

COMMUNITY DEVELOPMENT COMMITTEE

July 26, 2017

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Members Present:

Jantzer, Olson, Podrygula, Straight, Wolsky

Members Absent:

None.

Others Present:

Alderman Sipma, City Manager, City Clerk, City Attorney, Finance Director, Public Works Director, Public Information Officer, City Comptroller, Recreation/Auditorium Director, Planning Director, Police Chief, HR Director, Rick Hedberg, Bob Miller, Miranda Schuler, Jill Schramm

To the Honorable Mayor and All Aldermen:

Following are the minutes of the **Community Development Committee** meeting called to order at 12:00 PM on July 26, 2017, in the City Council Chambers:

Chairman Olson opened the meeting to continue the discussion on the community development applications. She stated, the purpose of the meeting is to make recommendations to the City Council on which applicants should be awarded funds and is not related to finding other sources of funding. She thanked the applicants for all of their presentations but stated they would not need to come forward again unless they are specifically asked. She concluded by sharing a piece of advice from John Van Grinsven, the City Attorney at the time the fund was created. She said, he advised to think with your head and not with your heart. There are many worthy applicants but the Committee must make decisions on what they can fund.

Alderman Straight asked the City Attorney to clarify if there is a valid partnership agreement from the Souris Valley Animal Shelter. She replied by saying, the definition that was determined by the Council in 2014 says "if non-profit groups are to be eligible, they should be limited to partnership projects with political subdivisions. She said, a Mutual Aid Agreement between Souris Valley Animal Shelter and Ward County Emergency Services was provided but she listed her concerns. The agreement is not related to building or expanding the facility. Within the agreement, in section 9, it says it is not to be considered a partnership between Souris Valley Animal Shelter and Ward County Emergency Management. She added, it is ultimately up to the Committee to decide whether it is a partnership project.

Alderman Podrygula said he is still unclear about the funding support the Park District has in place for the Zoo. He asked Ms. Dewitz to explain the Park District's role in funding the project. Ms. Dewitz stated, they hope to raise as much as they can philanthropically then the Park District will bond for the remainder. They plan on splitting the total amount 1/3 to be raised through grants, 1/3 through donations and the final 1/3 from Park District bonds or loans.

Alderman Podrygula then asked about the recycling facility and how it will be funded if it is not allocated through this fund. The City Manager explained, the City would have to bond for about \$1.75 Million of the project which would likely be paid for out of sanitation rates. The mil equivalent would be roughly 8.5 mils but he said, it would not be financed through property tax, it would likely be bonded for and the bonds would be paid for through rate increases. Upon further questioning, he said there are some sanitation funds available

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in the account but those funds could also be utilized for the landfill expansion.

Alderman Wolsky asked if the project could be paid for out of another allocation of sales tax. Mr. Barry explained, there are a considerable amount of projects paid for out of sales tax dollars. Every project that could be financed through sales tax funds have been accounted for and there are more projects than there are available funds.

The City Manager explained some of the difficulties they face in the upcoming budget and ways the staff is offsetting those hurdles.

Alderman Jantzer moved the Committee recommend the City Council award \$392,500 to Minot Recreation Commission to replace the Auditorium flooring and lighting, \$70,000 to City of Minot for Council Chambers AV upgrades and ADA improvements, \$550,000 to City of Minot for structural repairs to the Carnegie Center, and remove the YWCA and Souris Valley Animal Shelter from the list of applicants based on their lack of a qualified partnership agreement. Motion seconded by Alderman Podrygula.

Alderman Straight stated, he hoped to be able to give money to the Souris Valley Animal Shelter but explained to the applicants, the committee must follow the guidelines in place. Other committee members agreed.

Whereupon a vote was taken on the motion by Alderman Jantzer, seconded by Alderman Podrygula and carried by the following roll call vote: ayes: Olson, Jantzer, Podrygula, Straight, Wolsky nays: none

Alderman Straight moved the Committee recommend the City Council award \$1 Million to Minot Park District & Children's Museum of Minot toward the Magic City Discovery Center, \$1 Million to Minot Park District & Roosevelt Park Zoo toward new habitats for the big cats, \$1 Million to Minot State University toward replacement seating at MSU Dome, and \$816,956 to City of Minot toward design and construction of a recycling transfer facility. Motion seconded by Alderman Podrygula.

Alderman Podrygula stated, he is in favor of the motion but would be more comfortable supporting the proposed projects if the other taxing entities were providing more funding. He also shared his thoughts behind his support of funding the MSU Dome by stating, it is a community facility rather than for school athletics and the University is unable to apply for State funding on the project. He further described the need for additional revenue through a possible restaurant or lodging tax. He said he originally wanted to vote against everything in favor of flood protection but realized the \$4.8 Million available wouldn't make much of a difference and there are other valuable facilities.

Alderman Olson stated, the Committee usually only meets once a year to review applications but she intends to call another meeting to discuss a plan for the Committee going forward.

Alderman Jantzer expressed concerns the motion would give \$1 Million in funding without a guarantee the projects will come to fruition. He said he would feel more comfortable if the funding from the City were not the first gift but rather could depend on additional fundraising efforts.

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The Finance Director stated, funds are not dispersed to the recipients until the project is underway. Money is not given until expenses are shown.

Alderman Jantzer moved the Committee amend the motion to include a requirement stating the entity must raise 50% of the funds awarded from the City before receiving the award and the entity has until December 31, 2018 to meet the requirement. Motion seconded by Alderman Podrygula.

Alderman Straight commended the recommendation from Alderman Jantzer but stated he is not nervous about any of the entities gaining participation. He explained how each project will attract community partnerships and he spoke to each of the proposed recipients about their upcoming projects.

Alderman Olson asked if there would be any FEMA restrictions against construction at the Zoo. The City Manager responded by saying, there are certain requirements but staff has met with the developers and believe they can work within the parameters. He added, the new risk maps won't take effect until next year so it is still workable.

The Committee mentioned additional restrictions that could be attached to provide more security for the City including a more aggressive match, require specific uses, or requiring a plaque on the structure.

Whereupon a vote was taken on the amendment by Alderman Jantzer, seconded by Alderman Podrygula and carried by the following roll call vote: ayes: Olson, Jantzer, Podrygula, Straight, Wolsky nays: none

Whereupon a vote was taken on the motion by Alderman Straight, seconded by Alderman Podrygula, as amended and carried by the following roll call vote: ayes: Olson, Jantzer, Podrygula, Straight, Wolsky nays: none

There being no further business, Chairman Olson adjourned the Committee meeting at 12:49 p.m.

Respectfully submitted,
Kelly Matalka
City Clerk