

CITY COMMISISON MINUTES

September 4, 2007

7:00 P.M.

The regular meeting of the Junction City City Commission was held on Tuesday, September 4, 2007 with Mayor Mike Rhodes presiding.

The following members of the Commission were present: Terry Heldstab, Mike Rhodes, Ken Talley, Jacky Taylor and Mick Wunder. Staff present was: City Manager Rod Barnes, Assistant City Manager Mike Guinn and City Clerk Tricia Gowen.

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

Commissioner Taylor moved, seconded by Commissioner Wunder to approve the Consent Agenda. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried. The consent agenda consisted of the following:

- a. Approval of the **August 7, 2007 City Commission** meeting minutes.
- b. Approval of the **August 21, 2007 City Commission** meeting minutes.
- c. The consideration of **Appropriation Ordinance**, dated 08-30-07, in the amount of \$1,410,329.75.
- d. The consideration of **Pay Request #15**, submitted by Konza Construction, in the amount of \$162,274.10 for 2005 street maintenance project.
- e. The consideration of **Pay Request #9** (Final), submitted by Emerson Construction, in the amount of \$95,395.25 for Oakwood Village.
- f. The consideration of **Pay Request #9**, submitted by Emerson Construction, in the amount of \$112,889.42 for AC Development #1.
- g. The consideration of **Pay Request #2** for Blixt Construction, in the amount of \$28,480.50 for New Horizons RV site improvements.
- h. The consideration of **Ordinance S-2963** changing the street name of Hunter Land, located in Deer Creek Addition Unit #3 between Sumner Drive and Wyatt Lane to Wyatt Lane. (Final Reading)
- i. The consideration of Ordinance S-2964 changing the street name of Wolf Trail, located in Deer Creek Addition Unit #3 to Wyatt Lane. (Final Reading)

- j. The consideration of payroll ordinance #16 in the amount of \$225,710.86; Payroll #17 in the amount of \$213,368.52; and Payroll #18 in the amount of \$214,377.30.
- k. The consideration of Pay Request #4 for Kaw Valley Engineering, in the amount of \$13,226.40 for Deer Creek Unit #3.
- l. The consideration of **Pay Request #3** for Kaw Valley Engineering, in the amount of \$15,716.80 for Spring Valley Road Upgrade.
- m. The consideration of **Pay Request #6** for J & K Contracting, in the amount of \$46,065.63 for Rivendell Addition.
- n. The consideration of **Pay Request #2** for TranSystems Corporation, in the amount of \$11,806.05 for US77/Ash Street Traffic Signal.
- o. The consideration of **Pay Request #2** for J & K Contracting, in the amount of \$65,142.30 for Replat of Michael's Run Addition.
- p. The consideration of **Pay Request #10** for J & K Contracting, in the amount of \$78,477.34 for Prairie Ridge Addition Unit #2.
- q. The consideration of **Pay Request #5** for J & K Contracting, in the amount of \$203,671.36 for Doc Hargreaves Hilltop Addition, Unit #5.
- r. The consideration of **Pay Request #5** for J & K Contracting, in the amount of \$37,017.53 for Russell J. Johnson Addition.
- s. The consideration of **Pay Request #1** for HNTB, in the amount of \$26,974.71 and **Pay Request #2** in the amount of \$11,087.93.
- t. The consideration of **R-2386** requesting street lighting for Rivendell Addition.
- u. The consideration of **R-2385** requesting street lighting for Hickory Hills replat of Lot 1 Block 5.
- v. The consideration of **Pay Request #4** for Ebert Construction, in the amount of \$173,502.36 for the Hickory Hill Addition.
- w. The consideration of the sell of the UV system at the Southwest Wastewater Treatment Plant to Simmons Foods Inc. for \$10,000.

SPECIAL PRESENTATIONS

- a. Presentation by EDC Director Josh McKim on proposed changes to the Neighborhood Revitalization Plan.

