

MINUTES
CITY COMMISSION MEETING
TUESDAY, NOVEMBER 15, 2011
7:00 P.M.

The Regular Meeting of the City Commission was held at 7:00 p.m. in the City Commission Room. Mayor James E. Sherow and Commissioners Loren J. Pepperd, John Matta, Wynn Butler, and Richard B. Jankovich were present. Also present were the City Manager Ron R. Fehr, Assistant City Manager Jason Hilgers, Assistant City Manager Lauren Palmer, City Attorney Bill Frost, City Clerk Gary S. Fees, 8 staff, and approximately 28 interested citizens.

PLEDGE OF ALLEGIANCE

Mayor Sherow led the Commission in the Pledge of Allegiance.

COMMISSIONER COMMENTS

Mayor Sherow informed the community that there would not be a City Commission Work Session on December 13, 2011. He then provided an overview of items mentioned during the Discussion/Briefing Session held prior to the City Commission Legislative Meeting. The Commission reviewed calendars, were informed that Third Street would be opened on Thursday, discussed potential regulations for the Fake Patty's Day event and planned to discuss the matter further with the Director of the Riley County Police Department, discussed Fort Riley policies for personnel flying out of the Manhattan Regional Airport, and discussed potential plans for artwork on the roundabout at 4th Street and Bluemont Avenue and the preliminary work being done by the Arts and Humanities Advisory Board.

Commissioner Jankovich informed the community that the City Commission participated in the Veteran's Day Parade and extended his appreciation for everyone that helped make it a great event. He stated that the Wildcat Creek Watershed Working Group would be meeting at 7:00 p.m., on Thursday, November 17, 2011, in the City Commission Room, City Hall.

Commissioner Butler addressed the Employee Benefit Fund for the Manhattan Public Library and the Charter Ordinance for Library expenditures under 6 mills. He provided clarification that the Library Employee Benefit Fund is separate from the Library Fund. He also provided clarification on the status of the Social Services Advisory Board funding and stated the 2012 Budget passed on a 5-0 vote and the social service agencies

COMMISSIONER COMMENTS (*CONTINUED*)

mentioned are funded for calendar year 2012. He said no course of action has been decided on for 2013 and would appreciate any feedback on ways to pursue this particular issue.

Commissioner Matta stated that during the 2012 Budget discussions, there was an increase with the legal staff budget adding an additional attorney. He expressed reservations at that time and requested to relook at the line item budget for an additional attorney at the December 20, 2011, City Commission Meeting and to consider keeping the staffing at the current level.

Mayor Sherow said that if three Commissioners want to revisit this line item budget, this can be done; however, he voiced concern that the Commission should be setting policy rather than management of the City by the City Manager.

Ron Fehr, City Manager, provided additional information on the item and clarification on the 2012 Budget.

After additional discussion and comments from the Commission, the item of Legal Services staffing for the 2012 Budget would be on the agenda for additional discussion at the November 29, 2011, City Commission Work Session.

Commissioner Jankovich informed the community that recommendations will be coming from the Wildcat Creek Watershed Working Group and the Commission discussed placing the item for discussion on a future Joint City/Riley County/Pottawatomie County meeting and on a City Commission Work Session for further discussion.

Mayor Sherow stated that the official ribbon cutting and formal opening of the Hilton Garden Inn would be at 4:30 p.m., on Wednesday, November 30, 2011.

CONSENT AGENDA

(* denotes those items discussed)

MINUTES

The Commission approved the minutes of the Regular City Commission Meeting held Tuesday, November 1, 2011.

* CLAIMS REGISTER NO. 2684

Bernie Hayen, Director of Finance, responded to questions from the Commission and provided additional information regarding reimbursements for court costs.

CONSENT AGENDA (CONTINUED)

* **CLAIMS REGISTER NO. 2684 (CONTINUED)**

The Commission approved Claims Register No. 2684 authorizing and approving the payment of claims from October 26, 2011, to November 8, 2011, in the amount of \$4,432,287.30.

