

**MINUTES  
HUTCHINSON CITY COUNCIL  
SPECIAL MEETING  
WEDNESDAY, NOVEMBER 1, 2006, 4:30 P.M.**

1. **CALL TO ORDER – 4:30 P.M.**

Mayor Steve Cook called the meeting to order. Members present were Jim Haugen, Casey Stotts and Bill Arndt. Member absent was Kay Peterson. Others present were John Rodeberg, Director of Public Works and Marc Sebor, City Attorney.

2. **UNFINISHED BUSINESS**

(a) **CONSIDERATION FOR APPROVAL OF PURCHASE AGREEMENT FOR PROPERTY LOCATED AT 145 2<sup>ND</sup> AVENUE SE**

Jerome Swenson, 145 2<sup>nd</sup> Avenue SE, presented before the Council. Mr. Swenson noted for the Council that he was present if the Council should have any questions.

Dale Baker, 1373 Heritage Avenue, presented before the Council. Mr. Baker encouraged the Council to review the way that tax dollars are being spent. He asked the Council to justify the purchase. He expressed that he felt the Council should have discussed this matter in open session before direction was given to staff to enter into a purchase agreement. He continued to express that the Council needs to carefully review how this purchase will be paid for and where other cuts will be made.

Rebecca Bowers, Planning Director, presented before the Council. Ms. Bowers thanked the Council Members for holding the special meeting. Ms. Bowers explained that the topic of discussion is whether or not to purchase property adjacent to the City Center. Appropriations for property acquisition related to City Center expansion has been in the capital improvement plan for several years.

Ms. Bowers reviewed activity that has occurred thus far regarding this property. A couple of closed sessions have been held regarding the purchase price and at one of the closed sessions, Council directed staff to offer a price on this property. At the last Council meeting this item was tabled. Since that time, Ms. Bowers has learned that two other contingency purchase agreements are hinged on the purchase of this property. The City offered to purchase this property for \$107,500.

Jerome Swenson explained to the Council that last May he called City staff and informed them that he was interested in selling his property if the City was interested. Since that time an appraisal of his property was completed and he met with Dan Wilson, a relocation consultant. Because Mr. Swenson believed that things were moving along favorably with the City, he entered into a purchase agreement for another piece of property in the City. Since the last Council meeting, Mr. Swenson has received an offer on his house for about \$10,000-15,000 less than the City has offered. He was not actively marketing his house during the negotiations with the City.

Ann Willoby, Dominion Realty, presented before the Council. Ms. Willoby asked how the communication was broken down. Ms. Willoby indicated that several families' lives are at stake here and it has been disruptive to all of them.

Mayor Cook noted that he has been speaking out against the purchase since it was first represented. He noted that he feels that it still does not have to move forward.

Miles Seppelt, EDA Director, presented before the Council. Mr. Seppelt noted that he feels the City will not lose on the purchase of this property. He noted that the property is useable and will only appreciate in value over time. Although there are some unknowns as to whether or not the property will truly be needed for the City, however at this time it seems to be a prudent purchase. He has an appraisal noting that even as a vacant lot, the City can get the same asking price.

Ken Merrill, Finance Director, presented before the Council. Mr. Merrill noted that appropriations are in the Capital Improvement Plan, however the source of funds needs to be decided upon.

Dale Baker presented before the Council again. Mr. Baker noted that some properties do decline in value and the Council should keep that in mind. Mr. Baker also noted he was surprised to hear that the City had hired a consultant to negotiate this deal. He also noted that demolition costs need to be addressed.

Dan Wilson, Wilson & Associates, presented before the Council. Mr. Wilson explained that his firm was hired to negotiate the property acquisition. Mr. Wilson clarified that he did not direct Mr. Swenson to sign a purchase agreement on another property with no contingency. However, Mr. Wilson stated that he had led Mr. Swenson to believe that the sale of the property would follow through. .

Mayor Cook noted that the Council needs to decide if the property is needed by the City.

Council Member Haugen noted that the idea of purchasing any of the properties on the south side of City Center is for future growth. However, the Council and staff cannot definitively determine when expansion would be needed. He noted that historically property that the City has wished to acquire has been two to three times higher than the original asking price. Haugen feels that the City will need this property at some time and it seems reasonable to consider it at this time.

Council Member Arndt stated he spoke with a realtor earlier today and he indicated that this property is valuable and demolition costs should be minimal.

Jerome Swenson presented before the Council. Mr. Swenson noted that he feels the City will not be able to acquire this property any cheaper than it is now.

Lenny Rutledge, Building Official, presented before the Council. Mr. Rutledge spoke briefly about parking restrictions around the City Center.

John Rodeberg, Director of Public Works, spoke about the Evergreen parking lot and the fact that it was not built as a municipal lot, but rather to serve Evergreen apartments.

Motion by Stotts, second by Haugen, to reject this purchase agreement. Council Member Haugen noted that the Council needs to take ownership for the miscommunication and should reimburse the Swensons for the costs they have incurred. Roll call vote: Haugen – aye; Arndt – nay; Stotts – aye; Cook – aye. Motion carried 3 to 1.

### 3. **ADJOURN**

Motion by Stotts, second by Haugen, to adjourn at 5:30 p.m. Motion carried unanimously.