

BEMIDJI CITY COUNCIL ***CITY OF BEMIDJI***

NOTICE OF REGULAR MEETING OF CITY COUNCIL PURSUANT TO MINNESOTA STATUTES SECTIONS 13D.04 AND 13D.021

NOTICE OF REGULAR WORK SESSION OF CITY COUNCIL BY TELEPHONE OR OTHER ELECTRONIC MEANS

NOTICE IS HEREBY GIVEN that the City Council of the City of Bemidji will hold a Regular Work Session on Monday, January 11, 2021 at 5:30 p.m. at Bemidji City Hall.

In accordance with the requirements of Minn. Stat. Sections 13D.04 and 13D.021, the Mayor of the City of Bemidji has determined that an in person meeting is not practical or prudent because of a health pandemic and Peace Time State of Emergency, declared under Chapter 12 of the Minnesota Statutes.

Because of the health pandemic and Peace Time State of Emergency, it has been determined that attendance at the regular meeting location by members of the public is not feasible.

Because of the health pandemic and Peace Time State of Emergency, it has been determined that the physical presence at the regular meeting location by at least one member of the body, chief legal counsel or chief administrative officer is not feasible.

Therefore, some or all of the City Council members may be participating by telephone or other electronic means.

To join by video conference, go to Cisco Webex website (www.webex.com), click on “join” in the upper right corner and enter information below (access will open at 5:15 p.m.):



- **Meeting number (access code): 126 095 8220**
- **Meeting password: vZxJ27pwii3 (89952779 from phones and video systems)**
 - **Click Join Meeting**

To join by phone, dial: +1-408-418-9388. Follow the prompts and use the following access codes (access will open at 5:15 p.m.):

- **Password: 126 095 8220**
- **Press # for no attendee ID number**

BEMIDJI CITY COUNCIL

Work Session Agenda

Monday, January 11, 2021

**City Hall
317 4th Street NW
5:30 P.M.**



1. CALL TO ORDER / ROLL CALL

2. RAIL ROAD CORRIDOR LAND LEASES

3. RAIL ROAD CORRIDOR SANFORD WELLNESS SPORTS COMPLEX AND ENTERTAINMENT DISTRICT

4. ADJOURNMENT



City Manager's Office

TO: Honorable Mayor Prince and City Councilmembers
FROM: Nate Mathews, City Manager
DATE: January 7, 2021
RE: Rail Road Corridor Land Leases
RR Corridor Sanford Wellness Sports Complex and Entertainment District

RR Corridor Lease Reviews

On Monday staff would like to review the RR Corridor land leases and receive direction from Council on how to proceed with upcoming lease renewals. There have been some tenant actions/proposals brought forward over the past few months and it is timely to review the leases now. There is a lot of documentation we hold on this topic so if Councilmembers wish to review individual lease documents or a map of the site, please let me know and staff can help you.

In summary, tenants own their structures, and the City owns the land. All our land leases for the RR Corridor renew on an annual basis and require the stipulation that the tenants must remove their structures upon the lease terminating. We were assigned these leases (and terms) from the Soo Line RR when we purchased the corridor in 2008 and these terms are typical provisions in private RR property leases.

- ***Mike and Edith Flaherty (Fademasters building)***

The Fademasters building lease otherwise would have renewed on October 1. However, as Council may recall, Mr. Flaherty passed away in the late summer of 2020, and the Council approved the family, if they so choose, the ability to extend their lease for an additional year for a similar use of a barbershop. However, the lease was not renewed. On December 29, notice was provided to the Flaherty family representative we have been in contact with, that the city was not renewing their land lease. Additionally, this week staff discovered the building was experiencing a water leak. We determined that over 400k gallons of water had passed through the meter. The water has now been shut off to the building.

Council consideration: At this time, due to the lease being in default and now a substantial water bill sitting on the property, we are asking for Council approval to have staff take further action to work with the owners to remove the structure and address the large water bill.