LICENSES

The Commission approved *Merchant Guard Agency* Licenses for the calendar year 2012 for Allied Barton Security Services LLC, 161 Washington Street, Suite 600, Conshohocken, Pennsylvania, and MVM, Inc., 44620 Guilford Drive, Suite 150, Ashburn, Virginia; a *Tree Maintenance* License for calendar year 2011 for Countryside Tree Service, 310 South 6th Street, Lexington, Missouri; *Tree Maintenance* Licenses for the calendar year 2012 for Mugler Tree Care, 2400 West 60th Street; Sedalia Terra Bellus, 1228 Westloop Place, Suite 317; and Tree Man-MHK, 2104 Fox Meadows; annual *Cereal Malt Beverage Off-Premises* Licenses for Hop-N-Skip, 2233 Tuttle Creek Boulevard, and Walgreens #12814, 2719 Anderson Avenue; and annual *Cereal Malt Beverage On-Premises* Licenses for Happy Valley, 2307 Tuttle Creek Boulevard; Tuttle Creek Pizza Hut, 1005 Hostetler Drive; and Westloop Pizza Hut, 2931 Claflin Road.

ORDINANCE NO. 6927 – DESIGNATIONS – MAIN TRAFFIC WAYS AND TRAFFIC CONNECTIONS

The Commission approved Ordinance No. 6927 designating various routes in the city limits of Manhattan as “Main Trafficways” and other routes as “Trafficway Connections.”

ORDINANCE NO. 6928 – ALLOW ALCOHOL – CITY FACILITIES

The Commission approved Ordinance No. 6928 amending Section 4-2 of the Code of Ordinances for the City of Manhattan to permit alcohol usage at Sunset Zoo, Manhattan Regional Airport, and the Flint Hills Discovery Center.

ORDINANCE NO. 6929 – ISSUE – GENERAL OBLIGATION BONDS (SERIES NO. 2011-A) and REFUNDING GENERAL OBLIGATION BONDS (SERIES NO. 2011-B)

The Commission approved Ordinance No. 6929 issuing \$10,535,000.00 in general obligation bonds (Series 2011-A) to finance seven (7) special assessment projects (*Barton Place Addition, Unit Two, Phases One and Two – Street (ST0620); Grand Mere Vanesta, Unit Three – Sanitary Sewer (SS0905); Street (ST0904); and Water (WA0902); and Scenic Meadows Addition, Unit Two, Phase Two – Sanitary Sewer (SS0813); Street (ST0820); and Water (WA0810)*) and six capital improvement projects (*Lowery Settlement (RM1001), Project 15 (SM0806), Smith and Manfax Sanitary Sewer project (SS0901), McCall Road and US 24 Intersection (ST0907),*

CONSENT AGENDA (CONTINUED)

ORDINANCE NO. 6929 – ISSUE – GENERAL OBLIGATION BONDS (SERIES NO. 2011-A) and REFUNDING GENERAL OBLIGATION BONDS (SERIES NO. 2011-B) (CONTINUED)

CiCo Park Pool (CP0902), and Northview Pool (CP0903)) and issuing \$2,850,000.00 in general obligation refunding bonds (Series 2011-B) to refund Bond Series 2002-B, 2003-A and 2003-D and Resolution No. 111511-B authorizing delivery of the Series 2011 and Resolution No. 111511-A authorizing delivery of the Series 2011-A bonds to the low bidder, George K. Baum & Company, of Kansas City, Missouri.

RESOLUTION NO. 111511-C – ISSUE – TEMPORARY NOTES (SERIES 2011-06)

The Commission accepted the best bid from UMB Bank, n.a., of Kansas City, Missouri, for selling the notes and approved Resolution No. 111511-C issuing Temporary Note Series No. 2011-06 in the amount of \$6,250,000.00 to finance the following nine (9) special assessment and capital projects to be debt financed *Downtown Redevelopment (South End) - K-177 at 3rd and Pierre Streets (ST0910); Discovery Center Exhibit Fabrication and Installation (DC0902); Discovery Center Furniture, Fixtures and Equipment (DC0902); KSU Foundation Sanitary Sewer Improvement Project (SS0812); Miller Ranch Addition, Unit 3, Phase 2, Street Improvements (ST1102); K-18 Sanitary Sewer Utility Relocation, Phase IV (Arbor Drive) (SS1108); K-18 Water Utility Relocation, Phase IV (Scenic Drive and Eureka Drive) (WA1106); K-18 Water Utility Relocation, Phase IV (Miller Parkway) (WA1109); and McCall Road 24-inch Water Line (Hostetler Drive to Water Treatment Plant) (WA1104).*

FIRST READING – KDHE LOAN AGREEMENT – KONZA VALLEY WATER (WA1006)

The Commission approved first reading of an ordinance authorizing the execution of a loan agreement between the City of Manhattan, Kansas, and the State of Kansas for the purpose of obtaining a loan from the Kansas Public Water Supply Loan Fund in order to finance the Konza Water Main Extension Project (WA1006) and authorized construction of the project using proceeds of the loan upon adoption of the ordinance.

