

City of Edgerton, Kansas
Minutes of City Council Regular Session
March 24, 2016

A Regular Session of the City Council was held in the Edgerton City Hall, 404 E. Nelson, Edgerton, Kansas on March 24, 2016. The meeting convened at 7:00 p.m. with Mayor Roberts presiding, and City Clerk Janeice L. Rawles recording.

1. ROLL CALL

Charlie Troutner	present
Clay Longanecker	present
Darius Crist	present
Jody Brown	present
Cindy Crooks	present

With a quorum present, the meeting commenced.

Staff in attendance: City Administrator Beth Linn
 Community Development Director Kenny Cook
 City Attorney Patrick Reavey
 Public Works Superintendent
 Johnson County Sheriff Department Representative

2. WELCOME

3. PLEDGE OF ALLEGIANCE

CONSENT AGENDA

MEETING AGENDA

4. Proposed agenda was considered.

MEETING MINUTES

5. Meeting Minutes of February 25, 2016 were considered.

A motion by Longanecker, seconded by Troutner, to approve the Consent Agenda.

Motion was approved, 5-0.

6. PUBLIC COMMENTS

Michael Sleister, 400 First Street, appeared to speak to the Council in regards to dogs. Mr. Sleister wanted to know where we are with his questions. After some discussion, Mayor Roberts explained that the council is taking another look at some of the items in the new code and the animal ordinance will be brought back to another meeting in the future.

Terry Nugent, 107 E. Martin Street, asked why the breeder fee is so high. The response was , that is being revisited by the council.

7. DECLARATION

None

BUSINESS REQUIRING ACTION

PUBLIC HEARING INDUSTRIAL REVENUE BONDS

8. PUBLIC HEARING REGARDING RESOLUTION NO. 03-24-16A CONSENTING TO THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHC XXXII, OR IT'S SUCCESSORS IN INTEREST WAS CONSIDERED.

Beth Linn, City Administrator, introduced Scott Anderson with SA Legal Advisors LC to present information about Industrial Revenue Bonds for 31450 W. 196th Street.

Mayor Roberts opened the public hearing at 7:08pm.

Mike Sleister commented and wanted to know what is going to be stored there?

The reply from Mayor Roberts was that we do not know who is going to be in that building, it is a speculative building. The building is being built with no tenant.

There were no further questions.

Mayor Roberts closed the public hearing at 7:10 pm.

RESOLUTION NO. 03-24-16A INDUSTRIAL REVENUE BONDS

9. RESOLUTION NO. 03-24-16A CONSENTING TO THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHC XXXII, OR ITS SUCCESSORS IN INTEREST WAS CONSIDERED.

Scott Anderson was present to answer questions from the public, Mayor and Council. There were no questions or discussion. Columbia Capital Municipal Advisors completed the cost-benefit analysis for ELHC XXXII, LLC. Kansas State Statue 12-1749d (2) requires notification of anticipated abatements only to counties or school districts affected. As a result, our analysis focuses on financial impacts to the City, Johnson County and the Gardner/Edgerton schools.

A letter from the Gardner Edgerton USD 231 Superintendent of Schools Pam Stranathan was passed out to Mayor and Council.

A motion by Brown, seconded by Longanecker, to approve Resolution No. 03-24-16A consenting to the partial assignment of a resolution of intent from Edgerton Land Holding Company, LLC to ELHC XXXII, or its successors in interest.

Motion was approved, 5-0.

PUBLIC HEARING—INDUSTRIAL REVENUE BONDS

- 10. A PUBLIC HEARING REGARDING RESOLUTION NO. 03-25-16B RESOLUTION CONSENTING TO THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHS XXXIII, LLC, OR ITS SUCCESSORS IN INTEREST WAS CONSIDERED.**

Scott Anderson was present to answer any questions or take comments from the audience.

Mayor Roberts opened the public hearing at 7:11.

Council member Crooks commented on the letter from the School District. Has the City of Edgerton had communication in the past and are we continuing the communication. Mayor Roberts stated that there has been communication with the school district in the past, but with other administrators and that the communication continues. Council member Troutner asked if there was a representative from the school district in the audience. The answer was no, the fact that no one was there from the school district is very concerning to Council member Troutner

Mayor Roberts closed the public hearing at 7:18 pm.

RESOLUTION NO. 03-24-16B—INDUSTRIAL REVENUE BONDS

- 11. RESOLUTION NO. 03-24-16B RESOLUTION CONSENTING TO THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHS XXXIII, LLC OR ITS SUCCESSORS IN INTEREST WAS CONSIDERED.**

Scott Anderson was present to answer questions from the public, Mayor and Council. There were no questions or discussion. Columbia Capital Municipal Advisors completed the cost-benefit analysis for ELHC XXXIII, LLC. Kansas State Statue 12-1749d (2) requires notification of anticipated abatements only to counties or school districts affected. As a result, our analysis focuses on financial impacts to the City, Johnson County and the Gardner/Edgerton schools.

