

City of Edgerton, Kansas  
Minutes of City Council Regular Session  
July 13, 2017

A Regular Session of the City Council was held in the Edgerton City Hall, 404 E. Nelson Edgerton, Kansas on July 13, 2017. The meeting convened at 7:00 p.m. with Mayor Roberts presiding.

**1. ROLL CALL**

Darius Crist	present
Jody Brown	present
Ron Conus	present
Clay Longanecker	present
Cindy Crooks	absent

With a quorum present, the meeting commenced.

Staff in attendance:

- City Administrator Beth Linn
- Assistant City Administrator Scott Peterson
- Public Works Superintendent Trey Whitaker
- Finance Director Karen Kindle
- Utility Superintendent Mike Mabrey
- Park & Recreation Coordinator Tegan Meadors
- Park & Recreation Employee Bob McVey
- Johnson County Sheriff Department
- Fire District #1

**2. WELCOME**

**3. PLEDGE OF ALLEGIANCE**

**CONSENT AGENDA**

4. Agenda Approval was considered.
5. Minutes from June 22, 2017 City Council Meeting were considered.
6. Resolution No. 07-13-17A Appointing Scott Peterson, As Floodplain Administrator for the City of Edgerton was considered.
7. Resolution No. 07-13-17B Appointing Scott Peterson, As Zoning Administrator for the City of Edgerton was considered.
8. Application FP2017-04, Final Plat, Logistics Park Kansas City Phase VI and Accept any Dedications was considered

Motion by Longanecker, seconded by Brown, to approve the consent agenda.

Motion was approved, 4-0.

**9. PUBLIC COMMENTS**

There were no public comments.

**10. DECLARATION**

None

**\*Public Works Superintendent Trey Whitaker was present to introduce Cameron McLain the newest Public Works Maintenance Technician 1 Employee.**

**BUSINESS REQUIRING ACTION**

**PURCHASE OF A UTILITY TASK VEHICLE**

**11. PURCHASE OF A UTILITY TASK VEHICLE WAS CONSIDERED.**

Tegan Meadors, Park & Recreation Coordinator, was here to present information about the purchase of a Utility Task Vehicle. The Utility Task Vehicle (UTV) will be used for both Park maintenance operations and Recreation services such as routine park tasks and other projects such as spraying of chemicals and snow plowing. The UTV can also be used during community events by recreation staff members. Other departments such as utilities and public works would also have access to this vehicle during special projects. City staff believes that regular operations will be enhanced and will allow for staff to carry out certain tasks that are currently being contracted out.

The City of Edgerton has five parks with two or more acres each; and Martin Creek Park has over thirty five acres of land to be maintained.

Motion by Longanecker, seconded by Crist, to approve the purchase of a Utility Task Vehicle.

Vote on motion: Aye: Crist, Longanecker, and Brown

Nay: Conus

Motion was approved, 3-1.

**REJECTION OF NELSON WATERLINE PROJECT**

**12. REJECTION OF SUBMITTED BIDS FOR CONSTRUCTION OF NELSON STREET WATERLINE PROJECT WAS CONSIDERED.**

In September of 2016, the City of Edgerton was awarded a Community Development Block Grant (CDBG) from Johnson County for the construction of a waterline replacement on Nelson Street. On May 25, 2017, council granted Edgerton staff concurrence to bid the project. A public bid process receiving only three bids was held. All three bids came in much higher than the Engineer's Estimate, the lowest bid came in almost \$80,000 over the Engineer's Estimate. It is the recommendation of the staff that all bids be rejected for the Nelson Street Waterline Project. The CDBG funds can be deferred to 2018. Staff would recommend rebidding the project in the winter of 2017-2018 in the hopes of receiving more competitive bids.

Motion by Longanecker, seconded by Crist, to reject the bids for the construction of Nelson Street waterline Project.

Motion was approved, 4-0.

### **13. REPORT BY THE CITY ADMINISTRATOR**

There will be an update in two weeks for the 2018 budget.

