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TO: Mayor and City Commissioners
RE: Study Session Meeting Agenda
FROM: Richard U. Nienstedt, City Manager

A Study Session is scheduled for **December 21, 2015 at 4:00 pm** in the conference room on the first floor of City Hall, 101 S. Hickory. The following items will be presented:

I. Public Comments

II. Items to be Placed on the Regular City Commission Agenda

- a. Minutes from the December 2, 2015 Regular Meeting and December 7, 2015 Study Session Pgs. 3-7
- b. Request for Approval of Neighborhood Stabilization Program Action Plan - Charlotte Newkirk and Susan Galemore Pgs. 8-13

III. Items for Presentation and Discussion

- a. Review of Major Lease / Interlocal Agreements: Attached is a summary of the City's Major Agreements and Leases with Third Parties, as Requested - Nienstedt and Finch Pg. 14
- b. Urban Growth Agreement (update, discussion of options) - Nienstedt and Finch
- c. City Manager's Report
- d. Commissioner's Reports
- e. Mayor's Report

IV. Announcements

- December 25, 2015 Christmas Holiday, City Offices CLOSED
- December 28, 2015 Study Session, 4:00 pm, City Hall
- January 1, 2016 New Year's Day, City Offices CLOSED
- January 4, 2016 Study Session, 4:00 pm, City Hall
- January 6, 2016 Regular Meeting, 7:00 pm, City Hall
- January 11, 2016 Commission Retreat with John Divine, 5:00—9:00 pm, City Hall (1st Session)
- January 12, 2016 Commission Retreat with John Divine, 5:00—9:00 pm, City Hall (2nd Session)

52 Tips for Successful Public Service by E.A. Mosher

#3-Don't burn yourself out on the little things, while recognizing that they are often important to the public. Save some energy and time for the important matters.

2015 Priorities

Auditorium • Income Stream for Economic Development • Parks • Downtown • Retail Growth

V. **Adjourn**

Motion: _____

Second: _____

Time: _____

VI. **Items Already Placed**

**Regular Meeting Minutes
Commission Chambers
101 S Hickory, Ottawa, Kansas
Minutes of December 2, 2015**

The Governing Body met at 7:00 pm this date with the following members present and participating to wit: Commissioner Dickinson, Commissioner Caylor, Commissioner Reed and Commissioner Graves were all present. Mayor Skidmore was absent. A quorum was present.

The Mayor pro tem called the meeting to order and welcomed the Chamber Audience and led the Pledge of Allegiance to the American flag. The invocation was given by Sheriff Chaplain Scott Dickinson.

Consent Agenda

The Governing Body reviewed the consent agenda consisting of Minutes from the November 4-7, 2015 Special Call Meeting for NLC Conference, November 4, 2015 and November 18, 2015 Regular Meetings, November 9, 2015 Study Session, November 10, 2015 Special Call for LKM Supper, November 16, 2015 Special Call Meeting for Time Change and November 16, 2015 Special Call Walnut Bike Lane Meeting; Approval of Nabila Formusoh as the new board member for the Accessibility Advisory Board; Approval of the 2016 Cereal Malt Beverage License Renewal Applications; and the regular meeting agenda. Commissioner Caylor made a motion, seconded by Commissioner Reed to approve the consent agenda. The motion was considered and upon being put, all present voted aye. The Mayor pro tem declared the consent agenda duly approved.

Public Comments

None offered at this time.

Declaration

None were given at this time.

Resolution—Ottawa City Limits 2015

The Governing Body heard from Community Development Director Wynndee Lee regarding a request for approval of a resolution describing Ottawa city limits including property annexed in 2015. This resolution defines and declares the territorial limits and boundaries of the city of Ottawa and rescinds Resolution No. 1653-14. Commissioner Reed made a motion, seconded by Commissioner Graves to approve this resolution. The motion was considered and upon being put, all present voted aye. The Mayor pro tem declared the resolution duly approved and the resolution was numbered Resolution No. 1685-15.