The Economic Development Board has recommended the following changes to the Neighborhood Revitalization Plan:

- Deletions – Michael's Run, the Bluffs, Nazarene Church Property, Hidden Valley
- Additions – Rucker and Highway 77 (east side), Franklin Street Area
- Terms for Yellow Areas – Five year term (no dollar amount) to be at sliding rate of 95% for year 1, 85% for year 2, 75% for year 3, 50% for year 4 and 25% for year 5.
- Terms for Blue and Pink Areas
 - 10 year term (\$500,000 and above) – 95% for years 1-6, 85% for year 7, 75% for year 8, 50% for year 9 and 25% for year 10.
 - 7 year term (\$300,000 to \$499,999.99) – 95% for years 1-5, 85% for year 6 and 75% for year 7.
 - 5 year term (\$0 to \$299,999.99) – 95% for years 1-2, 85% for years 2-4, and 75 % for year 5.
- Extensions – None. The City Commission has the option to give extensions in effort of good faith by applicant.
- Administrative Fees - \$100 for Residential and \$500 for Commercial.

Mr. McKim provided this to the Commission as information only at this time. No action is necessary. Mr. McKim will return to the Commission at a future date to seek action on the recommendations.

- b. Presentation by Jim Nichols of Dalmark Development for the acquisition of the Deer Trail Subdivision, a housing development on Grant Avenue.

Mr. Nichols has a tentative agreement with the current owners of the Deer Trail Subdivision to acquire the development. Mr. Nichols is proposing a multi-family development. Mr. Nichols requested an indication from the City Commission as to whether they would support his request for assistance through industrial revenue bonds. He stated that if he acquired this development, his staff would own and manage the property. The Commission inquired about references for Mr. Nichols and his company. Mr. Barnes will contact the references. If successful, Mr. Nichols plans to begin work as soon as possible, in approximately 90-120 days. He plans to bring his request back to the Commission in a public hearing format at a future City Commission meeting.

PUBLIC HEARINGS

- a. Mayor Rhodes opened a public hearing in regards to consider the request by Spirit of 76 to issue taxable industrial revenue bonds for the Cap Gemini project in the amount of \$6,000,000. Economic Development Director Josh McKim informed the Commission this project is in the final phase of funding. The Spirit of 76 will be the obligor with a sublease to the tenant, Cap Gemini. Cap Gemini is on target to be in the facility mid-September and the construction fully completed in October. Mayor Rhodes closed the public hearing.

- b. Mayor Rhodes opened a public hearing to consider the request by Spirit of 76 to issue taxable industrial revenue bonds for the New Horizons RV Building project in the amount of \$1,600,000. Economic Development Director Josh McKim informed the Commission that the City will purchase the existing New Horizons RV structures for \$1,600,000. The Economic Development Commission and the Spirit of 76 fully support this purchase. Mayor Rhodes closed the public hearing.

UNFINISHED BUSINESS

- a. The consideration of **Ordinance G-1030** modifying Section 215.040 of the City Code controlling or protecting animals prohibiting dog waste to be deposited upon public or private property without being removed. (Final Reading) City Manager, Rod Barnes, informed the Commission that Ordinance G-1030 will become effective as soon as it is published in the September 7, 2007 edition of the Daily Union. The Commission asked that a notice be placed on the public access channel. Commissioner Talley moved, seconded by Commissioner Wunder to approve the Ordinance G-1030 modifying Section 215.040. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.
- b. The consideration of a cereal malt beverage license for G & S Convenience Store, 813 S. Washington. (This item was tabled from the August 21st City Commission meeting.) City Manager, Rod Barnes, informed the Commission that G & S Convenience Store has met all of the requirements for the cereal malt beverage license. Commissioner Talley moved, seconded by Commissioner Taylor to approve the application for a cereal malt beverage license for G & S Convenience Store. Ayes: Heldstab, Rhodes, Talley, Taylor. Nays: Wunder. Motion carried four to one.
- c. The Reconsideration of application to the Department of Homeland Security for the SAFER grant to add six firefighter/emt's to the City staff. Clarification of the City's share of the grant. (Chief Mike Ryan Presenting) Fire Chief, Mike Ryan, informed the Commission that the original figures presented to the Commission regarding the SAFER grant did not include benefits. The grant does not provide for equipment or gear for the additional six firefighter/emt's. Chief Ryan has enough used gear along with budgeting for four sets of bunker gear in the 2008 budget to outfit six additional firefighter/emt's.
- d. The consideration of neighborhood revitalization applications for homes being constructed at 27 Fuller Circle through 53 Fuller Circle in Villages at Freedom Place (26 properties). The addresses qualify for 95% for the first 3 years, 80% year 4, 70% year 5, 60% year 6, 50% year 7, 40% year 8, 30% year 9, 20% year 10. (The Economic Development Commission did not make a recommendation.) (This item was tabled from the August 21st City