Beth Linn announced the loss of Ed Shanley that occurred since our last meeting. Ed Shanley was the school crossing guard employed by the City of Edgerton.

### **14. REPORT BY THE MAYOR**

The Mayor made an announcement about the armed robbery at Dee's Mini Mart in Edgerton. The Sheriff's Department has posted pictures today, if anyone has information please contact the Johnson County Sheriff's Department.

### **FUTURE MEETING/EVENT REMINDERS**

#### **15. FUTURE MEETING/ EVENT REMINDERS**

- ✓ July 15<sup>th</sup> 8:00 pm – Downtown Summer Movie Night (The Secret Life of Pets)
- ✓ July 19<sup>th</sup> Noon – Senior Lunch
- ✓ July 27<sup>th</sup> 7:00 pm – City Council Meeting
- ✓ August 5<sup>th</sup> 8:00 pm – Downtown Summer Movie Night (Finding Dory)
- ✓ August 10<sup>th</sup> 7:00 pm – City Council Meeting
- ✓ August 16<sup>th</sup> Noon – Senior Lunch
- ✓ August 24<sup>th</sup> 7:00 pm – City Council Meeting

**Mayor Roberts recessed the meeting for a 10 minute break.** The meeting recessed at 7:44pm.

The meeting reconvened at 8:00 pm.

### **EXECUTIVE SESSION**

Motion by Crist, seconded by Longanecker, to recess into executive session for ten minutes for the purpose of K.S.A. 75-4319 (b)(1) for personnel matters, annual evaluation of nonelected personnel to include the City Attorney.

Motion was approved, 4-0.

Meeting recessed at 8:02 pm.

Motion by Brown, seconded by Longanecker, to reconvene regular meeting, no action taken.

Motion was approved, 4-0.

Regular Meeting reconvened at 8:15 pm.

Motion by Brown, seconded by Longanecker, to recess back into executive session for fifteen minutes for the same purpose of K.S.A. 75-4319 (b)(1) for personnel matters, annual evaluation of nonelected personnel, to include the City Attorney.

Motion was approved, 4-0

Meeting recessed at 8:20 pm.

Beth Linn, City Administrator, was called into executive session at 8:33 pm.

Motion by Brown, seconded by Crist, to reconvene regular meeting, no action taken.

Motion was approved, 4-0.

Regular Meeting reconvened at 8:38 pm.

Motion by Crist, seconded by Brown, to give City Administrator, Beth Linn a five percent raise.

Motion was approved, 4-0.

City Attorney, Lee Hendricks spoke to Mayor and City Council about the use of Facebook. Mr. Hendricks cautioned the Mayor and Council about posting on Facebook. He stated at times the citizens may read your comments and think perhaps your comment was a board decision. The City of Edgerton does provide a venue for citizens to speak and address the Council at every City Council Meeting, which is held on the second and fourth Thursdays of every month.

**19. ADJOURN MOTION:** 1<sup>st</sup> Brown                      2<sup>nd</sup> Longanecker                      Vote 4-0

The meeting adjourned at 8:48 pm.

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Janeice L. Rawles  
City Clerk

**Approved by the Governing Body on**

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# CITY OF EDGERTON, KANSAS

## COUNCIL AGENDA ITEM

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**Council Meeting Date:** July 27, 2017

**Agenda Item:** Ordinance Authorizing Bonds and Bond Documents

**Subject:** Industrial Revenue Bonds and Property Tax Abatement for ELHC XXI Project

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### Summary:

The City received an application for property tax abatement from ELHC XXI, LLC for a project located in the Logistics Park, consisting of an approximately 200,000 sq. ft. warehouse and distribution facility, to be located at 19400 Essex Road, Edgerton, Kansas (the "Project").