Ordinance—Conditional Use Permit 1320 W 19th

The Governing Body heard from Community Development Director Wynndee Lee regarding a request for approval of an ordinance for a conditional use permit for the property address of 1320 W 19th Street. This permit is to allow an elementary school, public education facility, on the property located at 1320 W 19th Street in an R-1 Low Density Dwelling District. Commissioner Graves made a motion, seconded by Commissioner Caylor to approve this ordinance. The motion was considered and upon being put, all present voted aye. The Mayor pro tem declared the ordinance duly approved and the ordinance was numbered Ordinance No. 3904-15.

Resolution—KDOT Classification System

The Governing Body heard from Public Works Director Michael Haeffele regarding a request to approve a resolution for Kansas Department of Transportation (KDOT) for mapping changes regarding the urban city functional classification system for the City of Ottawa. Commissioner Caylor made a motion, seconded by Commissioner Graves to approve this Resolution. The motion was considered and upon being put, all present voted aye. The Mayor pro tem declared the resolution duly approved and the resolution was numbered Resolution No. 1686-15.

Resolution—KDOT Boundary Lines

The Governing Body heard from Public Works Director Michael Haeffele regarding a request to approve a resolution for Kansas Department of Transportation (KDOT) for mapping changes regarding urban area boundary lines for the City of Ottawa. Commissioner Caylor made a motion, seconded by Commissioner Reed to approve this resolution. The motion was considered and upon being put, all present voted aye. The Mayor pro tem declared this resolution duly approved and the resolution was numbered Resolution No. 1687-15.

Report by City Manager

City Manager Richard U Nienstedt is absent attending a City Manager's Conference.

Report by City Commissioner

Commissioner Graves stated she was thankful to be able to turn on the Christmas lights and light the Mayor's Tree this year and her kids enjoyed it.

Commissioner Caylor congratulated the Ottawa Police Department on their accreditation designation.

Report by Mayor pro tem

Mayor pro tem Dickinson reported:

- Had the opportunity to attend with Chief Butler to accept their accreditation designation. Because of this designation, there are many relationships built by our Police Department with other resources. Congratulations.

Announcements

Mayor pro tem Dickinson announced:

- December 7, 2015: Study Session, 4:00 pm, City Hall
- December 14, 2015: Study Session, 4:00 pm, City Hall
- December 16, 2015: Regular Meeting, 9:30 am, City Hall

Adjournment

There being no further business to come before the Governing Body, Commissioner Caylor made a motion, seconded by Commissioner Graves, to adjourn the meeting. The motion as considered and upon being put, all present voted aye. The Mayor pro tem declared the meeting duly adjourned at 7:21 pm.

Carolyn S. Snethen, City Clerk

**Study Session Minutes
Ottawa, Kansas
Minutes of December 7, 2015**

The Governing Body met at 4:00 pm this date with the following members present and participating to wit: Mayor Skidmore, Commissioner Dickinson, Commissioner Caylor, Commissioner Reed, and Commissioner Graves were all present. A quorum was present.

Mayor Skidmore called the meeting to order.

Public Comments

The Governing Body heard from David Clayton at 804 N Poplar, regarding safety being a main priority for the bike lane project.

Resolution—Planned Capital Lease Purchase of Equipment

The Governing Body heard from Finance Director Scott Bird and Public Works Director Michael Haeffele regarding a resolution to purchase equipment for the Public Works Department. Bids for a lease purchase agreement for a 2015 2 Ton GMC Dump Truck costing \$84,963 were reviewed on December 3, 2015. It is recommended to go with Arvest Bank's proposed bid at 1.85% for a 60 month term. It was agreed to place this item on the next regular meeting agenda, December 16, 2015.

Walnut Street Bike Lane Discussion

The Governing Body discussed the walnut bike lane project with Community Development Director Wynndee Lee, Public Works Director Michael Haeffele, City Engineer David Hamby, and City Attorney Blaine Finch. It was overall consensus of the Governing Body to continue on with the Bike Lane project that was approved on the October 21, 2015 Regular Meeting and try to save as much parking as possible.

Discussion with John Divine, The Leadership Firm

The Governing Body heard from John Divine with The Leadership Firm regarding scheduling the Retreat for 2016. The retreat was tentatively scheduled for January 11th and January 12th. Mr. Divine also spoke to the Governing Body regarding a Leadership Awareness Program. This program would be once a month for a period of 8 months in hopes to replace one Study Session Meeting a month.

