

MEETING OF THE CITY OF CONNELL, WASHINGTON
CONNELL, FRANKLIN COUNTY, WASHINGTON

August 15, 2007

The Special meeting, of the Connell City Council was called to order by Mayor Gary Walton at 6:32 pm in the City Hall and was opened with the Pledge of Allegiance.

ROLL CALL

PRESENT: Mayor Gary Walton, Mayor Pro Tem Ron Boyer, Councilmembers Jim Klindworth, Rhonda Quinton, Kent Mosbrucker, and Monica Pruett.

STAFF: City Administrator Art Tackett, Attorney Dan Hultgrenn, Planning/Building Clerk Jed Crowther, and City Clerk/Treasurer Maria Peña.

VISITORS Bill Hoppe, Varsity Development

ORDER OF BUSINESS

PROCLAMATION FOR RETIRED SENIOR VOLUNTEER PROGRAM

Mayor Walton provided that the City had received correspondence from the City of Kennewick proclaiming October 31, 2007 Retired Senior Volunteer Program day.

Motion: Councilmember Pruett moved to support October 31, 2007 as Retired Senior Volunteer Program day. Councilmember Boyer seconded motion. Motion carried unanimously.

OASIS REQUEST

Attorney Hultgrenn presented Exhibit A and Exhibit B, sketches for Varsity Homes, and advised that the Real Estate Committee had been reviewing, over the last few months, a request made by Varsity Development which included a boundary line adjustment for Parcel A (NE ¼ of the SE ¼ of the SW ¼) and Parcel B (SE ¼ of the SE ¼ of the SW ¼) on Exhibit A. Two new parcels would be made, Tract 1 and Tract 2 as shown in Exhibit B. The City's reservoir was situated on Tract 2.

The City had a present interest and ownership in Parcel A but the City's use was restricted to the water system and pipelines. If the City ceased to use the property at any time for that purpose ownership would revert back to Varsity. Varsity's request was for the City to relinquish its interest in a substantial portion of Parcel A in exchange for various other considerations which were enumerated in the Real Estate Exchange Agreement. The City would convey its interest in Tract 1 to Varsity Development and Varsity Development would convey its interest in Tract 2 to the City.

Attorney Hultgrenn had an agreement prepared to provide that, in addition to the interest conveyed in the lots, Varsity Development would undertake certain projects that involved increasing the size of one of the lines, moving a fence, graveling areas, and providing for overflow. An issue surrounding the request was that varsity had obtained a mortgage on the parcel which included Tract 2. Staff has been struggling with how to address

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Varsity's need to get title to the property while keeping the City fully protected in the event that something unexpected happened and the mortgage was foreclosed.

The Real Estate Committee had considered two ways to do that. One was to require an escrow be set up in the amount of \$62,000, which was the amount provided by the City's engineers to cover the cost to do the work Varsity had agreed to do. The other alternative was a personal guarantee of the owners of Varsity Development, but the Committee did not feel comfortable with the personal guarantee and therefore felt that the only thing they could recommend to the Council was an escrow amount of \$62,000.

Bill Hoppe of Varsity Development stated that a \$62,000 was out of the question, Varsity had a considerable investment in the future growth of Connell and did not agree with the \$62,000 estimate provided by the City engineer. Mr. Hoppe expressed that the plat was approved with the trade in mind and that to attach additional requirements that were not part of the initial trade was unfair.

Mayor Walton expressed some concerns of his and the Council if something were to happen and Varsity defaulted on the mortgage and did not complete the additional requirements.

MEETING RECESSED

Mayor Walton recessed the special meeting at 7:00 pm to go into Executive Session to discuss the purchase of real estate for approximately 15 minutes.

Attorney Hultgrenn at 7:15, as directed by Mayor Walton, advised that the Executive Session would be extended approximately another 10 minutes.

MEETING RECONVENED

Mayor Walton reconvened the special meeting at 7:30 pm.

OASIS REQUEST CONTINUED

Motion: Councilmember Klindworth moved to table the request for further discussion with Varsity and to be placed on the next agenda. Councilmember Boyer seconded, motion carried unanimously.

MEETING ADJOURNED

There being no further business to be heard before the City Council, Mayor Walton adjourned the meeting at 7:34 pm.

ATTEST: _____
Maria T. ChavezPeña, City Clerk-Treasurer

Gary Walton, Mayor