00	43,125.00
2	Misc. utility adjustments	5,000.00	5,750.00
Estimated Subtotal (includes 10% contingency and 15% testing, cd's, and surveying fees)		\$53,125.00	\$61,093.75
3 - Seating Area			
1	Arbor structure	30,000.00	34,500.00
2	Picnic table seating	8,000.00	9,200.00
Estimated Subtotal (includes 10% contingency and 15% testing, cd's, and surveying fees)		\$47,500.00	\$54,625.00
4 - Misc. Pavement and Surfacing			
1	12" wide x 9" deep concrete beach border	2,000.00	2,300.00
2	Beach sand (including geotextile fabric)	14,125.00	16,243.75
Estimated Subtotal (includes 10% contingency and 15% testing, cd's, and surveying fees)		\$20,156.25	\$23,179.69
5 - Misc. Site Amenities			
1	Trash receptacle	6,000.00	6,900.00
2	Bike rack	3,000.00	3,450.00
4	Drinking fountain (assumes water source nearby)	5,500.00	6,325.00
5	Trail way finding kiosk	5,000.00	5,750.00
6	Trail interpretive signage	4,500.00	5,175.00
7	Park ID entrance monument	10,000.00	11,500.00
Estimated Subtotal (includes 10% contingency and 15% testing, cd's, and surveying fees)		\$42,500.00	\$48,875.00
6 - Landscaping			
1	Sod restoration	9,100.00	10,465.00
2	Tree and shrub plantings	10,000.00	11,500.00
3	Landscape boulders (budget)	3,000.00	3,450.00
4	Rip Rap	10,000.00	11,500.00
5	Native seed / vegetation along shoreline	1,750.00	2,012.50
6	Rain garden / storm pond vegetation and soils (budget)	5,000.00	5,750.00
Estimated Subtotal (includes 10% contingency and 15% testing, cd's, and surveying fees)		\$48,562.50	\$55,846.88
7 - Vehicular Drop-off / Pick-up Area			
1	Parking lot / driveway (including concrete curbing, signage and striping)	32,000.00	36,800.00
2	4" thick concrete pavement	11,500.00	13,225.00
3	Park ID entrance monument	10,000.00	11,500.00
4	Sod restoration	2,850.00	3,277.50
5	Tree and shrub plantings	5,000.00	5,750.00
Estimated Subtotal (includes 10% contingency and 15% testing, cd's, and surveying fees)		\$76,687.50	\$88,190.63
Total estimated construction cost:		\$339,156.25	\$390,029.69

South Shore Park Master Plan

City of Bemidji, Minnesota



Preliminary Master Plan



Brian & Associates, Ltd.
LAND USE PLANNING AND DESIGN

1117 South Dakota Avenue
Bemidji, MN 56601
TEL: 218.752.1800

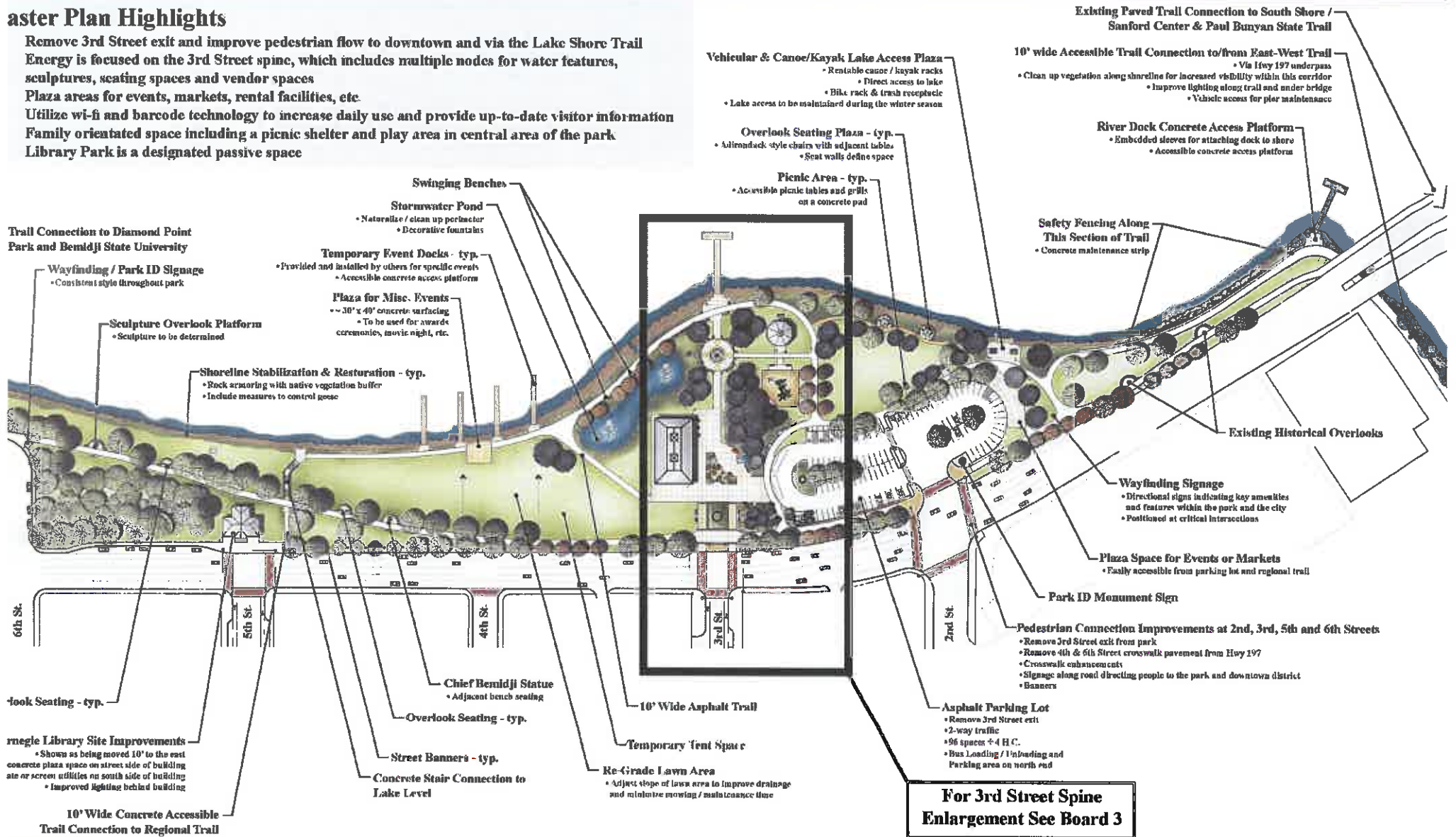


Paul Bunyan, Library Park Master Plan

City of Bemidji, Minnesota

Master Plan Highlights

- Remove 3rd Street exit and improve pedestrian flow to downtown and via the Lake Shore Trail
- Energy is focused on the 3rd Street spine, which includes multiple nodes for water features, sculptures, seating spaces and vendor spaces
- Plaza areas for events, markets, rental facilities, etc.
- Utilize wi-fi and barcode technology to increase daily use and provide up-to-date visitor information
- Family orientated space including a picnic shelter and play area in central area of the park
- Library Park is a designated passive space



**For 3rd Street Spine
Enlargement See Board 3**

