

**AGENDA
CITY OF LARAMIE, WYOMING
CITY COUNCIL MEETING
CITY HALL
MAY 24, 2018 6:00 pm**

City Council Meetings are open to the public. Requests for accommodations from persons with disabilities must be made to the City Manager's Office 24 hours in advance of a meeting.

1. WORKSESSION

1.A. WORK SESSION: Budget and related Sales Tax Elections

2. SPECIAL MEETING

Documents:

[SPMtg 5-24-2018 budget.pdf](#)

2.A. Memorandum of understanding with the Laramie Chamber Business Alliance for the Speculative Office Space at Cirrus Sky Technology Park [Jordan, CM]

Documents:

[CMO - Spec Building - Cover sheet - 5-23-2018.pdf](#)
[MOU for Spec Building.final May 15.pdf](#)
[CMO - Spec Building - October 2015 Agreement.pdf](#)

2.B. Consideration of Fiscal Year 2019 and 2020 City of Laramie Budget

2.C. Adjournment

**NOTICE OF CITY COUNCIL
SPECIAL MEETING**

NOTICE IS HEREBY GIVEN that a Special Meeting of the Laramie City Council will be held Thursday, May 24, 2018, 6:00 p.m. following the Work Session, in Council Chambers of City Hall, 406 Iverson Ave, for the following purpose:

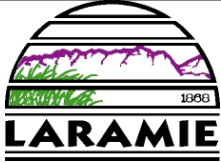
1. Memorandum of Understanding for the Speculative Office Building at Cirrus Sky Technology Park
2. Consideration of Fiscal Year 2019 and 2020 City of Laramie Budget
3. Adjourn

/s/ Andi Summerville, Mayor

Attest:/s/ Angie Johnson

Advertised May 18, 2018

####



Agenda Item: Agreement

Title: Memorandum of understanding with the Laramie Chamber Business Alliance for the Speculative Office Space at Cirrus Sky Technology Park

Recommended Council MOTION: Move to approve the Memorandum of understanding with the Laramie Chamber Business Alliance for the Speculative Office Space at Cirrus Sky Technology Park and authorize the Mayor and Clerk to sign

Administrative or Policy Goal: Strategic Partnerships for Economic Growth & Development

Background: The Laramie Chamber Business Alliance has secured a tenant, UL, LLC, to lease Speculative Office Space at Cirrus Sky Technology Park. That company already a building at Cirrus Sky and wants to expand its operations into the Spec Building as well.

Without an agreement, LCBA cannot right now lease the Spec Building to UL. While the City is obligated to transfer the Spec Building to LCBA, that can't be done until the final plat is completed, most likely later this year. There are also significant tenant improvements that need to be constructed before UL can move into the Spec Building.

Therefore, in order to serve the City's and LCBA's goals of growing industry and adding jobs, this agreement allows LCBA to 1) immediately enter a lease with, and act as landlord to, UL, including collecting its rents; and 2) begin constructing tenant improvements for UL, at LCBA's sole expense.

LCBA may seek financing for construction of those tenant improvements, and as further evidence for lenders that LCBA will be the eventual owner of the Spec Building (as the City is already obligated to deed over the land when the plat is final) the agreement requires the City to execute a metes and bounds quit claim deed, which may not be recorded, and will be returned to the City when the platted lot is deeded over to LCBA.

Also, the agreement addresses approximately \$249,000 the City holds from the sale of the Laramie Tech Building, earmarked for reinvestment in community economic development. The agreement allows the LCBA, if its Board and Finance Committee so vote, to request from Council that these funds be released for the tenant improvements at the Spec Building. If that request is made, that decision will be up to Council.

This agreement does not spend City funds.

Responsible Staff: City Manager Jordan, x5226 & Economic and Community Initiatives Administrator, Sarah Reese, x5201

City Manager

City Attorney

Choose an item.