* REQUEST FOR QUALIFICATIONS – RILEY COUNTY SENIOR CENTER MASTER PLAN (CD1104)

The Commission authorized City Administration to advertise a Request for Qualifications for professional design services related to the project and appointed Commissioner Butler to serve on the Selection Committee.

CONSENT AGENDA (CONTINUED)

AGREEMENT – ENGINEERING SERVICES – FORT RILEY BOULEVARD SEWER MAIN REPLACEMENT (SS1101)

The Commission authorized the Mayor and City Clerk to execute an agreement in an amount not to exceed \$35,188.00 with Bartlett and West, of Manhattan, Kansas, for professional design services for the Fort Riley Boulevard Sewer Main Replacement Project (SS1101).

AWARD CONTRACT – BELLERIVE ADDITION – WATER (WA1113), SANITARY SEWER (SS1119), AND STREET (ST1112) IMPROVEMENTS

The Commission accepted the Engineer's Opinion of Probable Cost in the amount of \$1,624,219.10 and awarded a construction contract in the amount of \$969,779.66 to J and K Contracting, LC, for Bellerive Addition Water (WA1113), Sanitary Sewer (SS1119), and Street (ST1112) Improvements.

* **KDOT AGREEMENT – OLD BLUE RIVER DRAINAGE CHANNEL, (TUTTLE CREEK BOULEVARD DITCH), PHASES III AND IV (SM1106)**

Ron Fehr, City Manager, responded to questions from the Commission.

Dale Houdeshell, Director of Public Works, provided additional information on the Old Blue River Drainage Channel and proposed improvements. He then responded to questions from the Commission.

Bernie Hayen, Director of Finance, provided additional information on the item and proposed funding sources.

The Commission authorized the Mayor and City Clerk to execute Agreement No. 229-11 with KDOT for federal aid from Transportation Enhancement funding for construction of Phases III and IV drainage improvements to the Old Blue River drainage channel (SM1106) from Bluemont Avenue to McCall Road including retaining wall systems, ditch lining, gravel, landscaping, and seeding.

* **CONTRACT – ZOO EDUCATION CENTER – AUDIO-VISUAL EQUIPMENT**

The Commission authorized City Administration to finalize a phased contract to be executed by the Mayor and City Clerk with SKC-Smart Communication, of Shawnee Mission, Kansas, for Audio-Visual/Distance Learning equipment for the Zoo Education Center.

* **BOARD APPOINTMENTS**

Ron Fehr, City Manager, responded to questions from the Commission and provided information on Manhattan Holdings, LLC, and the Investment Committee.

CONSENT AGENDA (CONTINUED)

* **BOARD APPOINTMENTS (CONTINUED)**

The Commission approved appointments by Mayor Sherow to various boards and committees of the City.

Board of Members of Manhattan Holdings, LLC

Re-appointment of Mike Daniels, 1721 Sunny Slope Lane, to a three-year term. Mr. Daniel's term will begin January 1, 2012, and will expire December 31, 2014.

Cemetery Advisory Board

Re-appointment of Dennis Irvin, 1317 Poyntz Avenue, to a three-year term. Mr. Irvin's term will begin January 1, 2012, and will expire December 31, 2014.

Re-appointment of Stephan Konz, 2834 Oregon Lane, to a three-year term. Mr. Konz's term will begin January 1, 2012, and will expire December 31, 2014.

Re-appointment of Lawrence Pollack, 1841 Fairchild Avenue, to a three-year term. Mr. Pollack's term will begin January 1, 2012, and will expire December 31, 2014.

