

OFFICIAL PROCEEDINGS
Board of City Commissioners
January 24, 2017 - 6:00 pm
City Hall – Williston, North Dakota

1. Roll Call of Commissioners

COMMISSIONERS PRESENT: Tate Cymbaluk, Chris Brostuen, Brad Bekkedahl (via teleconference), Deanette Piesik, Howard Klug

COMMISSIONERS ABSENT: None

OTHERS PRESENT: John Kautzman, Pete Furusest, Bob Hanson, Anthony Dudas, Bill Tracy, Dave Bell, David Tuan, Shawn Wenko, Barb Peterson, James Lokken, RJ Benth, Darcy Anderson, Kent Jarcik, Rachel Laqua.

Mayor Klug presented a quorum.

CHANGES TO AGENDA:

Add 2B2c to Consent Agenda
 Remove 10A until further notice

Motion by Cymabaluk, Seconded by Brostuen to approve the agenda as amended.

UNANIMOUS BY VOICE VOTE

2. Consent Agenda

- A. Reading and Approval of Minutes
 - 1) Regular Meeting Dated: January 10, 2017
- B. Auditor
 - 1) Accounts, Claims and Bills

For checks between: 01/07/17 - 01/19/17

Check #	Vendor/Employee/Payee Number/Name	Check Amount	Issued
-55949	15004 JANET B. ZANDER	2455.83	01/09/17
-55948	Check not processed in this period	0.00	/ /
-55947	12020 RANDY M DONNELLY	1242.20	01/13/17
-55946	12017 JOHN L. KAUTZMAN	2451.83	01/13/17
-55945	13025 JOLEEN S. TINKER	960.14	01/13/17
-55944	19092 DUSTIN J. BERTSCH	777.63	01/13/17
-55943	56097 ALAN C. BRATT	1248.21	01/13/17
-55942	19009 LINDA R. GRANBOIS	958.59	01/13/17
-55941	56147 JACOB J. GREGORY	128.56	01/13/17
-55940	19095 WALTER H. HALL	1627.45	01/13/17
-55939	19082 RANDY M. HAUGENOE	1585.32	01/13/17
-55938	19011 JAMES L LOKKEN	2314.03	01/13/17
-55937	56061 AMY D. NICKOLOFF	1077.98	01/13/17
-55936	19098 DAVID A. PETERSON	1764.20	01/13/17
-55935	25030 PEDAR A. ANDRE	901.80	01/13/17
-55934	21041 ROBERT E HANSON	1867.12	01/13/17

-55933	22021 LES CHRISTENSEN	1304.51	01/13/17
-55932	23136 JAMES B. ENGEN	1181.62	01/13/17
-55931	23039 BRUCE A. JOHNSON	1482.08	01/13/17
-55930	24017 STEVEN W. JENSEN	1693.04	01/13/17
-55929	25110 KENNETH W. BERGSTROM	1810.92	01/13/17
-55928	27076 DANNY R. GERGEN	561.66	01/13/17
-55927	27091 JOSEPH G. MONSON	1137.29	01/13/17
-55926	56114 ANTHONY D. DUDAS	848.77	01/13/17
-55925	56086 STEVEN C. KJERGAARD	561.86	01/13/17
-55924	23126 BRENT E. HANSON	1353.12	01/13/17
-55923	34017 KENT A. JARCIK	1662.60	01/13/17
-55922	27058 DAVID LEE BELL	1401.35	01/13/17
-55921	36006 NEIL W. BAKKEN	736.19	01/13/17
-55920	52020 SHAWN WENKO	825.13	01/13/17
-55919	53002 AMY A. KRUEGER	883.37	01/13/17
-55918	FIT U.S. TREASURY	12242.24	01/12/17
-55917	MERITAIN HEALTH MERITAIN HEALTH	6845.78	01/17/17
85633	56343 ZACHARY HANSEN	6636.84	01/09/17
85634	999999 DOC LEE RITCHIE	50.00	01/10/17
85635	999999 JOSHUA MICHAEL O'MALLEY	30.00	01/10/17
85636	999999 FOY PITMAN	320.00	01/10/17
85637	999999 DAWUD WILLIAMS	730.00	01/10/17
85638	999999 BENJAMEN JOHNSON LAW PC	1732.50	01/10/17
85639	1519 CORPORATE TRANSLATION SERVICES, I	9.61	01/10/17
85640	1332 CHARLES WILDER	1200.00	01/10/17
85641	1821 MARCO	5631.12	01/10/17
85642	38 BASIN PRINTERS, INC.	118.00	01/10/17
85643	999999 BRANDON SMITH	400.00	01/10/17
85644	999999 CAFFINATED	43.00	01/10/17
85645	673 CLERK OF DISTRICT COURT	100.00	01/10/17
85646	673 CLERK OF DISTRICT COURT	750.00	01/10/17
85647	243 MONTANA-DAKOTA UTILITIES	16526.99	01/10/17
85648	484 VERIZON WIRELESS	6975.35	01/10/17
85649	533 WILLIAMS COUNTY TREASURER/RECORDE	5274.60	01/11/17
85650	623 WEX BANK	7212.21	01/11/17
85651	Vendor not on File	0.00	/ /
85652	Vendor not on File	0.00	/ /
85653	25106 RICHARD S. ODEGARD	337.77	01/13/17
85654	32006 WILLIAM M. MCQUISTON	1551.58	01/13/17
85655	564 WILLIAMS RURAL WATER DISTRICT	128.00	01/13/17
85656	487 VISA	1262.56	01/13/17
85657	487 VISA	25.00	01/13/17
85658	487 VISA	155.39	01/13/17
85659	487 VISA	1334.23	01/13/17
85660	2895 FCI CONSTRUCTORS, INC - ND	139000.20	01/13/17
85661	2741 JOURNEYS BY JAN	1000.00	01/13/17
85662	243 MONTANA-DAKOTA UTILITIES	2351.24	01/13/17
85663	3039 Wallner Lawn Care LLC	925.00	01/13/17
85664	2969 KIRBY STRICKLAND	1820.00	01/13/17

