



City Council Special Meeting Minutes

August 5, 2018

7:40 p.m.

Mayor: John McTaggart
Councilmember: Chuck Adams Carolyn Caiharr Margaret Shriver
Garrett Mellott Chuck Stites

Prior to the beginning meeting, the Mayor read the following statement regarding the purpose of the special meeting:

"I, Mayor John McTaggart, have called this special meeting in response to the written requests of Councilmembers Shriver, Mellott, and Stites in accordance with City Code 1.03.003(b) in order to:

Consider a motion to recess into Executive Session in accordance with K.S.A. 75-4319(b)(2) for consultation with Special Counsel regarding information which would be deemed privileged in the attorney-client relationship related to the Village South at Edwardsville project; and

Consider Resolution 2019-13 approving the execution and delivery of a first amendment to Amended and Restated Development Agreement for the Village South at Edwardsville Redevelopment District, Project Areas 1, 2, and 3."

- 1. Consider a motion to recess into Executive Session in accordance with K.S.A. 75-4319(b)(2) for consultation with Special Counsel regarding information which would be deemed privileged in the attorney-client relationship related to the Village South at Edwardsville project**
 - **Motion:** Council Member Adams made the motion to recess into executive session for the stated reasons with the regular meeting to resume at 8:00 pm
 - **Second:** Councilmember Shriver seconded the motion
 - **Vote:** Motion passes 5-0
Executive Session
 - **Motion:** Councilmember Mellott made the motion to close the executive session and resume the special session.
 - **Second:** Councilmember Shriver seconded the motion
 - **Vote:** Motion passes 5-0.
 - **Motion:** Councilmember Adams made the motion to return to executive session with the regular meeting to resume at 8:20.
 - **Second:** Councilmember Caiharr seconded the motion
 - **Vote:** Motion passes 5-0
Executive Session
 - **Motion:** Councilmember Mellott made the motion to close the executive session and resume the special session.
 - **Second:** Councilmember Caiharr seconded the motion

- 2. Consider Resolution 2019-13 approving the execution and delivery of a first amendment to the Amended and Restated Development Agreement for the Village south at Edwardsville Redevelopment District, Project Areas 1, 2, 3**
 - City Manager Michael Webb detailed some of the changes to the development agreement as were discussed in the previous executive session. Mr. Webb noted that the direction stemming from those discussions included:

- The developer contributing an amount of \$13,000 on or before August 26 to offset costs associated with the recent bond issue of the City related to the terms of bank qualified and non-bank qualified; and
- The developer making a \$50,000 deposit into escrow on or before September 1, 2019. If the bonds do not close by October 8, 2019 then that amount would come out of escrow and go to the City for costs related to the sewer expansion; and
- The developer depositing an addition \$75,000 into escrow for bond issuance costs if the bonds are not sold by October 8, 2019; and
- The developer depositing an additional \$75,000 into escrow for bond issuance costs if the bonds are not funded by November 8, 2019; and
- Use of the escrow funds for bond issuance costs set aside for attorneys and other counsel will be paid using the amount deposited into escrow if the bonds are not sold by December 31, 2019
- Mr. Webb noted that the original amount to be deposited into escrow was \$125,000 according to the proposed development agreement.
- Mr. Monson's counter proposal holds to the original \$125,000 amount but would reverse the deposit order. Instead, \$75,000 would be deposited into escrow if bonds were not sold by October 8, 2019 and an additional \$50,000 if the November 8, 2019 deadline was not met. The total contribution under this scenario would be \$125,000 if the bond sale does not occur by November 8, 2019.
- Mr. Webb did note that he anticipated fees associated with special counsel will likely be higher.
- Jon Monson, representing the development team, noted he was willing to provide the City some financial assurances in order for the project to move forward. He noted that he is optimistic that the penalty dates will not be met and that his request for a total of \$125,000 escrow deposits was made in good faith.
- Councilmember Caiharr clarified that the \$13,000 would still be issued on or before August 26, which Mr. Monson confirmed.
- Councilmember Stites also confirmed that the \$50,000 deposit into escrow was in play and clarified the most significant request from Mr. Monson was the reduction of \$25,000 for the potential November 8, 2019 deposit. Mr. Webb and Mr. Monson affirmed this was the developer's position.
- Mr. Webb stated he felt Mr. Monson's request was reasonable.
- **Motion:** Councilmember Adams made the motion to adopt Resolution 2019-13 with the conditions outlined above, including the condition requested by Mr. Monson that the escrow deposits would equal \$125,000 in total with a deposit of \$75,000 by October 8, 2019 and a deposit of \$50,000 by November 8, 2019 if necessary
- Prior to the vote, Councilmember Stites noted he would have preferred to keep the escrow deposits at \$150,000 but would support the motion as made
- **Second:** Councilmember Shriver seconded the motion
- **Vote:** Motion Passes 5-0

3. Adjournment

- Mayor McTaggart adjourned the meeting at 8:50 pm

Minutes submitted by:
Zachary Daniel
Assistant City Manager/City Clerk