Visual Preference Survey

The Governing Body heard from Community Development Director Wynndee Lee regarding a Visual Preference Survey. The Governing Body was shown a series of photos relating to industrial parks and rated the photos. This survey will be calculated and results will be brought back to a later study session meeting.

City Manager's Report

City Manager Richard U Nienstedt reported:

- We have a five member team who are reviewing six engineering proposals for the Rock Creek Development Park. The team will review these six engineers and will make a recommendation.
- Handed out a booklet from the League of Kansas Municipalities to the Commissioners that included 52 tips for successful public service by E.A. Mosher.

Commissioners' Reports

Commissioner Caylor spoke on her National League of Cities Conference this year. Commissioner Caylor thanked the Governing Body for allowing her to attend. Some of the topics Commissioner Caylor spoke on included Enriching Education for a Stronger Community; Clean Water for a Healthy Environment; Big Ideas, Small Cities; and Tomorrow's Workforce Workshop.

Commissioner Dickinson stated the Secretary of Transportation spoke at the First Friday Forum. Commissioner Dickinson was able to have lunch with the Secretary of Transportation and had a great discussion.

Mayor's Report

Mayor Skidmore reported:

- Had a great vacation and noticed new bike lanes along the way
- Appreciates the discussion we have had on the bike lane project.

Announcements

Mayor Skidmore announced:

- December 14, 2015: Study Session, 4:00 pm, City Hall
- December 16, 2015: Regular Meeting, 9:30 am, City Hall
- December 21, 2015: Study Session, 4:00 pm, City Hall
- December 25, 2015: Christmas Holiday, City Offices CLOSED

Adjournment

There being no further business to come before the Governing Body, Commissioner Caylor made a motion, seconded by Commissioner Graves, to adjourn the meeting. The motion as considered and upon being put, all present voted aye. The Mayor declared the meeting duly adjourned at 5:35 pm.

Carolyn S. Snethen, City Clerk

STAFF MEMORANDUM

TO: Richard U. Nienstedt, City Manager

FROM: Wynndee S. Lee, AICP, Community Development Director

DATE: December 15, 2015

SUBJECT: NSP Grant funds update

Since 2009 the City of Ottawa has received funds from the Neighborhood Stabilization Program Grant (NSP). The City originally received \$730,000 which allowed the purchase of two single-family and three duplex structures. The structures were rehabilitated with the funds and subsequently donated to ECKAN, for low income housing.

Then in 2012 the city was awarded another \$350,000 which allowed for the construction of two new single-family dwellings on city owned property. Those structures were built at 808 S. Cherry and 113 S. Elm. Both of the house have been sold, one was sold to a family earning less than 50% AMI and the other one to a family earning less than 120% AMI.

In 2015 the city was then awarded \$73,500 NSP funds. The funds were used to purchase the property at 727 N. Main and build a single-family residence at that location. The structure is estimated to be finished by March 2016. The structure will be sold to a family earning less than 120% AMI.

**CITY OF OTTAWA
NEIGHBORHOOD STABILIZATION PROGRAM
ACTION PLAN
Amended _____, 2016**

On July 30, 2008, Congress passed the Housing and Economic Recovery Act (HERA), which establishes a program for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties. This program is commonly referred to as the Neighborhood Stabilization Program (NSP). Under this program, City of Ottawa was awarded \$357,163 as established in CDBG grant 09-NSP-006.

On February 1, 2010, an amendment was approved by KDOC allocating an additional \$322,837, bringing the total NSP grant amount to \$680,000.

Also, on May 8, 2012, an amendment was approved by KDOC allocating an additional \$350,000, bringing the total NSP grant amount to \$1,080,000.

Also, on May 27, 2014, an amendment was approved by KDOC allocating an additional \$73,500, bringing the total NSP grant amount to \$1,153,500.

Title III of Division B of the Housing and Economic Recovery Act of 2008 outline the program rules and regulations to be followed by all grantees, see Attachment A.