85665	119 WE INTEGRATE, LLC	360.00	01/13/17
85666	999999 MICHAEL WEGLEITNER	500.00	01/17/17
85667	999999 JARRETTE HAMMER	250.00	01/17/17
85668	269 MUNICIPAL JUDGE'S ASSOC	75.00	01/17/17
85669	999999 CODY STEPHENS	1700.00	01/17/17
85670	DEF COMP PERS1 NORTH DAKOTA PUBLIC EMPL	2318.33	01/17/17
85671	ND HEALTH ND PUBLIC EMPLOYEES RETI	226987.44	01/17/17
85672	AFLAC AMERICAN FAMILY LIFE ASS	4733.06	01/17/17
85673	487 VISA	39.29	01/17/17
85674	487 VISA	2250.00	01/17/17
85675	3044 Christ Scheen	2560.00	01/19/17
85676	Check not processed in this period	0.00	/ /
85677	Check not processed in this period	0.00	/ /
85678	Check not processed in this period	0.00	/ /
85679	Check not processed in this period	0.00	/ /
85680	Check not processed in this period	0.00	/ /
85681	Check not processed in this period	0.00	/ /
85682	Check not processed in this period	0.00	/ /
85683	Check not processed in this period	0.00	/ /
85684	Check not processed in this period	0.00	/ /
85685	Check not processed in this period	0.00	/ /
85686	567 CRAIG'S SMALL ENGINE REPAIR	1250.07	01/19/17
85687	Check not processed in this period	0.00	/ /
85688	Check not processed in this period	0.00	/ /
85689	Check not processed in this period	0.00	/ /
85690	PERS NORTH DAKOTA PUBLIC EMPL	183788.90	01/19/17
85691	2359 11TH STREET PROPERTY, LLC	6000.00	01/19/17
85692	1220 3D SPECIALTIES	3771.50	01/19/17
85693	3075 626 CONSTRUCTION	7392.50	01/19/17
85694	999998 AARON KURTENBACH	21.00	01/19/17
85695	526 ACE HARDWARE & FLOORING	691.90	01/19/17
85696	2274 ACME TOOLS	2363.73	01/19/17
85697	3 ADVANCED ENGINEERING &	23175.75	01/19/17
85698	4 AGRI INDUSTRIES, INC.	46.90	01/19/17
85699	608 ALLGUARD SECURITY LLC	72.00	01/19/17
85700	1768 ALLIANCE CONSULTING LC	39075.00	01/19/17
85701	2621 ALLSTATE PETERBILT GROUP	137.00	01/19/17
85702	19 AMERICAN STATE BANK	50.00	01/19/17
85703	718 AMERIPRIDE LINEN AND APPAREL SERV	902.01	01/19/17
85704	708 AT&T	107.59	01/19/17
85705	2848 AT&T MOBILITY	79.76	01/19/17
85706	1701 AUDREY MORMAN	170.20	01/19/17
85707	1181 BASIN CONCRETE	27332.50	01/19/17
85708	38 BASIN PRINTERS, INC.	603.00	01/19/17
85709	999999 BEAR HOLLOW WOOD CARVERS	600.00	01/19/17
85710	999998 BENJAMIN WILLIAMS	21.00	01/19/17
85711	1357 BLAINES AUTO BODY & SALES, INC.	893.00	01/19/17
85712	1664 BLUE TARP FINANCIAL INC	724.99	01/19/17
85713	52 BORDER STATES ELECTRIC	302.45	01/19/17

85714	599 BRAATEN PLUMBING, INC	5391.29	01/19/17
85715	1926 BRAUN INTERTEC CORPORATION	140.25	01/19/17
85716	1054 C & D WATER SERVICES	37.50	01/19/17
85717	2352 CARD SERVICES	50.00	01/19/17
85718	69 CARQUEST/ADVANCED AUTO PARTS STOR	177.12	01/19/17
85719	549 CASH WISE FOODS	68.81	01/19/17
85720	1755 CDW GOVERNMENT	441.27	01/19/17
85721	616 CENTER POINT LARGE PRINT	41.34	01/19/17
85722	2356 CENTURYLINK	13500.00	01/19/17
85723	1261 CHAMBER OF COMMERCE	1300.00	01/19/17
85724	79 CITY OF WILLISTON	80223.44	01/19/17
85725	1666 CIVIL SCIENCE	11669.50	01/19/17
85726	81 CLAUSEN WELDING	200.00	01/19/17
85727	2310 COLSTRIP ELECTRIC INC	157700.00	01/19/17
85728	640 COMFORT INN	3462.90	01/19/17
85729	1486 CONNEX INTERNATIONAL	19.22	01/19/17
85730	705 CONTINENTAL GATE CO.	1854.00	01/19/17
85731	2228 CUSTOM INK	1197.60	01/19/17
85732	548 DAKOTA DIESEL	371.76	01/19/17
85733	2015 DAKOTA FIRE EXTINGUISHERS	85249.26	01/19/17
85734	1487 DAKOTA SOUND AND VIDEO SYSTEMS, I	1240.00	01/19/17
85735	93 DAKOTA SUPPLY GROUP	1737.18	01/19/17
85736	2944 DAKOTA TRUCK & FARM	1138.42	01/19/17
85737	2514 DAL GLOBAL SERVICES LLC	6500.00	01/19/17
85738	2161 DAN'S TIRE SERVICE	2598.73	01/19/17
85739	999998 DANIEL ZIMMERMAN	21.00	01/19/17
85740	100 DAWA SOLUTIONS GROUP	480.00	01/19/17
85741	109 DOEDEN CONSTRUCTION	2185.19	01/19/17
85742	691 DON'S DIRECTORY	63.50	01/19/17
85743	113 DOUGHERTY & COMPANY LLC	1500.00	01/19/17
85744	2711 EAGLE ENGRAVING INC	207.95	01/19/17
85745	118 EARL'S ELECTRIC, INC.	365.00	01/19/17
85746	2490 ECO DESIGN	932.41	01/19/17
85747	1996 EDND (ECONOMIC DEV ASSOC OF ND)	945.00	01/19/17
85748	2524 ELITE HEALTH & FITNESS	190.00	01/19/17
85749	1030 EMERGENCY APPARATUS MAINTENANCE,	6734.31	01/19/17
85750	126 EMRY'S LOCKSMITHING	20.80	01/19/17
85751	2732 ENTERPRISE FINANCIAL	294.00	01/19/17
85752	2128 EXPRESSWAY INN	81.90	01/19/17
85753	3077 F.I.R.S.T.	264.05	01/19/17
85754	668 FASTENAL COMPANY	9.68	01/19/17
85755	569 FEDEX	316.24	01/19/17
85756	132 FIRST NATIONAL BANK	3351.66	01/19/17
85757	134 FORT UNION SUPPLY & TRADE	1598.13	01/19/17
85758	354 FURUETH LAW FIRM, PC	42765.43	01/19/17
85759	904 G & R CONTROLS, INC	125.00	01/19/17
85760	2828 GA Group, PC	7500.00	01/19/17
85761	139 GAFFANEY'S	3759.30	01/19/17
85762	1096 GALLS, LLC	585.71	01/19/17