- ***Norfarm Seeds (four leases, various buildings)***

Norfarm has held four leases for multiple buildings, grain bins, and storage warehouses on the corridor for many years. In 2020 Norfarm removed some structures, bins and a warehouse on the east end of the Corridor that were covered under three leases. In October 2020, I was notified by Norfarm of their intent to not renew these three leases.

The one remaining lease affects the large mill and main warehouse storage building, and this lease renews annually in August. However, Norfarm is planning to remove these remaining buildings by May 1, 2021 and not renew their final lease.

Related, Norfarm has a separate lease with BNSF for another storage building immediately east of the Irvine Bridge, and this building will also be removed by May 1. Norfarm has been planning on consolidating their Bemidji seed operations to Roseau, MN and complete this process in 2021.

Council consideration: There is no action requested of the Council regarding the Norfarm leases.

- ***Terry Loeken (Terry's Auto Electric)***

Terry's Auto Electric indicated they were evaluating whether to request the Council to allow them to extend their lease footprint into a portion of a Norfarm building upon Norfarm leaving (the Norfarm building is otherwise scheduled for removal); however, they have decided not to proceed with this request. Norfarm will be taking all their buildings down and shoring up a shared roof that Terry and Norfarm have. Terry has an active business and wishes to renew his lease with the City, and he is on a September renewal cycle.

Council consideration: Council direction if you wish to renew this lease in September 2021.

- ***David Vargas (Bemidji Paper)***

David Vargas owns the former Bemidji Paper Building, with active business operations in it. His lease renews in January and we have no indication that he does not wish to renew.

Council consideration: Council direction if you wish to renew this lease in January 2021.

- ***Greg and Debbie Hanson (BJI Transfer and Storage, Old Creamery)***

The Hanson's own "the old Creamery" building which formerly housed Bemidji Transfer and Storage. It is an elevated grey steel frame 40 x 95 cold storage building that is currently vacant. The Hanson lease renews in August and the Hanson's have mentioned they would sell the building to us.

Council consideration: Council direction if you wish to renew this lease in August 2021.