MEMORANDUM OF UNDERSTANDING:
SPECULATIVE OFFICE BUILDING AT CIRRUS SKY TECHNOLOGY PARK

This is a Memorandum of Understanding (“MOU”) with regard to the Speculative Office Building located in Cirrus Sky Park, which was constructed under authority of that certain “*Project Development and Administration Agreement*” of October 2015 by and between the City of Laramie, Wyoming, a Wyoming municipal corporation, hereinafter referred to as the “City,” and the Laramie Chamber Business Alliance, a Wyoming non-profit corporation engaged in economic development in Albany County, Wyoming, hereinafter referred to as “LCBA.” The Parties to this MOU are the City and LCBA.

RECITALS & BACKGROUND INFORMATION

WHEREAS, on June 2, 2008 the Parties entered into a *Memorandum of Understanding (MOU)* concerning the ownership and operation of a certain parcel of real property identified as Lot 5A, Block 2, Laramie River Business Park and the building constructed thereon by the City with grant funds from the Wyoming Business Council, together herein referred to as the “Laramie Tech Building;”

WHEREAS, on May 6, 2014 the Parties entered into an *Agreement to Supersede the Memorandum of Understanding of June 2, 2008* (“*Agreement*”) to memorialize the sale of the Laramie Tech Building to a third party, to amend the *MOU* and to define the funds to be made available to the City and LCBA through that sale;

WHEREAS, the parties agreed the City would commit funds from the sale of the Laramie Tech Building for reinvestment in community economic development objectives as was the purpose of the original construction grant from Wyoming Business Council to the City;

WHEREAS, under the May 2014 *Agreement*, LCBA would be attributed a 14.0% share of the net proceeds of the sale of the Laramie Tech Building and the City would be attributed an 86.0% share of the net proceeds from the sale of the Laramie Tech Building;

WHEREAS, in October 2015 the City and LCBA entered that certain “*Project Development Agreement Between City of Laramie, WY and Laramie Chamber Business Alliance for the Management and Construction of a Speculative Office Building at Cirrus Sky Technology Park*” (hereinafter the “*Spec Building Agreement*”).

WHEREAS, using the funds described above, the *Spec Building Agreement* resulted in the construction of the Speculative Office Building at Cirrus Sky Technology Park, including related utilities, site-work, and access, as the primary economic development objective for reinvesting sale proceeds, and required the parties to set forth and finalize the terms of the project at a future date by mutual consent;

WHEREAS, under the *Spec Building Agreement* the City and LCBA agreed to consider using remaining project funds as an added economic development incentive in the form of tenant

finishes, and it is agreed that the balance of the funds available for such contribution from City is now \$249,000.00;

WHEREAS, the *Spec Building Agreement* contains provisions requiring that the City transfer title to the Speculative Office Building and the related fixtures, appurtenances and underlying real property to LCBA when it was ready for occupancy;

WHEREAS, while the Speculative Office Building has been completed under the *Spec Building Agreement* and has been ready for occupancy and use since November 2016, the City has not yet transferred title to the building and the underlying real property to LCBA due to issues with approval of the plat for the area;

WHEREAS, a tenant for occupancy and use of the Speculative Office Building has been located, and the Parties recognize it is critical the Parties accommodate the request of the tenant to begin leasing the Speculative Office Building; and

WHEREAS, the Parties agree they each have a desire to secure a tenant for the Speculative Office Building, so it is necessary for the Parties to enter this MOU while the City and LCBA complete their other obligations under the *Spec Building Agreement*.

NOW, THEREFORE, in exchange for the mutual promises contained herein, the Parties now wish to enter into this MOU and hereby confirm their understanding and agree as follows:

1. The Parties agree the City is obligated to deed the Speculative Office Building to LCBA and that LCBA has met all of the obligations imposed on LCBA with respect to the transfer of title. When the preliminary plat for the area is approved, the City of Laramie will execute a quitclaim deed to LCBA, using a metes and bounds description of the tract of land upon which the building is located (but which will not contain a block/lot description). LCBA will hold this executed deed, which is necessary for LCBA to secure financing, but will not record said deed. When the final plat for the area is approved, the City will execute a warranty deed to transfer title the land upon which the building is located, using a block/lot legal description. At that point, LCBA will then return the quitclaim deed to the City.