85763	144 GRAYMONT WESTERN CANADA	27745.01	01/19/17
85764	659 H & H TRUCKING	2641.92	01/19/17
85765	539 HACH	927.80	01/19/17
85766	624 HAMERS AUTOMOTIVE	7768.40	01/19/17
85767	151 HAWKINS, INC.	2012.96	01/19/17
85768	153 HEIMAN FIRE EQUIPMENT, INC.	2747.45	01/19/17
85769	2346 HENKE	740.90	01/19/17
85770	478 HIGHSMITH-UPSTART-EDUPRESS	1572.15	01/19/17
85771	161 HOME OF ECONOMY	8606.44	01/19/17
85772	162 HORIZON RESOURCES	35446.63	01/19/17
85773	163 HOSE AND RUBBER SUPPLY	219.51	01/19/17
85774	173 INFORMATION TECHNOLOGY DEPARTMENT	932.90	01/19/17
85775	4561 INTERNATIONAL CODE COUNCIL, INC.	800.00	01/19/17
85776	2322 INTERSTATE BILLING SERVICE, INC	1349.39	01/19/17
85777	999998 JACOB R. HENDRICKS	25.00	01/19/17
85778	2406 JASON LEWIS	654.00	01/19/17
85779	1609 JMAC RESOURCES	483410.48	01/19/17
85780	191 JOE'S DIGGING SERVICE INC	17550.00	01/19/17
85781	999998 JONATHAN D. ROGGENKAMP	21.00	01/19/17
85782	196 KADRMAS LEE & JACKSON INC	1285.00	01/19/17
85783	2639 KATIE L. SMITH LLC	2000.00	01/19/17
85784	3074 KDW CONSTRUCTION	3250.00	01/19/17
85785	1299 KNIFE RIVER-NORTH CENTRAL	172962.70	01/19/17
85786	212 KOTANA COMMUNICATIONS	389.70	01/19/17
85787	3071 Krueger International, Inc	11502.50	01/19/17
85788	2386 LYNN CARD COMPANY	42.70	01/19/17
85789	3076 Makalu Ventures, LLC	224.00	01/19/17
85790	1821 MARCO	10450.36	01/19/17
85791	585 MCCODY CONCRETE PRODUCTS, INC	25423.07	01/19/17
85792	2685 MENARDS	213.93	01/19/17
85793	247 MERCY MEDICAL CENTER	274.65	01/19/17
85794	248 MICHAEL TODD & CO.	887.92	01/19/17
85795	250 MICROMARKETING ASSOCIATES	608.15	01/19/17
85796	253 MID-STATES ORGANIZED	200.00	01/19/17
85797	252 MIDCONTINENT COMMUNICATIONS	83.73	01/19/17
85798	1269 MIDWEST MEETINGS	575.00	01/19/17
85799	261 MON-DAK HTG & PLG, INC.	194.00	01/19/17
85800	243 MONTANA-DAKOTA UTILITIES	26062.12	01/19/17
85801	270 MURPHY MOTORS, INC.	81.11	01/19/17
85802	271 MVTL/MINNESOTA VALLEY	146.50	01/19/17
85803	1772 MYGOV, LLC	1520.00	01/19/17
85804	275 NAPA AUTO PARTS	6971.39	01/19/17
85805	3078 NATIONAL ASSN SCHOOL RESOURCE OFF	495.00	01/19/17
85806	290 ND DEPT OF TRANSPORTATION	190218.17	01/19/17
85807	319 NELSON INTERNATIONAL	2421.16	01/19/17
85808	320 NEMONT	5434.03	01/19/17
85809	1697 NEOPOST	332.47	01/19/17
85810	324 NORTHERN IMPROVEMENT CO.	99005.53	01/19/17
85811	333 NORTHWEST SUPPLY & R&R TROPHIES I	554.15	01/19/17

85812	337 O'DAY EQUIPMENT, INC.	555.87	01/19/17
85813	1635 OCLC, Inc.	554.53	01/19/17
85814	1803 ODNEY	224.97	01/19/17
85815	2339 OFFICE DEPOT	365.87	01/19/17
85816	343 OLYMPIC SALES, INC.	909.24	01/19/17
85817	344 ONE FULFILLMENT	372.02	01/19/17
85818	772 PARACLETE PRESS, INC	100.88	01/19/17
85819	2677 PAYMENT PRINCIPALS	20.06	01/19/17
85820	3073 Pioneer Wireline Services LLC	261.48	01/19/17
85821	1051 POET ETHANOL PRODUCTS, LLC	4069.77	01/19/17
85822	377 POWERPLAN OIB	1016.73	01/19/17
85823	2162 PRAXAIR DISTRIBUTION INC.	686.23	01/19/17
85824	362 PRO SAFE SERVICES, INC	740.00	01/19/17
85825	364 PURCHASE POWER	2499.28	01/19/17
85826	367 QUILL CORPORATION	700.12	01/19/17
85827	2688 RECORD KEEPERS LLC	32.00	01/19/17
85828	2922 RED ROCK FORD	696.08	01/19/17
85829	2294 RI-TEC INDUSTRIAL PRODUCTS	299.00	01/19/17
85830	2309 RICE LAKE CONSTRUCTION GROUP	119121.79	01/19/17
85831	390 RICHARD A. JOHNSON	3235.65	01/19/17
85832	413 SECRETARY OF STATE	10.00	01/19/17
85833	416 SELID PLUMBING & HEATING INC	523.56	01/19/17
85834	2495 SELLAND CONSTRUCTION, INC.	2925.00	01/19/17
85835	1576 SMITH TRAVENUEL RESEARCH	4800.00	01/19/17
85836	817 STEIN'S, INC	106.60	01/19/17
85837	1167 STRATA CORPORATION	11600.00	01/19/17
85838	2540 TARGET SOLUTIONS	7936.25	01/19/17
85839	1514 TEI LANDMARK AUDIO	6290.00	01/19/17
85840	999998 THOMAS HARTLEY	7.99	01/19/17
85841	3072 TRACTOR & EQUIPMENT CO.	11991.07	01/19/17
85842	461 TRACTOR SUPPLY CREDIT PLAN	39.98	01/19/17
85843	463 TRIANGLE ELECTRIC	118.75	01/19/17
85844	2072 TRIZETTO PROVIDER SOLUTIONS	88.40	01/19/17
85845	469 U.S. IDENTIFICATION MANUA	82.50	01/19/17
85846	471 ULTRA MAX	1107.00	01/19/17
85847	477 UPPER MISSOURI DISTRICT	100.00	01/19/17
85848	485 VESSCO, INC.	333.88	01/19/17
85849	489 VISA	4664.69	01/19/17
85850	999999 WARD SALVESON	1200.00	01/19/17
85851	496 WCS TELECOM	1140.48	01/19/17
85852	2528 WD & J PROPERTIES, LLC	10250.00	01/19/17
85853	501 WESTERN VET CLINIC	468.51	01/19/17
85854	503 WESTLIE MOTOR CO.	175.08	01/19/17
85855	531 WILLIAMS COUNTY AUDITOR	6898.13	01/19/17
85856	532 WILLIAMS COUNTY HIGHWAY DEPT.	41.70	01/19/17
85857	648 WILLIAMS COUNTY SHERIFF'S OFFICE	8700.00	01/19/17
85858	2099 WILLIAMS PLUMBING, HEATING & UTIL	164576.09	01/19/17
85859	514 WILLISTON COMMUNITY LIBRARY	552.00	01/19/17
85860	1878 WILLISTON CONVENTION & VISITOR BU	598.08	01/19/17

