

RAMSEY COUNTY REGIONAL RAILROAD AUTHORITY

April 19, 2011

The Ramsey County Regional Railroad Authority met with the following members present: Bennett, Carter, Ortega, Parker, Reinhardt, Rettman, McDonough – 7. Absent: 0. Also present was Julie Kleinschmidt, County Manager and Phil Carruthers, Director of Civil Division, Ramsey County Attorney's Office.

Chair McDonough called the meeting to order at 10:00 AM.

AGENDA

Commissioner Rettman moved approval of the Agenda of the April 19, 2011 Board Meeting, seconded by Commissioner Reinhardt. Roll Call: Ayes – Rettman, Bennett, Carter, Ortega, Parker, Reinhardt, McDonough – 7. Nays – 0.

MINUTES

Commissioner Parker moved approval of the Minutes of the April 5, 2011 Board Meeting, seconded by Commissioner Carter. Roll Call: Ayes – Rettman, Bennett, Carter, Ortega, Parker, Reinhardt, McDonough – 7. Nays – 0.

1. Memorandum of Understanding between the RCRRA and Christos Two, LLC

Commissioner Reinhardt moved approval of the following resolution, seconded by Commissioner Carter.

Chair McDonough commented that this deal needed to be executed quickly, which is why they chose to meet today. He said they had to come to an agreement with how Christos Two, LLC (Christos) will operate their business during the construction period of the Union Depot renovation and also what the future of their business will be. He thanked the Ramsey County Regional Railroad Authority (RCRRA), Property Management, the County Attorney's Office and Christos for getting this deal done.

Commissioner Parker asked how much Christos' business loss is expected to be during the five month period that they are closed.

Jolly Mangine, Director, Property Management, said there are a couple of areas with business losses. There is the loss of business during the actual construction period. He said Christos nets about \$120,000 per year off gross revenues of about \$1 million. The four to five month period that they will be closed does not necessarily equal to \$10,000 in losses per month because certain months generate more revenue than other months. To figure out what the loss may be, they decided they would track the previous years and give a proportionate share based on what the net revenue was for those months. The second piece in rents deals with the future and this goes off of what is called 'going concerns'. They will go back and look at how Gus Parpas (President of Christos) did and they will track how he does after he opens his business again after the renovation. Mr. Mangine said we believe business will pick up after the building is renovated but sometimes there is a lag in business after a business has been closed for a period. He said they are probably dealing with loss of actual revenue of \$50,000 to \$60,000, and they have a downsized risk that is probably in the \$150,000 range with everything included.

Commissioner Parker said she was a bit surprised to see that Christos will have to close for this length of time and that we cannot try to work around them during construction to allow them to stay open.

Mr. Mangine said they considered it but they had to look at the degree of renovation they are doing in, above and around that business. The front entrance is going to be torn up making it unappealing for events such as weddings; the glass ceiling above Christos will be renovated creating a considerable risk and the use of scaffolding to protect people below was very costly; chemical cleanup treatment will be used and, although this will be safe to the workers as they apply them, it does not make a preferable environment for a functioning business. They originally thought the duration of this work could take more than six months but Construction was able to narrow it down to about four months. The Memorandum of Understanding (MOU) document mentions five months but that is to give them some leeway.

Chair McDonough added that they were prepared to work with Mr. Parpas and accommodate him had he insisted that he stay open, but the decision they arrived at is based on mutual conversation and mutual agreement.

Commissioner Rettman appreciated being able to see and review the MOU document. She said even though it may cost more, it is important that the business be held harmless in the process. In comparison to the Central Corridor Light Rail Project (CCLRT), and how those businesses are now being disrupted by the construction taking place, she believes the way we handled this deal with Christos is a good way to do business and she commended the staff involved.

Commissioner Carter also appreciated that care that RCRRA took in working with Christos. She wanted to acknowledge that, with the new Metropolitan Council, they may have the opportunity to continue to work with businesses along University Avenue to make certain that those businesses can stay open as well. She said with the CCLRT construction going on right now it is a challenge for all of us. They are working very hard with the Met Council and are seeing that it is willing to challenge itself create opportunities for those businesses, much like the work we are doing at RCRRA for Christos.

Roll Call: Ayes – Rettman, Bennett, Carter, Ortega, Parker, Reinhardt, McDonough – 7. Nays – 0.
(R11-16)

WHEREAS, The Ramsey County Regional Railroad Authority is renovating The Union Depot Multi-Modal Transit and Transportation Hub (Depot) to the benefit of the citizens of Ramsey County; and

WHEREAS, Christos Two, LLC has a lease to operate Christos Restaurant in the Head House of the Union Depot that is renewable in May, 2011; and

WHEREAS, A Memorandum of Understanding (MOU) has been negotiated with Christos Two, LLC to describe the conditions of the lease renewal as affected by the Union Depot reconstruction; Now Therefore Be It

RESOLVED, That the Ramsey County Regional Railroad Authority approve the Memorandum of Understanding with Christos Two, LLC, outlining the terms of a lease renewal for the operation of Christos Restaurant in the Union Depot Head House; and Be It Further

RESOLVED, That the Ramsey County Regional Railroad Authority authorize the Chair to execute the Memorandum of Understanding.

CORRIDOR UPDATES

- Gateway Corridor
Commissioner Ortega reported on the Gateway Corridor Policy Advisory Committee's (PAC) most recent meeting. At the meeting, the PAC discussed the need to add an eighth alternative to the alternative analysis. The addition of the eighth alternative is outside of the original scope of work and will add an estimated \$100,000 to the cost. A request will be made to the financial partners, the RCRRA, Washington County, and the Met Council, to split the cost. He also reported that at the Gateway Corridor Commission meeting on April 14, a resolution was passed in support of a new St. Croix River Crossing.

ADJOURNMENT

There being no further business, Chair McDonough declared the meeting adjourned at 10:15 AM.