Motion by Crooks, seconded by Crist, to approve Resolution No. 03-24-16B consenting to the partial assignment of a resolution of intent from Edgerton Land Holding Company, LLC to ELHC XXXIII, LLC or its successors in interest.

Motion was approved 5-0.

ORDINANCE NO. 1012 – INDUSTRIAL REVENUE BONDS

- 12. ORDINANCE NO. 1012 AUTHORIZING THE CITY OF EDGERTON, KANSAS, TO ISSUE INDUSTRIAL REVENUE BONDS (ELHC V, LLC PROJECT) SERIES 2016, IN AN AGGREGATE MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$31,500,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COST OF ACQUIRING, PURCHASING, CONSTRUCTING, INSTALLING AND EQUIPPING A COMMERCIAL PROJECT, CONSISTING OF A WAREHOUSE AND DISTRIBUTION FACILITY, INCLUDING LAND, BUILDINGS, STRUCTURES, IMPROVEMENTS, FIXTURES, MACHINERY AND EQUIPMENT; AUTHORIZING THE CITY TO ENTER INTO A TRUST INDENTURE WITH UMB BANK, N.A., AS TRUSTEE; AUTHORIZING THE CITY TO ENTER INTO A LEASE AGREEMENT WITH ELHC V, LLC; AUTHORIZING THE CITY TO ENTER INTO A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE BONDS, AND AUTHORIZING AND APPROVING THE EXECUTION OF CERTAIN**

DOCUMENTS AND THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS WAS CONSIDERED.

The City of Edgerton received an application for a project located in the Logistics Park, consisting of approximately 653,000 square feet for a warehouse and distribution facility. Ordinance No.1012 authorizes the City to issue industrial revenue bonds for the project.

A motion by Troutner, seconded by Longanecker, to approve Ordinance No.1012 and to authorize Mayor Roberts to sign Ordinance No.1012.

Motion was approved, 5-0.

CORPORATE INSURANCE POLICY

13. CORPORATE INSURANCE POLICY FOR APRIL 1, 2016 TO MARCH 31, 2017

Beth Linn, City Administrator, presented the renewal of the Corporate Insurance for April 1, 2016 to March 31, 2017. In 2014, Edgerton chose to move forward with coverage from One Beacon. Based on the research from 2014, city staff and the city's agent negotiated with One Beacon on a proposal for renewal for policy year April 1, 2016 to March 31, 2017. A new coverage was introduced this year, Pollution Liability: Edgerton Wastewater Treatment Plants Coverage. There are two pollution premiums quoted, one is without terrorism and one with terrorism. After some discussion, some council members are in support of the with terrorism coverage. One part of the discussion was the Edgerton Wastewater Treatment Plant that will be out of service within a year.

Motion by Crooks, seconded by Longanecker, to approve the corporate insurance policy for one year and to revisit the pollution liability because there will only be one treatment plant.

Motion was approved 5-0.

14. REPORT BY THE CITY ADMINISTRATOR

- Introduced Trey Whitaker our new Public Works Superintendent
- Mike Mabrey is now the Utility Superintendent:
- Announced two new public works employees: Colton Fielden and Chase Forrester
- Clarify the language about animal breeders: Hobby, Residential, and Commercial Breeders.

15. REPORT BY THE MAYOR

Amazon.com made the announcement today that they are coming to Edgerton. The Mayor offers a big "Thank you" to everyone that assisted with Amazon.

There will be a job fair on Wednesday the 4th of May.

Thank you to North Point, Scott Anderson, Bond Counsel for the City of Edgerton, and Jeff White, Financial Advisor for the City of Edgerton.

Council member Troutner asked “when will they start hiring?” Keep checking on “Kansasworks.com” they will post there.

Council member Crooks has received questions about the Park at 1st and Martin, what is the hold up? Staff indicated the city is waiting for the equipment to be delivered.

16. FUTURE MEETING/EVENT REMINDERS:

- April 12th 7:00 PM – Planning Commission Meeting
- April 14th 7:00 PM – City Council Meeting
- April 20th Noon – Senior Lunch
- April 28th 7:00 PM – City Council Meeting

RESOLUTION NO. 03-24-16C – INDUSTRIAL REVENUE BOND - AGENDA ADDITION #1

17. RESOLUTION NO. 03-24-16C CONSENTING TO THE EXECUTION AND DELIVERY OF A SUBORDINATION AND RECOGNITION AGREEMENT WAS CONSIDERED.

