



City of Mount Rainier

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**SPECIAL MEETING OF THE MAYOR AND COUNCIL
WEDNESDAY, SEPTEMBER 15, 2010
COUNCIL CHAMBERS, UPPER LEVEL
7:00 PM**

Review with Nichols Development the Draft RFP

The first issue brought up was that this was a RFP only – what about a partnership leasing vs. sale and incorporating the Thrifty property?

Mayor Miles: The city never purchased the property to hold on to it – it was to sell the property and to have some say about what was going to be developed there.

Councilman Tarlau: There was prior discussion around with a potential developer taking over payments and working with Thrifty Car Rental.

Mayor: But what is the council's goal? The city's alley would be a contribution to the development.

Councilmember Thompson: My original suggestion was not to sell the property but to partner with a developer so that the city would have a stake in the final outcome.

Councilmember Tarlau: I want to look at different options; looking at a document would give us different options.

Councilmember Knedler: Originally the discussion was to sell; we have 1% in the HIP building but we are really not getting anything out of it. Is there a way to retain ownership as we want some say as to what happens, but we can't keep paying the debt without bankrupting the city.

Mr. Nichols: Partnership means risk; can look at this in three ways profit, risks, and design. Land disposition agreements come back to the city for participation in profit. Participation in risk means that you have the title which must be transferred to a new entity and cannot lease the property to the developer. The difference between partnership and sale is dependent upon the amount or risk – the upside is that you have more say.

Tarlau: Still interested in options.

Nichols: Don't accept a developer based on set criteria. You can dig yourself into a very bad whole. What you want and need is a clean quick process.

Tarlau: Thrifty is not owned by us – the RFP is more attractive to a developer if it includes Thrifty.

Nichols: You cannot put Thrifty in the proposal because you don't own it. A good developer can only control what you own from a development standpoint. Can't take into the criteria a piece of property the city doesn't own. A developer is not required to include Thrifty but the evaluation can be weighted to include this property.

The property that is owned by the city is big enough to stand alone as a development project and it can influence other development in the block.

Mayor: Do not develop the RFP contingent upon the Thrifty property. What about another option to get Mr. Solomon to partner with the City.

Nichols: The reality is that Mr. Solomon has no incentive to partner with the city – he has a development site on his own. Development of the city's property enhances his property (improves the value) and it will encourage him to improve his property.

Thompson: Don't want to include Thrifty in the RFP Process.

Action item: It was agreed by consensus to leave the language in the draft as is.

Thompson: We need to profit as much as we can. I think if we go with a straight sale the city will lose a lot of money – if we share in the profits we can break even.

Nichols: Page 9 D. under financial information, this addresses this issue as there is wiggle room. Land disposition agreement – under the terms and structures there is a contractual obligation to monitor their books. If the developer receives more than they anticipate, we share in the profits. You do not want to be a limited liability partner because you don't want to share in the risk. A developer would love to partner and the city bear all the risk.

Action item: Will take a look at the language on page 9 and tweak it some more. There will be a bidder's conference to make clear the options and flexibility.

Tarlau: page 1 only talks about housing.

Mayor: We ought to have retail and residential and an upscale restaurant.

Knedler: We don't want rental, but should allow for it – the first floor should be retail and we prefer and should encourage commercial retail.

Nichols: Developers will want commercial retail as it brings a higher rent. A combination of office, retail and or residential is preferred. In a land disposition agreement, it usually states that the seller is responsible for the survey, environmental, and title search. A contract is to accompany sale of the property.

Knedler: Page 5 emphasize the bus routes on Rhode Island Avenue.

Action Item: City manager to contact Brad Frome about paying for the survey. (Note: CM emailed Brad the following day – no response)

Knedler: Bryan – is there somewhere we can put in the types of businesses that we would like to see in our downtown?

Public Comment

Brent Bolin agreed with what the council was doing and money being spent on this effort; it is important to note that this is a right project not a “right now” project. He also agreed with accounting for Thrifty Car Rental, Larry is ripe for development. He is glad that the council is giving attention to this; community should review this project- citizens need to give buy-in to the project as they want the council to have a broader interest.

Tarlau: Mentioned the meeting with the potential developer last month and the consensus that they would come back to the table and meet with the council in September.

Mayor: We do not want them to come back. There should be a level playing field.

Tarlau: Agree we are too far in the process now to bring in another developer.

Council Vacancy

Council member Jimmy Tarlau submitted the following names for council consideration to fill the ward 1 vacant seat:

Amy Callner
Cheryl Fountain
Bill Updike

Action item: On September 28, 2010, the Mayor and Council will talk with the candidates and review their resumes. The goal is to come to an agreement as to who will fill the vacant seat. Councilmember Tarlau asked each of the three to prepare a resume and submit a written statement concerning their goals and why they want to serve on the council.

Action item: The three candidate names are to be posted on the website and MRTV. (Note: posted on both)

Tarlau motioned and Knedler Second to adjourn. The meeting adjourned at 9:45 pm