

City of Rock Springs)
County of Sweetwater)
State of Wyoming)

City Council met in special session on August 7, 2019. Mayor Timothy A. Kaumo called the meeting to order at 6:30 p.m. Members present included Councilors David Halter, Keaton West, Jeannie Demas, and Rob Zotti. Councilors Glennise Wendorf, Tim Savage, Billy Shalata, and David Tate were absent from the meeting. Department heads present included Matthew L. McBurnett, Dave Lansang, and Paul Kauchich. The pledge of allegiance was recited.

Mayor Kaumo made welcoming comments and turned the meeting over to Chad Banks, who stated that the First Security Bank is an anchor building in Rock Springs and has been vacant for a very long time. He added that Mayor Kaumo saw an opportunity, and that there are environmental and structural concerns to address, which leads to the intention to apply for Community Readiness Grant with a match of \$250,000 per phase of the project to renovate this building that is in the budget under the non-departmental line item. The grant is due on September 1, 2019 and a copy must be given to the Wyoming Business Council by August 16, 2019. Lisa Mueller has been helping draft the grant and is working with Gordon Crofts and Jerry Meyers as the project managers. The Wyoming Business Council has stated that they are not aware of many other grants coming forward, which puts the City in a good position. In 2011, \$1 million was requested and denied. The Wyoming Business Council knows how important this historic building is to our community. Phase I of the project includes securing the building, infrastructure, and mitigation of risks and dangers that come with a building being vacant for so long. The 1980 Development Plan for Rock Springs includes this building in its plans for renovation, so the building has been part of a proposed development plan for many years.

Jerry Meyers, with Myers & Anderson Architects, addressed the Governing Body to give some background and overview regarding this building. A feasibility study was done and the National Park Service grant application has not been turned into the Parks Service yet, but has been finalized. Discussions with the State Historic Preservation Office have taken place. The building has been determined to be in relatively good condition for its age, but that in the basement area, structural issues have been identified on the north end to include columns settling and degradation of the concrete. Phase I would include stabilization of the building, primarily in the lower level. Mayor Kaumo stated that Mr. Meyers is discussing the Feasibility Study the recommendations to make the building safe for entry. The plans of the building were discussed, as well as repairs that will need to be made for this purpose. Mayor Kaumo clarified that Gordon Crofts owns an adjacent building, and that Clark Stith owns the other adjacent building. He added that a Quitclaim Deed will be done for the property that Mr. Crofts owns, as the entire building to be renovated must be owned by the City. Future plans of the building were discussed, including two stair towers to be added to the outside of the building, along with the proposed spaces to be utilized to include restaurant, retail, and tenant space. This design is done in order to answer questions about the grant application that may arise from the Wyoming Business Council. The Wittman Hotel in Pocatello, Idaho, and the Bonneville Hotel in Idaho Falls, Idaho, were shown as a reference for what can be done with a condemned building. Estimates for renovation are based on numbers from existing projects that were recently completed, as well as other factors to determine a cost for this project. U.S. Custom Builders is a general contractor and the costs of their estimates with the architectural estimates have been combined to determine a total cost for the project. The specifications of the project, as well as the justification for the cost estimates, were summarized. The total completion cost include renovation for occupants to move in is projected at \$216 per square foot, at almost \$3.4 million, with the grant amount being an additional \$3.5 million. The total adds up to almost \$6.7 million for the total project cost. Mayor Kaumo stated that these cost estimates will be finalized as the bids come in and will be distributed to the Governing Body for review.

Gordon Crofts addressed the Governing Body, stated that the U.S. Custom estimates are generated from actual bids, but that actual square footage numbers are still needed. Mayor Kaumo added that a piece of the fascia fell into a neighboring, wall-sharing property, that these challenges must be fixed. There is accumulative water damage in the building as well. Mr. Crofts discussed challenges regarding the mezzanine area and the metering of gas and power. He discussed his experience in the real estate industry and the desire to renovate the First Security Bank Building. Mayor Kaumo stated that there are not many opportunities left with this building, and there is one right now to make this happen.