85861	518 WILLISTON HERALD	3855.38	01/19/17
85862	519 WILLISTON HOME & LUMBER	71.72	01/19/17
85863	525 WILLISTON TIRE CENTER	4501.86	01/19/17
85864	1762 WINTER EQUIPMENT COMPANY	584.47	01/19/17

Total Claims: \$2,321,010.71

Total Payroll: \$484,246.34

Grand Total: \$2,805,257.05

of Checks: 265

- 2) Application for a Local Permit or Charity Local Permit
 - a. Lewis & Clark PTO – Raffle 3/23/17
 - b. Williston State College Foundation Site Authorization – Sports Den – (Amending activity to be conducted)
- 3) Special Permit to Sell Alcoholic Beverages
 - a. Buster’s Bar – Jan 28th Harley Davidson Event
 - b. Doc Holiday’s – May 13th Bike Show
 - c. Doc Holiday’s – May 13th Bike Show After Party
- 4) Business License - Contingent Upon Required Department Inspections/Approvals
 - a. G-Style Transport – Tier II, Bulk Storage
 - b. Williston Downtowners Assoc. – Farmers Market
- C. Building Official
- D. City Planner
- E. City Engineer
 - 1) Appoint Wayne Weidrich as Right of Way Negotiator
- F. Bid Openings
- G. Assessor
 - 1) Abatement
 - 2) Exemptions

Motion by Cymbaluk, Seconded Brostuen to approve Consent Agenda as presented. UNANIMOUS BY VOICE VOTE

3. Public Hearings

Mayor Klug stated Public Hearings 3A-3F would be heard all at one time.

Darcy Anderson, Williams County Tax Director, presented the following:

- A. Tax Abatement Application – IP S&B Williston Properties I c/o Ryan LLC
- B. Tax Abatement Application – IRET Properties LP c/o Ryan LLC
- C. Tax Abatement Application – RAH Property Owner LLC – c/o Ryan LLC
- D. Tax Abatement Application – S&B Williston Apartments II LLC c/o Ryan LLC
- E. Tax Abatement Application – UC Property Owner LLC c/o Ryan LLC
- F. Tax Abatement Application – WRH Holding LLC c/o Ryan LLC

The above properties (3A – 3F) submitted a Tax Abatement application. The properties attended the Equalization Hearings in the Spring of 2016. They have taken their request to the state level. Per the State of North Dakota, values were equalized and should stand. Ms.

Anderson provided copies of the findings from the State of North Dakota to the City Board of Commissioners. Recommendation is to leave the values as is.

Mayor Klug opened the hearing up for public comment on the Tax Abatement Applications for Items 3A – 3F on the Agenda: IP S&B Williston Properties I, IRET Properties LP, RAH Property Owner LLC, S&B Williston Apartments II LLC, UC Property Owner LLC, WRH Holding LLC.

Ethan Horn, Ryan Property Tax Services spoke on behalf of the properties seeking abatement. Mr. Horn presented the following:

These properties consist of 6 apartment complexes in the Williston area. These abatements are in protest of the 2016 assessed values. Mr. Horn presented the City Board of Commissioners with copies of Evidence-In-Support for their review. The first subject property is the North Gate Apartment Complex located at 621 42nd Street E, consisting of 300 units and built in 2014. The current assessed value is \$43,001,300.00. That is value of \$143,000.00 per unit. The property owners' opinion of value is \$24,139,000.00 or approximately \$80,000.00 per unit. The first piece of evidence to present is the January 7, 2016 appraisal. The concluded value was \$25,700,000.00. Further, the City Assessor has transitioned to an income approach for the 2016 reassessment for these multi-family properties. That means the income potential for these properties is being used for valuation. In addition to the third party appraisal, the property owners' evaluated two additional income approaches. The first, using the income from the prior year 2015 to come to a valuation. The second is to use a market pro forma looking at market data, achievable rents and market expenses to come to a valuation. The property owners' feel the market pro forma approach is most appropriate which would take in to account the current market rents as of the Valuation Date, February 1, 2016, to come to the best current market value for assessment purposes. The issue here is the market rents that were used to determine valuation. The property owners' opinion of average rents for 1, 2 and 3 bedrooms, range from \$1,150.00 - \$1,650.00 per month. However, it is the Assessor's opinion the rents for 1, 2, and 3 bedrooms were \$1,600.00, \$2,600.00, and \$3,100.00. These are excessively over estimated. In 2014-2015, only 7 units had an actual rent over \$2,000.00. Market rents dropped significantly starting late 3rd quarter of 2015. Market rates were pulled for each type of unit as of the Valuation Date and applying the same assumptions and cap rates from the Assessor's office brings the valuation to \$24,139,000.00. Further, the actual income from this property for 2015 was \$20,430,000.00. Taking all this into account, the property owners' feel a valuation of \$24,139,000.00 is more appropriate for this property.

Commissioner Cymbaluk voiced concerns regarding the group's motivation as it pertains to the state of the economy. Further, Commissioner Cymbaluk stated when this property started ramping up, in the City's original valuation was determined of the market pro forma, however, a group came in and requested that the City perform the valuation off of income rather than the market, which the City did. Now that economy is different, this group is asking that the City go back to valuing off the market because it benefits them. Commissioner Cymbaluk further stated that it appears that this group is taking advantage of the community, originally charging extremely high rents that could not be sustained.

Mr. Horn states that the purpose of the tax abatement requests to ensure an accurate market value year over year. He further stated that should the economy normalize, the rents go up, and the income generated by the property can support its valuation; then there isn't an issue. Mr. Horn restated that the goal of his clients was to get to market value of the property.

Commissioner Cymbaluk asked for confirmation that the abatement requests were denied at the state level by the State Tax Commissioner. Mr. Horn confirmed the requests were denied at the state level and the state affirmed the current values. He further stated that he reached out to Linda Ledbetter and her group as to the rationale behind the State's decision. The State Appraisers did not follow just the income approach. Alternatively, they elected to use a 50/50 weight between a cost based approach and income based approach. The State's income based numbers indicated a value of \$24,400,000.00. The State's cost based approach was significantly higher because it failed to take into account market down turn and other outside factors. Mr. Horn's reiterated that both appraisals done on the property suggested that a cost base approach would not provide accurate market values and should not be considered. Mr. Horn added that the second appraisal done after the Valuation Date came in at \$19,200,000.00 or \$64,000.00 per unit and three months after the Valuation Date, the View 28 Apartments sold for \$6,950,000.00 or \$74,000.00 per unit.

