

MEMORANDUM

TO: FILE

FROM: CITY MANAGER

DATE: Wednesday, 26 November, 1997

SUBJECT: *INFRASTRUCTURE COSTS - YANKS AIR MUSEUM*

CONFIDENTIAL

The purpose of this memo is to clarify a telephone conversation with the developer, Mike Whelan, regarding infrastructure costs. Mr. Whelan contacted me today, Wednesday 26, 1997 to discuss some various issues concerning the YANKS development project.

One of the issues inquired about was the city's application of community development block grant (CDBG) funding to assist with infrastructure costs. I told Mr. Whelan the city's grant proposal was not funded and went on to further state the city would apply again under the next cycle. The amount applied through CDBG program is \$500,000. The developers have always been under the impression the city could apply for up to one million dollars. I have repeatedly stated this is not the case.

In discussing this issue today, Mr. Whelan inquired as to where the remaining \$800,000 would come from should the city be successful in obtaining the grant. I reminded the developer of his last proposal which was simply to be responsible for his infrastructure connecting to the city system at Thorn Road. (Please refer to the attached letters for informational purposes) I left the conversation at that. The City of Greenfield has never formally approved of the developer's proposal.

The position of the City, as it always has been, is that all parties must be responsible for the financing of the infrastructure as indicated in the letter dated April 02, 1997. The fact the City is assisting with submitting a grant application should not relieve the developer of some type of financial responsibility. The developer's letter is not valid since the proposal requires the "City and County" develop services to Thorne Road and the County has not participated in financing the infrastructure nor submitted a joint grant application as promised. Unfortunately, the developer continues to shift the financial burden to the City for his project.

In closing, the City should be requiring the developer to enter into a development agreement that specifically sets forth the responsibilities of all parties. In this way, city staff will not have to deal with the uncertainties that have existed over the past two years regarding the infrastructure development.

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