

**Redevelopment Authority Minutes
Meeting of July 16, 2008**

City Hall, Council Chambers

7:30 a.m.

Members Present: Messrs. DeRosa, Huggins, Green, Barr, Halloin, and Ms. Wildenberg

Staff Present: Messrs. Schatz, Reiter, Nick, and Ms. Putzke

1. **Minutes.**

Minutes of the June 18, 2008, meeting were approved on a motion by Ms. Wildenberg, seconded by Mr. Green.

2. **Financial Statements.**

Ms. Putzke presented an overview of the financial worth of the Redevelopment Authority for June 2008. There are no allocations from CDBG this year. She reported that there was \$225,000 of remaining funds which are uncommitted at this time. Mr. Huggins moved to accept the financial report. Ms. Wildenberg seconded and the motion carried.

3. **Presentation on revised site plan for the Livery Building.**

Mr. Mogensen presented the revised site plan for the Livery building and restaurant. He has increased the size of the restaurant into the new building on the corner and is constructing a connection between the buildings. There will be a wrought iron fence at the sidewalk between the two buildings to lock the entrance. The main kitchen of the restaurant will be in the new corner building. There will be only one residential unit on the second floor. He stated that he is planning to have the building completed by the end of September, 2008.

Mr. Halloin moved to accept the changes to the site plan. Mr. Barr seconded and the motion carried.

4. **Consideration of a request to postpone payment of taxes by Mr. Mogensen, based on the guarantee in Section 5 of the Purchase Agreement, dated November 15, 2005.**

Mr. Nick reviewed with the RDA the obligation of Mr. Mogensen to pay property taxes for 2008 based on the guaranteed investment of \$1,600,000 as required in Section 5 of the Purchase Agreement dated November 15, 2005, between Mr. Mogensen and the RDA. Mr. Nick reported that utilities were available for the connection to the proposed restaurant and office building. The RDA has met its obligation and had provided parking as required by the agreement. This payment is on the City portion for the Tax Increment District bonds.

Mr. Mogensen stated that he requests only a one-year delay in the payments due to the delays in construction caused by items beyond his control.

No action was taken by the RDA.

5. **Consideration of a proposal for 2 S. Barstow Street from Matt Kendzeira.**

Matt Kendzeira presented a request to use 2. S. Barstow building as a future home of the Union Foundation. He introduced three persons seated with him as participants in the Union Foundation. This building would be converted to office use for the foundation and a coffee shop. There would also be a transitional housing component on the upper floors.

Dan Bradstad, architect from Minneapolis, Welsh Company, also spoke in support and stated that their company specializes in the reuse of older structures. He has visited the structure and noted the needs for roof replacement, elevator, and fire safety items. To complete the project they would be looking for community support and other fund raising to finance parts of the construction.

Ms. Wildenberg questioned the type of services that the foundation would provide to the community, since there already exists several foundations which compete for community funds and support.

Mr. Kendzeira responded that he felt they can network within the community foundations so as not to duplicate services for homeless persons.

6. **Consideration of going out for proposals (RFPs) for 2 S. Barstow.**

Mr. Schatz asked the RDA if they felt they should advertise at this time for RFPs on the 2 S. Barstow building. The site is severely limited for parking and this seems to be a major negative aspect of the site. Mr. Halloin requested that staff return with a draft RFP and a list of data on the site so that potential submitters understand the site.

7. **Consideration of request from Midelfort Luther Pharmacy (Lehman Drug) to reopen an accepted offer to purchase with the Redevelopment Authority.**

Mr. O'Brien, representing Luther Midelfort Pharmacy, made a request to reopen an accepted offer to purchase the old pharmacy building on N. Barstow Street. The original accepted offer was \$150,000 for the property with a replacement business payment of \$50,000 based on their owning a new building. They are requesting an increased purchase price of \$190,000 based on the delay of closing but they are now renting a replacement site which only qualifies for a \$30,000 payment under state relocation law.

Ms. Putzke presented three options to consider by the RDA if they were to amend the purchase agreement.

Closed Session

Mr. Barr moved to convene in closed session to discuss the request from Luther Midelfort Pharmacy. Mr. Green seconded and the motion carried. Mr. Halloin abstained.

Open Session

Mr. Barr moved to extend the original offer to Luther Midelfort Pharmacy with the RDA responsible for future special assessment (Option B). Ms. Wildenberg seconded and the motion carried. Mr. Halloin abstained.

8. **Consideration of potential funding sources and priority acquisitions in the West Bank Redevelopment District.**

Mr. Schatz reviewed with the RDA potential funding sources to begin acquisitions in the West Bank Redevelopment District. He identified a potential of \$325,000 existing in RDA funds this years. There are also unused CDBG funds (\$181,600) listed for the south confluence of the North Barstow project area which may be transferred to this area subject to an amendment. Other potential sources are the sale of RDA owned property in the North Barstow area and the potential of creating a TIF District, which would be subject to a major private development

Mr. Schatz stated that it might be best to use CDBG funds along the riverbank to acquire property which will remain in public ownership.

Randal Hill, 811 Garden Street, and owner of an office within the district spoke about his concerns with delayed acquisition and his satisfaction with his current location.

It was the consensus of the RDA that the list of priority purchases seemed reasonable at this time, with the residential properties having first priority, followed by willing commercial sellers.

9. **Consideration of funding a portion of architectural drawings for an arena/convention center.**

The Visitor and Convention Bureau has requested that the RDA consider co-funding some schematic visuals for a potential arena/convention center. Other possible contributors were also being sought.

It was the consensus of the RDA not to address any funds at this time for this effort.

Next meeting.

The next meeting will be August 20, 2008.

Jeff Halloin, Secretary