2. However, in recognition of its desire to see the Speculative Office Building put to immediate use for economic development purposes, the City consents to allow LCBA to negotiate the terms of a lease agreement with UL, LLC, the prospective tenant for the Speculative Office Building (“UL”), as long as such lease is on terms substantially similar to those set out in UL’s proposal dated May 14, 2018, attached hereto. In order to facilitate such a lease agreement, the City hereby confirms LCBA’s power and authority to arrange and execute such a lease agreement. For purposes of this MOU, so as to allow LCBA and UL to enter into a binding lease, the City hereby assigns unto LCBA the sole and exclusive right, power and authority with respect to negotiation and execution of such lease with UL for the Speculative Office Building, its fixtures and appurtenances and the underlying real property. In the event LCBA should for some reason cease to exist as an entity prior to the time the City executes the quitclaim deed described in ¶ 5 below, the City shall have the power and authority to assure the transfer of the Speculative Office Building to a qualified economic development organization.

3. LCBA shall have the exclusive right to possess, manage, and control all right, title and interest in the Speculative Office Building to the extent necessary to lease and act as landlord to UL, including without limitation the right to control the Speculative Office Building and retain all rents (which are needed for the cost of tenant finish and/or economic development purposes).

4. LCBA will hire a contractor at LCBA's expense to finish the interior of the Speculative Office Building for the tenant's purposes, the cost of which the parties anticipate will exceed \$249,000. Either during or after that construction, LCBA, through a vote of its Board and Finance Committee, may request from the City Council all or part of the \$249,000 designated by the City for economic development projects, to reimburse LCBA for a portion of the tenant improvements for the Speculative Office Building. Notwithstanding any other provisions of this MOU, and regardless of the disposition of said \$249,000.00, upon completion of tenant finish to City code, the City will issue a permanent certificate of occupancy to LCBA for use and leasing of the building.

5. As is contemplated in the *Spec Building Agreement*, upon completion of the preliminary platting process and approval of the final plat by the City, the City shall execute a Quitclaim Deed, by which it will convey and quitclaim unto LCBA all of City's remaining right, title and interest in and to the Speculative Office Building, its fixtures and appurtenances and the underlying real property. Upon execution of said Quitclaim Deed, LCBA shall thereafter be the sole of-record owner of the Speculative Office Building, its fixtures and appurtenances and the underlying real property.

This MOU shall not modify the obligations and rights of the City and LCBA under the *Spec Building Agreement*, except as may arise by the express terms of or by implication under the terms of this MOU.

DATED this ___ day of May, 2018.

CITY OF LARAMIE

LARAMIE CHAMBER BUSINESS ALLIANCE

Janine Jordan, City Manager

David R. Coffey, President

10/30/15. orig to mark. City Clerk

PROJECT DEVELOPMENT AGREEMENT BETWEEN
CITY OF LARAMIE, WY AND LARAMIE CHAMBER BUSINESS ALLIANCE
FOR THE MANAGEMENT AND CONSTRUCTION OF A
SPECULATIVE OFFICE BUILDING AT CIRRUS SKY TECHNOLOGY PARK

This Project Development and Administration Agreement is made and entered into by and between the City of Laramie, a Wyoming municipal corporation located in Albany County, hereinafter referred to as the "City," and the Laramie Chamber Business Alliance, a Wyoming non-profit corporation engaged in economic development in Albany County, Wyoming, hereinafter referred to as "LCBA."

