

**City of Spring Hill, Kansas**  
**Minutes of City Council Regular Session**  
**June 23, 2016**

A Regular Session of the City Council was held in the Spring Hill Civic Center, 401 N. Madison, Council Chambers, Spring Hill, Kansas on June 23, 2016. The meeting convened at 7:10p.m. with Mayor Steven Ellis presiding and Glenda Gerrity, City Clerk, recording.

Councilmembers in attendance:                   Clint Gillis  
  Floyd Koder  
  Andrea Hughes

Councilmembers absent:                         Chris Leaton  
  Vacancy

Staff in attendance:                             City Administrator Jonathan Roberts  
  Finance Director Melanie Landis  
  Community Development Director Jim Hendershot  
  Police Chief Richard Mann

Consultants in attendance:                     City Attorney Frank Jenkins

**ROLL CALL**

The City Clerk called the roll of the City Council. With a quorum present, the meeting commenced.

**APPROVAL OF THE AGENDA**

The Mayor requested to move the Presentation from prior to Adjourn to just after the Approval of Agenda.

**Motion by** Koder, seconded by Gillis, to approve the agenda as revised. Motion carried 3-0-0

**PRESENTATION:**

The Mayor recognized Mr. Darrell Williamson for his 12 year commitment to serving on the Spring Hill Recreation Commission. The Mayor read aloud and presented a Proclamation to Mr. Williamson and proclaimed the week of June 26 – July 2, 2016 to be Darrell Williamson Community Commitment Week in honor of his retirement from the Spring Hill Recreation Commission and in recognition of the countless hours he has volunteered for his City.

**PUBLIC HEARING:**

The Mayor stated that the public hearing is to consider issuing Industrial Revenue Bonds for the BlackHawk Apartments Phase 1, Series 2016. Prior to opening the public hearing, the Mayor introduced the Finance Director, Ms. Melanie Landis.

Ms. Landis introduced the public hearing and stated that the notice was published in the newspaper, as required, on Wednesday, June 15, 2016. Notice of the hearing was also sent to Miami County, Unified School District No. 230 and the Spring Hill Recreation Commission since this project impacts these entities. The hearing is for the BlackHawk Apartment Project, Phase 1, for \$11,960,000.00 as an Industrial Revenue Bond. Staff provided a Cost-Benefit Analysis (CBA) that was conducted by the Kansas Department of Commerce. The purpose of the CBA is to analyze the economic and fiscal impact and provide feedback for the investment of each entity.

At this time, the Mayor opened the public hearing for public comments.

Mr. Jim Wilson, 302 E. Hale, stated that he is in favor of this project. He believes that this project is great for the City and will provide affordable housing. Mr. Wilson also spoke favorably of Mr. Merritt's reputation and is a good steward of his properties.

Ms. Debbie Hickman, 19401 W. 200<sup>th</sup>, thanked the Governing Body for the opportunity to speak and is not speaking in opposition of the project. Ms. Hickman stated that she wants to live in a community that is growing and believes this project could be a boost for Spring Hill. Ms. Hickman did speak in opposition of the timeliness of receiving notice of the public hearing on the agenda. Ms. Hickman stated that she believes that the paperwork be available when the notice is published in the newspaper. Ms. Hickman asked if the City worked with the School District regarding the tax abatement schedule. Ms. Hickman also asked if all the published material that was sent out yesterday, is exactly what is in place right now or have there been revisions.

Mr. Matthew Gough, with Barber Emerson, stated that it has been a privilege to work with Mr. Grant Merritt for over a year concerning this project. During this time, there have been numerous effective and productive meetings with City Staff and the City's Bond Counsel at Kutak Rock who have been tremendous throughout this process. This project is for 124 units, includes the clubhouse, pool and amenities and is Phase 1 of the project. This support is critical to the project being financed and to move forward. The request by the applicant is for an average 50% tax abatement of the entire project. The request has been for a weighted average that allows the applicant to take a higher percentage in the early years when it is needed most and then able to back it off in the later years.

With no further comments, the Mayor closed the public hearing.

#### **CONSENT AGENDA:**

**Motion by** Koder, seconded by Gillis, to approve the Consent Agenda as presented.

1. **Approval of Minutes: June 9, 2016**
2. **Appropriation Order 2016-06-23**
3. **Consider Approval of Special Event: Big Truck Day, Spring Hill Recreation Commission**
4. **Consider Approval of Final Plat: FP-05-16, The Bowery II, Replat, 20559 S. Lone Elm Road, Lots 1, 2, 3, 4, Mr. Mike Denny, Artistic Concrete Surfaces**
5. **Consider Contract for Ground Water Storage & Elevated Tower Cleaning and Inspections: Inland Potable Services, Inc.**
6. **Resolution No. 2016-R-17: County Assistance Road System (CARS) 5-Year Plan**
7. **Resolution No. 2016-R-18: Establishing Legal Dates for Discharge of Fireworks**

Motion carried 3-0-0.

