

COMMISSION MEETING MINUTES

TUESDAY, JULY 9TH, 2024 6:30 P.M.

The Board of Commissioners met in Regular Session at 6:30 p.m. in the Commission Room. The meeting was called to order by Mayor Hendryx.

Present:

COMMISSIONER DON EDWARDS
COMMISSIONER JIM FALKNER
COMMISSIONER ALEC HENDRYX
COMMISSIONER DEBORAH MAPLES
COMMISSIONER ANN MARIE VANNOSTER

City Staff in attendance:

CITY MANAGER BEN BRUBAKER
DIRECTOR OF BONDS AND GRANTS AMBER DEAN
SENIOR IT TECH RAY HEINZ
DIRECTOR OF PUBLIC WORKS THOMAS OSBORN
DIRECTOR OF PUBLIC SERVICE BOBBY JO PAASCH
DIRECTOR OF FINANCE MARTIN CUMINGS

- A. CALL TO ORDER** – Mayor Alec Hendryx
- B. ROLL CALL**
- C. INVOCATION** – Pastor Doug Mund, Grace Fellowship Church
- D. PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG**
- E. REVIEW OF AGENDA**
- F. CONSENT AGENDA**
 - 1. City Commission Meeting Minutes – Tuesday, June 25th, 2024.
 - 2. Ordinance G-24-04 an Ordinance to adopt the 2024 Uniform Public Offense Code (UPOC).
 - 3. Ordinance G-24-05 an Ordinance to adopt the 2024 Standard Traffic Ordinance (STO).
 - 4. 2024 Appropriation Ordinance No. AO-24-13 \$1,299,036.95

MOTION: Move to approve items 1 - 4 of the consent agenda as presented.

ACTION: MOTION: VANNOSTER SECOND: MAPLES
ROLL CALL: ALL AYE

- 5. 2024 Appropriation Ordinance No. AO-24-13A (Isham's) \$4.32

MOTION: Move to approve item 5 of the consent agenda as presented.

ACTION: MOTION: EDWARDS SECOND: MAPLES
ROLL CALL: MAPLES – AYE, EDWARDS - AYE,
VANNOSTER – ABSTAIN, FALKNER– AYE, HENDRYX – AYE

G. COMMENTS

1. Comments from Public

Any citizen desiring to address the Commission shall be recognized, advance to the podium, state his/her name and address for the record. Comments shall be limited to 3 minutes unless extended by a vote of the majority of the Commission. The Commission does not hear matters involving litigation or City Personnel. The Commission does not take action on subjects not on the agenda unless unusual or hardship conditions exist. Citizens may address the Commission on agenda items as they are brought to the floor.

Jeff Payden Jr, 1415 W. Sixth, came to the podium to express his opposition to the Coffeyville Plaza CID. He does not believe that the Coffeyville Taxpayers should pay for a privately owned business. City Manager Ben Brubaker advised that there is a public hearing on that topic, and as people explain the CID, he would have an opportunity to speak on that topic again.

REGULAR AGENDA ITEMS

H. PUBLIC HEARING(s), SPECIAL PRESENTATION(s), & PROCLAMATION(s).

1. Public Hearing on the advisability of creating a Community Improvement District in the City of Coffeyville, Kansas, and the proposed levy of a Community Improvement District Sales Tax within such district (Coffeyville Plaza CID).

Garth Hermann with Gilmore and Bell, Bond Council, was present, and Laura Lashley and David Havens, Coffeyville Plaza Representatives, were present via phone conference for the Public Hearing.