WITNESSETH:

WHEREAS, on June 2, 2008 the Parties entered into a *Memorandum of Understanding (MOU)* concerning the ownership and operation of that certain parcel of property identified as Lot 5A, Block 2, Laramie River Business Park and the building constructed thereon by the City with grant funds from the Wyoming Business Council, together herein referred to as the "Laramie Tech Building;" and,

WHEREAS, on May 6, 2014 the Parties entered into an *Agreement to Supersede the Memorandum of Understanding of June 2, 2008 ("Agreement")* to memorialize the sale of the Laramie Tech Building and to define the allowable expenditure of funds made available to the Parties through that sale; and,

WHEREAS, the parties agreed the City would restrict funds from the sale of the Laramie Tech Building for reinvestment in community economic development objectives as was the purpose of the original construction grant from Wyoming Business Council to the City; and,

WHEREAS, the *Agreement* established the construction of a Speculative Office Building at Cirrus Sky Technology Park, including related utilities, site-work, and access, as the primary economic development objective for reinvesting sale proceeds, and required the parties to set forth and finalize the terms of the project at a future date by mutual consent.

NOW, THEREFORE, in exchange for the mutual promises contained herein, the Parties now wish to enter into this Project Development and Administration Agreement, and hereby agree as follows:

1. The Parties agree and understand that the Speculative Office Building will be located at Cirrus Sky Technology Park with a project budget and Guaranteed Maximum

Price (the "GMP") of \$2,400,000 based on design and programming presented by the project architect which was reviewed and approved by the City and the LCBA on 8/12/2015. The approved Speculative Office Building generally includes a two-unit, partially finished office building with a fully-finished shared entry, lobby area, conference room, and restrooms; the remainder of the building will be unfinished initially. The office area will be two thousand seven hundred fourteen (2,714) square feet per unit for the west office, and two thousand three hundred fifty seven (2,357) square feet for the east office, or an estimated total office space of five thousand seventy one (5,071) square feet, finished to core and shell only to allow for buyer/tenant finish. The project, including all site improvements and landscaping, will be constructed in accordance with City development and building standards.

2. The LCBA's fourteen percent (14%) share of the proceeds from the sale of the Laramie Tech Building, equaling four hundred eighteen thousand nine hundred ninety three dollars \$418,993, will be applied wholly to the design and construction of the Speculative Office Building, including related utilities, site-work, and access.
3. The City will fund the balance of the project cost from its eighty six percent share (86%) of the sale proceeds, equaling one million nine hundred eighty one thousand seven dollars (\$1,981,007). In the event the project costs exceed the \$2,400,000 GMP, the City will pay any such excess additional costs. Following construction and completion of the Speculative Office Building, any remaining balance of sale proceeds from the Laramie Tech Building will be retained by the City in the Economic Development Fund for future economic development opportunities.
4. During design and construction of the Speculative Office Building project the City and the LCBA will act as project partners. The two Parties' will jointly bear the burden of administrative review, design / submittal approvals, responsibility of final site improvements, and franchise and municipal utility extensions. All project procurement and contracting will adhere to WY State statutes and City of Laramie policies. The City will be responsible for contract and project budget administration including payables and retainage. The LCBA shall be responsible for all Owner's expenses including but not limited to all real property taxes, utility services, and insurance.
5. LCBA will be responsible for marketing the Speculative Office Building for the purpose of recruiting new business, or retaining and growing existing businesses, in the endeavor of positive, sustainable economic development for the City of Laramie.
6. It is the Parties' intent to attempt to find a buyer for the Speculative Office Building, but the Parties' agree that if a buyer is not located prior to the transfer of title to the LCBA, the building may be leased out to a tenant approved by prior, written agreement of both Parties' hereto.

Should the Speculative Office Building be leased to a suitable *tenant*, City and LCBA may consider using remaining project funds as an added economic development incentive in the form of tenant finishes. The amount of funding that will be contributed to tenant finishes will be mutually agreed to by the Parties' and will depend upon the length of tenancy, number of primary jobs created, length of time those new primary jobs will be maintained, wage level of those new primary jobs, and the community's return-on-investment generally resulting from the use of public funds to assist the private business tenant.

Moreover, in the event the Speculative Office Building is sold to a suitable *buyer*, City and LCBA may consider using remaining project funds for finishing the building to the specified needs of the buyer as an added economic development incentive. The amount of funding that will be contributed to buyer finishes will be mutually agreed to by the Parties' and will depend upon the number of primary jobs created, length of time those new primary jobs will be maintained, wage level of those new primary jobs, and the community's return-on-investment generally resulting from the use of public funds to assist the private business purchaser.

