

**TOWN OF ARGOS
SPECIAL COUNCIL MEETING
MONDAY, June 5, 2017**

CALL TO ORDER:

Council President Johnson called the meeting to order at 6:16 p.m.

Roll Call:

President Johnson, Vice President Null, Member Snead, Member Umbaugh and Clerk/Treasurer Mullaney.

MCEDC Lease:

Jerry Chavez discussed all the changes in the lease. After this discussion Member Umbaugh made a motion to accept the lease agreement. Vice President Null seconded, motion carried 3 to 1 with Member Snead opposing.

Member Umbaugh motioned to accept the transfer of land agreement with changes to Exhibit A. Member Snead seconded, motion carried unanimously.

Attorney Jones came to the meeting and explained some things that needed to be signed.

Attorney Jones stated that the Warranty Deed needed to be voted on and signed. Member Snead motioned to accept the Warranty Deed as written and have it executed. Member Umbaugh seconded, motion carried unanimously.

Attorney Jones stated he had some concerns with the new lease and wanted some of the changes noted in the minutes.

First page of lease change is Lake City Bank is financing. We need to see terms of financing to know if fixed or variable rate. Lease is stated to be for 24 months, that has not changed but Attorney Jones feels the Council should get a Letter of Commitment from the bank before signing the lease.

Second page of lease the date for the manufacturing center to be completed is blank. Attorney Jones feels that date should be filled in before Council signs the lease.

Fourth page of lease they added Lake City Bank as the mortgage holder.

Sixth page they removed any and all reimbursement to the Town of Argos if the building sells for a profit. According to Member Umbaugh you cannot make a profit when using Regional Cities money. Vice President Null stated all profits from the sale of the building would go to the MCEDC. Member Umbaugh stated "if the MCEDC does us wrong the whole county will know it and they will never do business again." Attorney Jones pointed out that this change has not been explained to him properly and was always in the lease until this last draft. Attorney Jones just wanted to make sure the Council was fully aware of this change.

Page eight of the lease the liability insurance the Town must provide for the lease went from one million to two million dollars resulting in higher cost to the Town. Section 26 they made a small change in wording to say, "or cause to begin".

Page nine they added a title after Jerry Chavez's name.

Back to page three and section 10 reads the MCEDC will have title to the land as soon as lease is signed. This is not true they won't have title to the land until the Warranty Deed is recorded.

In notary section Attorney Jones changed the wording from because it was set up for Notary signature as a Corporation. He changed it to reflect the Town.

After explaining the changes Vice President Null stated we should get the letter of commitment before signing the lease.

Attorney Jones asked the Council to vote on the lease agreement after the changes were explained to them. Member Umbaugh motioned to accept the lease agreement with the change on page nine about the Corporation. Vice President Null seconded, motion carried 3 to 1 with Member Snead opposing.

Ordinance 2017-17 transfer of property to the MCEDC. Vice President Null motioned to suspend the rules and accept the Ordinance 2017-17 as written. Member Umbaugh seconded, motion carried unanimously.

Attorney Jones asked for clarification on what to do with the lease. Attorney Jones stated he would advise getting the letter of commitment from the bank before signing the lease. Attorney Jones has requested this from Mr. Chavez and has yet to receive it. Vice President Null made a motion to get the date of completion and the letter of commitment from the bank before the lease will be signed.

Adjournment:

Vice President Null motioned to adjourn. Member Snead seconded, motion carried unanimously. Meeting adjourned at 7:19 p.m.

Dustin Johnson, President

ATTEST:

Lisa Mullaney, Clerk-Treasurer