

Downtown Gathering Place

Committee Meeting 04-19-2018

Committee Members Present

John Zakian
Tom Barry
Shannon Straight
Ron Merritt
Lance Lang
Chris Owen
Leslie Bean
Roger Reich

Meeting Overview

John Zakian opened the meeting stating he called the meeting to keep the committee up to speed on what is happening with the Downtown Gathering Place.

John distributed to the group a DRAFT memo and NDR Substantial Amendment, as well as documents that explain the differences between voluntary and involuntary acquisitions. The documents also included National Environmental Protection Agency Laws that govern activities carried out by CDBG-NDR.

John stated that site 2 is the priority, Site 1 is the 2nd priority and Site 3 is 3rd priority according to public votes on the three potential sites. The City has sent letters to all the owners.

John had asked two questions to HUD. One question is whether or not a portion of the \$6 million allocated for the Downtown Gathering Place could be used for acquisition. John framed the \$6 million as capital expenditure so that the acquisition can be justified as part of the capital expenditure to build the park. The request had been taken to HUD's headquarters in DC for deliberation. HUD's response involved sticking with the statutes that acquisition was not originally identified as an activity under the Downtown Gathering Place Project and requires a Substantial Amendment. The second question was if the acquisition would be considered voluntary or involuntary. If the acquisitions are considered to be involuntary, there would need to be relocation assistance and properties that don't settle on a price would go to eminent domain. Voluntary acquisition only requires that tenants receive relocation assistance, there cannot be a deadline to acquire, and there must be multiple site options. HUD told John that the acquisition of the properties for the gathering place would be considered voluntary acquisition.

The substantial amendment purpose is to get approval for the addition of the acquisition activity under the Downtown Gathering Place, and to itemize the 6 million dollar Gathering Place budget. The substantial amendment will set aside \$2.5 million for acquisition, leaving \$3.5 million for development. If the entire \$2.5 million doesn't get used in acquisition, demolition, and relocation; the remainder can go back into development costs.

A substantial amendment runs the risk of triggering a re-score and has the potential for the City to lose funds. John is comfortable based on discussions with HUD that the City does not run the risk of rescoring and loss of any funds as a result of the substantial amendment, as the amendment only adds an activity under the Gathering Place and the budget remains the same.

The City is not locked in at 2 acres for the size. As long as it can be proved that the Gathering Place is a place where people can gather and conduce a sense of community pride, there is some leniency in the total size of the space.

There is potential to team up with the Parks District and local entities to gather community inputs into features for the Gathering Place. However, we cannot commit any funds relating to the project until the substantial amendment is approved.

Alderman Straight mentioned that there is room for organizations and individuals to donate or pay for features of the Gathering Place. These donations would contribute towards the leverage requirement agreed upon in the grant agreement provided such financial support is directly connected to the project. There is a tremendous amount of community will to move this project forward.

May 1st there will be a special council meeting for the Substantial Amendment. If council approves the amendment, it will be posted on the city's website for a 30-day public comment period. There will also be a public hearing held during this the 30-day period. These are the HUD requirements for the CDBG-NDR funds which differ from the requirements for CDBG-DR Allocations #1 and #2.

HUD had said that since the City is only adding an activity to an approved project, they should be able to move quickly to approve the amendment instead of the usual 6-8 months.

The Brownsfield grant that the City received can be used to do the environmental assessment for the properties located on site 2. The Brownsfield grant runs out in September but John will check to see if it can be extended. EPA was excited for the possibility to work alongside HUD to complete the project. The City can start gathering public input as to what they would like to see in the park before the substantial amendment is approved. However, the designs for the Gathering Place cannot start until the amendment is approved by HUD, the environmental is completed and HUD authorizes the use of funds.

Alderman Straight will be going down to Rapid City to look at their Gathering Place and to discuss their concept with them and how they have it structured to run. They have created a

501(c)(3) to help with maintaining the space. Their Gathering Place has brought in about \$50 million in development to Rapid Cities downtown area.

Alderman Straight asked that the City look for ways to give periodic updates to the public on the Gathering Place process. He also asked that the property owners be sent a status update letter.

Questions

Q - Since the budget is being split into acquisition and development, will the City need to put together a design for the construction?

A - The City cannot incur any cost on the Gathering Place until the Substantial Amendment has been approved, and designs cannot start until the environmental reports for the chosen site have been completed. The Rapid City Gathering Place project has the most similarities to what Minot envisions, so that project was used for cost assumptions of various features such as a fountain and sound stage.

Q - How much will the Environmental Assessment cost?

A - The City currently has a Brownsfield grant that can be used to pay for the cost of an environmental assessment. We have not received an estimate for the assessment.

Q - Since a substantial amendment is not triggered unless more than \$1,000,000 is shifted around, can the City move up to \$900,000 from another project to the Gathering Place?

A - Down the road that could potentially be a possibility. The City is required to report any shifts in funds in DRGR which is a report that goes to HUD for comment and they can choose to not allow it, and it is important to remain strictly within the framework of adding acquisition as an activity in this amendment to avoid risk of rescoring

Q - Can the Minot Area Community Foundation be an option for running the Gathering Place?

A - That can be an option and conversations regarding this can be had in parallel with the amendment being reviewed by HUD.

Q - What would change in the City's responsibilities if a Sub-Recipient agreement is done?

A - The Agreement can be in perpetuity. The City will retain ownership. Once we can demonstrate that the project and the activities related to it have been completed, HUD will stop monitoring.

Q - Can people contribute and have fountains and features named after them?

A - As long as the City stays within HUD guidance. There will be a public meeting where people can provide input on what they would like to see in the gathering place.

Q - Before it was said that there would not be an indoor space, but is that now an option?

A - That is no longer out of the question for the Gathering Place. After discussions with HUD, as long as the City can demonstrate that it is a place for people to gather, there can be an indoor component to it but it is important to bear in mind that we have a budget of \$3.5 million set aside for construction which may limit options.