Investment Committee of Manhattan Holdings, LLC

Re-appointment of Mike Daniels, 1721 Sunny Slope Lane, to a three-year term. Mr. Daniel's term will begin January 1, 2012, and will expire December 31, 2014.

Manhattan Area Chamber of Commerce Board of Directors

Appointment of Commissioner Loren Pepperd, 1404 Oaktree Place, to fill the unexpired Ex-Officio term of Mayor Sherow. Commissioner Pepperd's term begins immediately.

After discussion, Commissioner Jankovich moved to approve the consent agenda. Commissioner Pepperd seconded the motion. On a roll call vote, motion carried 5-0.

GENERAL AGENDA

ECONOMIC DEVELOPMENT APPLICATION - PRATHISTA INTERNATIONAL, INC.

Lauren Palmer, Assistant City Manager, introduced the item.

GENERAL AGENDA (CONTINUED)

ECONOMIC DEVELOPMENT APPLICATION - PRATHISTA INTERNATIONAL, INC. (CONTINUED)

John Pagen, Vice President-Economic Development, Manhattan Area Chamber of Commerce, presented an overview on Prathista International which included selected awards received, their Manhattan growth strategy, the research relationship agreement between Kansas State University College of Agriculture and Prathista International, their proposed research and development facility in Manhattan, and Advantage Manhattan strategies. He then responded to questions from the Commission.

Lauren Palmer, Assistant City Manager, provided information on the Economic Development proposal, Economic Development Fund funding criteria for base wage structure, community investment, community fit, benefits, and final weighted score. She then presented the proposed incentives package, an overview of the lease in the Airport Armory Building, additional information on proposed incentives, capital investment requirements, job and wage projections, proposed wage structure, proposed employee benefits, annual accountability and clawback provisions, and independent risk review performed by Springsted, Inc. She then responded to questions from the Commission on the application and analysis conducted.

Lyle Butler, President, Manhattan Area Chamber of Commerce, provided additional information on the Advantage Manhattan program and Prathista International. He informed the Commission that the Kansas Department of Commerce is also planning to offer incentives to this company.

Lauren Palmer, Assistant City Manager, responded to questions from the Commission regarding a report from the Kansas Department of Commerce, associated risks involved, source of economic development funds to be used, structure of proposed incentives, and the availability of future land in the Corporate Technology Park for business expansion.

John Pagen, Vice President-Economic Development, Manhattan Area Chamber of Commerce, responded to questions from the Commission regarding the incentives being offered from the Kansas Department of Commerce and on the economic development proposal.

Lauren Palmer, Assistant City Manager, responded to additional questions from the Commission on the application and the Economic Development Fund balance.

KVSS "Ram" Sairam, President, Prathista International, Inc., provided additional information about their proposed Manhattan project, product, process, marketing and licensing initiatives, and existing business operations in India. He then responded to questions from the Commission.

GENERAL AGENDA (CONTINUED)

ECONOMIC DEVELOPMENT APPLICATION - PRATHISTA INTERNATIONAL, INC. (CONTINUED)

After discussion and comments from the Commission, Commissioners requested additional financial considerations and commitment, additional product information, the Kansas Department of Commerce Report, and information from Kansas State University department of Grain Science and Industry regarding Prathista International.

After additional discussion, Commissioner Jankovich moved to schedule December 20, 2011, as the date for a final determination on an economic development incentive package for Prathista International. Commissioner Pepperd seconded the motion.

KVSS "Ram" Sairam, President, Prathista International, Inc., provided additional information on the financial investment to be made.

After additional discussion and comments from the Commission, on a roll call vote, motion carried 5-0.

At 9:05 p.m., the Commission took a brief recess.

DEVELOPMENT AGREEMENT - LOT 9, DOWNTOWN ENTERTAINMENT DISTRICT

Jason Hilgers, Assistant City Manager, presented the item.

Bill Frost, City Attorney, provided additional information on the item and on the Development Agreement.

Jason Hilgers, Assistant City Manager, responded to questions from the Commission regarding the status of taxes paid for Lot 9, improvements and associated costs with Lot 9, public and private parking lot ownership in the South End Redevelopment, stipulations from the State of Kansas for the STAR Bonds, and provided an overview of Lots 1 through 6.

