

DOWNTOWN DEVELOPMENT AUTHORITY/MAIN STREET  
SPECIAL MEETING - CITY OF OTSEGO  
ZOOM MEETING  
December 18, 2020  
10:00 A.M.

A Special Meeting of the Otsego Downtown Development Authority (D.D.A.)/Main Street Board was held Friday, December 18, 2020.

Chairman Bennett called the meeting to order at 10:00 a.m. with the following members present: Cyndi Trobeck, Scot Reitenour, Bruce Meles, Ben Pobocik, Kim Rayburn, Toby Esterline and Sue Cramer. Absent: Stacey Withee. Also present: City Manager, Aaron Mitchell; City Finance Director, Matthew Storbeck; Main Street Manager, Kahler Sweeney; and Economic Development Director, Dave Rayman.

CONSIDERATIONS

Chairman Bennett gave an update on the negotiations with the Otsego Area Historical Society (OAHS). He commented that they agreed to the modifications and they had only a few minor “wording” changes. He stated that the following changes were made to the agreement:

1. Rent would remain at three hundred dollars for up to five years. After five years and through year ten, the rent can't be raised to more than five hundred dollars and could be negotiated. If Main Street abandons the office space, the contract is null and void.
2. The property that the OAHA sign is currently located on will need to be deeded from the City to the “property”.

Member Meles asked the Board to review Section 6, 9, and 10, as he has an issue with the ten calendar days and suggested that it be changed to thirty days. Member Trobeck commented that all of the language is standard and that the ten days is “boiler plate”.

In regards to the Lease Agreement, Chairman Bennett commented that it will be signed prior to June 30, 2021, when we know more about the status of the program. Member Trobeck commented that the Lease Agreement will begin on July 1, 2021, and we will know where the program is at prior to that date. She expressed that the lease agreement is a very big deal to them, as they count on this three hundred dollars a month. Chairman Bennett asked Member Trobeck if they would be paying for utilities. Member Trobeck indicated that they would be paying the utilities. Member Esterline commented that the DDA/Main Street has been paying rent to the OAHS for many years at a rate of three hundred dollars, in a building that is owned by the DDA/Main Street. Member Esterline commented that they are getting everything that they want and more. Member Bennett asked if there is something that allows us to back out of the agreement. Member Trobeck indicated that you could put in the motion, that a ninety day notice will be given if the contract will not be executed. Member Meles asked where would the DDA/Main Street office go and pay less. Member Esterline commented that the DDA/Main Street needs to show solvency within the next five years. Member Trobeck commented that the term is for one year only with the option of renewal. Member Meles commented with the option of the ninety day notice. Member Trobeck indicated that it sounds fair and is a win-win and we should agree to it. Member Esterline asked if they can lease the office space to anyone

else. Member Trobeck indicated that they can only lease to a non-profit. Chairman Bennett stated that they realize that they are very limited to who they can rent to. Member Meles asked where did the ninety day notice come from, as he indicated that on the top of page two of the lease agreement it states sixty days. Chairman Bennett stated that he feels better with sixty day notice to renew the lease. Member Meles commented that this is the best outcome that we could have asked for, as it is a good deal and has good terms for everyone involved. Finance Director Storbeck asked if the contract can be broken during the term. Member Meles commented that the “Lessor’s Default” paragraph could be expanded on to add the lease can be broken within the term, with thirty days’ notice. Specific use of the museum space was discussed. Member Reitenour asked if it is our intention to sign the lease agreement in June 2021, and for the lease agreement to begin on July 1, 2021. Member Trobeck commented that Chairman Bennett will reach out to the OAHS in regards to the lease. Member Esterline commented that being a renter in the building now, the City should look at their insurance policy and make sure it is covered properly. Finance Director Storbeck will check the policy.

#### A. CONSIDERATION OF PURCHASE AGREEMENT FOR MUSEUM SALE

Member Meles moved to authorize Chairman Bennett to enter into a Purchase Agreement with the Otsego Area Historical Society for the Museum Building, as presented, seconded by Member Rayburn. CARRIED.

#### B. CONSIDERATION OF LEASE AGREEMENT FOR OFFICE SPACE IN MUSEUM

Member Pobocik moved to authorize Chairman Bennett to enter into a Lease Agreement with the Otsego Area Historical Society, changing the amount of days required to void the contract - to sixty days, adding that the lease can be broken within the term of the lease - with thirty days’ notice, and the signing of a Lease Agreement will be prior to June 30, 2021, seconded by Member Rayburn. CARRIED.

Chairman Bennett stated that the Otsego Historical Society will provide a one thousand dollar deposit when they sign and deliver the signed agreement to City Hall. Member Trobeck stated that she will deliver the paperwork and deposit to Devon Title, to get the process started.

#### DISCUSSION ITEMS

None.

#### MEMBER COMMENTS

None.

#### PUBLIC COMMENTS

None.

The meeting was adjourned on a motion by Member Rayburn seconded by Member Pobocik.  
10:41 a.m.

Angela M. Cronen, MMC  
City Clerk