

**Redevelopment Authority Minutes
Meeting of July 15, 2009**

City Hall, Council Chambers

7:30 a.m.

Members Present: Messrs. Greene, DeRosa, Huggins, Barr, Kemp, and Ms. Wildenberg

Staff Present: Messrs. Schatz, Nick, Mmes. Noland, Casteen and Beckel-Machyckova

1. **Minutes.**

The minutes of the June 17, 2009, meeting were approved on a motion by Ms. Wildenberg, seconded by Mr. Barr.

2. **Financial Statements.**

Ms. Casteen presented an overview of the financial worth of the Redevelopment Authority for June 30, 2009. Operating expenses were \$954 for asbestos removal. Mr. Wildenberg moved to accept the financial report. Mr. Greene seconded and the motion carried.

3. **Presentation by John and Sharyn Moss on 2 S. Barstow financial commitments.**

Mr. Schatz reported that he met with Steve Nick, John Moss and Kurt Van Auken (president, Security Bank) on 7/14/09. Security Bank has provided a letter of commitment referring to other contingencies. The bank will be providing a letter detailing these contingencies within the next few days. The bank is estimating that it will take 60 days to work through the contingencies. The participants of this meeting reviewed the development agreement.

Mr. Schatz reviewed the contingencies as discussed during the meeting:

- Requesting 12 parking stalls reserved for the hotel with at least 8 stalls within eye-sight
- Requesting loading zone
- The ability to change hotel to efficiency apartments (1st and 2nd floor only).
- WEDA or SBA guarantee

In response to Mr. Barr's question, Ms. Moss stated that they do not want to open a boutique hotel in the middle of the winter, but rather early spring so it would open in May of 2011. This would require construction to begin by May of 2010.

The board discussed the parking stall requirement. In reply to Mr. Nick's question, Ms. Moss stated that they are willing to pay for the parking spots. At least 8 of the 12 spots will be required in the Riverside lot, they would like the balance to be in the ramp or in the Haymarket lot. The bank would like the parking stalls to be guaranteed for the life of the lease - 25 years as they will be incorporating it into the value of the property. Since the City Council, not the RDA, has the authority to assign parking stalls, Mr. Nick suggested a separate agreement for the parking requirement that would have to be approved by City Council. This parking agreement would then be a condition of the development agreement.

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Ms. Wildenberg asked about the WEDA/SBA lending contingency. Ms. Moss stated that WEDA guarantee has been approved and will satisfy the bank's requirements

Mr. DeRosa ask why they switched banks. Mr. Schatz responded that Security Bank was able to provide financing for the entire project whereas Charter was only going to provide \$500,000.

Mr. Schatz noted that the Mosses have made a significant progress and suggested the board allows for another 60 days before finalizing the purchase agreement in order to give the Mosses time to work through the bank's contingencies.

4. Closed Session.

Mr. Barr moved, Mr. Kemp seconded to convene in closed session in order to confer with City staff regarding negotiations for the purchase of property at 115 Maxon Street and 2021 Oxford Avenue; negotiating the purchase of property owned by Diane Stasko, at 1720 Oxford avenue; and the negotiations of sale of property at 2 S. Barstow to John and Sharyn Moss.

Open Session

5. Resolutions approving entering into a Purchase and Development Agreement with John and Sharyn Moss for property at 2 S. Barstow Street, and with Diane Stasko, 1720 Oxford Avenue.

Mr. Barr motioned to extend the period for negotiation with the Mosses for 60 days until the board's meeting on September 16, 2009. Ms. Wildenberg seconded, motion carried.

Ms. Wildenberg motioned to reject the counter offer but to direct staff to continue negotiations on the purchase of the property at 1720 Oxford Avenue. Mr. Kemp seconded, motion carried.

6. Discussion regarding the affect of redevelopment districts on property insurance premiums.

Staff asked to postpone until August in order to research more data.

7. Announcements and Directions.

Mr. Schatz stated that he'll be meeting with Geoff Moeding and a prospect grocery store this afternoon. He also stated that Mr. Moeding is planning to break ground on the third building in August.

Next meeting.

The next meeting will be August 19, 2009.

Mike DeRosa, Chair