

MINUTES
CITY COUNCIL ADJOURNED MEETING
MONDAY, OCTOBER 23, 2006
5:30 P.M.
COUNCIL CHAMBERS

MEMBERS PRESENT: Mayor Rietz, Council Members McAlister, Baker, Dick Pacholl, Scott Pacholl, Hecimovich and Nordin. Council Member-at-Large Christopherson.

MEMBERS ABSENT: None.

OTHERS PRESENT: KAAL, Austin Post Bulletin, Austin Daily Herald.

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, adopting the agenda. Carried.

Mayor Rietz opened the meeting reminding Council that the action on the agenda – sale of property in the Cook Farm Industrial Park to Mower County for a proposed jail/justice center – requires a unanimous vote.

City Administrator Jim Hurm said City Attorney David Hoversten has drafted a resolution authorizing the sale of Tract 1 or Tract 2, which are indicated in the map attached to the resolution. Two 35-acre parcels have been identified for the jail/justice center: one north of 27th Avenue NW and one south of 27th Avenue NW and both are on the east side of the industrial park. The City would reserve the right to decide which parcel would be used, which is in consideration of recent inquiries for land in the industrial park. One proposed development would require 60-70 acres, and in that case, the proposed jail/justice center would be built on the north parcel.

Mayor Rietz outlined some points in the agreement with Mower County. She noted the get-out clause in the agreement. This is required because the City needs a firm idea of the costs. The get-out clause allows the City to leave at the pre-bid phase or the bid phase due to cost or other factors.

Mayor Rietz also noted that though the County could not guarantee county jobs to remain in downtown Austin, they do recognize the negative effect to the downtown if jobs were to leave. In the agreement, the County will enter a partnership for comprehensive planning for downtown. They have assured the City that they want to keep the downtown county jobs downtown, and it is also their goal to have those county jobs that have left downtown to go back to the downtown area.

Mayor Rietz also noted that the agreement provides for a 4-step process for payment by the City. The City will pay the County as follows:

- 25% on the day project construction begins,
- 25% on the day the first pay estimate is due,
- 25% on the day the building is completed (certificate of occupancy received), and

- The remainder, one year after completion of the project or upon completion of all requirements of this agreement, whichever is later.

Council Member-at-Large Christopherson asked City Attorney David Hoversten if the resolution can legally be that vague. Mr. Hoversten said the situation is vague. He said there would need to be formal agreements by both parties which include the financing aspects. Also, there may need to be a joint powers agreement for the jail/justice center, and there may need to be a joint powers agreement for the downtown plan and its financing. Details do need to be worked out. This resolution does authorize the granting to the County of the option to purchase a lot. He said it is the goal of both parties that those details are worked out. There are vague areas now, but this is the best we can do at this time.

Council Member-at-Large Christopherson asked if we would be subject to a court case. Mr. Hoversten said he did analyze this. What the City is doing is extending an option of purchase with the right of the City to choose which lot, which is necessary on the City's part in light of future projects.

Council Member Hecimovich asked if the distribution center considering 70 acres in the Cook Farm would be able to purchase tract 2 and also additional property to the west. Mr. Hurm said, yes, and the property has been identified. Council Member Hecimovich asked if there still would be room for Weness/Boe. Mr. Hurm replied 'yes'.

Council Member Baker said "this is as good as it's going to get." This meets the need of the city and county police and sheriff departments to be together. Council Member Baker said he was "thrilled" with the county's cooperation. He said we have to remember that this will save the County money -- \$1.5 million, ultimately saving money for the taxpayer. He said he appreciates all of a sudden the activity at the Cook Farm. This spurs activity out there. He said this has been worked on long enough, and we need to get on with it.

Council Member Dick Pacholl noted he was in agreement with Council Member Baker.

Council Member Nordin said she has talked to people who don't believe the jail/justice center belongs out there. She said there are so many "ifs, ands or but". She noted that the initial asking price for these lots was \$800,000, now it is being offered for \$525,000. Council Member Nordin also objected to the absence of a plan on the county's part. She asked why they won't just build a jail. Council Member Nordin said this project could be built in phases: first the jail, then perhaps the police/sheriff's departments, and then the courts. This is a huge project, and she said citizens are concerned with rising taxes. Council Member Nordin noted that this project doesn't meet our needs. She said the city's number one goal is flood mitigation: we must work with all counties north of us for flood mitigation. Our second goal is downtown revitalization. The report that came out of the 'Take Part' project was that the county jail/justice center and government center should remain downtown. The city's third goal is economic development; this goal is not high on the county's list. She said as far as compromise, "forget it. I'm talking about cooperation." Council Member Nordin restated her frustration, adding that we still don't know what section in the Cook Farm the jail/justice center will be built on. She questioned if this would all fit in the indicated tracts. Is this the right thing to do, she asked. Council Member Nordin said she wants to have the Cook Farm available for development. Council Member Nordin asked about the get-out clause: what would this cost the

city? She said she doesn't want to go in with that idea (of the get-out clause). She said she would rather go in with a firm commitment.

Council Member McAlister said we need to look at the reality. The choices are simple: either we sell or we don't sell. Chief Philipp has indicated this location is much better than the airport location. The only other issue is whether the police department will be included with the justice center or not. He said we have to keep in mind that our options are limited. The County has worked with us on this location. The other things – the design, the exact location in the Cook Farm Industrial Park, the scope of the project – are all in the county's hands.

Council Member Dick Pacholl said he agrees with Council Members McAlister and Baker, noting this is a mutually arrived-at solution.

Council Member Baker spoke to Council Member Nordin saying he feels the same way she does, as do probably all of the council members. This is a "giant leap of faith." This is a way for the City to try to stay involved by selling this property. This is our way of staying in control of our own destiny. If we do not sell, he said he believes the County will vote tomorrow to proceed with their original plan at the airport. Council Member Baker reiterated that he shares Council Member Nordin's frustrations.

Council Member Nordin noted that if she is not sure about something, she cannot vote for it.

Council Member Hecimovich also concurred with the frustration. We have now reached a point of compromise with the County on the tract 1 and tract 2 options. It would be nice to have the whole Cook Farm available – he agrees, but this is a compromise. He believes both the City and County gave 50-50. No one will leave here totally satisfied. In any negotiations, he said, you win some and you lose some.

Council Member Scott Pacholl stated this is not the best location, which was the downtown. And he is not happy with the project high costs. Plus, he is not happy to have to give up the development land. However, he said, this would be saving taxpayers money, plus the city and county will remain together (police/sheriff). Council Member Scott Pacholl said this site is a better site than the airport. We will also be able to use the purchase price money to acquire additional land for development.

Council Member Dick Pacholl said we finally have a place to offer the County. If we don't go with it, the County will go out to the airport, adding that that is not the best site due to the railroad situation and the flooding. Council Member Dick Pacholl also noted that he didn't want to see the city and county split. Council Member Dick Pacholl said he did not want to see the city have a jail and the county have a jail; that would mean double the taxes.

Council Member McAlister noted that a city jail was never discussed.

Council Member Nordin said she thought the best site was north of Maplevue.

Council Member-at-Large Christopherson noted that that site was not at the top of the county's preferred locations.

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, adopting a resolution approving the sale and conveyance of certain real property from the City of Austin to Mower County upon conditions and pursuant to an option to purchase.

Roll call taken. 7-0. Carried.

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, adjourning the meeting to November 6, 2006.

Adjourned: 6:02 pm

Approved: November 6, 2006

Mayor: _____

City Recorder: _____