Commissioner Brostuen asked Darcy Anderson, Williams County Tax Director when the assessment for Tax Year 2016 was completed. Ms. Anderson explained that the assessment was completed February 1, 2016, however, was based on 2015 herein. She further stated that when questionnaires were sent out to apartment complex owners for income and expenses, these particular properties did not return questionnaires. The Assessor's office had no idea what the income and expenses were; therefore these properties were not included in the market study. Mayor Klug asked if these properties were treated the same as the properties that did return questionnaires. Ms. Anderson confirmed.

Commissioner Brostuen asked in Mr. Horn knew why the questionnaires were not return. Mr. Horn stated that his firm was brought in after the valuation and that he did not know why. Commission Piesik stated the City Commission denied a similar request in the past because the property owner in that case failed to turn in requested paperwork to the Assessor's office, such as the questionnaire. She stated that while she understood that Mr. Horn was coming into this situation after the fact and that he's provided very good information, his clients were given the opportunity to return the questionnaire yet didn't. Mr. Horn stated while he felt better lines of communications are needed by both parties, the fact is what happened in the past cannot be changed. He stated that the goal of the abatement requests were to have the correct assessment placed on the properties. He further stated he provided the evidence for an appropriate valuation and to be over-assessed because of missing paperwork would be unfair. Mayor Klug clarified the previous party was not denied because of missing paperwork, but rather the assessment process. Commissioner Piesik agreed and stood corrected.

Commissioner Cymbaluk asked Ms. Anderson if there was a deadline for abatements. Ms. Anderson stated that Tax Abatements are due November 1st of the year the taxes become delinquent. As for turning in the income and expenses, the deadline is when the Assessor's office set the assessments and in this case was in February.

Commissioner Cymbaluk also asked if Williams County denied the tax abatement requests. Mr. Horn confirmed those requests were also denied.

Mr. Horn requested that he be allowed to continue his presentation of the remaining 5 properties.

Mayor Klug asked if the basis of information was similar to the North Gate property. Mr. Horn confirmed. Commissioner Cymbaluk asked if the information Hr. Horn was presenting was

the same information that was presented to the State of North Dakota and to Williams County. Mr. Horn confirmed it is the same information.

Commissioner Cymbaluk also asked Darcy Anderson if the Assessor's office could change valuation mid-year. Ms. Anderson stated valuations could not change without abatement.

Mayor Klug suggested Mr. Horn provide the City Commission with the Evidence-In-Support packets for the remaining properties and asked the Commissioners take a few minutes to review each packet and ask questions as necessary.

Information in the Evidence-In-Support packets includes the following:

Regency Apartment Homes - Assessor's Value: \$17,397,438.00; Property Owners' Opinion of Value: \$10,711,000.00

Dakota Commons - Assessor's Value: \$5,111,300.00; Property Owners' Opinion of Value: \$3,234,000.00

University Commons - Assessor's Value: \$11,881,000.00; Property Owners' Opinion of Value: \$11,881,000.00

Williston Gardens - Assessor's Value: \$17,852,100.00; Property Owners' Opinion of Value: \$10,801,000.00

Renaissance Heights - Assessor's Value: \$34,549,400.00; Property Owners' Opinion of Value: \$22,172,000.00

Mr. Horn reiterated that his clients accepted the assumptions, outside of market rent, which the Assessor used in their valuation. The property owners' are fine using the Assessor's numbers for vacancy rate, expenses, and cap rate, however, they are questioning the Assessor's opinion of market rent. This is a common theme for all 6 properties.

Commissioner Cymbaluk pointed out that the assessments for the majority of the properties actually decreased year over year, which is reflective of the market and were billed in arrears. Ms. Anderson confirmed.

Commissioner Cymbaluk also asked Mr. Horn if the rents would be adjusted to the market rates and passed through to the tenants. Mr. Horn stated that because a lease is an agreement and based on the market rate at the time, the rates within the leases are not adjustable. Commissioner Cymbaluk further pointed out essentially that is what Mr. Horn's clients are asking the Commission to do, adjust to the current market rates because it doesn't benefit the clients' financial needs. Mr. Horn stated that Commissioner Cymbaluk was confusing the issue of taking advantage of people vs demand and supply. People are willing to pay those rents based on demand and supply and the parties of the lease come to those agreements together. Mr. Horn stated alternatively, should the economy bounce back, a landlord wouldn't ask existing tenants for more rent just because the market improved. He further stated that the purpose of the hearings is to determine a fair market value. Commissioner Bekkedahl commented that in the past landlords' have included language that allowed the landlord to increase rates at any point. Mr. Horn pointed out the high dollar rents included in the rent rolls, are being charged to corporations, such as construction companies, for employee housing and to insinuate that the property owners' are taking advantage of the

people of Williston is unfair. Mayor Klug stated, in his opinion, there really isn't a difference between a corporate lease and an individual lease because corporations pass the cost of the corporate lease down to the employee.

Commissioner Brostuen stated the challenge here is that the assessment system is historical in nature and the next year, valuation could decrease again. In that case, the Commission wouldn't make a change to the good of the City or County when the future market conditions are unknown at this time. Commissioner Cymbaluk further supported this by stating as to why valuations of this nature are done in arrears.

Mr. Horn asked if the hearing was being recorded and if rationale to rulings would be provided. Mayor Klug confirmed the hearing was being recorded and any comments or questions included in the recording would be the rationale.

Mayor Klug repeated his request for public comment two additional times. There were no additional comments, and Mayor Klug declared the hearing closed.

Motion by Cymbaluk, Seconded by Brostuen to deny the Tax Abatement Applications for Items 3A – 3F on the Agenda to include IP S&B Williston Properties I, IRET Properties LP, RAH Property Owner LLC, S&B Williston Apartments II LLC, UC Property Owner LLC, WRH Holding LLC and to follow the recommendation of the Equalization Department for the City of Williston and Williams County as presented.

AYE: Cymbaluk, Brostuen, Bekkedahl, Piesik, Klug

NAY:

ABSENT AND NOT VOTING:

CARRIES: 5-0

Rachel Laqua, Planning & Zoning, presented the following:

- G. Vacation of an 80' portion of 2nd Avenue W containing 1.56 acres in the SW1/4, Sec. 36, T155N, R101W

This a public hearing for vacation an 80' wide right of way known as 2nd Avenue W between 58th Street and Spring Lake Park. The road has been removed and reconstructed directly to the east, as seen on the attached document included in the City Commission Packet, in order to create a more appropriate stacking distance on 58th Street between 2nd Avenue W and Highway 2/85, and to align 2nd Avenue W with the reconstructed frontage road to the south, east of the Holiday gas station. The Planning and Zoning Commission had no comment, however, they recommended approval. Resolution 17-003 is included in the City Commission Packet and would need to be executed in order to complete the vacation.

