

**Study Session Minutes
Ottawa, Kansas
Minutes of July 17, 2017**

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

Mayor Caylor called the meeting to order.

Public Comments

None offered at this time.

Minutes to Review

The Governing Body reviewed minutes from June 19, 2017 Study Session, June 21, 2017 Regular Meeting, June 26, 2017 Special Call Study Session, and July 5, 2017 Regular Meeting and agreed by consensus to place these items on the next Regular Meeting agenda on July 19, 2017.

Resolution—Execution of the Dogwood Project Agreement

The Governing Body heard from Utilities Director Dennis Tharp who reviewed the final Dogwood power supply agreement between the City and Kansas Municipal Energy Agency (KMEA) in which the City of Ottawa will participate at a level of 5 megawatts. Mr. Tharp stated staff believes this opportunity will help move the City forward and maintain diversity in its power supply portfolio. Mr. Tharp explained that City staff is still looking into removing the steam turbine unit (STAG) from service and exploring options to maintain capacity requirements at a compliant level. Mr. Tharp then covered the STAG specifics and answered questions from the Governing Body. It was agreed by consensus to place this item on the next Regular Meeting agenda.

Open Agenda—Holiday Inn Express & Suites Project Overview

The Governing Body heard from Community Development Director Wynndee Lee and Bond Counsel Tyler Ellsworth who provided an overview of the Holiday Inn Express & Suites project and answered questions from the Governing Body.

Lodging Project Presentation

The Governing Body heard from Project Developer Mike Works and his Counsel, Matt Gough, who provided a presentation on their proposed Lodging Project and discussed the opportunities and challenges associated with the redevelopment of the area within the NW I-35 and Princeton District and answered questions from the Governing Body.

Ordinance—Approve and Adopt Redevelopment Project Plan (Lodging Project Plan) for the NW I-35 & Princeton TIF District

The Governing Body heard from Community Development Director Wynndee Lee and City Bond Counsel Tyler Ellsworth who reviewed an ordinance approving and adopting a Redevelopment Project Plan (Lodging Project Plan) for the NW I-35 & Princeton Tax Increment Financing District (TIF). Mrs. Lee explained the hotel project would create 6-8 full time jobs, 8-12 part time jobs, resolve traffic safety issues near the site, and answered questions from the Governing Body.

July 17, 2017

Mrs. Lee and Mr. Ellsworth reviewed the feasibility study for the Lodging Project Plan and the incentives the City has considered providing for this project. It was agreed by consensus to place this item on the next Regular Meeting agenda.

Ordinance—Creation of the Holiday Inn Express & Suites Ottawa Community Improvement District and Authorizing the Imposition of a Community Improvement District Sales Tax

The Governing Body heard from Community Development Director Wynndee Lee who reviewed an ordinance authorizing the creation the Holiday Inn Express & Suites Ottawa Community Improvement District (CID) and authorizing the imposition of a 1% CID sales tax to be collected within the CID. Mrs. Lee explained the CID would be for the land site for a Holiday Inn Express & Suites and another pad site and answered questions from the Governing Body. It was agreed by consensus to place this item on the next Regular Meeting agenda.

Resolution—Intent to Issue Industrial Revenue Bonds (IRB)

The Governing Body heard from Community Development Director Wynndee Lee who reviewed a resolution declaring the intent to issue IRBs in the principal amount of approximately \$6,950,000 to pay a portion of the cost of acquiring, constructing, and equipping a commercial facility within the City for Holiday Inn Express & Suites. It was agreed by consensus to place this item on the next Regular Meeting agenda.

Resolution—Execution and Delivery of Development Agreement

The Governing Body heard from Community Development Director Wynndee Lee who reviewed a resolution to approve the execution and delivery of the development agreement with Ottawa Lodging LLC as the developer to build a Holiday Inn Express & Suites, limited service hotel, containing 81 rooms in the City of Ottawa. It was agreed by consensus to place this item on the next Regular Meeting agenda.

Brownfields Update

The Governing Body heard from Kansas Department of Health and Environment (KDHE) Brownfields Coordinator Seth Mettling who reviewed the Brownfields Coalition Grant Program, the successful cleanup projects, and opportunities available to the City for future projects with approximately \$212,000 left in grant money, and answered questions from the Governing Body.

2018 Budget Discussion

The Governing Body heard from City Manager Richard U. Nienstedt and Finance Director Scott Bird who reviewed final budget proposals for a 1.13 mill increase and a 2.135 mill increase from the 2017 budget. The Governing Body agreed to publish the 2018 budget with a 2.135 mill increase with the understanding that the mill rate may be lowered, but not raised after the notice of budget hearing is published. The Governing Body agreed by consensus to publish the Notice of Budget Hearing for August 2nd, 2017 at 7:00 pm.

City Manager's Report

None

July 17, 2017

Commissioner's Reports

Commissioner Crowley thanked Utilities Director Dennis Tharp and his team for working long hours after the recent storm to restore power to Ottawa residents.

Mayor's Report

Mayor Caylor reported on the following:

- She recently visited a city in Texas that requires boil orders approximately every 6-8 weeks
- She appreciates the street upkeep in Ottawa as many streets in the city she visited in Texas are in bad condition

Mayor Caylor stated the need for an executive session to consult with the Board's attorney and Bond Counsel to discuss a matter of attorney-client privilege for a period of 20 minutes, beginning at 6:05 pm.

Announcements

Mayor Caylor announced the following:

- July 19, 2017 Regular Meeting, 9:30 am, City Hall
- July 24, 2017 Study Session, 4:00 pm, City Hall
- July 27, 2017 Proximity Park Groundbreaking Ceremony, 10:00 am, Proximity Park
- July 27, 2017 Proximity Park Groundbreaking Reception, Immediately Following Groundbreaking Ceremony, Ottawa Municipal Airport
- July 31, 2017 Study Session, 4:00 pm, City Hall
- August 1, 2017 National Night Out

Executive Session

Recess

Commissioner Jorgensen made a motion, seconded by Commissioner Skidmore, to recess into executive session to consult with the Board's attorney and Bond Counsel to discuss a matter of attorney-client privilege with City Attorney Blaine Finch, Bond Counsel Tyler Ellsworth, City Manager Richard U. Nienstedt, and Community Development Director Wynndee Lee present for a period of 20 minutes beginning at 6:05 pm. The motion was considered and upon being put, all present voted aye. The Mayor declared the meeting duly recessed.

Reconvene

Commissioner Jorgensen made a motion, seconded by Commissioner Skidmore, to reconvene into open session. The motion was considered and upon being put, all present voted aye. The Mayor declared the meeting duly reconvened at 6:25 pm.

Recess

Commissioner Jorgensen made a motion, seconded by Commissioner Skidmore, to recess back into executive session for a period of 15 minutes beginning at 6:25 pm. The motion was considered and upon being put, all present voted aye. The Mayor declared the meeting duly recessed.

July 17, 2017

Reconvene

Commissioner Skidmore made a motion, seconded by Commissioner Graves, to reconvene into open session. The motion was considered and upon being put, all present voted aye. The Mayor declared the meeting duly reconvened at 6:40 pm.

Adjournment

There being no further business to come before the Governing Body, Commissioner Graves made a motion, seconded by Commissioner Crowley, to adjourn the meeting. The motion was considered and upon being put, all present voted aye. Mayor Caylor declared the meeting duly adjourned at 6:41 pm.

/s/ Laurel Gimzo
Laurel Gimzo, Assistant City Clerk