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City of Colville

TECHNICAL REVIEW COMMITTEE

August 28, 2012

8:30 a.m. – City Hall

MINUTES

Chairman Jim Lapinski called the meeting to order at 8:30 a.m. with a quorum present.

MEMBERS PRESENT: Planning Director Jim Lapinski, Building Official/Inspector Bob Cleaver, Street/Park Superintendent Terry LeCaire, and Councilmembers Dorothy Bergin and Lou Janke. MEMBERS ABSENT: Municipal Services Administrator Eric Durpos. GUEST PRESENT: Mark Beardslee. RECORDING SECRETARY: Susan Davis.

MINUTES OF PREVIOUS MEETING

The minutes from the previous meeting of August 14, 2012 had been distributed to each member prior to the meeting. Bob Cleaver moved and Terry LeCaire seconded the motion to approve the minutes as written. Voice vote carried unanimously.

OLD BUSINESS:

A. Discussion and possible recommendation on Old County Shop.

Planning Director Jim Lapinski advised that some interest has been expressed in the Old County Shop property at 560 N. Railroad Street. At this time, the City Council has not yet made a decision on the disposition of the property. He explained that a recommendation on the property is requested from the TRC in accordance with Resolution No. 03-02, which outlines duties and responsibilities.

Jim had distributed selected information from a recent appraisal on the Old County Shop to each member prior to the meeting (copy on file). Lengthy review and discussion followed relative to the appraisal for the 16,448 s.f. warehouse/maintenance shop and 1,043 s.f. of outbuildings on the 1.49-acre lot. Based on the appraiser's examination and study of the property and the market in which it competes, conclusions of market value were provided for the property "as is" or as a "vacant" site.

Lou Janke questioned whether a cost has been estimated for demolition. He felt that would be valuable information to know because that would be a capital outlay which would be difficult for the City to fund.

Lou also asked whether the appraisal is supposed to be treated as confidential information. Mark Beardslee offered the opinion that if you have an appraisal that you are not willing to share with a potential buyer, all kinds of alarm bells go off. He suggested if the asking price is going to be the appraised value, then you can show how that figure was determined. However, he added that until the Council reviews the report and makes a decision on disposition of the property, it might be advisable not to distribute it. He asked if a Phase 1 environmental assessment has been completed on the property. He pointed out it is a rudimentary environmental assessment that every lender requires. Mark recommended including that in the packet for potential buyers. Jim was under the impression that an assessment was done when the property was purchased from the county.

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Mr. Beardslee commented if he were marketing this property for the city he would do the research and get as much information upfront as possible for any potential buyer. He stated he was willing to offer his services at no cost to help the City put together a package if it would not preclude him from bidding on being hired as a realtor to market the property. It was felt this might be a question for the City Council. Lou Janke stated that the other document that should be made available is the structural analysis of the roof system done by Cunningham Engineers.

Mark's recommendation was to market the property as a whole site due to lack of city funds for demolition. He pointed out the buyer may very well have to take into consideration the cost of demolition in his offer. If the buyer doesn't have a use, he may not be willing to pay as much as somebody who can use the existing structures.

Mr. Janke questioned whether it is known how much the City has to pay back to the state on the initial purchase of the property for the truck route right-of-way. Jim advised that the actual payback amount has yet to be determined.

Bob Cleaver pointed out that the report provides an appraised value with the buildings on it. He noted the City is not planning any upgrades to the building, but the report identifies a certain amount for deferred maintenance that needs to be done in order to sustain the building for another 25 to 40 years. He asked if the projected deferred maintenance costs are to be subtracted from the appraised price - or does the buyer come in at the appraised price knowing upfront that he has a substantial amount in deferred maintenance costs that need to put into the building, along with whatever upgrades he wants to do? Mark felt that is a fair question to ask the appraiser to get clarification.

