

Request for reading this letter at City council meeting Yachats, OR on August 11, 2011.

Subject: East Hillside LID

Date: August 6, 2011

To: The Mayor, The City Council, and the members and property owners in East Hillside LID

Why are we in this situation?

1. When Blackstone (J.Monschke) started developing the water system (today LID) the City of Yachats did not request a sufficient bond or credit reserve from Monschke in the "Performance Agreement". Violation of City code 9.56.
2. After receiving a letter from the City of Yachats on 7.28.2011 (notice of final assessment) to owners in LID, which shows a 20% increase in cost since the letter issued on 1/19/2010. The City of Yachats received a professional bid for finishing the water system in LID. The City signed the contract without specifying a financial overrun. The City lost the control over the costs, which then resulted in 20% higher costs than initially expected.
3. Blackstone/Jonathan Monschke had The City of Yachats and the Dyer Partnership approve this development. Why would the City of Yachats, who had recently paid \$ 88,119 to the Dyer Partnership, for re-engineering something which was already approved by City and Dyer Partnership? If The City had said that they did not approve Blackstone's Development, then why did they let Blackstone continue? Many Oregon cities have cut their ties with the Dyer Partnership because of their questionable business practices.
4. Due to the City's irresponsible acts, the City of Yachats decided to invest a small amount in LID. They will get their investment back with handsome profit. When the owners of lots in LID want to built on their lots, the City will then charge a water hook up fee at a cost of \$ 3,586 per lot. The 66 present lots will give City \$ 236 676 . The total hook up fee for all 66 lots (water, sewer, drainage) will give City of Yachats \$ 682,000.
5. The City of Yachats should step up and take responsibility and pay for this project.
6. The Owners in the East Hillside LID should seek legal advice!

Signed:

Tom Rodovsky for Windsong Subdivision/Pacific 101 Development,LLC



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