Commission Meeting.) Economic Development Director, Josh McKim, informed the Commission that the City's legal counsel, Katie Logan, is preparing a written opinion in regards to this issue. Jeff Burton, American Dream Development, made a new proposal to treat the existing foundations as one project and any construction on top of the foundations as a second project. The Economic Development Commission took no action on this matter. Both the EDC and the City Commission decided not to take action until the legal opinion is received from Katie Logan. Mr. Burton informed the Commission that his company is paying for a warranty extension on the lift station that services Villages at Freedom Place.

NEW BUSINESS

- a. The consideration to **set a bid date of September 11, 2007** for Spring Valley Road Corridor Improvements, Lacy Drive to Strauss Boulevard. Rod Barnes, City Manager, informed the Commission that this is a three-phase project, with this being the first phase. Commissioner Heldstab moved, seconded by Commissioner Taylor to approve the bid date of September 11, 2007 for Spring Valley Road Corridor Improvements. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.
- b. The consideration to have **HNTB design a survey** to gather input from citizens for the US77 and K18 corridor study at a cost of \$19,250. Mike Guinn, Assistant City Manager, informed the Commission that the cost of the survey will be split with 60% paid by KDOT, 20% paid by the County and 20% paid by the City. The County has given their approval to proceed with the survey. Commissioner Heldstab moved, seconded by Commissioner Taylor to approve HNTB design a survey for the US77 and K18 corridor study at a cost of \$19,250. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.
- c. The consideration of **R-2382** petition authorizing water, sanitary and storm sewer improvements for Olivia Farms Subdivision in the amount of \$4,553,748.74. Rod Barnes, City Manager, informed the Commission that this completes the process of the Rural Housing Incentive District. The developer is 100% responsible for the improvements. Commissioner Talley moved, seconded by Commissioner Wunder to approve **R-2382** petition authorizing water, sanitary and storm sewer improvements for Olivia Farms Subdivision in the amount of \$4,553,748.74. Ayes: Heldstab, Rhodes, Talley, Wunder. Nays: Taylor. Motion carried four to one.
- d. The consideration of **R-2383** petition authorizing street improvements for Olivia Farms Subdivision in the amount of \$5,159,560.51. Rod Barnes, City Manager, informed the Commission that the developers is 100% responsible for the improvements. Commissioner Talley moved, seconded by Commissioner Wunder to approve **R-2383** petition authorizing water, sanitary

and storm sewer improvements for Olivia Farms Subdivision in the amount of \$5,159,560.51. Ayes: Heldstab, Rhodes, Talley, Wunder. Nays: Taylor. Motion carried four to one.