#### **FORMAL COUNCIL ACTION**

**8. Resolution No. 2016-R-16: Resolution of Intent for Industrial Revenue Bonds, BlackHawk Apartment Project**

Ms. Landis introduced Mr. Tyler Ellsworth, Kutak Rock, the City's Bond Counsel, to present this Resolution.

Mr. Ellsworth stated that this Resolution of Intent to issue IRB's and approves a form of the Payment in Lieu of Tax Agreement (PILOT) which is attached to this resolution. The Resolution of Intent is different from the one previously adopted for this project as there was no PILOT Agreement. Also, the dollar amount to the principal amount of the bonds is slightly higher. The PILOT Agreement defines the amount of property tax abatement that the applicant will receive. There is a weighted average that is shown on a schedule to the PILOT Agreement which averages 54% over the 10-year term of the bonds. Only a portion of the project, under Kansas Statute, is eligible to be financed with the proceeds of the bonds.

Mr. Jonathan Roberts, City Administrator, stated that the Agenda Item Review Sheet referenced Section 14 of the IRB Policy, which allows the City Council waiver from any requirements within the policy. He stated that every section of the policy has been followed with the exception of forming the administrative review committee. The reason was to expedite the process, and in addition to all the notices that have been sent to these entities, City staff met with the administrative personnel from USD 230 and Miami County, Kansas.

Ms. Landis recommended to approve Resolution 2016-R-16 determining the intent of the City of Spring Hill to issue its industrial revenue bonds in the approximate principal amount of \$11,960,000 to pay a portion of the cost of acquiring, constructing and equipping a multifamily housing facility within the City; authorizing the execution of a

payment in lieu of tax agreement in connection with a property tax exemption for the property financed with the proceeds of the bonds and repealing Resolution 2016-R-10.

**Motion by** Koder, seconded by Gillis, to approve Resolution 2016-R-16 as stated. Motion carried 3-0-0.

**9. Ordinance No. 2016-07: Amending Insurance Proceeds Act, Article 8A of the Spring Hill Municipal Code**

The City Attorney presented the ordinance amending Article 8A of the Spring Hill Municipal Code relating to the imposition of liens on insurance proceeds for damages to buildings and other structures to insure funds are available to reimburse the City for costs it incurs if it demolishes the structures. This amendment conforms to House Bill 2446, effective July 1, 2016, which expanded the type of damages it could be reimbursed for to include any covered claims. It also modifies time limits relating to the administration of the lien proceedings.

The City Attorney recommended approval of the ordinance.

**Motion by** Koder, seconded by Gillis, to approve Ordinance 2016-07. Motion passed by roll 3-0-0, Gillis-aye, Koder-aye, Hughes-aye.

**10. Consider Approval of Proposal/Award of Contract: Mid-Am Building Supply Water Line Relocation**

The Community Development Director presented the proposal for the Mid-Am Building Supply water line relocation project. In May of this year, Straub Construction began working on a parking lot and storm sewer improvement for Mid-AM Building Supply Company. Before the storm sewer was completed, it was discovered that there was a conflict with the city's existing water line. The existing water line was not in the existing 207th Street right of way as previously thought but was on property owned by Mid-AM Supply Company, a subsidiary of Knaebels, Inc. out of Moberly, Missouri. City staff researched the Mid-AM property to determine if an easement existed for this water line. Mid-American Title Company performed the research and determined that there was no easement for this water line. As such, the city is responsible for the cost of the water line relocation. Because the existing water line location is holding up the completion of the work by Straub Construction, staff is expediting this process so the work can be started as soon as possible.

Staff sent out proposals to four (4) different contractors to perform this work. The low bidder was Ron Weers Construction Company for \$11,515.00. This contractor has experience with projects of this type and size and installed the elevated tank bypass piping as part of the tank painting project.

The expenditures will be paid from the City's water fund. City staff recommend that the City accept the proposal and award the contract to Ron Weers Construction Company in the amount of \$11,515.00.

The Mayor requested that staff investigate and determine how the mistake was made and who is accountable for the line.

**Motion by** Koder, seconded by Gillis, to approve the proposal and award the contract to Ron Weers Construction Company in the amount of \$11,515.00. Motion carried 3-0-0.

**CITIZEN PARTICIPATION:**

Mr. Jim Wilson, 302 E. Hale, gave an update on the mural and shared that \$10,000.00 of private donations were raised for this project. Hopefully, the mural will be finished in August. The mural is located on Mr. Merritt's building which he donated for this mural. The Mayor thanked Mr. Wilson for spearheading this project and for that, the City is tremendously grateful and proud to have Mr. Wilson as a resident of Spring Hill.

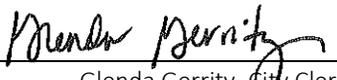
Ms. Debbie Hickman, thanked the Governing Body for the opportunity for the citizens to be part of the meeting and asked that the City be aware of proper handling of the Kansas Open Records requests and stated that one request has not been satisfied. Ms. Hickman asked that the City be open to its citizens and make records available to them that should be.

**ADJOURN**

Motion by Koder, seconded by Gillis, to adjourn.

The meeting adjourned at 7:45p.m.

Approved by the Governing Body on July 14, 2016.

  
Glenda Gerrity, City Clerk