

Pinson City Council Minutes
August 24, 2007 - 6:30 p.m.
Special Called Meeting

The Pinson City Council met in special session at the Pinson City Hall on Friday, August 24, 2007. Mayor Sanders called the meeting to order with no invocation or pledge.

Roll Call: Marie Turner, City Clerk, called roll of Pinson City Council with the following council members present:

Mayor Sanders
Councilor Tanner
Councilor Cochran
Councilor Shelnut
Councilor Churchwell
Councilor McCain

Mayor Sanders stated that this meeting was to discuss the counter offer that was received from Caraway and asked Councilor Cochran to give some background and explain the counter offer.

Councilor Cochran explained that, according to the Caraway representative he had spoken with, Caraway had received another offer substantially higher than the offer from the City. Councilor Cochran told the representative that if council decided to make a counter offer that he could not vote to spend more than the appraised value of the property, because we are using City dollars. Councilor Cochran added that because of this, if Council voted to make a counter offer it would be contingent on re-appraisal of the property and the new appraisal matching the price we were willing to pay.

Councilor Churchwell asked Mayor Sanders if he had any contact with the old Caraway group concerning this. Mayor Sanders stated that he had been dealing with someone in Nashville and received a call on Monday after the contract was faxed over on the Friday before to let him know that Caraway had signed a contract with Southpace to dispose of all of their surplus properties. Councilor Cochran stated that it is important to realize that the offer we made was in negotiation with a representative of Caraway in Nashville which said that he would take our offer to the Board. Obviously our offer was not accepted by their Board. Councilor Cochran continued that his (the representative) agreeing that he thought they would take our offer is in no way saying that the Board will take the offer.

Councilor McCain asked, "Do we know what type of business is bidding against us?" Mayor Sanders replied, "No, just that the offer is substantially higher than ours."

Councilor Shelnut stated if another business wants to come in that's more tax base. Mayor Sanders stated, that's the flip side and I will sign whatever council directs me to sign.

Councilor Churchwell asked Mayor Sanders if he had seen a copy of the appraised value. Mayor Sanders replied, "Yes, I have it right here." Councilor Churchwell, "Ok that's all I wanted to know." Mayor Sanders stated that Mr. Thompson, the attorney helping us with the contract, had advised me not to negotiate specifically about money until I had this in my hands. Mayor Sanders continued, when that was delivered to me by GPMV on Friday 2 weeks ago, then we began to talk about money.

Councilor Churchwell stated "To start with we were hoping to get the building for \$600,000., but I think the property in itself is worth whatever we have to pay to get it up to \$550,000." Councilor Churchwell continued, "As you know supply and demand covers what its worth. In my opinion there is no other building in the City of Pinson that will serve the purpose of a City Hall. I don't like it, but if it takes \$550,000., to get the building, then I think we should get it."

Councilor Tanner stated that she thinks it's the perfect place because of what is available, and we don't have the funds to build from the ground up.

Councilor Tanner mentioned that it is strange that the building has been vacant as long as it has been.

Councilor Cochran stated that there have been other people in pursuit of that building also. There was an offer in the \$600,000., range maybe 2 yrs ago.

Councilor Churchwell asked if \$550,000., is a firm offer to sale?

Mayor Sanders stated, as we understand it yes.

Councilor Cochran made a motion to offer the contract.

Councilor Tanner duly seconded the motion.

Mayor Sanders called for Unanimous Consent with the following results: Mayor Sanders-yes; Councilor Tanner-yes; Councilor Cochran-yes; Councilor Shelnutt-yes; Councilor Churchwell-yes; Councilor McCain-yes.

Mayor Sanders, Unanimous consent passed.

Mayor Sanders briefly went over the changes in the resolution as well as the changes on the agreement.

Councilor Cochran discussed "Clause H", which was written by our attorney Ken Thompson.

Mayor Sanders asked Council, "What price do we want to put in the agreement?"

Councilor Churchwell stated that it sounds like we don't have a choice.

Mayor Sanders replied, I honestly don't know.

