

**Cambridge Economic Development Authority (EDA)  
Regular Meeting Minutes  
March 2, 2015**

Pursuant to due call and notice thereof, a regular meeting of the Cambridge Economic Development Authority (EDA) was held on Monday, March 2, 2015 at Cambridge City Center, 300 3<sup>rd</sup> Ave NE, Cambridge, Minnesota, 55008.

Members Present: President Joe Morin, Vice President Howard Lewis, and EDA members Lisa Iverson, Marlys Palmer, and Tiffany Kafer

Members Absent: None

Others Present: Executive Director Lynda Woulfe and City Planner Marcia Westover

**Call to Order**

Morin called the meeting to order at 4:44 pm.

**Approval of Agenda**

Lewis moved, seconded by Kafer, to approve the agenda as presented. Motion carried unanimously.

**Consent Agenda**

Iverson moved, seconded by Kafer, to approve the consent agenda items A – F as presented:

- A. Approve EDA meeting minutes
- B. Approve EDA January 2015 Draft Financial Statements
- C. Housing Div. Bills and ACH transactions totaling \$59,734.00
- D. Approve EDA Admin Division bills checks #98812 - #99003 totaling \$6,282.91
- E. Housing Supervisor Report
- F. Resident Meeting

Upon call of the roll, Morin, Iverson, Palmer, Kafer, and Lewis voted aye, no nays. Motion passed unanimously.

**New Business**

***Approve Lease Amendment for the Pregnancy Resource Center***

Westover asked if the Board had any questions on the staff report.

Lewis asked for the per square foot price for Center for the Arts and the Senior Activity Center. Westover stated Center for the Arts pays \$7.50 per square foot and the Senior Activity Center pays a fixed rate of \$500 per month because the City of Cambridge has full use of their commercial kitchen.

Woulfe explained because the Pregnancy Resource Center has a front entrance, typically the lease rate is higher because of that amenity.

Jay Peterson, the Attorney representing the Pregnancy Resource Center, stated he would like to see the lease renegotiated at a lease rate which is more in line with the other non-profit tenants in the mall. Peterson reviewed the other mall tenants and their lease rates and asked that the EDA consider lowering the Pregnancy Resource Center's rate to the amount of \$7.50 per square foot. Peterson noted an article where the City indicates the current market rate was \$7.00 per square foot. Woulfe noted the article was from 2012.

The Pregnancy Resource Center Executive Director Gina Kennedy gave background of what the Pregnancy Resource Center is and they asked for a lease reduction in 2013 which was denied. Kennedy noted she understands the Chamber will be moving out of the mall and she is also interested in leasing that suite, Suite 174. Woulfe noted there are other tenants also interested in the leasing of Suite 174 and asked if the Pregnancy Resource Center would be willing to rent the space for \$8.50 per square foot. Kennedy stated they would rent that space for \$8.50 per square foot but would like their current space to be \$7.50 per square foot.

Morin asked if they have looked at other rental suites in the area that lease for \$7.50 per square foot or \$8.50 per square foot. Attorney Peterson stated they have not done comparisons in the area and they only want to be compared to other non-profits in the City Center Mall. Morin stated staff has done some research and rate rents in the Downtown area average \$10.00 per square foot.

Iverson asked if any of the other non-profit tenants have public outside access. Woulfe explained no other non-profit tenant has public outside access.

Kafer stated she felt the request was in line to what other non-profits pay within the mall. Palmer stated it came to her knowledge that Kafer used to work for the Pregnancy Resource Center and questioned whether she should abstain from discussion and voting on the subject. Kafer explained there was no financial benefit to her so there is no conflict of interest. Palmer stated there could be a perceived conflict of interest. Lewis stated he did not feel there was any perceived conflict of interest.

Lewis stated he felt the rent should be consistent with the other non-profit tenants and it should be \$7.50.

Morin asked where money from the rent goes. Woulfe explained it goes into the general fund which offsets the property tax levy. Palmer noted the funds also help to maintain the building.

Kafer stated they have to set a precedence so if the non-profit rate for the Pregnancy Resource Center is set at \$8.50 per square foot, it should be the same for all non-profit tenants.

Iverson stated one of the benefits is that it has an exterior door, so there are bonus features with this space that other non-profits do not have. Woulfe stated front space is more valuable than interior space.

Kafer explained the City is losing out on over \$11,000 per year on rental income for the Senior Activity Center. Discussion ensued regarding the fact the City is able to use the kitchen for wine tastings and, most importantly, for emergency operations.

Kafer moved, seconded by Lewis to authorize approval of the lease for the Pregnancy Resource Center in Suite #138 in the City Center Mall at \$7.50 per square foot. Upon call of the roll, Lewis

voted yes, Kafer voted yes, Palmer voted yes, Iverson voted no, and Morin voted no. Motion passed 3/2.

**Approve Proposed Lease Amendment for The Gamers Den**

Westover stated The Gamers Den has been interested in additional space for some time and they were the first to approach her about obtaining Suite 174 at the same rates identified in the staff report. Westover noted they have assessed the wall and it appears they are able to open the wall to connect both suites.

Kafer asked if there a policy for when there are more than one tenant interested in additional available space. Westover explained there is no policy at this time as it has never happened in the past.

Lewis stated he felt that if there are two parties interested in space, the first one to give a deposit should be the one to have the option for renting the space.

Westover explained The Gamers Den has been asking for extra space for a very long time.

Kafer asked who is responsible for improvements within the suites. Westover explained the tenants are responsible for their own improvements.

Palmer moved, seconded by Iverson to give preliminary consent for the lease amendment with The Gamers Den to lease Suite 142 and Suite 174 and, if the suites cannot be connected due to plumbing or other issues, then the lease will not include the additional Suite 174 space. EDA directed staff to bring back a policy for them to review regarding competing tenants for space. Upon call of the roll, Lewis voted no, Kafer voted no, Palmer voted yes, Iverson voted yes, and Morin voted yes. Motion passed 3/2.

**Regional Housing Summary**

Gustafson reviewed the Housing Study.

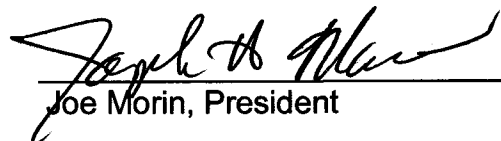
Lewis asked why Cambridge wasn't listed on the bar graph. Gustafson explained the City of Cambridge did a private study in 2013. Gustafson noted if the City wanted to be included in this study, it would have cost \$3,000 and staff felt because a study was just completed, there was no need to be broken down in this study.

**Unfinished Business**

There was no unfinished business.

**Adjournment**

Lewis moved, seconded by Kafer, to adjourn the meeting at 5:36 p.m. The motion passed unanimously.

  
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Joe Morin, President

ATTEST:

  
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Lynda J. Woulfe, Executive Director