Mayor Klug opened the hearing up for public comment on the vacation of an 80' portion of 2nd Avenue W containing 1.56 acres in the SW1/4, Sec. 36, T155N, R101W. Mayor Klug repeated his request for public comment two additional times. There were no comments, and Mayor Klug declared the hearing closed

Motion by Brostuen, Seconded by Piesik to adopt Resolution 17-003, vacating an 80' portion of 2nd Avenue W containing 1.56 acres in the SW1/4, Sec. 36, T155N, R101W as presented.

AYE: Cymbaluk, Brostuen, Bekkedahl, Piesik, Klug

NAY:

ABSENT AND NOT VOTING:

CARRIES: 5-0

Rachel Laqua, Planning & Zoning, presented the following:

- H. Vacation of a 40' access easement along the east side of Sublot 8, located in the E1/2NE1/4 of Section 35, T155N R101W

This is a public hearing for the vacation of a 40' wide easement that runs along the east side of Sublot 8 in Section 35, T155N R101 W, which provides access to Ken Heen's property to the south of Sublot 8. The current access is technical in nature and it is not believed to be used at the moment. The easement was granted by a plat, and needs to go through this vacation process in order to be vacated. The applicant will also provide an access easement through the west side of the property to allow continued access to the Heen property to the south. This new easement will remain in place until 6th Avenue is built or other access is provided to that property. The property vacated by the easement will become part of Sublot 8. At the Planning and Zoning Commission Meeting, a commissioner asked for clarification of the location of the proposed new easement and 6th Avenue W. Staff clarified these locations and noted that this vacation would not be able to be recorded until the corresponding easement to the west side of the property is recorded. This document is included in the City Commission Packet, and has been signed by Ken Heen. There are several other signatures needed at this time. The Planning and Zoning Commission recommends approval of the vacation of a 40' access easement along the east side of Sublot 8, located in the E1/2NE1/4 of Section 35, T155N R101W. Resolution 17-002 is included in the City Commission Packet and would need to be executed in order to complete the vacation.

Commissioner Cymbaluk asked if this section was done by the County. He recalled selling the parcel to Mr. Heen and there being a 40' right of way that wasn't a realistic access. He also recalls being additional access points to Mr. Heen's property to the north. Ms. Laqua confirmed there is 47' access road easement to the north of Sublot 8 and 33' access road easement that corresponds to the property to the north. However, because of how the 40' wide easement along the east side of Sublot 8 was recorded, it becomes a public easement and must be vacated through this process.

Mayor Klug opened the hearing up for public comment on the vacation of a 40' access easement along the east side of Sublot 8, located in the E1/2NE1/4 of Section 35, T155N R101W. Mayor Klug repeated his request for public comment two additional times. There were no comments, and Mayor Klug declared the hearing closed.

Motion by Cymbaluk, Seconded by Brostuen to approve Resolution 17-002, vacation of a 40' access easement along the east side of Sublot 8, located in the E1/2NE1/4 of Section 35, T155N R101W as presented.

AYE: Cymbaluk, Brostuen, Bekkedahl, Piesik, Klug

NAY:

ABSENT AND NOT VOTING:

CARRIES: 5-0

4. Accounts, Claims and Bills Not Approved in the Consent Agenda
5. Ordinances
6. Petitions, Communications and Remonstrance's
 - A. Request for Temporary Street Closing – The Shop Bar 5/27/17
 - B. Request for Temporary Street Closing – The Shop Bar 8/26/17

These are requests from the Shop Bar for temporary street closures on 5/27/17 and 8/26/17 in order to host a block party.

Commissioner Cymbaluk voiced concerns regarding the potential negative impact on the other businesses downtown, particularly the other two bars. It does not appear that the other bar businesses have agreed or signed off on these requests. Nor, it does not appear that the Shop Bar has had any communications with the other bar businesses regarding these events. Commissioner Cymbaluk also stated that the Commission approved similar requests last year; however, it did not work out well siting issues with the police department and blocking access to other downtown businesses, including the other two bars. If the all three bar businesses downtown were to get together for this type of an event, then it might be something for the Commission to re-consider.

Mayor Klug asked if this type of event worked in the past when all three bar businesses were in agreement. Chief Lokken confirmed that it has worked out well in the past when all the bars were in agreement with hardly any complaints. Last year, however, the Shop Bar had blocked the streets in such a way that patrons wishing to attend the other two bars downtown had to pay a cover charge and walk through the block party in order to gain access to those other two bars.

Motion by Cymbaluk, Seconded by Brostuen to deny requests 6A and 6B as presented.

AYE: Cymbaluk, Brostuen, Bekkedahl, Piesik, Klug

NAY:

ABSENT AND NOT VOTING:

CARRIES: 5-0

7. Report of Commissioners
 - A. President of the Board
 - B. Vice-President; Finance Commissioner
 - C. Street and Improvement, Sanitation, Cemetery and Public Works Commissioner
 - D. Fire, Police and Ambulance Commissioner
 - E. Water Works, Sewer, Airport, Building and Planning Commissioner
8. Report of Department Heads

Mayor Klug requested a last minute change to add item 8A2, Draft Resolution of Support 17-004 – ND Cares to the agenda.

Motion by Brostuen, Seconded by Cymbaluk to consider adding item 8A2 the agenda as amended.

UNANIMOUS BY VOICE VOTE

David Tuan, City Administrator, presented the following:

- A. City Administrator
 - 1) Sales Tax Committee

In an effort to get a head of the sales tax expiration in 2020, the City Administrator's office is looking to appoint a Sales Tax Committee to begin production of information for the process that will start in the Spring of 2017 and culminate in a vote in the Fall of 2017. There are a number of names proposed for this committee and the City

Administrator's office is working on getting consent from those individuals. The City Administrator's office asks that this item be tabled until the subsequent meeting in February for approval of a formal Sales Tax Committee.

**Motion by Cymbaluk, Seconded Brostuen to table.
UNANIMOUS BY VOICE VOTE**

David Tuan, City Administrator, presented the following:

2) ND Cares

ND Cares is a coalition that supports veterans in the workplace. Joining this organization would be an undertaking as an employer. Through the ND Cares Services Network, the City of Williston would provide support to existing veteran employees. Should an existing veteran employee require assistance with housing, employment, transportation, health or communication services, the City can refer the employee to a network of service providers at no cost. There are some obligations, as a city, which must be met in order to be a part of this organization, including regular meetings and signage in order to inform our employees of our membership. Overall, this is a great benefit for our staff. In order to complete our membership to ND Cares, the Commission must approve the Resolution 17-004 which states the City's affirmation. Also, the City must also appoint a three-member committee. Suggested members include: Commissioner Bekkedahl, City Administrator David Tuan and Fire Chief Jason Catrambone.

