



## MEDINA, WASHINGTON

MEDINA CITY COUNCIL  
SPECIAL MEETING MINUTES  
Medina City Hall, Council Chambers  
501 Evergreen Point Road, Medina  
Monday, December 1, 2014  
6:30 PM

**MAYOR**  
PATRICK BOYD

**DEPUTY MAYOR**  
DAVID LEE

**COUNCIL MEMBERS**  
JAY DECKER  
MICHAEL LUIS  
JOHN MAFFEI  
ALEX MORCOS  
CURT PRYDE

**CITY MANAGER**  
MICHAEL SAUERWEIN

**CITY ATTORNEY**  
KARI SAND

**CITY CLERK**  
AIMEE KELLERMAN

## MINUTES

### 1. SPECIAL MEETING - CALL TO ORDER / ROLL CALL

Mayor Boyd called the Special Meeting to order in the Medina Council Chambers at 6:30 p.m.

Council Members Present: Decker, Lee, Luis, Maffei, Morcos, Pryde, and Mayor Boyd

Council Members Absent: None

Staff Present: Sauerwein, Sand, Grumbach, Adams, Burns (Deanna Gregory, Pacifica Law Group) and Kellerman

### 2. SPECIAL MEETING ITEM

2.1 **Subject:** Medina Post Office

**Recommendation:** Council and staff will discuss the Medina Post Office and take public testimony.

**Staff Contact:** Michael Sauerwein, City Manager

City Manager Michael Sauerwein reported that the property that is under consideration for purchase by the City is the Post Office located in Medina. This is a privately owned property that is leased to the Federal Government and the current lease will expire in

March, 2015. The sellers, known as the John Frost family, has agreed to work with the City prior to putting the sale of the property on the market in hopes that the City will continue to use the property as a post office.

Sauerwein also gave a brief summary of the independent appraisal of the property, which determined the Fair Market Value at \$1,350,000 and the City has negotiated to purchase the property at that price. He also confirmed that representatives from the post office said they are interested in a new 5-year lease agreement.

Sauerwein provided two options for the City Council to consider: (1) Purchase the property by way of approving the proposed resolution authorizing the City Manager to sign the agreement and also adopt the proposed ordinance issuing \$1,350,000 in bonds; or (2) Assign the City's purchase rights to a private party.

### **3. PUBLIC COMMENT**

Mayor Boyd opened the public comment period at 6:41 p.m. The following individuals addressed the Council:

- Wilma Edmonds commented on her letter to Council reiterating that she is not in favor of the purchase of the post office property; however, she complimented Council on the idea of assignment to a private party.
- Daniel Lipkie supports the purchase of the post office and also commented that he would like additional information on assignment to a private party. He also commented that he would like the City to take the shortest loan payment as possible.
- Mark Nelson commented that the post office was labeled as a community treasure and the importance of retaining the property as a post office.
- Heija Nunn commented on the assignment and would like to better understand how that would work and who gets to decide who to assign it to. She also commented that the City should preserve the post office and that it is important to her family as it is to several other people.
- Bowman Neely commented that he supports the purchase of the post office property and reiterated Daniel Lipkie's comment on a shorter loan payment with no balloon payment.
- Grant Ries commented that he is in favor of preserving the post office whether the City purchases or done by a private party.
- Cynthia Adkins commented that she is in favor of maintaining the post office and encouraged the Council maintain as City ownership or private ownership with a deed restriction which can only be used as a public good. She also commented that if the post office ever decided not to renew that it should be used as a public gathering place for the community.
- Connie Gerlitz commented that the City needs to keep the post office.
- Hae Lee commented that she did not want the post office to go away and would be interested in purchasing the post office if it is an option for her. She also noted that she would keep it as a post office even if the U.S. Postal Service left.

Mayor Boyd adjourned the special meeting to executive session in the Medina Council Chambers at 6:53 p.m. for an estimated time of 20 minutes.

#### 4. EXECUTIVE SESSION

Mayor Boyd called the Executive Session to order in the Medina Council Chambers at 7:00 p.m.

Council Members Present: Decker, Lee, Luis, Maffei, Morcos, Pryde, and Mayor Boyd

Council Members Absent: None

Staff Present: Sauerwein, Sand, Grumbach, Adams, Burns (Deanna Gregory, Pacifica Law Group) and Kellerman

##### **ES-1: RCW 42.30.110 (b)**

To consider the minimum price at which real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price.

