

**ANCHORAGE COMMUNITY DEVELOPMENT AUTHORITY
BOARD OF DIRECTOR'S SPECIAL SESSION
January 05, 2006**

Present

JoAnne Zito-Brause
Louise Lazur
Mike Zoske
Jana Hayenga
Ken Stout

Present

Bill Smith
Mary Jane Michael
Dana Pruhs
Dan Coffey

Excused

Joelle Hall
Jeff Sinz

Staff/Guests

Kevin Kinney
Robin Ward
Healia Palmer
Wendy Mikowski
Krin Kempainen

Call to Order

Ms. Zito-Brause called the meeting to order at 5:04 pm.

Review of Agenda

There were no changes to the agenda.

Public Comment

No public comment was scheduled.

New Business

A. Block 70 –

- Mr. Kinney started with providing some background for this resolution. He pointed out the area under discussion on a map. Currently the State of Alaska owns block 80, the site for the convention center. Kitty corner from block 80 is the south half of block 70 which Diamond Parking owns. Initially that block was to be a parking garage done as a joint venture between Diamond Parking and the developers of the convention center. Because of the economics Diamond Parking backed out of the deal. So the core issue is that the state will transfer Block 80 to the city if we can find alternate parking acceptable to them. Block 80 is about 280 spaces, the south half of block 70 has 152 and we will have the JC Penney garage once we take it over.
- Mr. Pruhs asked what was currently on block 80. Mr. Kinney stated it is currently a surface parking lot for the State of Alaska. Mr. Pruhs asked who owns the lot. Mr. Kinney stated the state owns the lot but will transfer it to the municipality if we can provide them with satisfactory substitute parking. Mr. Pruhs then wanted to know if this was all in the proposal with the developers. Mr. Kinney stated yes.
- Mr. Kinney stated one of the things ACDA did to help was take over the JC Penney garage, where we have up to 200 spaces available and block 70 is acceptable to them for parking. Mr. Pruhs asked if the JC Penney garage was acceptable to them. Mr. Kinney stated they are not happy with it but will accept it.
- Mr. Kinney stated our first efforts have been to negotiate a sale with Diamond Parking for the lot on block 70. Our last offer was \$2.3 million which they countered with \$4.7 million. Ms. Ward stated the appraisal on this lot is \$2.2 million. Mr. Kinney stated our finances will not handle a \$4.7 million price tag - our budget was set for \$3 million on this project.
- We have 2 options available to us; to continue with condemnation action or possibly a trade, which Diamond Parking has expressed an interest in. The only thing we own that Diamond

Parking wants is the lot on block 28 (3rd & H). That lot is 28,000 sq. feet and the block 70 lot is 42,000 sq. feet. Mr. Kinney estimates that both lots are of equal value.

