

May 2, 2022 Special City Council Meeting

MINOT CITY COUNCIL – SPECIAL COUNCIL MEETING – May 2, 2022 AT 4:30 P.M.

ROLL CALL CITY COUNCIL

Members Present:

Evans, Jantzer, Olson, Pitner, Podrygula, Ross, Sipma

Members Absent:

None

WARD COUNTY COMMISSIONER ROLL CALL

Commissioners Present:

Rostad, Pietsch, Anderson, Wepler, Fjeldahl

Commissioners Absent:

None

M-BUILDING FUNDING DISCUSSION

Blake Nybakken, with EPIC, did a presentation on EPIC and the M-Building. Blake discussed with the County Commission voting against the TIF with EPIC for the M-Building the project has a \$500,000 impact. Blake then asked the question on what terms or agreement would the County Commissioners find acceptable. John Pietsch spoke about how it is important to get the M-Building up and running but that maybe tax relief for 20 years might be too long.

Blake stated that without the TIF for the project EPIC will not be able to move forward with the project on the M-Building. John mentioned that it was a concern to the commissioners on if the project was viable. Blake responded that there projecting a 10-12% return on investment.

Blake explained that the taxes would be paid in full over the 20 years but 90% would go toward a bond payment and the other 10% would go to the taxing entities. John Fjeldahl asked who was responsible for the TIF proposal/model. The EPIC company put it together but Minot is reviewing it with a third party and with City Attorneys. David Lakefield also mentioned that PFM is the company reviewing it. PFM is reviewing to see if the assumptions in the model are good to service the debt and funding in both ways are good. John Fjeldahl asked if this information would be public and Dave let him know that it would be public when it is given to the city.

Mayor Sipma asked Blake to give a timeline on the build time and completion of the product. Blake said the asbestos/demo could begin as early as June and hopeful completion by the end of 2023. Alderman Ross asked Blake to speak on the other TIF projects that EPIC has been a part of. Blake discussed the projects they have done in downtown West Fargo, The Lights project, and other projects in Jamestown and Grand Forks.

Shelly Wepler asked about the remediation process for the M-Building. Blake mentioned that it will be a process of both removal and encapsulated depending on the cost and area of the building. Alderman Pitner wanted Blake to discuss the other funding outside of the TIF/bond. Blake said they would be looking at their banks and private investors. Alderman Pitner also mentioned that with the commercial space in the building their will be potential for sales tax dollars for the City and County to benefit from.

Shelly Wepler wanted clarification on if the condos were sold would those people then pay property tax in full. David Lakefield stated the 8 condos would be included as part of the increment that would be 90/10. Marisa, County Auditor, stated they would be set up that way in the system for the split. Blake also mentioned that once complete with the building the assessed value is estimated to be around \$15 million. He also stated that the project will either be completed in full or won't begin at all. John Pietsch was wondering if that would be in the contracts and he was assured the banks will have it in their contracts. John Sholckey, EPIC TIF Attorney, stated that this would also be in the developer's agreement held with the City of Minot and there would be a minimum assessment leveed against the building. If EPIC doesn't add value, the developers have to pay higher taxes on incomplete building. The TIF is only being used for asbestos removal due to the hazardous environmental issues.

David Lakefield also mentioned that the contract also states the City of Minot can special assess if there are any shortfalls on the property. He also reminded everyone that prior to EPIC purchasing the building it was delinquent on the taxes for 2 years. Alderman Podrygula brought up the cost for demolition of the M-Building if EPIC would not be able to move forward with project. It would likely cost about \$6 million. Jim Rostad clarified that it would be the responsibility of the county for that cost. Jim also stated that the decision would stand unless a commissioner makes a motion.

Harold Stewart, said that the TIF stands at the School Board supporting it, the City Council will vote at the May 16th meeting, and the county has denied it but requested to negotiate with the city. Mayor Sipma asked the commissioners if there were any other terms they would consider. Jim said it could be put on the next agenda.

Alderman Pitner asked David Lakefield when PFM could get the report to the City of Minot. Dave said it would be any day now. The commissioners said to please notify them when the report was complete.

ADJOURNMENT

There being no further business, the meeting adjourned at 5:31 pm.

ATTEST: Mikayla McWilliams
Mikayla McWilliams, City Clerk

APPROVED: Shawn Sipma
Shawn Sipma, Mayor