Motion by Cymbaluk, Seconded by Brostuen to approve Resolution 17-004 to join the ND Cares Program and the three-member committee as presented.

AYE: Cymbaluk, Brostuen, Bekkedahl, Piesik, Klug

NAY:

ABSENT AND NOT VOTING:

CARRIES: 5-0

John Kautzman, City Auditor, presented the following:

- B. City Auditor
1) Semi-Annual Pledged Collateral Report

The Auditor's office is required by statute to present to the Board a list of collateral that is place with the investments and institutions with which the City has money. The list is included in the City Commission Packet. The Auditor's office is requesting approval of the list as presented.

Motion by Cymbaluk, Seconded by Piesik to approve the Semi-Annual Pledged Collateral Report as presented.

AYE: Cymbaluk, Brostuen, Bekkedahl, Piesik, Klug

NAY:

ABSENT AND NOT VOTING:

CARRIES: 5-0

- C. Attorney
D. Director of Public Works

Bob Hanson, City Engineer, presented the following:

- E. City Engineer
 1) 2017 Street Reconstruction Project – Utleig Engineering Services Agreement

This is a service agreement with Utleig Engineering for the 2017 Street Reconstruction Project. A memo detailing the project is included in the City Commission Packet. This reconstruction project is in the area between 1st Avenue East and 2nd Avenue East from 6th Street to 11th Street. Utleig Engineering has provided services, to be billed hourly, not-to-exceed \$599,660.00. It should be noted the Utleig has lowered their standard hourly rates for this year and these lower rates are reflected in the proposed Engineering Services Agreement. For comparison purposes, a copy of the old rate sheet and the new rate sheet is included in the City Commission Packet. Recommendation is to approve the services agreement in the amount of \$599,660.00.

Motion by Piesik, Seconded by Brostuen to award Utleig Engineering's Services Agreement as presented for the 2017 Street Reconstruction Project to be billed hourly, not-to-exceed \$599,660.00.

AYE: Cymbaluk, Brostuen, Bekkedahl, Piesik, Klug

NAY:

ABSENT AND NOT VOTING:

CARRIES: 5-0

Bob Hanson, City Engineer, presented the following:

- 2) 2017 Water Main Replacement Plan Approval & Authorization to Advertise for Bids

Alliance Engineering has completed the Plans and Specifications for the 2017 Water Main Replacement Project which would replace the problematic outdated cast iron water mains along the following streets:

Phase I:	6 th Avenue East-18 th to 26 th Street	\$1,003,281
Phase II:	7 th Avenue East-20 th to 26 th Street	\$851,085
Phase III:	2 nd Avenue East-14 th to 18 th Street	\$522,400
		\$2,376,767

\$2,000,000 has been included in this year's budget for this project. If necessary, Phase III can be dropped from this project for budgetary purposes. Without Phase III, the total project cost is approximately \$1,800,000.00.

City Engineer's office is requesting Commission approval of the 2017 Water Main Replacement Project plans and authorizes its advertisement for bids with a bid opening date of February 23, 2017.

Motion by Brostuen, Seconded by Cymbaluk approval of the 2017 Water Main Replacement Project Plans and Specs and authorize the advertisement for bids with a bid opening date of February 23, 2017.

AYE: Cymbaluk, Brostuen, Bekkedahl, Piesik, Klug

NAY:

**ABSENT AND NOT VOTING:
CARRIES: 5-0**

Battalion Chief RJ Benth, Williston Fire Department, presented the following:

- F. Fire Chief
1) Fire Station 1 Remodel Change Order 001-Williams Plumbing & Heating

The first change order is Change Order #1 for Williams Plumbing & Heating. This change is due to having to replace hose bib, originally intended to be reused. This Change is \$249.00 and the Fire Department recommends approval.

Motion by Cymbaluk, Seconded by Brostuen to approve Change Order #1 for Williams Plumbing & Heating in the amount of \$249.00 as presented.

AYE: Cymbaluk, Brostuen, Bekkedahl, Piesik, Klug

NAY:

ABSENT AND NOT VOTING:

CARRIES: 5-0

Mayor Klug suggests that the Fire Department present Item 8F2-8F4 together.

Chief RJ Benth, Williston Fire Department, presented the following:

- 2) Fire Station 1 Remodel Change Order 004-Williams Plumbing & Heating

The second change order is Change Order #4 for Williams Plumbing and Heating. This change is to replace the flanges on the main water line for the station. This replacement was necessary due to the condition of the equipment that was original to the building. These changes total \$5,124.26 and the Fire Department recommends approval.

- 3) Fire Station 1 Remodel Change Order 001 REV1-L&H Electric

The third change order is Change Order #1, Revision 1. These changes are due to adjustments and corrections needed either to correct coordination and fit issues within the original systems or are adjustments needed to bring systems up to code. This change totals \$11,731.00 and the Fire Department recommends approval.

- 4) Fire Station 1 Remodel Change Order 005-Williams Plumbing & Heating

The fourth change order is Change Order #5 for Williams Plumbing & Heating. This Change to correct and issue that was discovered where drains were not connected and others were draining into a floor drain from a sink and laundry area. This change includes a floor cut and installing drain lines that meet code. This change order totals \$7,377.60 and the Fire Department recommends approval.

Motion by Cymbaluk, Seconded by Brostuen to approve the change order described in Items 8F2, 8F3, and 8F4 in the amount of \$24,232.86 as presented.

AYE: Cymbaluk, Brostuen, Bekkedahl, Piesik, Klug

NAY:

ABSENT AND NOT VOTING:

CARRIES: 5-0

- G. Chief of Police
- H. Building Official

Rachel Laqua, Planning & Zoning presented the following:

- I. City Planner
 - 1) Yearly Planning Update

This is an annual update on 2016 Planning & Zoning activities:

During 2016, the Planning Department took in 60 total cases and recorded 8 updates to the Zoning Ordinance and City Ordinance. Of these cases, 13 were zone changes and 5 of those were initiated by the City. These ETJ rezones involved a total of 1,496 properties.