- Mr. Pruhs asked if this board approved the concept of the new convention center. Mr. Kinney stated we were not involved in that process. Mr. Pruhs stated now we have to solve the parking problem and spend the money to fix everything. He wanted to know why ACDA has to do this when the problem is between a private developer and the State of Alaska. Mr. Kinney stated it is not a private developer and the State of Alaska; it's a private developer working in cooperation with the municipality. And ACDA is the organization that operates municipal parking, and solves municipal parking issues, so that is how we got involved.
- Ms. Ward stated ACDA had planned to be involved in a parking structure, which is why we had \$3 million in our budget dedicated for some type of partnership.
- Mr. Zoske wanted to know if, when this first started, we were not involved. Ms. Ward stated that was correct, that when the project was first conceived we were not involved. Mr. Zoske stated he feels Diamond Parking is taking advantage of the municipality, they made a deal with the municipality and the private developers to build a garage, attract a hotel, and some big name restaurant, then they reneged on the whole deal. Ms. Ward stated it was because of the cost Mr. Pfeffer projected for the project. Mr. Zoske stated now they (Diamond) want us to trade a place where we want to build a garage and there is a need for it. They want that so they can then triple the cost of parking from what we charge. They are not very community minded people. He feels we are stuck with having to get the parking issues fixed to get the convention center because the state won't give up that land without having the parking issues taken care of.
- Mr. Kinney stated either the municipality or ACDA has to acquire the south half of block 70. It will be used for parking; therefore it is logical that ACDA acquire the lot. Mr. Pruhs asked if the lot is being used for parking now. Mr. Kinney said yes. Mr. Pruhs asked why we are trying to acquire the lot then. Mr. Kinney stated because we can not get a long term deal for state parking with Diamond Parking as the owner. Mr. Pruhs ask for a clarification of "long term". Mr. Kinney stated basically it means "in perpetuity". Ms. Ward stated we have to own it. Mr. Pruhs asked why the state has their option with in perpetuity. He was informed that the state owns the Atwood Building and as long as they are owners and occupiers of the building we are required to provide parking.
- Ms. Lazur asked if anyone has talked with Mr. Pfeffer on his estimate of the project. Ms. Ward stated she has talked with Mr. Pfeffer and he is in the process of re-evaluating the cost for the 3rd and H project to propose to Diamond Parking if a trade goes forward but hasn't looked at the block 70 project yet. Ms. Lazur asked if Mr. Pfeffer is involved with the block 70 project. Ms. Ward stated he is the only one to give a proposal on both projects. Ms. Lazur stated it would make sense if he was looking at the block 70 project and not 3rd and H. Mr. Kinney stated building a parking structure for this project is out of the picture at this time because of what has happened with construction costs over the past 8 months. We can solve the parking issue without building a structure. The convention center budget does not have the money to do even a very basic structure. We know we don't want just 2-3 floors of a basic structure.
- Mr. Pruhs stated this process is like hodge-podge, we got people thrown all over the place to just get 1 piece of property for the convention center. There is the JC Penney and this other lot being used in the attempt to solve the state parking issue. He feels it is a bunch of band-aids and doesn't know if this is the proper approach. Mr. Kinney stated bringing JC Penney

into the public parking system is a good thing. The only problem here is being unable to provide 300 spaces to the public because a number of spaces need to be reserved for JC Penney employees to park.

- Mr. Zoske asked if the new lot we are building behind the NPS building will suffice for parking. Ms. Ward stated that according to the state AMEA (union agreement) state employees have to park within 1 block of work. Mr. Kinney stated it all comes down to 1 issue. We will not get block 80 if the state is not satisfied with the substitute parking.
- Mr. Pruhs stated if we don't get this piece of property then we are going to try to condemn it for private development. Ms. Ward stated the city would own the property. Mr. Pruhs stated the convention center is a private development. Mr. Kinney stated it is not private, eventually the city will own the convention center. To make the convention center happen, we will have to acquire the south half of block 70 to provide the state with parking.
- **Three or more people were talking can not understand what is being said Mr. Smith asked something about the Penney's garage. Mr. Kinney answered. Mr. Stout asked Ms. Ward something and she answered I believe it had to do with the resolution.**
- Mr. Stout asked if block 70 will remain a surface lot or was a parking garage going to be built. Mr. Kinney stated during the building of the convention center it will remain a surface lot. Ms. Ward stated we can build a structure at a later date if we choose to.
- Mr. Zoske stated he understands there is a lot of politics involved in this thing and he feels the best deal for us would be for the municipality to condemn the lot, pay the 2 ½ - 3 Million and take it over. He feels it is the fairest thing to do for the citizens of the city. This is not a condemnation where you would take someone's house, tear it down, and build some more houses for a profit for a developer. He asked the status of the condemnation.
- Ms. Ward stated she is working parallel tracks; negotiating with Diamond Parking to see if there is any potential of a trade, and also looking into condemnation. We have everything in place to start condemnation on January 10, 2005. In front of the assembly is the discussion as to whether or not the municipality will be given authority to do that. If the assembly decides not to give authority then we can not use condemnation. She understands the theory of condemnation but it is very complicated and the court will decide whether or not we can do it, because what we will be doing is taking a surface parking lot and using it as a surface parking lot for a certain amount of time before building a structure.
- Mr. Zoske stated he understands what she is saying but he disagrees with "a surface lot for a surface lot" since we are doing it for a \$100 million project for the city. He asked Mr. Stout his opinion on the topic.
- Mr. Stout asked if he understood the plan correctly: Diamond Parking was going to partner up with the developer which meant the municipality would not be paying for anything. Mr. Kinney stated there was the initial concept of the municipality buying in and having an interest in the facility. Mr. Stout stated basically it would not cost any additional money for the convention center. Mr. Kinney stated there was money in the convention center budget to be set aside for a parking structure. When he talked about cost earlier he was referring to the cost of the convention center, and with the increase in cost there, not much money is left to be put into a parking structure. Mr. Stout wanted to know who will come up with the money for the lot. Mr. Kinney stated if we purchase the lot it will become our facility to operate. Mr. Stout stated he is not that sure if the assembly would be opposed to condemnation of the Diamond Parking lot for that facility. They are certainly opposed to condemnation for recreational trails and things of that nature.