The City has previously adopted Resolution No. 07-08-10A on July 8, 2010, Resolution No. 04-25-13A on April 25, 2013, and Resolution No. 04-09-15A on April 9, 2015 (collectively, the "Resolution of Intent") expressing the intent of the City to issue its industrial revenue bonds in multiple series, the aggregate amount of all series not to exceed \$1,000,000,000, to finance the costs of acquiring, constructing, reconstructing, improving and equipping various projects within The Logistics Park-KC for the benefit of Edgerton Land Holding Company, LLC, or its assigns (the "Developer"). The City adopted Resolution No. 04-27-17C on April 27, 2017 (the "Assignment Resolution") consenting to the assignment of \$38,000,000 of the Developer's interest in the Resolution of Intent to ELHC XXI, LLC for the Project. Prior to adopting the Assignment Resolution, the City held a public hearing on the Project and considered the cost-benefit report.

### Ordinance:

The Ordinance authorizes the City to issue up to \$38,000,000 of industrial revenue bonds for the Project. This bond issue is commonly referred to as a "buy your own bonds bond issue." ELHC XXI will be both the lessee on the project and the owner of the bonds. When the bonds are issued, ELHC XXI will lease the project site to the City as is required by state law in order to issue industrial revenue bonds. The City will then sublease the project back to ELHC XXI. ELHC XXI will be obligated to repurchase the project at the conclusion of the tax abatement.

The bonds will be limited obligations of the City. This means that the City has to make payments on the bonds to ELHC XXI as the owner of the bonds only to the extent the City receives payments from ELHC XXI pursuant to the lease. If lease payments from ELHC XXI are insufficient to cover scheduled debt service on the bonds, the City is not obligated to make up any shortfall from any other funds of the City. The bonds are not a general obligation of the City and do not count against the City's debt limit.

The Ordinance authorizes the City to enter into the following documents:

- (a) Trust Indenture which contains the terms governing the Bonds and contains the form of the Bonds;
- (b) Base Lease Agreement whereby the City leases the project site from ELHC XXI;
- (c) Lease Agreement whereby the City will lease the project to ELHC XXI for the term of the tax abatement;
- (d) Bond Purchase Agreement whereby ELHC XXI agrees to acquire the Bonds;
- (e) Performance Agreement whereby ELHC XXI agrees to make certain payments-in-lieu of tax payments; and
- (f) Origination Fee Agreement whereby ELHC XXI agrees to pay the origination fee to the City over time.

[Summary Published in *The Gardner News* on August 2, 2017]

**ORDINANCE NO. 1058**

**AN ORDINANCE AUTHORIZING THE CITY OF EDGERTON, KANSAS, TO ISSUE INDUSTRIAL REVENUE BONDS (ELHC XXI, LLC PROJECT) SERIES 2017, IN AN AGGREGATE MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$38,000,000, FOR THE PURPOSE OF FINANCING A WAREHOUSE AND DISTRIBUTION FACILITY; AUTHORIZING THE CITY TO ENTER INTO A TRUST INDENTURE WITH UMB BANK, N.A., AS TRUSTEE; AUTHORIZING THE CITY TO ENTER INTO A BASE LEASE AND LEASE AGREEMENT WITH ELHC XXI, LLC; AND AUTHORIZING AND APPROVING THE EXECUTION OF ADDITIONAL DOCUMENTS AND THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.**

**WHEREAS**, the City of Edgerton, Kansas (the “City”), is authorized pursuant to the provisions of K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the “Act”), to acquire, purchase, construct, install and equip certain commercial and industrial facilities, and to issue industrial revenue bonds for the purpose of paying the cost of such facilities, and to lease such facilities to private persons, firms or corporations; and

**WHEREAS**, the governing body of the City has heretofore and does now find and determine that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the City and the State of Kansas that the City issue its Industrial Revenue Bonds (ELHC XXI, LLC Project) Series 2017, in an aggregate maximum principal amount not to exceed \$38,000,000 (the “Bonds”), for the purpose of acquiring, constructing and equipping a commercial project, consisting of an approximately 200,000 sq. ft. warehouse and distribution facility, to be located at 19400 Essex Road, Edgerton, Kansas, including land, buildings, structures, improvements, fixtures, machinery and equipment (the “Project”), and that the City lease the Project to ELHC XXI, LLC, a Kansas limited liability company (the “Company”); and

**WHEREAS**, the governing body of the City further finds and determines that it is necessary and desirable in connection with the issuance of the Bonds that the City enter into certain agreements, and that the City take certain other actions and approve the execution of certain other documents as herein provided;

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF EDGERTON, KANSAS, AS FOLLOWS:**

**Section 1. Authorization for the Acquisition, Purchase, Construction, Installation and Equipping of the Project.** The City is hereby authorized to provide for the acquisition, purchase, construction, installation, rehabilitation and equipping of the Project, all in the manner and as more particularly described in the Indenture and the Lease Agreement hereinafter authorized.

