



CITY OF WHITE SALMON
City Council Special Meeting – Wednesday, March 23, 2022
Via Zoom Teleconference
DRAFT

Council and Administrative Personnel Present

Council Members:

Ben Giant
Jason Hartmann
David Lindley
Jim Ransier

Staff Present:

Marla Keethler, Mayor
Jan Brending, Clerk Treasurer
Pat Munyan, City Administrator
Ken Woodrich, City Attorney

I. Call to Order and Roll Call

Marla Keethler, Mayor called the meeting to order at 6:00 p.m. There were approximately 9 members of the public in attendance via teleconference.

II. Business Items

A. Agreement for Purchase and Sale of Real Estate

Marla Keethler, Mayor provided a review of the proposed Agreement for Purchase and Sale of Real Estate with Nancy White to purchase a portion of Klickitat County Parcel No. 03111909100200. She said the purchase of the property would allow for the development of 10 townhomes to create an opportunity for affordable home ownership. Keethler said the project would be in coordination with the development of the remainder of the remainder of the property into market-rate lots intended for residential development. She said it is the intent to enter into a partnership with a housing agency, which would undertake the development, management, and administration of the homes for guaranteed long-term affordable home ownership. Keethler said the agreement provides for a purchase price of \$380,000 also provides that the city will contribute to the seller at closing the sum of \$84,000 toward the construction of the sewer line for a total cash contribution of \$464,000 and the city would also provide at no additional cost 21 residential water connections at a value of \$111,027. She said the total value sale price is \$575,027 in cash and connection credits paid to the seller. Keethler said administration proposes using the \$380,000 of ARPA funds for the purchase of the property. She said administration is recommending authorizing the mayor to finalize the terms of and sign the Agreement for Purchase and Sale of Real Estate to purchase a portion of the parcel.

Pat Munyan, City Administrator said the city will not be able to close on the sale until a subdivision is finalized and approved by the city council.

Ben Giant, Council Member noted that pages 11 and 12 of the Letter of Interest talks about rents versus homeownership.

Keethler said the intent for the property the city would purchase is to provide for home ownership.

Ken Woodrich, City Attorney said renting is not exclusive of creating affordable housing.

David Lindley, Council Member asked if the funds would stay in escrow until the land division process is completed.

Munyan said yes, the city can not purchase the property until the land division is completed as there are no separate lots at this time.

Jan Brending, Clerk Treasurer noted that the proposed resolution related to the sale of the “Teague Reservoir” property designates the revenue to be deposited into the Water Reserve Fund. She said documents have been included with the proposed resolution that documents that the property was provided to the City of White Salmon for a water reservoir and water system improvements. Brending said that the funding from the sale of the property could free up ARPA funds to be used wastewater improvements if the council agreed to change the terminology in the ARPA funding proposal to water and wastewater infrastructure. She noted that the state auditor’s office has provided guidance that when property or equipment is held by one department and then transferred to another department, that department should pay the appropriate amount to the department where the property was once held.

Keethler agreed that the city council could make a determination that the \$84,000 for sewer (wastewater) can come from the ARPA funds.

David Lindley, Council Member said he has some concerns with the language in section 6(d)(iii)(E). He said it states that the purchaser agrees to offer no objection to the Seller’s planned request for removal of an aging oak tree located near the proposed cul-de-sac and main road intersection. Lindley said he is concerned this circumvents the city’s current process under the Heritage Tree ordinance.

Ken Woodrich, City Attorney said he recommends the following language be used “The Purchase agrees to address any tree issues in keeping with White Salmon Municipal Code and as covered in the R-PUD tool under WSMC 17.75.040.B.5.”

Jim Ransier, Council Member asked what risks the city would be undertaking with the purchase.

Pat Munyan, City Administrator said the city would risk the earnest money if it decided not to go through with the purchase.

Marla Keethler, Mayor said this would be the first project of this kind that the city has been an active participant in. She said projects have come into White Salmon that were touted as affordable but once the development was completed, the lots or homes were not affordable. She said conversations have been held with Columbia Cascade Housing about the proposed project. Keethler said the housing would be protected in long-term sustained affordable housing. She said there is some risk that the partnership the city

enters into is important to show expertise and sustainability. Keethler said that this is coming forward with the desire of the property owner who wanted assurances that the affordability would continue.

Pat Munyan, City Administrator said the total costs to the city are well below the market rate for the property.

Moved by Ben Giant. Seconded by Jason Hartmann.

Motion to authorize the mayor to finalize the terms of and sign the Agreement for Purchase and Sale of Real Estate to purchase a portion of Klickitat County Parcel 03111909100200 for a sale price of \$380,000, contributing to the seller at closing \$84,000 toward the construction of a sewer line and providing the seller at no additional cost twenty-one (21) residential water connections at a value of \$111,027 for a net price of \$575,027 and replacing the language of 6(d)(E) with the following language: "the Purchaser agrees to address any tree issues in keeping with White Salmon Municipal Code and as covered in the R-PUD tool under WSMC 17.75.040.B.5" and keeping with the intent of the Letter of Intent and the items raised in the discussion.

David Lindley, Council Member said that the agreement also provides for the waiving the fees and costs associated in processing the R-PUD application including the Buyer's legal, engineering and planning costs.

Jan Brending, Clerk Treasurer said she does not have the specifics on what those numbers are.

Ken Woodrich, City Attorney said he feels the acknowledgement on the city council's part that the city is waiving those charges, in essence that the city does not get those funds. He said he is glad the council is acknowledging that waiver.

CARRIED 4-0.

Marla Keethler, Mayor said that she is excited about this project and noted there is still a lot of work to be done.

Ken Woodrich, City Attorney said the final version that is signed will need to be brought back to the City Council for ratification.

B. Resolution 2022-03-539, Declaring Surplus Property

Jan Brending, Clerk Treasurer said the proposed resolution provides for declaring Klickitat County Parcel 031024680005000, described as Lot1A Los Altos (SENW 24-3-10) Reservoir. She said the resolution provided for the funds be deposited in the Water Reserve Fund.

The city council and staff discussed how the sale of the property would take place.

Ken Woodrich, City Attorney said that selling the property on the open market and waiting for the best offer is the sensible thing to do. He said a realtor can provide a commercial market appraisal of the property.

Ben Giant, Council Member asked how the city would choose a realtor.

Woodrich said it would be a personal services.

Marla Keethler, said she would like to use a White Salmon based broker.

David Lindley, Council Member noted that the lot is nonconforming in the RL zoning.

Pat Munyan, City Administrator said he has a buildable site and the required setbacks could be met.

Jan Brending, Clerk Treasurer noted there are existing vacant lots within the city's zoning that do not meet minimum square footage but can still be built on as the city must provide a reasonable use.

Moved by Ben Giant. Seconded by Jim Ransier.

Motion to adopt Resolution No. 2022-03-539, Declaring Surplus Property in the City of White Salmon, Washington. CARRIED 4-0.

C. Walker House Due Diligence Update

Marla Keethler, Mayor said there is no action required by the city council. She said Walker family is open to extending the due diligence period but would like the price to stay at \$1.5 million as of now. Keethler said the city is moving forward in obtaining additional reports.

Jan Brending, Clerk Treasurer said the reports include obtaining an appraisal, having an architectural firm determine preliminary costs using the two inspection report and the theoretical business plan.

There was a consensus of the council advocating for an extension of the due diligence period.

III. Adjournment

The meeting adjourned 6:54 p.m.

Marla Keethler, Mayor

Jan Brending, Clerk Treasurer