- Mr. Coffey stated he sees a lot of problem with condemning a parking operation privately owned so the city could run a parking operation. Mr. Zoske asked what that could do to the overall project. Ms. Michael stated if Diamond decided they did not want to run a parking lot there anymore and decided to build an office building, we will lose our parking for the convention center. (too many voices talking at once to hear what is said)
- Mr. Kinney stated we have to satisfy the state and the state wants parking in perpetuity. We cannot work a deal with Diamond to ensure the state gets parking in perpetuity and that's why it's key that either the city or ACDA acquire the south half of block 70. He stated he feels the value of the property on block 70 is equivalent with the property on block 28. As a parking manager he doesn't really want to give up the property on block 28 but there are alternate plans for the northwest corner downtown. Mr. Pruhs asked if we will be giving up paying spaces for free. Mr. Kinney stated no, we would get revenue from block 70.
- Ms. Zito-Brause asked for everyone to raise their hand and wait to be identified by her before speaking so everyone could get a chance to speak.
- Mr. Coffey informed everyone he represents Diamond Parking on their issues with the airport on the parking on International Airport Road, which he disclosed when the ordinance on condemnation was introduced 2-3 weeks ago. He stated his understanding is Diamond Parking is willing to do an exchange which is based on appraisals, and whoever comes out short pays the difference. That is an alternative to condemnation. He understands we want to keep as much as we can in this process. Mr. Kinney stated the issue is we have plans to develop a parking structure on block 28 which may not happen now.
- Ms. Hayenga asked what else is available in the 3rd and H area for development into a garage. Mr. Kinney replied he has spent a lot of time thinking about the possibility of not being able to develop that lot. He pointed out 2 lots the state court system owns, which are currently surface parking, and 3 lots owned by Mr. Bob Acree, and a lot behind the Glacier Brewpub. He went on to state the 3 lots have a large enough footprint to build a small parking structure, and it could be a joint development with Mr. Acree if he is able and willing. Mr. Kinney feels the more likely scenario would be to come to an agreement with the state court system and use one of their surface lots as a location for a parking structure.
- Mr. Pruhs asked if he understood the issue correctly; the convention center had \$8 million in their budget to build a garage, the price of the convention center went up so the \$8 million went to support the convention center. So now we are going to trade 4 lots on block 28 for 6 lots on block 70 because we don't have \$8 million anymore. Mr. Kinney stated yes and the 6 lots will generate revenue for us. Mr. Pruhs stated he understands but we have to make some deal/trade to make this work.
- Mr. Coffey stated Mr. Pruhs is missing the convention center piece. The convention center will be funded by revenue bonds generated from the increase in the bed tax. The estimates which were created 8 months ago were based on designs that were less than 10% complete, with an agreement that when they got to 35% design they would go for a guaranteed maximum price. In the 8 months since that time steel and other prices have gone up, so the price of construction is going up. The \$60 million plus for that facility went up and the \$30 million for the peripherals off site, including the parking structure, went down when the decision was made to fund the main building. Now we are in the position to either swap for the land or there is a real problem for the convention center. Ms. Michael stated the cost for the parking structure went up. The original development had office and retail space and then went through the process of taking everything off and just having a parking structure and still