The City of Edgerton, Kansas issued Industrial Revenue Bonds for the purpose of acquiring, purchasing, improving, equipping and constructing a commercial project, consisting of approximately 822,500 sq. ft. warehouse and distribution facility. The project was leased by ELHC XIV, LLC to the City pursuant to a Base Lease Agreement between the Tenant and the City, and the project was subleased by the City to Tenant pursuant to a lease agreement dated as of December 1, 2015. Tenant desires to enter into a lease (the “Sublease”) with Amazon.com.ksdc LLC. The agreement allows the Governing body of the City hereby to consent to the sublease of the Project from Tenant to Subtenant.

Motion by Crooks, seconded by Longanecker, to approve Resolution No. 03-24-16C.

Motion was approved, 5-0.

ORDINANCE NO. 1013 ECONOMIC DEVELOPMENT GRANT AGREEMENT -AGENDA ADDITION #2

18. ORDINANCE NO. 1013 AUTHORIZING THE CITY OF EDGERTON, KANSAS, TO ENTER INTO AN ECONOMIC DEVELOPMENT GRANT AGREEMENT WITH AMAZON.COMKSDC, LLC AND AN AGREEMENT WITH THE SECRETARY OF THE KANSAS DEPARTMENT OF TRANSPORTATION FOR REIMBURSEMENT FOR THE COSTS OF A ROAD PROJECT WAS CONSIDERED.

Amazon.comksdc LLC, desires to sublease the Facility from ELHC on the condition that it receive a \$1,800,000 economic development grant from the City and the Secretary of the Kansas Department of Transportation (KDOT) it presented the City with an agreement whereby KDOT proposes to reimburse the City of up to \$1,800,000 of the costs of the Road Project on the condition that the Company lease the facility from ELHC.

Motion by Longanecker, seconded by Brown, to approve Ordinance No. 1013.

Motion was approved, 5-0.

RESOLUTION NO. 03-24-16D MASTER TRUST – AGENDA ADDITION #3

19. RESOLUTION NO. 03-24-16D AUTHORIZING THE CITY TO EXECUTE AND DELIVER A FIRST AMENDMENT TO MASTER TRUST INDENTURE WAS CONSIDERED.

The City and the Trustee (Commerce Bank) with the consent of ELHC, desire to amend the Original Indenture by entering into a First Amendment to Master Trust Indenture dated as of April 1, 2015 (the "First Amendment"), between the City and the Trustee which creates an additional fund and modifies the flow of revenues in the Original Indenture, and ELHC desires to consent to the First Amendment and the City approves entering into the First Amendment.

Motion by Crooks, seconded by Crist, to approve Resolution 03-24-16D.

Motion was approved, 5-0

At this time Beth Linn, City Administrator introduced Kevin O'Brien with The Reilly Insurance Company. Earlier in the meeting, corporate insurance policy was approved with One Beacon Insurance. One Beacon is the current insurance carrier for the City of Edgerton.

Mayor Roberts recessed the meeting at 8:38 pm.

Mayor Roberts reconvened the meeting at 8:44 pm.

EXECUTIVE SESSION

20. RECESS INTO EXECUTIVE SESSION PURSUANT TO K.S.A. 75-3419 (b) (2) CONSULTATION WITH AN ATTORNEY DEEMED PRIVILEGED IN THE ATTORNEY-CLIENT RELATIONSHIP WAS CONSIDERED.

Motion by Crooks, seconded by Troutner, to recess into executive session.

Motion was approved, 5-0

Meeting recessed at 8:45 for ten minutes.

Motion by Crooks, seconded by Brown, to reconvene the meeting.

Motion was approved, 5-0.

Meeting reconvened at 8:56 pm.

Motion by Crooks, seconded by Brown, to recess back into executive session.

Motion was approved, 5-0.

Meeting recessed at 8:48 pm for five minutes.

Motion by Crooks, seconded by Crist, to reconvene the meeting.

Motion was approved, 5-0.

Meeting reconvened at 9:04 pm. with no action taken.

EXECUTIVE SESSION

21. RECESS INTO EXECUTIVE SESSION PURSUANT TO K.S.A. 75.4319 (b) (1) PERSONNEL MATTERS OF NONELECTED PERSONNEL WAS CONSIDERED.

Motion by Crooks, seconded by Longanecker, to recess into executive session for five minutes.

Motion was approved, 5-0.

Meeting recessed at 9:07 pm for five minutes.

Motion by Crooks, seconded by Crist, to reconvene the meeting.

Motion was approved, 5-0.

Meeting reconvened at 9:12 pm, with no action taken.

City Attorney Patrick Reavey talked with Mayor and council about the earlier conversation about animals.

22. ADJOURNMENT

Motion by Crooks, seconded by Troutner, to adjourn the meeting.

Motion was approved, 5-0.

Meeting adjourned at 9:20 pm.

Janeice L. Rawles, CMC

Approved by the Governing Body on _____