#### 5. OPEN SESSION

Mayor Boyd called the special meeting to order at 7:24 p.m.

**ACTION:** Motion Luis, second by Morcos, to approve a resolution authorizing the City Manager to sign the purchase and sale agreement for the Medina post office at 816 Evergreen Point Road.

Council Member Maffei expressed he would like to see the post office remain open and thinks the City should purchase the property if there is no third party buyer. He also commented that if there is a third party buyer that would be the best solution for the City.

Council Member Luis agreed that keeping the post office open is important and also keeping the building in tact as it is one of the very few interesting historic institutional building in the entire Points/Bellevue area.

Council Member Pryde asked about zoning of the post office property.

Director of Development Services Robert Grumbach clarified that the property is zoned Public. He noted that single-family is allowed and he also noted it has the same zoning as City Hall property where you can have a park, a religious facility, a city hall building or it has the potential for a similar use determination, such as a private post office or a UPS building. He commented that he would need to look at the zoning code for the full list of uses.

Deputy Mayor David Lee asked about impacts if the Council decides not to take any action at this meeting.

City Manager Michael Sauerwein responded that if the City Council does not take action tonight, the seller intends to list the property. The current agreement expires 5:00 p.m. on Wednesday, December 3, 2014, after which the seller has the right to list the property.

Council Member Morcos reiterated Council Member Maffei's comments on keeping the post office and felt it would be easier to have a private party purchase since the City is not in the real estate business.

**ACTION:** Council Member Luis withdrew his motion to approve a resolution authorizing the City Manager to sign the purchase and sale agreement for the Medina post office at 816 Evergreen Point Road.

**ACTION:** Motion Maffei authorizing the City Manager to approve the resolution authorizing the City Manager to sign the purchase and sale agreement contingent on the seller's consent to assignment and private party's acceptance of assignment by 5:00 pm on Tuesday, December 2, 2014.

Second motion presented by Maffei if his first motion is not successful.

**ACTION:** Motion Maffei to approve a resolution to authorize the City Manager to sign the purchase and sale agreement by the deadline. And a motion to approve the ordinance authorizing issuance of LTGO bonds in the amount \$1.35 million or necessary amount to fund the post office property purchase.

**ACTION:** Council Member Pryde seconded both motions as read into the record by Council Member Maffei.

**ACTION:** Council Member Maffei amended his first motion by authorizing the City Manager to first try and find a private purchaser by 5:00 p.m., Tuesday, December 2, 2014 and if unsuccessful, the City will move forward with the second motion as stated into the record with a financing option for a 20 year loan at a 3.530% interest rate. Seconded by Luis and carried by a 7:0 vote.

**ACTION:** Mayor Boyd asked for any further discussion on the total motion, as amended. No further discussions. Mayor Boyd called for a vote on the total motion, as amended, which carried by a 7:0 vote.

Mayor Boyd opened the public comment period at 8:04 p.m. The following individuals addressed the Council:

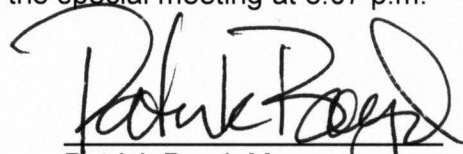
- Daniel Lipkie commented that the City can impose any constraints as long as they don't circumvent what the buyer wants to do. He also comment that the City can choose to add to the second part of the requirement that the City has first right of refusal in any sale or foreclosure and the City has the right to put any kind of covenant on the Title of the property in the next 23 hours.
- Heija Nunn agreed with Daniel Lipkie's comments about adding conditions in a sale or an assignment to a private party. She also commented that whatever restrictions the City puts on the third party purchaser, the City should also incorporate those restrictions into its own purchase and sale agreement and attach to its own title to assure the citizens that the City is not trying to broker a property.

Mayor Boyd closed the public comment period at 8:07 p.m.



**6. ADJOURNMENT**

Motion Decker second Luis; Council adjourned the special meeting at 8:07 p.m.

  
Patrick Boyd, Mayor

Attest:

Aimee Kellerman  
Aimee Kellerman, City Clerk