



TO: Mayor Shaun Sipma
Members of the City Council

FROM: John R. Zakian, DR Grant Program Manager & Chief Resilience Officer

DATE: May 12, 2021

SUBJECT: APPROVE MINOR MODIFICATION TO TERMINATION AGREEMENT WITH LIGHTHOUSE MANAGEMENT

I. RECOMMENDED ACTION

Approve Minor Modification to Termination Agreement with Lighthouse Management

II. DEPARTMENT CONTACT PERSONS

John R. Zakian, DR Program Manager & Chief Resilience Officer, 420-4528

III. DESCRIPTION

A. Background

Lighthouse Management, in the wake of court approval of conveying 1901 South Broadway to the City of Minot and since the original Termination Agreement was approved by the City Council specific details about Program Income became known, has requested that a minor modification be made to the agreement to reflect that Lighthouse Management has provided the City with the Program Income information. The Program Income information entailed rent being paid by the tenant on the site which is an active restaurant and use of the income in the form of the rent payment by Lighthouse Management to cover costs associated with the operation of the building in the form of the cost of the liability policy that Lutheran Social Services has taken out on the building. The information provided by Lighthouse Management demonstrated compliance with the HUD Program Income rules.

B. Proposed Project

The modified agreement will result in closing out the relationship with Lutheran Social Services, conveying the site to the City, and allowing the City to resume the LMI rental housing/family homeless shelter project.

IV. IMPACT:

A. Strategic Impact:

Confirms compliance by Lighthouse Management with HUD Program Income requirements.

B. Service/Delivery Impact:

Allows follow through of court order allowing conveying of 1901 South Broadway to City

C. Fiscal Impact:

V. ALTERNATIVES

N/A

VI. TIME CONSTRAINTS

NA

VII. LIST OF ATTACHMENT

A. Modified Termination Agreement