

**Regular Meeting Minutes
Commission Chambers
101 S Hickory, Ottawa, Kansas
Minutes of July 19, 2017**

The City Governing Body met at 9:30 am this date, for the Regular City Commission Meeting with the following members present and participating to wit: Mayor Caylor, Commissioner Crowley, Commissioner Graves, and Commissioner Skidmore. Commissioner Jorgensen was absent. A quorum was present.

Mayor Caylor called the meeting to order.

The Mayor welcomed the Chamber Audience and led the Pledge of Allegiance to the American flag. The invocation was given by Pastor Kathleen Whitmore with First United Methodist Church.

Consent Agenda

Commissioner Skidmore made a motion, seconded by Commissioner Graves, to approve the consent agenda, to include this regular meeting agenda, amended to include Item 14.5 Request for Approval of Resolution Providing for the Notice of a Public Hearing Concerning the Advisability of the Creation of an Additional Community Improvement District (CID) Within the Lodging Project and Declaring the Intent to Levy a CID Sales Tax and minutes from the June 12, 2017 and June 19, Study Sessions; June 21, 2017 and July 5, 2017 Regular Meetings; and June 26, 2017 Special Call Study Session. The motion was considered and upon being put, all present voted aye. The Mayor declared the consent agenda duly approved.

Public Comments

The Governing Body heard from Ottawa Area Chamber of Commerce President/CEO John Coen, 109 E 2nd St, who thanked the City employees for their hard work and consideration on the Lodging Project Plan.

Declaration

None were given at this time

Electric Distribution Superintendent Steve Greiner Retirement Recognition

The Governing Body heard from Director of Utilities Dennis Tharp who congratulated Electric Distribution Superintendent Steve Greiner on his years of service and thanked him for being a part of the City.

Mayor Caylor presented Mr. Greiner with a retirement plaque in recognition of his 20 years of service to the City of Ottawa. Mr. Greiner thanked the Governing Body and City staff for recognizing his years of service. Mr. Greiner thanked the Commission for allowing him to be a part of the City.

Resolution—Execution of the Dogwood Project Agreement

The Governing Body heard from Utilities Director Dennis Tharp who reviewed a resolution authorizing the execution of 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.

July 19, 2017

Mr. Tharp stated staff believes this opportunity will help move the City forward and maintain diversity in its power supply portfolio. Mr. Tharp explained 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. Commissioner Graves made a motion, seconded by Commissioner Crowley, to adopt the resolution. The motion was considered and upon being put, all present voted aye. The Mayor declared the resolution duly adopted and the resolution was duly numbered Resolution No. 1725-17.

Public Hearing—Consideration of the Establishment of TIF District at Princeton and I35

This hearing is for public comment regarding the proposal to establish a Tax Increment Financing (TIF) Project in the Princeton and I-35 TIF District for the Ottawa Lodging Project.

Mayor Caylor opened the public hearing at 9:57 am.

The Governing Body heard from Community Development Director Wynndee Lee who discussed incentives for the project and explained the TIF district opportunity was created to cover costs for public improvements that would otherwise be paid by property tax revenue.

The Governing Body heard from the developer's attorney Matthew Gough with Barber Emerson, L.C. who discussed project details and community benefits the site would provide. Mr. Gough requested the approval of a Community Improvement District (CID) petition, resolution for a second CID petition, Industrial Revenue Bonds (IRB), a TIF plan, and the execution and delivery of the development agreement.

Franklin County Development Council Director James Oltman discussed his involvement in this project, travelers passing by Ottawa, and the 8-12 jobs the project would create.

Project Developer Mike Works thanked everyone involved in the process and stated that his main contractor would be looking for local subcontractors in the area and is working on a deal with a local builder.

Bond Counsel Tyler Ellsworth explained he represented the City of Ottawa and Franklin County in this project in a collaborative effort to provide the incentive needed for the developer. Mr. Ellsworth explained that a second CID is a request from the developer and part of an approach to bridge the gap needed for the developer and the City to come to an agreement.

No further comments were given.

Mayor Caylor closed the public hearing at 10:36 am.

July 19, 2017

Ordinance—Redevelopment Project Plan (Lodging Project Plan)

The Governing Body reviewed an ordinance adopting a lodging project plan for the southern section within the NW I-35 & Princeton Tax Increment Financing District. Commissioner Skidmore stated his appreciation for everyone's efforts and commitment to the community, and the City Commission's responsibility to the tax payers. Commissioner Skidmore made a motion, seconded by Commissioner Graves, to adopt the ordinance. The motion was considered and upon being put, all present voted aye. The Mayor declared the ordinance duly adopted and the ordinance was duly numbered Ordinance No. 3955-17.