had a price tag of \$17 million, so even the \$8 million set aside wasn't going to make it happen.

- Mr. Kinney stated the reason it failed was the budget was \$8.5 million from the convention center, \$8.5 million from Diamond and maybe up to \$3 million buy-in from ACDA. Diamond wasn't willing to put up \$8.5 million.
- Mr. Zoske asked for clarification on the possible revenue we would receive from block 70 since the state would be the ones using the lot. Mr. Kinney replied the lot is a very popular after hour's parking lot and we would get to operate it after hours.
- Ms. Ward asked for the square footage of the block 70 lot. Mr. Kinney replied 42,000 sq. feet, and the lot on block 28 is 28,000 sq. feet.
- Ms. Hayenga asked if we would be entering into discussion with the state about acquiring one of the surface lots before discussion about trading the 2 properties. Mr. Kinney stated he has had initial discussions with the state and they have said they are willing to try and work something out. He feels the timing on the bonds for the convention center is such that we will not be able to work out a deal before we come before the board to authorize a swap.
- Mr. Stout asked if Diamond Parking is willing to trade and go over appraisals, why won't they be willing to take the appraisal for block 70 and let us condemn the lot. Mr. Kinney stated we have already gone down that road, we have offered \$2.3 million and they countered with \$4.7 million. Ms. Zito-Brause asked if they have countered with a different appraisal then we had. Ms. Ward stated if they aren't trading land for land, we're closing down a business and shutting off a source of revenue for them until they can replace it with something else. So, an appraisal for the property will be vastly different then an appraisal and shutting down a business and taking away their revenue. When they trade, they trade revenue for revenue; they don't want cash, they want land downtown where they can create revenue.
- Ms. Zito-Brause asked if we had any other piece of property to include HLB they may be interested in. Ms. Ward stated she tried, they have looked at every piece she had and did due diligence on 4 others and the only parcel they are interested in trading for is block 28. Mr. Kinney stated if we had \$5 million in the bank he would recommend we pay them what they want; but we don't.
- Mr. Coffey stated under condemnation you pay the cost of the business you cost them in addition to value of the hard asset. That is why the \$2.2 million, which is \$40+ a sq. foot, is for the land and doesn't pay for the business. Alaska law is clear on condemnation, it's not just the value of the asset, it's also the value of the lost revenue stream. Ms. Ward stated the court could say it is \$4.7 million by the time it goes through condemnation process and court proceeding.
- Ms. Zito-Brause stated we either do an even trade or give them \$4.7 million. Ms. Ward stated it would be an even trade based on appraisal. Mr. Pruhs asked where the \$3 million dollars came from. Mr. Kinney stated this is the amount we put in the budget from reserves. We will receive some money out of the convention center project to pay us for the value of the parking we are going to provide to the state. The current budget is \$2.2 million for this, but no one has been in contact to negotiate yet.
- Mr. Pruhs asked what the amount of revenue the other lot generates for us versus this lot - what is the net cash difference? Mr. Coffey stated we will be giving the lot to the state so they can park. (too many talking at once) Ms. Ward stated this lot will be for the state during the day, but we would receive revenue after hours. Mr. Pruhs asked if we would lose

revenue which could affect the budget by trading lots. Mr. Kinney stated yes, we are in a sense giving the lot to the state who will not be paying anything. The convention center project is going to pay us for providing parking to the state. Mr. Pruhs asked what the difference in cash flow would be. Mr. Kinney stated it would be virtually similar because the lot on 3rd is only 28,000 sq ft whereas the lot on 7th is 42,000 sq ft.