Ron Fehr, City Manager, provided additional information on the City-At-Large participation in the benefit district.

John Conderman, Attorney, representing the developer, Flint Hills Square, provided additional information on the Development Agreement for Candlewood Suites, Holiday Inn Express, and the mixed-use building. He informed the Commission that they are ready to sign the Development Agreement and have done extensive work with the design of the three buildings. He also stated that the protections for the City are still in the Development Agreement and the changes have made it a more practical way to go about

GENERAL AGENDA (CONTINUED)

DEVELOPMENT AGREEMENT - LOT 9, DOWNTOWN ENTERTAINMENT DISTRICT (CONTINUED)

this with three separate entities owning three separate lots. He then responded to questions from the Commission regarding the Development Agreement and concept.

Jason Hilgers, Assistant City Manager, responded to additional questions from the Commission on the repayment of the bonds, the Development Agreement, and provided clarification on the Request for Proposal process that was initially recommended to better secure the property to be in position for redevelopment and information on the transference of land.

After additional discussion and comments from the Commission, Commissioner Jankovich moved to authorize City Administration to finalize and the Mayor and City Clerk to execute the Final Development Agreement and associated documents with Flint Hills Square, LLC, et. al. for the redevelopment of Lot 9, Downtown Entertainment District. Mayor Sherow seconded the motion. On a roll call vote, motion carried 4-1, with Commissioner Pepperd voting against the motion.

PRELIMINARY PLAN – LOT 9, DOWNTOWN ENTERTAINMENT DISTRICT

Jason Hilgers, Assistant City Manager, introduced the item and design team.

Brad Waller, Alfred Benesch and Company, provided an overview of the project timeline, site plan, preliminary plan, landscape plan, and the preliminary and final development boundaries.

Jason Hilgers, Assistant City Manager, provided additional information on the item.

Rob Westberg, Senior Designer, The Ebert Mayo Design Group, presented the proposed design and east and west elevations of Candlewood Suites and Holiday Inn Express. He then responded to questions from the Commission regarding percentage of Efis incorporated in the building design.

Jason Hilgers, Assistant City Manager, responded to questions from the Commission on the Preliminary Plan, building design, and the application and approval process.

Ken Ebert, President, The Ebert Mayo Design Group, presented the design, plans, and use for the mixed-use building. He informed the Commission that the proposed materials to be used on the exterior of the building are all masonry and will be a variety of smooth cut and split face design elements. He then responded to questions from the Commission regarding design requirements, parking, and provided additional information on the building orientation.

GENERAL AGENDA (CONTINUED)

PRELIMINARY PLAN – LOT 9, DOWNTOWN ENTERTAINMENT DISTRICT (CONTINUED)

Brad Waller, Alfred Benesch and Company, provided additional information on the building configurations and site placement for the Holiday Inn Express and Candlewood Suites. He then responded to questions from the Commission.

Ken Ebert, President, The Ebert Mayo Design Group, responded to questions from the Commission and provided additional information on the pedestrian and streetscape plan.

Jason Hilgers, Assistant City Manager, provided additional information on the Development Agreement and requested that the Commission consider including in the recommended motion that it be contingent upon receiving estimates for the construction of the three private facilities and public improvements from the developer. He then responded to questions from the Commission.

Ron Fehr, City Manager, provided clarification that the language to the motion could be contingent on condition IV. D. of the Development Agreement.

After discussion, Commissioner Jankovich moved to authorize Flint Hill Square to finalize and submit, contingent on Item IV. D. in the Development Agreement, a Preliminary Plan for final zoning on behalf of the City Commission. Commissioner Butler seconded the motion. On a roll call vote, motion carried 4-1, with Commissioner Pepperd voting against the motion.

EXECUTIVE SESSION

At 10:30 p.m., Commissioner Butler moved to recess into Executive Session until 11:00 p.m. for the purpose of preliminary discussions related to the acquisition of real estate. Commissioner Jankovich seconded the motion. On a roll call vote, motion carried 5-0.

At 11:00 p.m., the Commission reconvened with Mayor Sherow and Commissioners Pepperd, Matta, Butler, and Jankovich in attendance.

ADJOURNMENT

At 11:01 p.m. the Commission adjourned.



Gary S. Fees, MMC, City Clerk