Ordinance—Creation of a Community Improvement District (CID) and Imposition of a CID Sales Tax

The Governing Body reviewed an ordinance authorizing the creation of a Community Improvement District (CID) and the imposition of a CID Sales Tax for the land site for a Holiday Inn Express & Suites and another pad site, and collection of additional sales tax within such district, at a rate of 1%. The Governing Body heard from Community Development Director Wynndee Lee who explained this tax would only be implemented on the hotel and the additional retail pad site. Mrs. Lee stated caps could be placed on the CID and answered questions from the Governing Body. Commissioner Graves made a motion, seconded by Commissioner Crowley, to adopt the ordinance. The motion was considered and upon being put, all present voted aye. The Mayor declared the ordinance duly adopted and the ordinance was duly numbered Ordinance No. 3956-17.

Resolution—Public Hearing for the Creation of an Additional Community Improvement District (CID) Within the Lodging Project and Declaring the Intent to Levy a CID Sales Tax

The Governing Body heard from the Bond Counsel Tyler Ellsworth who reviewed a resolution setting a Public Hearing for August 16, 2017 at 9:30 am to consider the advisability of creating an additional CID and the imposition by the City of a 1.0% CID Sales Tax within the CID for the Lodging Site Only. Mr. Ellsworth explained the second CID encompasses only the hotel, resulting in a 2% sales tax increase at the hotel site in an effort to bridge the financial gap between the City of Ottawa and the developer.

Commissioner Skidmore made a motion, seconded by Commissioner Graves, to adopt the resolution. Commissioner Skidmore stated this sales tax would be paid almost exclusively by visitors to our community and Mayor Caylor stated this is not uncommon for hotels to have a different sales tax. The motion was considered and upon being put, all present voted aye. The Mayor declared the resolution duly adopted and the resolution was duly numbered Resolution No. 1726-17.

Resolution—Intent of the City of Ottawa to Issue Industrial Revenue Bonds (IRB)

The Governing Body heard from the Bond Counsel Tyler Ellsworth who reviewed a resolution stating the City's intent to issue IRBs in the amount of \$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. Mr. Ellsworth explained the bonds issued would be paid by the developer, not by taxes and answered questions from the Governing Body.

July 19, 2017

Commissioner Graves made a motion, seconded by Commissioner Skidmore, to adopt the resolution. The motion was considered and upon being put, all present voted aye. The Mayor declared the resolution duly adopted and the resolution was duly numbered Resolution No. 1727-17.

Resolution—Execution and Delivery of Development Agreement

The Governing Body heard from City Attorney Blaine Finch who reviewed a resolution approving the execution of a 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.

Mr. Finch explained that this agreement is the business end of the Lodging Project Plan authorizing city staff to enter into an agreement with the developer agreeing on a Tax Increment Financing (TIF) of 10 full years and 2 partial years, a Community Improvement District (CID) at 1% for the full site and an additional 1% CID on the hotel for 22 years with a 1.6 million dollar cap, Industrial Revenue Bonds in the amount of \$6,950,000.00, and a County Transient Guest Tax worth \$600,000.00.

Commissioner Skidmore made a motion, seconded by Commissioner Graves, to adopt the resolution. Commissioner Skidmore thanked developer Mike Works and his attorney Matt Gough for their openness and vulnerability and Mayor Caylor thanked them for working with staff and stated she looks forward to a bright future between both parties. The motion was considered and upon being put, all present voted aye. The Mayor declared the resolution duly adopted and the resolution was duly numbered Resolution No. 1728-17.

City Manager's Report

City Manager Richard U. Nienstedt reported on the following:

- This is important work that takes the developer, staff, and financial counsel to understand
- Commission's responsibility to City of Ottawa
- Joint City/County/USD 290 Meeting at 12:00 pm today at District Offices
- July 27, 2017 Proximity Park Groundbreaking Ceremony at 10:00 am, reception following at site

Commissioner's Reports

None

Mayor's Report

Mayor Caylor reported on the following:

- Applauds Commissioner and City staff efforts outside of meetings
- July 29, 2017 Play Day, 10:00 am – 1:00 pm at Forest Park
- August 1, 2017 National Night Out

Announcements

Mayor Caylor announced the following:

- July 19, 2017 Joint City/County/USD 290 Meeting, 12:00 pm, USD 290 District Offices
- July 24, 2017 Study Session, 4:00 pm, City Hall
- July 27, 2017 Proximity Park Groundbreaking Ceremony, 10:00 am, Proximity Park
- July 29, 2017 Play Day, 10:00 am – 1:00 pm
- July 31, 2017 Study Session, 4:00 pm, City Hall
- August 1, 2017 National Night Out
- August 26, 2017 Airport Fun Day, 8:00 am – 1:00 pm, Ottawa Municipal Airport

Adjournment

There being no further business to come before the Governing Body, Commissioner Crowley made a motion, seconded by Commissioner Graves, to adjourn the meeting. The motion was considered and upon being put, all present voted aye. The Mayor declared the meeting duly adjourned at 11:05 am.

/s/ Laurel Gimzo

Laurel Gimzo, Assistant City Clerk