

MINUTES
Downtown Development Authority
Board Meeting
Friday, May 7, 1999
C.D. Smith Building, 233 South 5th Street

PRESENT: Mary Crumbaker, Chris Launer, Gene Kinsey, Teresa Kareus, Bruce Hill Bruce Bengé, Becky Brehmer, Pat Gormley, Kathleen Killian, Barbara Creasman, and Jean Morgan.

ABSENT: Bill Petty and Mark Hermundstad.

CALL TO ORDER: The meeting was called to order by Becky Brehmer at 7:30.

APPROVAL OF MINUTES: The minutes for May 2nd and May 16th were approved.

FINANCIAL REPORT: Fund 103, (Operating) Total Revenue started with a beginning fund balance of \$57,489, \$36,560 is the balance to date. 109, TIF Revenue beginning fund balance started at \$410,092 with \$471,872 currently available. 203, Capitol Funds, started the year with \$128,802 with \$230,837 to date. The \$2 million in new funds will be deposited here.

DIRECTOR'S REPORT: Approval of Resolution for the TIF Bond Issue. A copy of the resolution was attached to the agenda for board review. Chris made a motion to approve the resolution for the Chair's signature, Bruce Bengé seconded, motion carried.

3RD AND MAIN PROPERTY: Ralph Schmidt has decided to sell his three lots at 3rd and Main Street. Reimer Development made an offer to purchase the property but the City decided to exercise their first right of refusal to buy the property. The city owns the three lots to the east. Last year the DDA and City each approved \$40,000 to participate in this acquisition. The cost will be \$102,500 to match the Reimer's offer. If the Reimers were to purchase the property there was a 3-year lease to the City for parking to continue.

How interested are the Reimers? We should have them keep the DDA apprised of their plan. It has been noted that the ultimate use of this property is for redevelopment. Possibly the City will sell to the Reimers.

ANNUAL DINNER: Awards to be presented at the Annual Dinner need to be finalized. Potential awards were reviewed.

REED BUILDING UPDATE: Museum complaint regarding construction. Rich Helm complained to the Museum Board that FCI was incompetent. Mark Francis called Barbara very concerned. Rich has not come to Barbara Creasman or any other DDA representative to discuss the project or any complaints. He did call Chamberlin

Architects. Barbara said all issues were addressed. Construction is a messy process but nothing really unusual has come up. Barbara gave the board a general update on the progress. The museum was told they could begin to move back into their area 3 weeks early but didn't begin to do anything until last week. FCI moved many of the museums exhibits out and in.

We are currently \$25,000 over our original budget. We have added several items including replacing swam coolers for museum at \$12,000. We are currently on schedule to move in June. Barbara presented alternatives to the board on mechanical and electrical work. These two items will probably cost more if this work is done with the final solution in mind. This cost is estimated at \$25,000 - \$30,000 additional, some of the work could be cheaper but it will cost more in the long run and be wasted in the future. As an example, we could install electric baseboard heat for \$5,000 - \$8,000, but it would only be a temporary solution until the rest of the second floor is renovated. At that time the electric heat would be replaced. In general the board felt that it is better to spend additional funds now on a permanent solution.

UPCOMMING MEETINGS: June 4th is the next regular meeting, but Barbara will be out of town so June 18th our workshop will be our regular meeting. We are canceling the July 2nd meeting due to the 4th of July weekend. So July 16th workshop will be the regular meeting.

TWO RIVERS CONVENTION CENTER: Joe Stevens has offered the manager position at Two Rivers to the candidate from Stillwater. He has a strong background in managing this type of center with remodeling expansion history also. Construction is scheduled to begin in September 2000. A task force will probably be set up and two people are needed from the DDA board. Bruce Hill voiced his interest in participating.

HOTEL PROJECT: Bruce Phillips called and said the deed for city properties should be ready today. The Reimers should have the architectural plans in 6-8 weeks and will present them to the board. Hawthorne Suites has stated that it is better to use contractors who have built this plan before, the closest is in Montrose. Most likely it is the value engineering process they are trying to avoid. The board asked Barbara to encourage the Reimers to use a local contractor because the community will pay close attention to this project. The final decision will be the Reimer's.

ADJOURN: The meeting was adjourned at 8:50a.m.