- e. The consideration of **S-2967** authorizing Home Rule Ordinance for Opera House Project authorizing an economic development grant to Spirit of 76 for the development of the Opera House (First Reading). Economic Development Director, Josh McKim, informed the Commission that this action will issue the development grant to Spirit of 76 who will in-turn sublease to the developer. This project is funded by three resources – Federal historic tax credits, State historic tax credits, and pledges and donations. If the pledges come in lower than expected, the City has the responsibility to make up the difference. Commissioner Heldstab moved, seconded by Commissioner Taylor to approve **S-2967** authorizing Home Rule Ordinance for Opera House Project authorizing an economic development grant to Spirit of 76 for the development of the Opera House. Ayes: Heldstab, Rhodes, Wunder. Nays: None. Abstention: Talley. Motion carried four to one.
- f. The consideration of **S-2968** authorizing the issue of taxable IRB's for Spirit of 76 in the amount of \$5,500,000 for the Junction City Opera House project (First Reading). Commissioner Heldstab moved, seconded by Commissioner Taylor to approve **S-2968** authorizing the issue of taxable IRB's for Spirit of 76 in the amount of \$5,500,000. Ayes: Heldstab, Rhodes, Wunder. Nays: None. Abstention: Talley. Motion carried four to one.
- g. The consideration of award of bid for improvements to Rucker Road from Spring Valley Road to West City limit property line. Mike Guinn, Assistant City Manager, informed the Commission that the City received two bids for this contract. The asphalt bid was \$675,791.95 and the concrete bid was \$737,135.74. The company that bid the concrete (Gene Fritzel Construction) has offered to pay the difference between the bids so that the streets will be made of concrete. Commissioner Wunder moved, seconded by Commissioner Taylor to approve the award of bid to Gene Fritzel Construction in the amount of \$675,791.95. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.
- h. The consideration of **change order No. 8** to Konza Construction for the 2005 Street Maintenance Contract in the amount of \$203,867.00. Rod Barnes, City Manager, informed the Commission that change order No. 8 included the following street:
- 100 Block East Elm Street
 - Alley 100 Block West between Washington and Jefferson Streets
 - 900 Block South Garfield
 - 6-700 Block North Adams
 - Intersection of Garfield and Skyline Drive
 - 1700 Block North Jefferson

- 1200 Block North Price
- 300 Block East 9th Street
- 300 Block East 10th Street
- Old 40 Highway Parking Lot
- North Shoulder of Grant Avenue
- Alley at 429 W. 6th Street

Commissioner Heldstab moved, seconded by Commissioner Taylor to approve change order No. 8 to Konza Construction for the 2005 Street Maintenance Contract in the amount of \$203,867.00. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

- i. The consideration of **Resolution R-2388** authorizing the offering for sale of temporary notes, Series 2007-C and taxable temporary notes, Series 2007-D of the City of Junction City. David Arteberry with G. K. Baum, informed the Commission that this action renews outstanding note issued late 2006 that comes due later this year. Mr. Arteberry recommended increasing the maximum borrowing amount from \$2.5 million to \$4.5 million. This will give the City the capacity to include any additional projects in the future. Commissioner Heldstab moved, seconded by Commissioner Taylor to authorize the offering for sale of temporary notes, Series 2007-C and taxable temporary notes, Series 2007-D and to increase the maximum borrowing amount from \$2.5 million to \$4.5 million on the Series 2007-D notes. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.
- j. The consideration of **Resolution R-2389** to determine the intent to issue Taxable Multi-family Residential Rental Revenue Bonds in the amount of \$1,000,000. The Commission was informed that Eagle Landing Partners, LLC has full responsibility for the IRB's. The City will serve as a conduit only. Commissioner Talley moved, seconded by Commissioner Wunder to approve Resolution R-2389. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.
- k. The consideration of **S-2969** authorizing Home Rule Ordinance for the New Horizons Building Project authorizing economic development grants to Spirit of 76. (First Reading). Josh McKim, Economic Development Director, informed the Commission that the grant payment is included in the 2008 budget. The payment will be \$13,000 to \$16,000 per month, depending on the terms of the lease. The sublease should cover the monthly payment. Commissioner Talley moved, seconded by Commissioner Wunder to approve **S-2969** authorizing Home Rule Ordinance for the New Horizons Building Project authorizing economic development grants to Spirit of 76. Ayes: Heldstab, Rhodes, Talley, Wunder. Nays: Taylor. Motion carried four to one.
- l. The consideration of Neighborhood Revitalization for 932 W 8th street submitted by Brad Boland and Randal Nabus. The project qualifies for 95% for years 1-5, 85% the 6th year and 75% for year 7. (Economic Development