The specific activities to be carried out by this grant are as follows:

1. Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

Estimated number of properties to be purchased: 5
Dollars allocated to this activity: \$389,449.12

Estimated number of properties to be rehabilitated: 5
Dollars allocated to this activity: \$290,476.61

This process will involve the following:

- i. An appraisal will be conducted within 60 days prior to an offer made for the property. Appraisals will be conducted by a certified appraiser that has been procured following CDBG guidelines, or the Counties procurement guidelines, whichever is stricter.
- ii. A 1% discount will be requested on the current market-appraised value of the home or property including allowable carrying costs and holding costs;
 - Carrying costs shall include, but not limited to: taxes, insurance, maintenance, marketing, overhead, and interest.
 - The average holding period for a property shall be determined by using the local average days on the market to sell real estate

(residential or multi-family.) This number shall be determined from local statistics (local realtor statistics.)

- iii. After the purchase of the property is complete, a Housing Quality Standards (HQS) inspection will be completed by a HQS certified inspector. The HQS standards to be followed for NSP are included as Attachment B. At the conclusion of the HQS inspection, it will be determined whether to demolish, rehabilitate, or disburse the property.
- Demolish: If the HQS inspection determines the property to be blighted, demolition may occur. This activity is discussed under activity 2.
 - Rehabilitate: If the HQS inspection determines that rehabilitation is necessary to meet HQS standards, a work write-up will be developed outlining the scope of work to be bid out to lead certified contractors. If the property was built prior to 1978, all state and federal regulations regarding lead-based paint (LBP) hazards will apply and are hereby made a part of this plan.
 - Sell: If the HQS inspection determines that the property meets HQS standards, no rehabilitation will be conducted and the property will be sold.
- iv. Disburse the property: After all necessary inspections and work has been completed and the property is determined it is ready to be disbursed, the City will choose to sell or donate the property.
- Sell: potential buyers will be sought from a pool of interested applicants supplied by local agencies. Income qualification will be conducted to ensure the buyers income is at or below 120% of the area median income, (AMI). Preference will be given to homebuyers who are 50% of the AMI. Homebuyers will be required to reside in their homes for a period of three years in order for all covenants or assistance restrictions to expire. Homebuyers who purchase a home that have been constructed for redevelopment will have different occupancy requirements. See Sections 3 and 4. Homebuyers will also be required to attend 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan.
 - If a qualified buyer cannot be obtained through the pool of applicants, a real estate agent may be hired to sell the property. HERA rules and regulations will be followed for this activity.

- Donate: The City may choose to donate the property to a local non-profit, housing authority or CHDO to be utilized in a manner to ensure the NSP programs affordability requirements. Affordability requirements are outlined in Attachment C. (Restrictive covenants will be attached to the property.)

v. Redevelopment: This option is discussed in Activity 3.

2. Demolish blighted structures:

Estimated number of properties to be addressed: 0

Dollars allocated to this activity: \$0

Blighted structures means an area (other than a slum area) which by reason of the presence of a substantial number of slum, deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use: *Provided*, That if such blighted area consists of open land the conditions contained in the proviso in K.S.A. 17-4747(d) shall apply.

This activity will meet the HERA low- and moderate-income national objective because demolition will be limited to blighted structures in neighborhoods in which at least 51% of the residents have incomes at or below 120% of the Area Median Income.

3. Redevelopment:

Estimated number of properties to be addressed: 3

Dollars allocated to this activity: \$394,789.02

NSP funds will be used to redevelop demolished or vacant properties. Redevelopment shall include the acquisition and rehabilitation or construction of new infill housing for rent or sale to households earning less than 120% of the Area Median Income. These funds may also be used to help pay for infrastructure that is necessary to construct new housing. At least 25% of the NSP funds spent on this activity will be used to produce affordable housing that is rented or sold to households with incomes that do not exceed 50% of the Area Median Income. Non-profit housing organizations and private developers are expected to assist the City in carrying out this activity.

Disburse the property: After all necessary inspections and work has been completed and the property is determined it is ready to be disbursed, the City will choose to sell or donate the property.

