

Pursuant to due call and notice thereof, a special meeting of the Avon City Council was duly held at City Hall on the 13<sup>th</sup> day of June at 5:00 pm. The purpose of this meeting was to reconvene the regular council meeting of June 4<sup>th</sup>, 2007, which had been continued.

**THE FOLLOWING MEMBERS WERE PRESENT:**

John Grutsch Mayor, Daryl Rachey, Al Ernst, Terry Pflipsen – Councilors  
Jodi Austing-Traut Clerk/Administrator  
Absent: Hugh Knox

**Water's Edge Phase III – Steve Noble**

There are \$36,000 in trunk fees due for Phase III. Steve Noble has requested that the developer's agreement for Phase III be stated similarly to Phases I and II where the trunk fees were rolled into the assessment. Current city policy is that trunk fees are paid up front, however, since this development began prior to the implementation of the policy change council consensus is to allow it to continue in good faith as originally discussed.

***Motion Terry Pflipsen to roll the trunk fees into the assessments for Water's Edge Phase III, second Daryl Rachey and carried unanimously.***

**Avon Estates Workshop – David Drown/Kristen Carr/Randy Jenniges**

Kristen Carr, City Attorney provided a revised developers agreement, which requires a 50% letter of credit for the Phase I improvements (1.9M LOC). None of the trunk assessment will be subject to a letter of credit. Phase I total cost is 3.78M total trunk cost is 2.082M there is also a \$300K contingency.

The developer will pay \$72,900 for the development of a ball field and a tot lot. In addition the developer will construct a non-paved walking/biking trail within the development. The \$72,900 will be rolled into the bond issue and the city will be responsible for the construction of the park and equipment.

According to the draft agreement, no letter of credit will be required for the trunk improvements. The letter of credit would be reduced as assessments are paid off so that at all times the letter of credit covers 50% of the outstanding assessments. The letter of credit on a bulk lot sale stays in effect until individual lots are sold or the letter of credit will be replaced by another letter of credit.

The DA includes a \$1.9M letter of credit for Phase I improvements. Kristen included wording that states that if ANY of the assessments are not paid (be it on the trunk or on the subdivision assessments) the city can draw on the \$1.9M LOC.

The bank was very particular about how they wanted the security worded in that they wanted it to specifically state that the LOC was ONLY for Assessment non-payment, not for any other incidental fees/expenses. So Kristen added a provision to require another smaller loc (\$100K) just in case the developer would

stop paying the city's bills perhaps for smaller utilities like street lighting or something of that nature.

Developer questioned how the original \$1.7M LOC became \$1.9M LOC. Randy Jenniges explained that the addition of a \$300K contingency brought the LOC up to \$1.9M.

General terms of the development agreement were generally agreed to by both parties.

***Al Ernst, motion to approve the development agreement under the terms discussed subject to the final approval of the city attorney, second Terry Pflipsen, and carried unanimously.***

***Motion Terry Pflipsen to***

- ***Adopt Resolution Approving Final Plat based on Findings of Fact and Decision***
- ***Award construction contract to Nodland Construction***
- ***Award Contract to Preferred Controls***
- ***Award Contract to Chosen Valley Testing (Soil Testing Firm)***
- ***Approve and Execute Engineering Agreement for Construction Administration***

***contingent upon execution of the development agreement by the Mayor and City Clerk/Administrator, second Daryl Rachey and carried unanimously.***

***Motion Al Ernst to adjourn at 6:50 pm.***

***Respectfully Submitted by,  
Jodi Austing-Traut  
City Clerk/Administrator***