

**Cambridge City Council Special Meeting Minutes
July 31, 2018**

A special meeting of the Cambridge City Council was held on July 31, 2018 after being duly posted and notification to press at Cambridge City Hall Council Chambers, 300 3rd Avenue NE, Cambridge, Minnesota, 55008.

The purpose of the special meeting was to discuss the Leader Building and Willard's remodel project located at 133 Main Street South and potential changes to the special assessment agreement for the connection to the City's water main.

Members Present: Mayor Marlys Palmer; Council Members Kersten Conley, Jim Godfrey, Lisa Iverson, and Joe Morin. All present, no absences.

Staff Present: Administrator Woulfe and Utilities/Public Works Director Schwab.

Others present: Brian Baas, Erick Harcey, and Grant Johnson

Call to Order

Mayor Palmer called the meeting to order at 3:00 pm.

Leader-Willard's Remodel– Installation of Fire Suppression System and City Water Connection

Woulfe stated that Grant Johnson and Erick Harcey are remodeling the Leader Building for their new restaurant, Willards, and apparel store. One of the building code requirements triggered because of the remodeling of all three floors is the installation of a fire suppression system. Woulfe reminded Councilmembers that in the past, the City had discussions about assisting downtown businesses with the costs of installing sprinkler systems since there needs to be a 6" water line for the sprinkler system and only one or two-inch water lines currently serving the buildings along Main Street.

Schwab and Woulfe stated that to install the new 6" line, the 2nd Avenue will need to be excavated, a new tap done to the water main, and then the sprinkler system run through both buildings. Woulfe stated the Council had adopted a Special Assessment Agreement and Waiver of Irregularity and Appeal to assist with the costs of this project but the project costs have come in higher than their initial estimates of \$102,000. The costs to bring the building compliant with Fire Code will be \$163,000.

Woulfe stressed the installation of the sprinkler system is a major safety improvement to the downtown, permits a building to meet the newer fire/building code standards, and encourages investment in our downtown. Iverson, Godfrey and Palmer stated that without the City's support of these types of projects, the City runs the risk of older buildings remaining vacant because of the incredibly high price of bringing them up to code when there is a change of use or a remodel.

Harcey reviewed the safety protocols that he will put in place for his restaurant and outlined their commitment to fire safety. Palmer asked Harcey where he came up with the name of the restaurant and Harcey responded he is named it after his grandfather Willard. Brian Baas stated the remodel project is a major undertaking and a solid revitalization of a building that is over 70 years old. Baas felt that without the City's assistance, this project would not move forward and the building could become vacant.

Woulfe stated the terms of the special assessment agreement are:

- Amount: \$163,000
- Fifteen-year schedule for paying the special assessment
- Interest rate of 3%
- Payments start with property taxes payable in 2020

Woulfe stated the funds would be borrowed from the water fund and paid back to the water fund with the interest.

Morin stated he was fine with the amount but felt uncomfortable with a fifteen-year payback period. He suggested that the City stick with the nine-year schedule and consider interest only payments for the first two years.

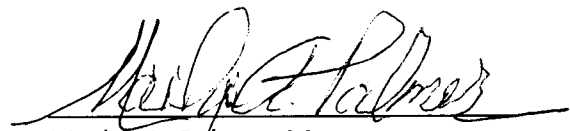
Harcey stated the financials for the restaurant don't work if it is overloaded with debt for the first few years and the fifteen-year payback is necessary for long term survival. Iverson and Godfrey stated they support the fifteen-year agreement. Conley stated she supported the revised agreement.

Iverson moved, seconded by Godfrey, to approve the revised Agreement of Assessment and Waiver of Irregularity and Appeal as presented at the meeting.

Upon call of the roll, the motion carried unanimously.

Adjournment of Council Meeting

Being no further business before the City Council, Morin moved, seconded by Godfrey, to adjourn the regular meeting at 3:26 pm. Motion carried unanimously.


Marlys A. Palmer, Mayor

ATTEST:


Lynda Woulfe, City Administrator