



**Office of Jim Grafton
City Administrator • Public Works Director**

Date: 12-13-17

Re: Economic Development and Finance Meeting

Attendance: Matt Carter, Rick Lohse, Kathy Hall, Bob Rockwell, Ian Pavelonis, Tony Trulson, Larry York, Jim Nelson, Jim Grafton, Loree and Tim Phlypo

Location: City Hall 121 11th Street

The combined Economic Development and Finance meeting was called to order at 5:30pm and it was noted a quorum was present. There are three agenda items for consideration.

The next topic of discussion relates to the sale of the Public Safety Building. The buyer intends to renovate the building to residential or a mix of commercial and residential. The proposed agreement states that the developer plans to renovate the building within two years and in return the city agrees to a five year forgivable loan in the amount of \$88,000. Alderwoman Hall reported that August 16th the Ad Hoc committee made recommendation to sell the building. On October 4th Mayor Conrad requested bid in paper and to complete appraisal per Clerk Nelson. Mayor Carter questioned if the developer fails to perform the renovation within 60 months what would be the results. Chairman Carter said that the developer will not fulfill his obligations as spelled out in the agreement page 2 in the Preamble. He just wanted to point this out to the committee. Committee was in agreement to move the December 19th COW agenda.

Next discussed was the proposed sale of the Public Safety Building. Clerk Nelson explained the sale process and noted he confirmed with our City attorney that the procedure was followed properly. Mayor Carter said there is no listing of what we want to keep from the building, what to do with the building generator, what to do with the street light controls...there are a lot of loose ends. Jim explained that three contingencies have addressed; generator, rental agreement for the fire department use, and relocation of the street light controls. Mayor Carter stated that he does not want to rush into this decision; he is claiming that the city can be sued if not done properly. Alderman Lohse said he would like to be able to review the financing for the proposed new building and thought maybe a two year lease would take off some pressure to build a replacement building. The meeting was recessed to Friday at 4pm for further discussion.

The last agenda item was discussion on the First Amendment to the Phlypo Agreement. The first agreement was a \$10,000 forgivable loan for five years. This allowed Mr. Phlypo the ability to purchase the property which he has done. The purpose of the First Amendment was to assist Mr. Phlypo with his demolition costs. Apparently the costs exceed his budget due to asbestos clean-up costs that were

\$9,600. This was described on page 2 item #3 ten thousand in a forgivable loan. Committee discussed perhaps increasing the amount of reimbursement. Committee was in agreement to move the agreement forward but the amount would be increased to \$20,000. The item would be placed on the December 19th COW agenda.

There were no other agenda items and the meeting was recessed at 6:15pm and will be reconvened at 4:00pm Friday December 15th, 2017.

The reconvened meeting was started at 4:00pm Friday December 15th, 2017 by Alderwoman Hall. She asked for the update on the building. Clerk Nelson reported that the generator can go with the building; the Mayor would have to send a letter to the 911 board assuming responsibility and maintenance. Jim Grafton reported that the terms of the lease have been extended to two years. The light control box would be located to an agreeable public location and any environmental issue after the sale would not be the City's responsibility. It is anticipated the closing would happen before the end of the year. As for the proposed building; it would be a combined facility public works and a fire bay large enough to house two trucks. Chairman Lohse estimated the cost to be \$1MIL. He would like Jim Grafton to get rates for a loan in amount of \$800,000 for 5 or 10 years. He would also like the committee (Council) to think about the reserve fund...there is \$1MIL in the fund and there will be \$1.2 MIL by May 1st. He suggested that perhaps a portion of the reserve fund could be used to make the loan payments.

There were no other agenda items and the meeting was adjourned at 4:45pm.

Respectfully submitted,