- Priority I: The first priority will be to sell the property to potential buyers who will be sought from a pool of interested applicants supplied by local agencies. Income qualification will be conducted to ensure the buyers income is at or below 120% of the area median income, (AMI). Fifty percent of the redeveloped properties must be occupied by occupants who are below 50% of the AMI. Homebuyers will be required to reside in their homes for a period described in Table B in order for all covenants or assistance restrictions to expire. Homebuyers will also be required to attend 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan.
 - If a qualified buyer cannot be obtained through the pool of applicants, a real estate agent may be hired to sell the property. HERA rules and regulations will be followed for this activity.
- Priority II: If all attempts have failed to sell the property after 6 months, the City may choose to donate the property to a local non-profit, housing authority or Certified Housing Development Organization (CHDO) to be utilized in a manner to ensure the NSP programs affordability requirements. Affordability requirements are outlined in Attachment C. (Restrictive covenants will be attached to the property.)

4. Financing Mechanisms:

Estimated number of properties to be addressed: 3

Dollars allocated to this activity: \$0 – this activity will be deducted from the sale price

The City will provide financial assistance to purchasers who income qualify in the form of Down Payment assistance of up to 40% of purchase price of property. Financial assistance with closing costs will also be offered based on the homebuyers AMI%.

Financial Assistance Offered

Table A

Area Median Income	Down Payment	Closing Cost Paid by Buyer
Less than 50%	40%	\$500.00
Less than 80%	30%	\$800.00
Less than 120%	20%	\$1,000.00

A soft lien will be filed for the amount of assistance for a period determined in the table below.

Table B

Affordability Period	Subsidy Amount
5 years (60 months)	Less than \$14,999
10 years (120 months)	Between \$15,000-\$40,000
15 years (180 months)	Over \$40,000

5. Administration:

Dollars allocated to this activity: \$78,785.25

ENVIRONMENTAL REQUIREMENTS:

All NEPA environmental requirements will be adhered to and is made part of this plan.

FAIR HOUSING AND CIVIL RIGHTS:

City of Ottawa will endeavor to administrate the NSP program and, specifically, the marketing of properties without regard to race, color, national origin, religion, sex, familial status, and handicap.

City of Ottawa is not aware of impediments to fair housing currently occurring within the City. However, in an effort to ensure disadvantaged groups will have equal access to NSP program benefits, City of Ottawa will undertake the following activities when marketing a property for sale or rent, including financing mechanisms offered:

- a. Publish a public notice in the most widely circulated newspaper, and in a foreign language publication, if available.
- b. Advertise the program and property on the local public access channel.
- c. Notify the local disabled non-profit organizations.
- d. Notify any other interested parties.
- e. If necessary, provide an interpreter for the Limited English proficiency population.

A property log will be maintained on each property delineating activities completed and demographics associated with those activities.

SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968:

City of Ottawa will adhere to the rules and regulations of Section 3 of the Housing and Urban Development Act of 1968. Specifically, with regards to the employment and other economic opportunities provided to low- and very low-income persons.

Approved by the City of Ottawa this _____ day of _____, 2016.

Mayor

City Clerk

Summary of Major City Agreements with Third Parties

December 18, 2015

Type of Lease	Location	Other Party	Date entered into	End dates	Contract Amount
Real Estate	515 S Main Carnegie	OCAC and Ottawa Suzuki Strings Inc	4/19/1999	4/19/2009	\$1.00 per year
Real Estate	517 E 3rd Woodward Ctr.	ORC	5/6/2009	N/A	N/A
Pool Lease	Forest Park	ORC	5/6/2009	Renew annually on Jan 1	N/A
Real Estate	Orlis Cox Complex	ORC	5/6/2009	Renew annually on Jan 1	N/A
Fixed-Base Operator	Municipal Airport	OWI Aviation Services LLC	10/01/2013	10/01/2015 (2 year extension)	\$58,000 annually
PILOT payments		FCDC	1/1/2013	Automatic Renewal	
Industrial Park Acquisition		FCDC & FR. CO.	10/23/2013		\$10,000 One time
Economic Development		FCDC & FR. CO.	1/1/2016	12/31/2016	\$63,875 annually
Interlocal Cooperation	911	Franklin County	2/23/2014	1yr automatic renewals	50% of budget
Interlocal Agreement	New Industrial Park	Franklin County	12/1/2014	Until bonds paid or 1/1/2045	2/3 vs. 1/3
Interlocal Agreement and MOU	Urban Growth Area	Franklin County	6/30/2016 3/21/2012	6/30/2016 6/30/2016	None None