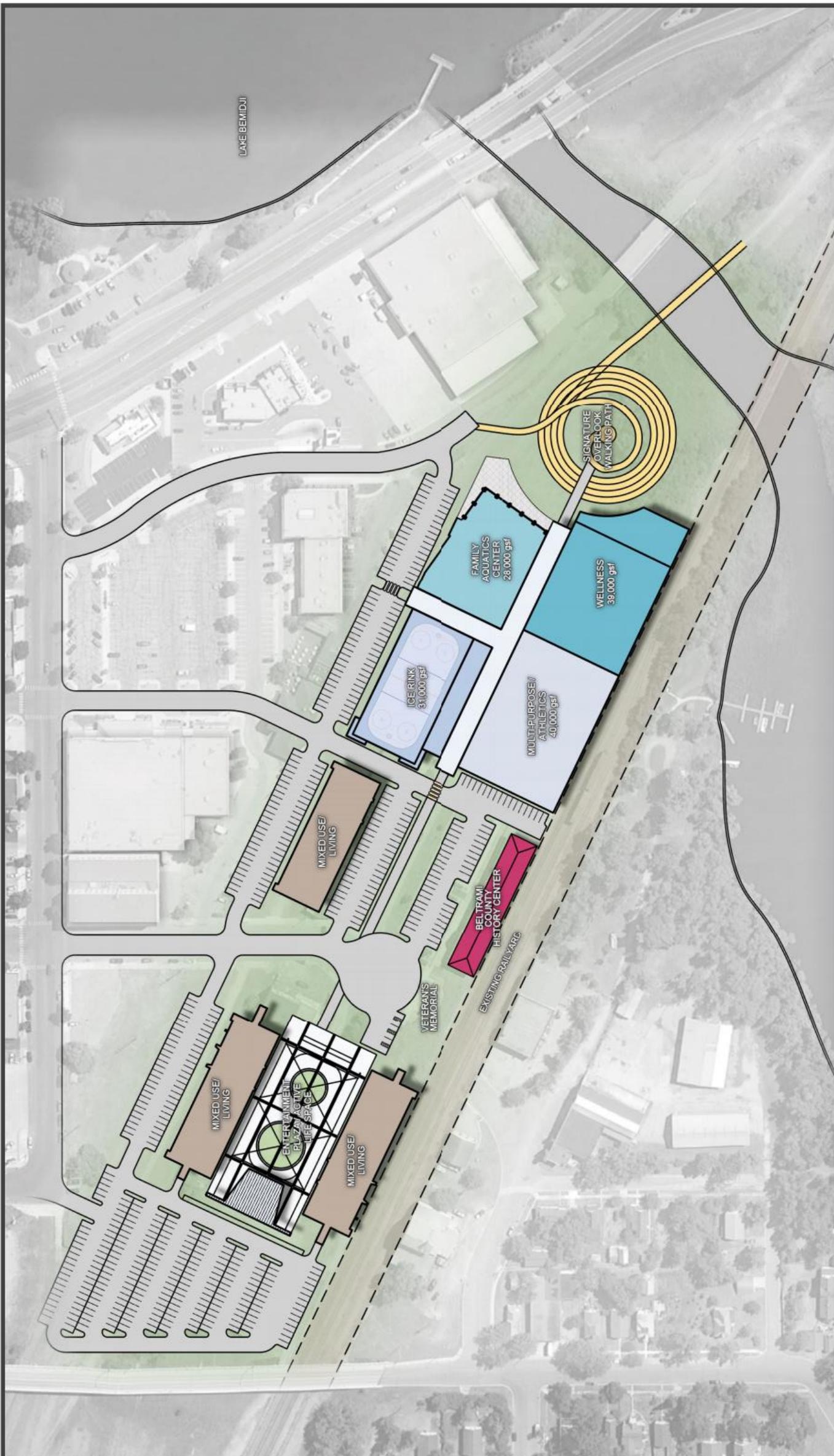
RR Corridor Sanford Wellness Complex and Entertainment District

On December 7, the Council first learned of the concept of a “RR Corridor Wellness Center and Entertainment District” (as presented by the Greater Bemidji organization as a specific work focus in 2021). The concept of the construction of a large sports complex/wellness project would also be part of a “Community Dividend” program that Sanford Health is interested in carrying out in Bemidji.

Susan Jarvis, CEO of Sanford Health, will be present to discuss their \$10M Community Dividend program and Sanford’s overview and expectations regarding the program. Also attached is a schematic of the development concept, provided by Ms. Jarvis, showing a mixed use residential development with multiple buildings containing: residential, retail, ice rink, aquatics center, wellness center, and multi-purpose center. Joining Susan will be Dave Hengel, from Greater Bemidji.

At this time, a RR Corridor Wellness Sports complex and Entertainment District with mixed use residential is in the conceptual and planning stages, so it would be good to get Council up to speed about the Community Dividend program, as well as your input and feedback on this type of development concept being located in the RR Corridor, particularly in light of Greater Bemidji continuing a RR Corridor project planning process in 2021.

LAKE BEMIDJI



MIXED USE/
LIVING

ICE RINK
31,000 gsf

FAMILY
AQUATICS
CENTER
28,000 gsf

WELLNESS
38,000 gsf

MULTI-PURPOSE/
ATHLETICS
40,000 gsf

MIXED USE/
LIVING

MIXED USE/
LIVING

ENTERTAINMENT
PLAY AND ACTIVE
LIFE SPACE

VETERAN'S
MEMORIAL

BELTRAMI
COUNTY
HISTORY CENTER

EXISTING RAILYARD

SIGNATURE
OVERLOOK
WALKING PATH