Commission recommends approval unanimously.) Josh McKim, Economic Development Director, informed the Commission that this consideration involves 932 W. 8th Street and 821 Cleary. The request meets all of the requirements of the Neighborhood Revitalization Program. Mr. Boland and Mr. Nabus informed the Commission that they plan to begin work immediately if the request is approved. Commissioner Wunder moved, seconded by Commissioner Taylor to approve Neighborhood Revitalization for 932 W. 8th Street and 821 Cleary. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

m. The consideration of **Ordinance G-1031** controlling the sale of puppies and kittens from non-fixed locations. (Requested by Commissioner Wunder) (First Reading). Commissioner Heldstab moved, seconded by Commissioner Taylor to approve Ordinance G-1031 Section B 11a. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

n. The consideration of **Ordinance G-1032** establishing a policy that all property taxes must be current to receive a building permit from the City of Junction City. (Requested by Commissioner Wunder) (First Reading.) The Commission took no action on Ordinance G-1032. The Commission directed the staff to research the proposed ordinance.

GENERAL DISCUSSION

The Commission requests that comments be limited to a maximum of five minutes for each person.

Mayor Rhodes opened the meeting for general discussion.

Rick Gross (Topeka, KS) – Mr. Gross stated that he is one of the owners of High Pointe Homes, LLC located in Sutter Woods Addition. He presented the Commission with copies of news articles that had appeared in the Daily Union. He stated that his company is a build company, not a developer. He wanted to introduce himself to the Commission and give them his contact information.

George Marcus (1538 McFarland Road, Junction City, KS) – Mr. Marcus stated that he enjoyed the presentation by Jim Nichols of Dalmark Development. He stated that he has concerns of “good” vs. “bad” projects and how the Commission defines them. He cautioned the City regarding supplying competition with assistance.

Dennis Westover (849 Cypress, Junction City, KS) – Mr. Westover stated that he feels the Commission is handling projects well and appreciates the Commission and their effort. He also stated that the place that citizens can come for correct information is the Commission meetings. He requested that the Commission take a close look at rural housing incentive programs and Olivia Farms. Mr.

Westover stated that he is pleased that Sarah Talley is the Grant Administrator. He asked the Commission to find a "super-duper" City Engineer and pay that person accordingly.

COMMISSIONER COMMENTS

Mayor Rhodes opened the meeting for Commissioner comments.

Commissioner Wunder stated that if anyone has a problem with the City or the City Commission to contact the Commissioners and the issue will be addressed.

Commissioner Heldstab requested the staff look into concrete street problems at the Garfield Development Homes.

Commissioner Taylor requested the City Prosecutor to look into illegal aliens renting property and having too many people living at a residence.

STAFF COMMENTS

Mayor Rhodes opened the meeting for staff comments.

City Manager Barnes reminded the Commission of a Special Commission meeting scheduled for Tuesday, September 11, 2007 at 7a.m.

EXECUTIVE SESSION

- a. Attorney/Client Privilege. – 15 minutes
Commissioner Talley moved, seconded by Commissioner Wunder to adjourn into executive session at 9:35 p.m. to reconvene at 9:50 p.m. to discuss matters related to attorney/client privilege. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried. Included in the Executive Session were the City Manager, Assistant City Manager, Police Chief and City Prosecutor.

Commissioner Heldstab moved, seconded by Commissioner Taylor to reconvene into regular session at 9: 50 having made no decisions nor taken any action while in executive session. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

ADJOURNMENT

Commissioner Heldstab moved, seconded by Commissioner Talley to adjourn at 10:00 p.m. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

APPROVED AND ACCEPTED THIS 18th DAY OF September _____, 2007 AS THE
OFFICIAL COPY OF THE JUNCTION CITY CITY COMMISSION MINUTES FOR
September 4, 2007.


Tricia Gowen, City Clerk


Mike Rhodes, Mayor