- Mr. Pruhs asked Mr. Kinney to show how the revenue would be similar, he said if it is the same or close it would be good. He doesn't want the same thing to happen to ACDA that Diamond said would happen if we took the lot from them with lost revenue/business. It could affect future projects. (too many started talking to understand) Ms. Ward stated he was right in a sense because ACDA has to create enough revenue to operate. But the reason we provide public parking is a lot of times it has to be subsidized and you don't make money. (cut off so point wasn't finished) Mr. Pruhs stated he understood what she was saying but monies have been allocated, budgets have been set and commitments have been made, so by doing this trade would it affect commitments we have previously made, what is the bottom line?
- Mr. Coffey stated there are no commitments on the property on 3rd Ave that he knows of. Ms. Zito-Brause stated there are none at this point. Mr. Coffey stated then it would be a revenue stream issue only. Ms. Zito-Brause stated right.
- Mr. Kinney stated he just completed a quick calculation on revenue between the 2 lots. On block 70 we could probably plan on \$200,000 yearly; on block 28 he thinks we made \$160,000 in 2005.
- Ms. Ward asked if we would leave the same parking fees that are there today for evenings and weekends or will the fees be lowered to match our current prices. Mr. Kinney stated that lot is primarily used by Humpy's and the PAC; we would probably use an evening rate of \$2.00 which is not what Diamond charges but is higher than our standard rate.
- Mr. Zoske asked if we are only going to have that lot open in the evenings and on weekends and charge only \$2.00 a space, how are we going to make money. Mr. Kinney stated we have to look at what we will be receiving from the convention center; assume we will get \$60 a month per space which starts us at \$9,000 a month that comes out of the convention center project. Then we will get approximately \$8,000 for evening and weekend. He reminded everyone we haven't negotiated anything yet; so he isn't sure if the money will come in a lump sum up front or pay as we go.
- Ms. Lazur asked if the \$200,000 income was based on the convention center project and evening/weekend parking. Mr. Kinney stated yes. She asked who will be in the lot during the day. Mr. Kinney stated during business hours the lot will be for state employees.
- Mr. Pruhs stated based on what he is hearing this would give us more money to do things. Mr. Kinney stated cash flow yes. (2 people talking at once can't understand) Mr. Pruhs asked if Mr. Kinney is confident about the \$200,000 income. Mr. Kinney stated the only thing left to negotiate is how much we will be getting out of the convention center. Mr. Pruhs asked if we could state we need a minimum amount to make this trade work. Mr. Kinney stated we are in a good negotiating position so he is comfortable we will get what we want. Ms. Lazur stated without this lot the convention center will not happen.
- Ms. Hayenga stated we are making the assumption that during the day conventioners will be happy to use that lot. (she spoke too softly to understand; not sure if I got it right) Mr. Kinney stated our plan for the convention center is the 6th and 7th Ave garages. During the day there is limited demand at a convention center, peak demand is going to be evenings and

weekends when we have the capacity. Ms. Hayenga asked why he would say that. Mr. Kinney stated he talked with managers at the Egan Center and they said the traffic doesn't come with people flying in for a convention because they are in hotels and they walk to the center. The traffic comes when they have local events (civic events) (a lot of background talking occasionally overriding the main speaker) and employees are not downtown.