7. Upon issuance of Certificate of Occupancy for the Speculative Office Building, the property title (including both the building and all of its appurtenances and the underlying real property) will be transferred and deeded to LCBA in accordance with the terms and conditions of the pre-existing agreement between the parties for Cirrus Sky Technology Park (Exhibit A), and subject to those same restricted uses and recapture plans. LCBA and the City may negotiate a lease agreement prior to the title transfer so long as the City is a party to the agreement and a Temporary Certificate of Occupancy has been issued.

MISCELLANEOUS.

Amendments. Either party may request changes to this Agreement. Any changes, modifications, revisions or amendments to this Agreement which are mutually agreed upon by and between the parties to this Agreement shall be incorporated by written instrument, and effective when executed and signed by all parties to this Agreement.

Applicable Law. The construction, interpretation and enforcement of this Agreement shall be governed by the laws of the State of Wyoming. The courts of the State of Wyoming shall have jurisdiction over any action arising out of this Agreement and over the parties, and the venue shall be the Second Judicial District of Albany Judicial District and County, Wyoming.

Entirety of Agreement. This Agreement, consisting of five (5) pages, represents the entire and integrated Agreement between the parties concerning the subject matter hereof, subject to the terms and conditions of the May 6, 2014 *Agreement*. This Agreement and the May 6, 2014 *Agreement* shall be read together so far as is possible and each given effect. In the event of an irreconcilable conflict between this Agreement and the May 6, 2014 *Agreement*, however, this Agreement shall control.

Liability. Any assigned employee of a Party acting under this Agreement shall be deemed to be acting within the scope of his duties for purposes of the Wyoming Governmental Claims Act and the local government self-insurance program or commercial insurance, Wyo. Stat. §§1-42-101 through 1-42-207. All privileges and immunities from liability, and all pension, disability, worker's compensation and other *benefits* which normally apply to assigned employees of the Parties while in the performance of their duties in their own jurisdiction shall also apply to them when acting pursuant to this Agreement.

Indemnification. Each party to this Agreement shall assume the risk of liability arising from its own conduct. Neither party agrees to insure, defend or indemnify the other.

Severability. Should any portion of this Agreement be judicially determined to be illegal or unenforceable, the remainder of the Agreement shall continue in full force and effect, and either party may renegotiate the terms affected by the severance.


Governmental Immunity. The parties and their respective governing bodies do not waive their governmental immunity by entering into this Agreement, and each fully retains all immunities and defenses provided by law with respect to any action based on or occurring as a result of this Agreement. It is agreed, however, that the terms and conditions of this Agreement shall be enforceable between the parties as a binding contract.

Third Party Beneficiary Rights. The parties do not intend to create in any other individual or entity the status of a third party beneficiary, and this Agreement shall not be construed so as to create such status. The rights, duties and obligations contained in this Agreement shall operate only between the parties to this Agreement, and shall inure solely to the benefit of the parties to this Agreement. The provisions of this Agreement are intended only to assist the parties in determining and performing their obligations under this Agreement. The parties to this Agreement intend and expressly agree that only parties signatory to this Agreement shall have any legal or equitable right to seek to enforce this Agreement, to seek any remedy arising out of a party's performance or failure to perform any term or condition of this Agreement, or to bring an action for the breach of this Agreement.

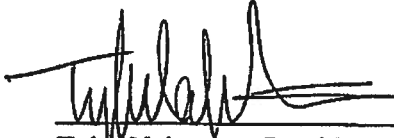
DATED this ___ day of October, 2015.

CITY OF LARAMIE

LARAMIE CHAMBER BUSINESS ALLIANCE




David A. Paulekas, Mayor and
President of Laramie City Council

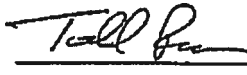


Tylor Valentine, ~~President~~ *Chairman*

ATTEST:



Sue Morris-Jones, MMC
City Clerk



Secretary