

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING, JUNE 4, 2018**

The meeting was called to order at 7:00 a.m. in City Hall Council Chambers by Mayor Mike Kuhle with the following Council Members present: Larry Janssen, Alan Oberloh, Chad Cummings, Amy Ernst, Mike Harmon. Honorary Council Member: Ryan Weber.

Staff present: Steve Robinson, City Administrator; Jason Brisson, Director of Community Development, Planning, Zoning and Building Services; Janice Oberloh, City Clerk.

Others present: Mark Shepherd, City Attorney; Justine Wettschreck, KWOA; Karl Evers-Hillstrom, the Globe; Lindsey Schenck; Elaina Harmon.

THOMPSON HOTEL

Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, noted that he had spoken to the property owner regarding Council's order for repair of the Thompson Hotel, and they informed him that no repairs had been started and no repairs have been scheduled. Basically, Mr. Brisson said, the order was not adhered to. It was his recommendation to move forward with the process.

Mark Shepherd, City Attorney, provided an update on the procedure, stating that they were in the process of serving notice to the tenants, the property owners, and to Wells Fargo. Following completion of that, affidavits of service would need to be filed with the courts, which needs to be done five days prior to filing a motion. We would then secure a date for a hearing before the District Court Judge, following which we would serve notice on everyone again. We would appear in court and ask for a default judgement since no one has responded to the order of the Council. The Court would more than likely say that if the work is not done within "X" amount of time the City can go ahead and take care of the repair itself. Mr. Shepherd said assuming that all happens, the City would go through its normal process of obtaining bids or quotes, depending on the dollar value, but have the work done, then report back to the Court of what the costs were. The Court would issue a subsequent order incorporating the costs so the City could then charge back those costs against the property, and they would be paid by way of assessment. The biggest headache is handling the current tenants while the work is going on.

Steve Robinson, City Administrator, noted that repair of the roof is the first consideration for completion, which would require vacating all the tenants from at least the top floor.

Mr. Shepherd noted that the tenants have been served with Council's order for repair, but notice would still need to be served to everyone again to vacate. Discussion was held on where the tenants would go when they vacate. If the tenants do not relocate voluntarily, it would need to be done by court order. The City would be responsible for the relocation costs of the tenants and their rent, but we would ask the Courts to add all of those costs in to the order. If the special assessment isn't paid, the City could foreclose on the property. Council questioned what would happen if the potential new owner would come forward with a signed purchase agreement in the process. Mr. Shepherd said the

City could suspend the process, or if it was already in the court process we would need to go back to the judge.

The motion was made by Council Member Oberloh and seconded by Council Member Harmon to move forward as outlined by the City Attorney.

Council Member Janssen asked how this affects the commercial tenants. Mr. Shepherd said they have also been served.

Mr. Brisson stated that it was his belief that we need to move forward with the process, however he requested that we hear from the potential buyer as we are looking at potentially a quarter of a million in costs associated with it, and it would be advantageous if those could come from a private investor instead of the City coffers. Mr. Shepherd suggested that Council should vote on the motion and then they could have a discussion regarding the potential sale of the property.

The motion was unanimously carried.

Lindsey Schenck, potential purchaser of the hotel, said she was very close to having a deal with the Williams' family on the hotel - if she brought in a purchase agreement prior to going to the court, would it be possible to delay that process. Mr. Shepherd suggested we find out what the time line would be first. Ms. Schenck said her first priority would be to address the City's resolution. Should a purchase agreement be completed and include a time table that may slow the process down, Mr. Shepherd said he would come back before Council for their direction - they could suspend the process. Council Member Cummings said he would not be in favor of suspending the process which was started to remedy a problem, no matter who the owner is.

ADJOURNMENT

The motion was made by Council Member Janssen, seconded by Council Member Ernst and unanimously carried to adjourn the meeting at 7:25 a.m.

Janice Oberloh, MCMC
City Clerk/Human Resource Asst.