- Mr. Coffey stated the \$200,000 pales in comparison with the \$1,000,000 Civic & Convention Center; it's .02% of the project. He recommends we be more focused on how to get this deal for the south half of block 70 because there are real serious legal issues associated with this lot and we need to make the deal even if it costs us. Mr. Pruhs asked who "us" is. Mr. Coffey stated "us" is the city. (everyone talked at once)
- Mr. Zoske stated he agrees with Mr. Coffey, he feels we are being held up personally and the deal Diamond reneged on stinks. (too many voices) He thinks Diamond planned it since they have wanted block 28 for years and finally found a way to get it. His initial concept was to vote no but feels we are stuck and have to vote yes as a group.
- Mr. Kinney stated he has asked for a broad based authority simply because we have not been able to conclude negotiations with Diamond yet. He wants to be able to proceed, and so does Ms. Ward even if it means we go forward with condemnation if we have to.
- Mr. Pruhs stated he thought there was a deal with Diamond and the convention center already. Ms. Ward stated the deal was verbal only, for real estate it has to be in writing. Unless we have a deal in writing with Diamond by 5:00 pm January 10, 2005 she will go before the assembly to ask for authority to proceed with condemnation. Mr. Coffey stated if the condemnation authority is awarded the convention center proceeds; the Mayor will be going out for pricing of the bonds next week and the state will not convey the land until parking is obtained. We are in a box. (too many talking at once)
- Mr. Pruhs stated regardless of everything that went on before we became involved; we need to be responsible and make sure we don't do something regardless of the politics or pressure. He went on to state if everything works like Mr. Kinney presented, and we either trade/trade or trade/pay difference and make money on parking, as long as it is legal, it looks like a good deal.
- Mr. Kinney stated the only down side of this deal and he is not advocating not doing the deal is we have identified the area on 3rd Ave as in dire need of parking. So now we will have to go and find a plan B. Mr. Pruhs stated it has been told to us the convention center is more important. Mr. Kinney stated he is not arguing with that point at all. Ms. Ward stated there is some good news; we are taking 4 lots and expanding to 6 lots in an area where seismic and geo-tech would be much better to do a future garage that could handle a hotel and so on and at the same time handle any parking issues. The air space is more developable than the other lot.
- Ms. Hayenga asked what the time frame would be to work with the state in creating some type of parking facility that would replace 3rd and H, because that area does need parking. Mr. Kinney stated he and Ms. Ward would start talking with the area court administrator next week. Ms. Hayenga asked if we have anything in the budget and when would we break ground if we acquire a piece of property by this fall. Mr. Kinney stated we have in our budget to begin design of a facility at 3rd & H, it could be transferred to design of a facility at an equivalent location.
- Ms. Zito-Brause asked about the size of properties the court house has that we would be interested in compared to the property on 3rd & H. Mr. Kinney stated there's good and bad

news there; they are narrower but much longer, full city blocks long. If he had his choice of lots he would pick the one between 4th & 5th on I Street across from the Captain Cook.