Planning & Zoning completed updates to the zoning ordinance to include:

- Ordinance 1028, which created a new Sign Ordinance
- Ordinance 1036, which regulated industrial fabric tent structures
- Ordinance 1039, which corrected a typo in a previous ordinance
- Ordinance 1041, which updated alley regulations
- Ordinance 1043, which allowed sidewalk cafes
- Ordinance 1050, an amendment to Ordinance 1026 to amend the removal and reclamation provisions for temporary workforce housing
- Ordinance 1048, amending Ordinance 999 to allow Temporary Use Permits in M-2: Heavy Industrial and Agricultural zones
- Ordinance 1052, which created a Downtown Design Review Board and established regulation of such

In 2016, the Planning Department also began work on multiple new ordinances, including:

- An ordinance to address small cell and DAS systems
- An ordinance to create a highway corridor commercial district

The Planning Department also held multiple public and committee meetings on the update to the Comprehensive Plan, Transportation Plan, and Corridor Plans throughout 2016, culminating in a planned public hearing at a joint City/County Planning and Zoning Commission meeting in February 2017.

The department also worked with the Board to update the development plan and expand the area of the Renaissance Zone in April 2016. Of the 20 state projects that have been completed, approximately 21 new businesses have been created, 99 new apartments have been created, 8 new buildings have been built, and 14 buildings have been renovated. The target goal for investment into the Renaissance Zone in 2006 was \$750,000 – the 20 completed projects have a total project cost of \$34,588,343.00 and have added \$18,340,708.00 of taxable value to the Renaissance Zone.

Additional detailed has been provided in the City Commission Packet.

- J. Economic Development

Anthony Dudas, Assistant Airport Manager, presented the following:

- K. Airport
 - 1) Three (3) Rental Car Agreements

These agreements are for Avis, Enterprise, and Hertz to operate at Sloulin Field International Airport. The agreements are four years in length beginning January 1st, 2017. These are essentially continuation of the agreement these companies are currently operating under. The agreements will automatically terminate upon the relocation of the Airport. The Airport receives 11% of gross receipts or \$600, whichever is greater, from each operator each month. The Airport also collects a \$3.50 Customer Facility Charge (CFC) from each car rented from the facility that must be used to fund improvements to Airport facilities. The Airport provides counter space in the terminal, 41 parking spaces, and a car wash facility. The Airport recommends approval.

Motion by Cymbaluk, Seconded by Brostuen to approve the rental car agreements with Avis, Enterprise and Hertz as presented.

AYE: Cymbaluk, Brostuen, Bekkedahl, Piesik, Klug

NAY:

ABSENT AND NOT VOTING:

CARRIES: 5-0

- L. Assessor
- M. Convention and Visitor's Bureau
- 9. Appointments and Consultations with Officers
- 10. Unfinished Business
 - A. ~~Vacation of Public Right of Way, 50th Rd NW, Sundby Annexation – Vestal Properties, LLC~~

Mayor Klug called for a short recess in order to teleconference George Gaukler, President of Hi Line Owners Group, LLC dba Dakota Apartments 14 & 16.

Shawn Wenko, Economic Development, presented the following:

- B. Hi Line Owners Group, LLC dba Dakota Apartments 14 & 16

Hi Line Owners Group is seeking to go from a construction loan to permanent long term debt for Dakota Apartments 14 & 16. They are seeking to utilize the Bank of ND Flex Pace Interest Buy-down program in order to leverage \$1,001,000.00. To do that, it requires a City buy-down portion. For something of this size, the City's buy-down amount will be around \$539,000.00. The Hi Line Partners' originally proposed to use the Flex Pace Buy-down dollars for rent subsidy. The initial proposal from Hi Line Partners included a plan to take 66 units, Dakota Apartments 14 & 16, and discount the rents in those units up to \$300.00 for the term of the Flex Pace loan or six years. However, working with the Small Business Development Center and with data received from the North Dakota Housing Finance Agency, it has been determined that the multi-family market is still showing need for 2 bedroom rental units in the \$500-\$600 range. Going back to Hi Line, the City asked for a greater discount in rents to fewer units. Together, Economic Development, the City Administrator and Hi Line Partners came up with the following guidelines:

- The program will last for the term of the PACE funding, approximately six years.
- Priority to participate in the program will be determined by the City and primarily in this order:
 - City Employees
 - Essential service workers in the community
 - Low to moderate income residents
- The subsidy provided by this program will be \$500 per month, per tenant, for 43 units. This will be deducted from the current base rent of \$1,140 in Dakota Apartments 14 & 16.
- Valley Rentals, also Hi Line Partners, agrees to set a base rent for no more than \$1,100 for a two bedroom unit to city employees for a minimum of two years, less the \$500 subsidy reduction.
- Base rent will be defined as the rent Valley Rental/Hi Line offers to the general public, which changes over time and by building.
- The subsidy to the tenant shall not be taxed.
- Hi Line Owners Group will agree to return \$203,340.00 to the City of Williston at the end of the Flex Pace term.

Of the cities buy down amount, \$335,760.00 will provide the subsidy. The remainder (\$203,340.00) will be returned back to the STAR Fund at the end of the Flex Pace term (6 years).

Mr. Gaukler (via teleconference) added that Hi Line would be paying the STAR Fund annually for cash flow purposes.

The STAR Fund Board has recommended approval of the Flex Pace Buy Down for Hi Line Partners pursuant to the guidelines not to exceed \$550,000.00.

Commissioner Piesek asked how the tax-free subsidy would work. Mr. Gaukler stated because of the discounted rent levels, the tenants will be paying less. This program has been used on projects. Commissioner Piesik also asked if there were enough city employees needing housing to support the program. City Administrator David Tuan stated that the City uses the availability of housing to attract and retain employees. As of today, there are fewer employees using those housing options than the last two years simply because the market has been favorable. However, it is something that the City actively continues to use to attract and recruit. If the market does increase over the summer, the City will rely on housing options in order to compete with private industry to attract qualified candidates. The City may not need to use all 43 units for City Employees, however, per the guidelines the units can be offered to public employees, such as healthcare, county, or school employees. Commissioner Piesik asked if the City does not use all 43 units, would the STAR Fund still receive \$203,340.00 in repayment from Hi Line Partners. Mr. Gaukler confirmed the STAR Fund repayment will be made in full regardless of how many units are used at the end of the Flex Pace term. Commissioner Piesik voiced concerns over the availability of apartments in the

community and whether this will draw enough interest from city employees, especially with employees looking into home ownership.

Motion by Brostuen, Seconded by Cymbaluk to approve the Flex Pace buy-down pursuant to the guidelines presented not-to-exceed \$550,000.00 as presented.

AYE: Cymbaluk, Brostuen, Bekkedahl, Piesik, Klug

NAY:

ABSENT AND NOT VOTING:

CARRIES: 5-0

11. New Business
12. Executive Session
13. Adjourn

Motion by Cymbaluk, Seconded by Brostuen to adjourn.

AYE: Cymbaluk, Brostuen, Bekkedahl, Piesik, Klug

NAY:

ABSENT AND NOT VOTING:

CARRIES: 5-0