

JAMESTOWN CITY COUNCIL
SPECIAL MEETING, DECEMBER 16, 2008
OFFICIAL MINUTES

The special meeting of the City Council was called to order by Mayor Liechty at 3:00 P.M.

Roll Call showed the following members present: Mayor Liechty, Council Members Kourajian, Nygaard, Parisien and Schulz, City Attorney Dalsted, City Engineer Schwartzkopf and City Administrator Fuchs.

Mayor Liechty moved a Resolution to deny the next scheduled payment of Economic Development Funds to the Jamestown/Stutsman Development Corporation, in the amount of \$587,500.00, for the Spirit Ethanol, LLC, until such time as the Jamestown/Stutsman Development Corporation resolves their construction timeline issues and legal issues with Spirit Ethanol, LLC, and the Newman Group and the City has documentation of the other investors in the Spirit Ethanol Plant. Seconded by Council Member Nygaard.

Responding to questions from Council Members, City Attorney Dalsted indicated that the agreements in question were between the Jamestown/Stutsman Development Corporation and Spirit Ethanol, LLC, while the City has a contractual agreement with the Jamestown/Stutsman Development Corporation. The City Attorney indicated that the Jamestown/Stutsman Development Corporation had acted in a responsible manner in an attempt to resolve the issues with Spirit Ethanol, LLC, and by adopting the resolution at their December 15, 2008, board meeting which sets out a reasonable timetable for Spirit Ethanol, LLC's, performance on the agreement. He went on to state that the City should not do anything to place Jamestown/Stutsman Development Corporation in a possible position of default on the agreement, particularly since the funds distributed to date are secure and earning interest and cannot be expended without written consent of the Jamestown/Stutsman Development Corporation.

Jim Boyd, Vice President of the Jamestown/Stutsman Development Corporation, indicated that he concurred with the City Attorney's assessment and stated that at the time the agreement was signed all parties felt that construction of the plant was imminent; however, since then, economic conditions have changed and the delay in construction was a good business decision. He further indicated that should construction on the plant not commence by July 1, 2009, the JSDC would consider Spirit Ethanol, LLC, to be in default of the agreement and appropriate action would be taken to have the advanced money returned to the Jamestown/Stutsman Development Corporation.

Council Member Parisien called for the question on the motion. Seconded by Council Member Schulz.

Roll Call No. 1 showed: 0 ayes, 5 nays (Liechty, Parisien, Kourajian, Schulz, Nygaard), 0 absent. NOT CARRIED.

Council Member Schulz moved to adjourn. Seconded by Council Member Kourajian. Unanimous aye vote. Carried.

ATTEST:

APPROVED:

JEFF FUCHS, City Administrator

CLARICE LIECHTY, Mayor