



TO: Mayor Shaun Sipma
Members of the City Council

FROM: Harold Stewart, City Manager

DATE: July 19, 2021

SUBJECT: CARNEGIE CENTER LEASE WITH MACA

I. RECOMMENDED ACTION

It is recommended the City Council approve a two-year Lease of the Carnegie Center to Minot Area Council of the Arts (MACA).

II. DEPARTMENT CONTACT PERSONS

Harold Stewart 857-4750
Kelly Hendershot 857-4175

III. DESCRIPTION

Background

The City of Minot owns the Carnegie Center and for the last ten years has leased it to the Carnegie Association of Minot. The lease expires in August 2021. Staff has heard concerns from the public regarding non-responsiveness and inaccessibility to rent the facility for events. The facility is also in need of significant cleaning and maintenance.

The City Manager has discussed other possible uses with staff and community leaders over the last several months in an effort to re-establish community pride and access to the building. MACA was interested in leasing the building and making it accessible to the general public, as well as programming arts and cultural events in the facility.

Attached is a proposed lease between the City and MACA for the Carnegie Center. The intent is to accomplish the following:

1. Establish better process for public rentals/access of the building
2. Re-establish the building as an active piece of the community and Downtown
3. Improve the aesthetics and general upkeep of the building and grounds
4. Provide some revenue to the City to cover maintenance needs and utilities
5. Provide some revenue to MACA for Arts and Culture Programs to the public

The lease is a short-term lease, allowing for renegotiation of the terms in the near future pending success/failure of the partnership. The City will maintain responsibility of capital maintenance/improvements of the building. MACA will provide administration and general upkeep of the building and grounds.

IV. IMPACT:

A. Strategic Impact:

This proposed action accomplishes three of the new Magic City Aspirations recently created by the Council.

Dynamic and Prosperous- this targeted partnership with MACA will add to the vibrancy of the community and generate investment into the Arts and Culture of Minot.

Excellent and Connected- this action will assist with financial stability of both the City and MACA, while also allowing for space for community members to engage and collaborate with each other.

B. Service/Delivery Impact:

Will assist with the upkeep and maintenance of the property, while also allowing for better use of the building by the general public.

C. Fiscal Impact:

Currently the City receives no revenue from leasing the facility, but also is not responsible for utility costs. The new lease will provide some revenue to the City to cover costs associated with ownership. Costs of utilities are unknown at this time. Potential revenue from rentals of the facility are also unknown. The City also needs to invest in some structural and maintenance issues of the property.

V. ALTERNATIVES

1. Renew the lease with the Carnegie Association of Minot
2. Negotiate different terms of lease with MACA
3. Seek a different lessee/use of the facility
4. Leave the property vacant

VI. TIME CONSTRAINTS

The existing lease expires in August 2021, but there is no significantly pressing reasons to take action immediately. However, it would be beneficial to re-energize the property as soon as possible.

VII. LIST OF ATTACHMENTS

- A. Clean copy of the Proposed Lease, including Exhibits A and B
- B. A strike through copy of the proposed lease showing the changes
- C. Copy of the current lease with Carnegie Association of Minot