Councilor Cochran stated that the agent he has spoken with is the agent that brought that other offer forward. Councilor Cochran added, "I don't like to get into bidding wars with anyone, but we have already set in motion some things that will require more space that will come into fruition within the next year to 13 months, example, planning and zoning. This will require more office space and more personnel, so if we don't buy this building what would we do? I believe we need the building."

Mayor Sanders stated, "Outside of this building it would probably be buy some land and start from scratch."

Cochran made a motion to amend the contract and insert a price of \$550,000.

Councilor McCain duly seconded the motion.

Councilor Tanner asked, "The building appraised for \$500,000., we offered \$450,000, they had a offer substantially more, but they will take \$550,000 from us. So the other offer is not more than this?"

Mayor Sanders stated, that would be a good assumption.

Councilor Tanner asked if the earnest money is non-refundable?

Mayor Sanders stated it is refundable under our contract for certain items such as the appraisal, the title being clean, the structure being clean.

Mayor Sanders, the motion to amend has been made and seconded. Mayor Sanders called for any questions. As there were none, Mayor Sanders called for a Roll Call Vote on the amended price, with the following results: Mayor Sanders-abstain; Councilor Tanner-yes; Councilor Cochran-yes; Councilor Shelnutt-no; Councilor Churchwell-yes; Councilor McCain-yes.

Mayor Sanders called for further discussion on the main Resolution.

Councilor Cochran asked Councilor Shelnutt, "Why did you vote no, do you have a dollar figure in mind?"

Councilor Shelnutt replied, "I don't like paying above the appraised value and I don't like having ultimatums, if we go \$500,000., and we don't get it, it seems like someone is willing to pay more then we are, and we will have a good business coming into town which means more tax base."

Councilor Cochran stated, "I wouldn't pay more than the appraised value, that's why Clause H is in there."

Councilor Shelnutt stated, "But we already have an appraisal, right?"

Mayor Sanders replied, we have one, yes.

Councilor Cochran read from page 3 "Clause H".

Councilor Cochran continued, if we offer more than the building appraises for, they are going to have to re-appraise the building and show us that it is worth more or we will not purchase the building.

Councilor Churchwell asked, what is date on the current appraisal?

Mayor Sanders replied, July 12, 2007.

Councilor Shelnutt stated, in my past experience with residential appraisals, if I need my house to appraise for \$190,000., then the appraisal somehow really comes close to \$190,000. The Clause is a good Clause, but they are giving us an ultimatum.

Councilor Cochran responded, "I don't disagree, but I know that when we decided to pursue this building we had a larger number in our mind that we were willing to go. Is it worth the \$550,000., to the City and our Community, and to me the answer is yes."

Councilor Churchwell added, I agree with what Councilor Shelnutt has said, and I would not be in favor of doing this at all under most circumstances if there were anything else available anywhere but there is not, so we have to get what we can.

Councilor Shelnutt made a motion to amend the contract to \$500,000.

Mayor Sanders called for a second

Mayor Sanders, motion fails due to lack of second.

Mayor Sanders stated that we are back to the amended price of \$550,000. with \$27,500. Earnest money.

Mayor Sanders called for questions or comments.

Councilor Tanner stated that she has had a lot of people mention that this would be a great place for City Hall. There has been talk on Cathy's website. Everyone has been positive.

Mayor Sanders stated, "If we finance the payment, assuming 5% interest, would be about \$3300. month on \$500,000."

Mayor Sanders added, "We received about \$43,000., this year for capital money essentially that would pay our note."

Mayor Sanders called for a roll call vote with the following results:

Mayor Sanders-abstain; Councilor Tanner-yes; Councilor Cochran-yes; Councilor Shelnutt-no; Councilor Churchwell-yes; Councilor McCain-yes.

Mayor Sanders, passes as Resolution 2007-14.

Councilor Cochran made a motion to adjourn. Councilor Churchwell duly seconded the motion.

Mayor Sanders stated "Motion carries".

Respectfully submitted,
Marie Turner, City Clerk

August 24, 2007 Minutes Adopted _____