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## **Mayor Barney's Quarterly Update**

**Minot, ND – 17 July 2015**

When I started writing these quarterly updates, I had the goal of covering as many topics as I could, but in this letter, I want to focus on one specific issue in the City of Minot; the Downtown Parking Ramps. As you all know, this project has seen more than its share of setbacks, funding issues, disagreements between developers and contractors, and it has certainly been a major point of contention for our Downtown businesses and residents. I'd like to give a very condensed history of the project, and update you all on where we are today.

The Parking Ramp project dates back to 2010 when Cypress Development originally proposed several projects to enhance and revitalize Downtown Minot. In 2013, after many discussions and costly proposals, bids were accepted for the City of Minot to pay \$10.5 million dollars for the construction of both ramps. Shaw-Lundquist Associates was hired as the general contractor, and is in charge of project management, as well as all steel reinforcement. A different contractor, Construct ND, was hired to perform the remaining work on the ramps. In early 2014, Shaw-Lundquist informed the city that the project was severely underbid, and Construct ND walked away from the project. Cypress Development formed a new company called Diversified in order to complete the scope of work that Construct ND was to perform. Following many pricing and scope of work disagreements between Diversified and Shaw-Lundquist, work on the ramps was halted in August of 2014.

In December of 2014, City management met with all parties in order to resolve the dispute. When those talks failed, arbitration was held in March of 2015, with mostly the same results. At that time, the City of Minot sent notification to Shaw-Lundquist to resume work on the project in order to avoid a claim on the \$10.5 million dollar performance bond that the City had required of them. Construction resumed in April of 2015.

Cypress/Diversified has assumed the scope of work from the original Construct ND contract, and has hired all of the subcontractors that are currently on site. They have also paid all costs in excess of the original \$10.5 million dollar contract that they City had with Shaw-Lundquist. Upon completion of the ramps, Cypress will have invested in excess of \$9 million dollars in the development of Downtown Minot.

With that background in mind, I want to write about the vote that will take place during the Magic Fund Committee Meeting on Friday, July 24<sup>th</sup>, 2015. Cypress/Diversified is requesting additional funding to

complete the parking ramp project. They have proposed several options to myself and the City Manager, and we rejected those proposals, as they were not in the best interest of the residents of Minot. On July 9<sup>th</sup>, Steve Larson and Dominic O'Dierno of Cypress Development met with the Minot Area Development Corporation and requested additional dollars through the Magic Fund. Those funds, totaling \$2.5 million, are in the form of a low interest loan, and a forgivable loan upon milestone completions of the ramps and mixed use development.

The estimated \$200 million economic impact that the ramps and future development will have on our community, as well as the support we owe to our Downtown businesses and residents is something that cannot be overlooked. As the City of Minot is firmly committed to the vision and economic development of Downtown Minot, and in a desire to see this project completed as soon as possible, I am supporting this request. To do otherwise puts downtown Minot in a precarious position and stifles the renaissance that is underway. We cannot allow this to happen. I assure you that my support is not without caution and concern. I have asked the City Manager to keep this as his top priority, and see to it that these ramps are completed on schedule, so that we go into winter with ample parking for our residents, business owners and patrons of Downtown Minot.

As always, if you have any questions or concerns you can reach me by sending an e-mail to [mayor@minotnd.org](mailto:mayor@minotnd.org) or by calling 701-857-4750.

Chuck Barney

City of Minot Mayor

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