**Section 2. Authorization of and Security for the Bonds.** The City is hereby authorized to issue and sell the Bonds for the purpose of providing funds to pay the cost of acquiring, purchasing, constructing, installing and equipping the Project. The Bonds shall be issued and secured pursuant to the herein authorized Indenture and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rates, shall be in such form, shall be subject to redemption and other terms and conditions, and shall be issued in such manner, subject to such provisions, covenants and agreements, as are set forth in the hereafter defined Indenture. The Bonds shall be payable solely out of the rents, revenues and receipts derived by the City from the Project, and the Project and the net earnings derived by the City from

the Project shall be pledged and assigned to the hereafter defined Trustee as security for payment of the Bonds as provided in the Indenture.

**Section 3. Authorization of Documents.** The City is hereby authorized to enter into the following documents, in substantially the forms presented to and reviewed by the Council of the City (copies of which documents, upon execution thereof, shall be filed in the office of the City Clerk), with such changes therein as shall be approved by the officers of the City executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture dated the date set forth therein (the "Indenture"), between the City and UMB Bank, N.A., as trustee (the "Trustee"), pursuant to which the Bonds shall be issued and the City shall pledge the Project and assign the rents, revenues and receipts received pursuant to the hereafter defined Lease to the Trustee for the benefit of and security of the holder of the Bonds upon the terms and conditions as set forth in said form of Indenture;

(b) Base Lease Agreement dated the date set forth therein (the "Base Lease"), between the Company and the City, under which the City will lease the project site from the Company;

(c) Lease Agreement dated the date set forth therein (the "Lease Agreement"), between the City and the Company, under which the City will agree to use the proceeds derived from the sale of the Bonds for the purpose of acquiring, purchasing, constructing, installing and equipping the Project and to sublease the Project to the Company, and the Company will agree to make payments in amounts sufficient to provide for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same become due;

(d) Bond Purchase Agreement dated the date set forth therein (the "Bond Purchase Agreement"), among the City, the Company, as lessee, and the Company, as purchaser;

(e) Performance Agreement dated the date set forth therein (the "Performance Agreement"), between the City and the Company; and

(f) Origination Fee Agreement dated the date set forth therein (the "Origination Fee Agreement"), between the City and the Company.

**Section 4. Execution of Bond and Documents.** The Mayor of the City is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Indenture. The Mayor of the City is hereby authorized and directed to execute the Indenture, the Base Lease, the Lease Agreement, the Bond Purchase Agreement, the Performance Agreement, the Origination Fee Agreement and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk of the City is hereby authorized and directed to attest to and affix the seal of the City to the Bonds, the Indenture, the Base Lease, the Lease Agreement, the Bond Purchase Agreement, the Performance Agreement, the Origination Fee Agreement and such other documents, certificates and instruments as may be necessary.

**Section 5. Further Authority.** The City shall, and the officers, employees and agents of the City are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds, the Indenture, the Base Lease, the Lease Agreement, the Performance Agreement, the Bond Purchase Agreement and the Origination Fee Agreement.

**Section 6. Effective Date.** This Ordinance shall take effect and be in force from and after its passage, approval and publication in summary form in the official City newspaper.

**PASSED** by the Council of the City of Edgerton, Kansas, this 27<sup>th</sup> day of July, 2017.

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Donald Roberts, Mayor

[SEAL]

ATTEST:

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Janeice Rawles, City Clerk

Approved as to form:

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Scott W. Anderson, Bond Counsel

ELHC XXI