Jim pointed out in the past other City departments have not identified any need for the property. It was his opinion that the City has met its objective in purchasing the property and that purpose has been satisfied. Lou expressed the feeling that it is of no benefit to the city.

Mark asked if the appraisal included any information on projected income from the property. Jim indicated he would review the report further to see if it contained that information.

Lou asked Mr. Beardslee how much it might cost to hire a realtor to market this type of property. Mark advised that there is no upfront cost – it is a percent of the sale and that will range from 6% to 10%. Based on the “as is” appraised value, he suggested budgeting between \$25,000 & \$30,000 for marketing costs, which comes off of the sale.

In conclusion, Jim Lapinski moved that TRC recommend to the City Council that unless there are demonstrated reasons otherwise that they continue their pursuit to sell the Old County Shop. Terry LeCaire seconded. Voice vote showed all in favor.

#### B. Request by Mark Beardslee for discussion on Pheasant Ridge Estates.

Mark Beardslee explained that a \$29,800 maintenance bond for the new streets in Pheasant Ridge Estates is still outstanding. This 2-year bond will expire the middle of September 2012. Because of alleged deficiencies with the streets, the City has called the bond. Mark advised that the insurance company has responded to the claim with a request for information, which he summarized.

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Mr. Beardslee questioned what he has to do to satisfy the City in order to get the bond released or otherwise resolve the matter.

Mark advised that he got a bid of \$19,600 from Knife River to repave what is currently exposed. He stated that he can identify some additional areas that have deflected. Based on the bid, he thought the \$29,800 would probably be enough for the repairs including those additional areas. Jim Lapinski felt that the cost to the City for repaving could be much higher than Mr. Beardslee's bid due to prevailing wage laws. Lou Janke expressed the feeling that from purely a cost benefit that moving ahead appeared to be the best decision for everybody.

In the discussion which followed the problems associated with the construction and failure of the streets were recognized. In an effort to resolve the matter of the bond, Mr. Beardslee asked if the City would accept a letter of credit or certificate of deposit for the \$29,800 (specifically for the repairs) and release the bond to satisfy the insurance company. Lou suggested that City Attorney Charlie Schuerman be asked to review this proposal. Lou felt there may be other options to hold the money.

Mr. Beardslee suggested that he and Terry LeCaire could sit down and identify additional areas that need to be excavated and repaired. He indicated a willingness to be the go between with the asphalt company for cost saving if the decision were made to go ahead with repaving. He suggested that the street repairs be deferred for one more winter and that the City hold the money over in a secure account for that purpose. Terry LeCaire indicated he would also like to see the streets go through another winter.

Lou Janke expressed the feeling that the City's end goal was to have a stable, reasonable road system there that the City could take over and maintain without undue costs. He noted the way things have been going, there is no guarantee, but eventually the City has an obligation.

In conclusion, TRC agreed that Jim Lapinski, Mark Beardslee, and the City Attorney should meet to discuss the options concerning the \$29,800 maintenance bond for Pheasant Ridge Estates.

### NEW BUSINESS

- A. Request to vacate an unused sewer easement by Scott & Melissa Stalp, at 1010 SE Olympic Way (Lot 19, Dominion Heights Div. 1).

A request from Scott & Melissa Stalp for the vacation of an unused 20 ft. wide sewer easement along the west property line at 1010 SE Olympic Way had been distributed to each member prior to the meeting (copy on file). The purpose of the request is to allow for the construction of a new garage structure on the southwest corner of the subject property.

Although Municipal Services Administrator Eric Durpos was absent from the meeting, it was noted that the Water/Sewer Department had voiced no objection to the request to vacate the sewer easement.

Following brief discussion it was the consensus of the TRC to recommend the vacation of the unused sewer easement at 1010 SE Olympic Way as requested.

PUBLIC COMMENT PERIOD: There were no public comments.

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REPORTS: There were no reports.

ADJOURNMENT

As there was no further business, on a motion and a second the meeting was adjourned at approximately 10:20 a.m.