Councilor Zotti stated that he was part of this during Mayor Kaumo's last term as Mayor, and that the Wyoming Business Council was concerned with the transparency of financial information. He stated that there is going to be a need for financial stability to make this project happen, and whether this would be an issue this time around. Mr. Crofts stated that he felt that the need for his financial information during the first round of grant applications was unreasonable, and that he would be willing to provide this information this time around, if necessary. Councilor Zotti also asked that if we are looking at \$3 million in public funding for this project, what is the public's return on investment for a project like this would be. Mr. Meyers stated that having grant funding to bring the project to a level playing field for renovation, as opposed to being completely privately funded, would help with the possibility of a return on investment. The public's return on investment comes back in tax form. Councilor Zotti asked about utilizing local contractors, or Wyoming-owned contractors. Mr. Meyers clarified that they always work to do this and that having a construction manager would allow local companies to work under the construction manager's umbrella. Mayor Kaumo stated that there may be challenges with different trades not being available in Wyoming. Councilor Zotti clarified that with public funds being utilized, that he would like to see Wyoming's economy benefit from this project. Discussion took place regarding contractors and local opportunities. Councilor West asked for clarification regarding square footage costs for new construction vs. renovation construction and clarification was provided. Mayor Kaumo stated that in his last term as Mayor, the cost was half of the current projections, and that the longer the City waits, the more it will cost. He stated that this is a very important project for our economy and that it is possible to complete. Councilor West asked how much funding is available with the Wyoming Business Council. Mayor Kaumo stated that there is \$3 million available for each project. Councilor Zotti expressed concerns regarding the return on investment and compared this to the Sweetwater Events Complex issues that have arisen recently. Mr. Meyers added that this funding is present specifically for the revitalization of communities and the economies. Mayor Kaumo stated that this building is not small, and will be very expensive if it is required to be demolished, as opposed to renovated. Councilor Halter asked Mr. Gordon about the property being assigned to us as the City, and what else would be contributed by him for this project, financially. The money from leases for tenants would go back to the City, and possibly a percentage back to the Wyoming Business Council. Mr. Banks clarified that there is now a recapture involved and that Mr. Gordon will be able to purchase it after 5 years, at market value. Mayor Kaumo stated that the benefit of the developer taking on this project is the opportunity to purchase the building at fair market value, taking into consideration labor and other expenses.

Mayor Kaumo stated that the next step is to get the finalized numbers for the grant application, which is due soon, and that a public hearing will be held at the August 20, 2019, City Council Meeting, along with a Quitclaim Deed for the neighboring property owned by Mr. Crofts to be included in the renovation process. Mr. Meyers clarified that the numbers are correct, but that the structural review may necessitate some changes. He also discussed the options of demolishing or renovating and costs associated with it. Councilor Zotti asked about subsidence issues and whether those are applicable for this project. Paul Kauchich, Director of Engineering/Operations & Public Services, stated that he has not seen any evidence of undermining issues and that it has been re-assured that the mine workings ended slightly northeast of the building, which should not surface issues. He added that concrete has been poured in between columns that support the building, to fill voids underneath the sidewalks. Mr. Meyers stated that structural engineers

have reviewed the building and that contingencies have been added to the cost of the project to cover unforeseen issues. Councilor West asked what would happen with the Quitclaimed adjacent property from Mr. Crofts if the grant is unsuccessful, and Mayor Kaumo stated that it would revert to its original owner and would have a disclaimer in it, for this purpose.

Mayor Kaumo expressed excitement about the project. Maria Mortensen, URA Board Member, stated that she loves the building and seeing it occupied will be wonderful. She hopes that this will become contagious.

Mayor Kaumo made closing comments.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:01 p.m.

By: _____
Council President

ATTEST:

City Clerk

Mayor