

**WORTHINGTON CITY COUNCIL / HOUSING & REDEVELOPMENT AUTHORITY
SPECIAL MEETING**

1:00 P.M., WEDNESDAY, APRIL 3, 2019

A. CALL TO ORDER

B. CITY COUNCIL / HRA BUSINESS

1. Council, HRA Board Members and Staff will participate in a tour of the Thompson Hotel

*Return to City Hall Council Chambers

2. Hotel Thompson Discussion

C. ADJOURNMENT

COMMUNITY DEVELOPMENT MEMO

DATE: APRIL 3, 2019

TO: HONORABLE MAYOR AND CITY COUNCIL

SUBJECT: ITEMS REQUIRING CITY COUNCIL ACTION OR REVIEW

CASE ITEMS

1. HOTEL THOMPSON

On Thursday, March 7, City staff received electronic correspondence from Lighthouse Management Group stating that Lighthouse is proposing to enlist the services of Grafe Auction to sell the Hotel Thompson building at auction. City staff had a follow-up conference call with Lighthouse and the City's legal counsel on Thursday, March 14 to discuss the matter further.

The City was advised early on in this process that the assessment that would be used to recover the City's cost to repair the hazardous conditions at the property would run with the property and that any sale or transfer of ownership would have no bearing on the requirement of the assessment to be paid in full under the terms outlined in State law. Now, the question has been raised by Lighthouse and the City's counsel if the City would be able to recover any expenses in excess of the final auction price of the building. Stated another way, if the building sold for less than the City has expended in repairs, that the City would receive the amount the building sold for at auction but may not be able to recover any additional costs expended repairing the building.

The City has incurred \$96,640.70 in costs on the Hotel Thompson property and the contractor has purchased the materials for the reroofing project. The total current amount spent by the contractor and the City on this project is \$179,480.70. Until this question is resolved, City staff have directed the contractor to await further direction from the City before moving forward with the project.

The City Council took up this matter on March 25, 2019 and discussed a possible scenario where the City may be forced to take ownership of the property to recover the costs incurred repairing the hazardous conditions found at the building. The Council wanted to get input from the HRA regarding its ability to manage the property in the case that the City is forced into ownership. The HRA discussed this topic at its March 26, 2019 meeting and has requested a joint meeting with the Worthington City Council to discuss this topic further.