- Mr. Pruhs stated on Section 1 of the resolution it states negotiate a trade, he wanted to know if it included cash. Mr. Kinney stated yes, the agreement he is working on with Diamond is to go out for mutual appraisals. If one of the appraisals comes in higher, the other would pay the difference. Mr. Pruhs asked if it would need to be specified in the resolution. Mr. Kinney stated it's negotiating a trade; it doesn't say straight across. (too many talking at once) If you want more specific language it can be added. Mr. Coffey stated city law requires that we get fair market value for our land. Mr. Pruhs stated he understands that but trade to him means no cash. Maybe it should say negotiate trade and/or compensation. Mr. Kinney stated he can add trade and compensation.
- Mr. Stout stated the only thing that bothers him about this is; before, we were not going to be giving up anything. We were going to be getting a parking garage for the convention center and now we are getting a parking garage for the convention center, but will be giving up 4 lots for it. So the end result is we are a big loser, we've lost a parking area.
- Mr. Zoske asked what happens if the appraisal comes in \$300-\$400 thousand more than Diamond, would Diamond just tell us to go away. Ms. Ward stated then they will pay us. Mr. Kinney stated the agreement we are attempting to sign with them states; whichever appraisal comes in higher, the other party agrees to pay the difference. Ms. Ward stated this reflects the verbal commitment we had with them this afternoon.
- Mr. Coffey stated in the beginning we went to Diamond to ask them to do a joint venture, and everyone said, yes, it's a great idea; let's look at it to see if it makes sense. Once they determined it wouldn't make any money; they decided they couldn't do it. This is nothing out of the ordinary. Where we are today was not anticipated, but it was clear that a lot of things off site needed to be looked at. Nobody knew the convention center price was going to jump by the level it did.
- Mr. Pruhs stated there was nothing before and there is really nothing now, so the opportunity was lost for reasons out of everyone's control. That's the way he looks at it as someone new looking at the situation. There is still a little bit of a positive slant to this. Mr. Kinney stated if we want to go out for revenue bonds, this puts us in a better position.
- Mr. Stout stated he is not speaking against this; he is looking at it from the stand point of the negative comments that have come from the public on the convention center. The primary ones are not having enough parking and it will cost more money; so far, they are right. He is hoping at some point that stops and we are able to level out and say we got all the parking we need. We aren't going to be spending more money than anticipated; we are off and running with this, and it doesn't look like we are slowly but surely ratcheting up the cost and problems everyone anticipated.
- Ms. Zito-Brause stated her understanding is our need to move forward on this next week is because the longer we wait the more it will cost. Ms. Ward stated we are supposed to have a final price on Monday, January 9, 2005 when the development agreement will be signed, which is the maximum guaranteed price of the project.
- Mr. Zoske stated if we built our own garage on block 28 like we planned for the past 3 years, the revenue stream would be a lot different than what was presented tonight. Mr. Pruhs stated the debt would be different too.
- Ms. Michael stated her only concern is the community perception that ACDA would build parking on both sites. She understands it may be a better deal, but in the long run people

anticipated Anchorage Parking would be running 2 garages which would contribute to... (to many talking at once)

- Ms. Ward stated Diamond already owns the 5th lot on block 28, so they will end up with 5 lots. Who says we can't go into partnership with them if we approach them. Ms. Hayenga asked if we trust them. Ms. Ward stated not necessarily, but there are ways to do it. We are talking about going into partnership with the court system; and who knows how far to trust the state of Alaska. She stressed we may not own the land we build a structure on in that area. Mr. Kinney stated it is a worthy plan B to look at. We need to look at where we may get the best deal, and a deal with the state may not be the best deal. Mr. Coffey stated whatever we do will be the best business deal and the thing everyone needs to understand is things change; so we may go into a plan one way but come out another.
- Ms. Hayenga stated people expect more parking downtown and we promised them more parking. We have told them over and over it is coming and the areas we were planning. She feels there is a responsibility whether they see it penciling out or not, but doesn't think they ever get to that level. She agrees with Ms. Michael and asked if there is another creative way to come up with 1.7 million to meet the 4.7 million Diamond wants for the lot. Ms. Ward stated the 3 million came for the reserve and there is no place to take funds from. (too many talking) Ms. Hayenga stated it may not pencil out; but it is a community responsibility we have.
- Mr. Zoske asked if this would affect our GSA garage at all. Mr. Kinney stated if it is the first one to make it to the point where we are selling bonds, it will make it more attractive because it will be the only debt we have. He thinks seeking out an acceptable plan B will be his first priority, but we are going out for a design contract for the GSA lot within the next 5-6 weeks. We will proceed with that, but he thinks it is important for us to find an alternative for the individuals in the northwest part of downtown.
- Mr. Pruhs asked if we were going to put something in the resolution about monetary compensation. Mr. Kinney state he already did in Section 1. He changed it to read: a trade and/or compensation.
- Ms. Zito-Brause asked for a motion for the resolution with the amendment made. Mr. Zoske moved to pass the resolution; Mr. Smith seconded. The motion carried.

Ms Zito-Brause adjourned the meeting at 5:50 p.m.

Respectfully submitted by:

JoAnne Zito-Brause, Chairperson