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Jury rules in favor of City in downtown parking structure lawsuit

A North Central District Court jury ruled in the City of Minot’s favor today in a dispute with Cypress Development, LLC involving a public-private partnership project that included the development, design, and construction of two downtown parking structures. The jury’s decision came after more than a week of testimony before North Central District Court Judge Gary Lee.

“We’re glad to have this issue behind us after investing so much time, money, and emotion into these structures,” said Minot Mayor Shaun Sipma. “Now we can focus on moving forward for the benefit of the City.”

The City’s relationship with Cypress began in 2011, when the City selected Cypress for a development contract following a Request for Qualifications process. The City and Cypress entered into a series of agreements pursuant to which Cypress agreed to develop, design, and construct two mixed-use developments including parking, retail space, and apartment homes on City land; the City agreed to contribute \$4,937,500 per structure from a combination of MAGIC Fund and federal funds towards the construction of the parking structures. The Renaissance and Central parking structures opened in 2016, but Cypress did not complete the retail space and apartment homes.

The City terminated its contracts with Cypress and filed suit for breach of contract in March 2018. At trial, the jury awarded the City \$2,442,479.94. Those amounts included unpaid rent and excess costs the City incurred constructing the parking structures. They also include costs incurred by the City to install the exterior walls and roofs on the two structures, which were the obligation of Cypress but were completed by the City. The City has managed and operated the structures since March 2018. Cypress’ countersuit, which was denied by the jury in its entirety, sought more than \$50 million in damages related to excess construction costs and lost profits.

Sipma said efforts will begin to find a partner to construct apartments on top of the two structures and complete the development of the existing commercial space.

“We appreciate the hard work done throughout this lengthy process by Jocelyn Knoll and Kate Johnson from the Dorsey & Whitney law firm, who represented the City in Court, as well as the City Attorney’s office and current and former City staff,” Sipma said. “We presented a strong case to the jury, and we’re happy they agreed with us.”

For additional information or interviews contact the Public Information Office at 701-857-4727 or by email at pio@minotnd.org.

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