Garth Hermann provided a brief summary of how we arrived at the public hearing point. Community Development Districts are an Economic Development Tool in Kansas that allows cities to create a district, and within the boundaries of that District, they can either impose a special assessment or a sales tax. The revenue from that CID can be used to finance a wide variety of different types of improvements. These districts can only be created per the property owners' requests. That process started with a petition, starting earlier this year. The city received a petition for a community improvement district roughly located at 11th and West for retail development to make improvements at that location. The petition was signed by 100% of the property owners, and it requested the imposition of a 1% community improvement district sales tax within the boundaries of that district only. Once that petition was submitted and found to be valid, the city commission adopted a resolution to hold a public hearing on the creation of the Community Improvement District. Notice of that public hearing was published in accordance with law and sent out to the relevant property owners to alert the folks that the public hearing, which is scheduled for tonight, was going to be held. That brings us to where we are right now, so the next steps in this process are for the city to formally open up and hold the public hearing for the creation of that district. At the conclusion of the public hearing, you will need to close the hearing. Then, there is an ordinance that our firm has prepared for first reading. That ordinance, once it is fully passed will formally create the Community Improvement District and authorize the imposition of that 1% Community Improvement District sales tax within the boundaries of the district and authorize the revenue from that Community Improvement District sales tax to finance the improvements to that district that has been requested pursuant to that petition. The ordinance also authorizes the City to enter into a development agreement between itself and the property owners. The development agreement sets out the duties and responsibilities of both parties, such as what is going to be built and what improvements are anticipated to be made within the boundaries of that district. The estimated cost of those improvements, as well as the mechanism for the use of the CID sales tax collected over a period of not to exceed 22 years., in order to use that money to be able to reimburse that eligible cost that has agreed to as being eligible for reimbursement. Once that agreement is entered into, it will be enforced for as long as sales tax is collected. The sales tax cannot exceed more than 22 years; at an absolute maximum, that's the length of time that both the CID would be in effect, as well as at the length of time the development agreement would be in effect.

Vice Mayor Falkner asked if he heard him correctly, that all of the business owners currently located at the Coffeyville Plaza are agreeable to the CID creation. Garth advised all of the property owners are yes. Vice Mayor Falkner asked if the business had been petitioned. Gath advised that they are not legally required to sign the petition. Garth referred the question to the Developer represented, David Havens. Vice Mayor Falkner asked if the tenants were made aware of this hearing. Garth advised that notice was given pursuant to state law. Garth referred to Laura Lashley and David Havens to answer this question. David Havens replied that the only tenant that they reached out to was the grocery store; we let them know that we were going to be forming the CID to bring Cynergy to this center. Factory Connection will be vacating their building, and Dollar Tree is very accommodating in all the other CIDs that we have. Vice Mayor Falkner requested information on the response from the grocery store. David Haven advised that they were concerned about it, but the benefits outweighed the concerns. He spoke about renovating his lease and was informed this was not a negotiation concern; this was more about improving the community. Vice Mayor Falkner asked for clarification if he was for or against the CID. David Havens advised that they did not say if they were for or against it. He has not spoken to them since the original discussion. Commissioner Edward stated that he read there were going to be \$2 million dollars in improvements; how much are you, as the owner, contributing to the renovations of this property? David Haven's advised it is substantial, well over \$300 thousand. We have already invested over \$350 thousand with the Dollar Tree. I will state that we have a signed lease with a national tenant, and the only way we can move forward is with the creation of the CID. The rent they wanted to pay wasn't close enough for us to make a deal on our own. That is why we petitioned for the CID, to help attract these national tenants. We also have another 9-10 thousand square foot national tenant that is ready to proceed if the economics work out for the CID. We are in the middle of finalizing a letter of intent. Vice Mayor Falkner requested to know who the 2nd tenant was. David Havens did not feel comfortable sharing that in an open meeting. Commissioner Edwards asked if they had 3 signed tenants. David Havens advised they have 1 signed tenant, and the 2nd tenant is only interested in signing because of the 1st national tenant. The first tenant is 23,000 sq ft and the second tenant is over 9,000 sq. ft. As you all know, we have owned this property for over 8 years, and we have tried to bring in tenants. We brought in Dollar Tree, who is doing well. And for shoe sensation, we lost them because of sales and Cynergy. We are losing Factory Connection. We are really trying to revive this place. These two new National Tenants will bring in a lot of shopping for the center; Coffeyville and the surrounding region would come in to shop at these places. Mayor Hendrix asked if they are attributing the loss of those retailers to the condition of the building, parking lot, and lighting or if it is just sales. Will the CID help? David Havens advised that all of this will help sales. We have retailers in smaller markets that we can provide examples of and how we recreated them. That all contributes to the sales as well as co-tenancy. These retailers have national markets and branding. They will attract a lot of regional sales. Vice Mayor Falkner stated that he would address the elephant in the room: how do you respond to the accusations that the current retailers are leaving because the rent is too high? David Havens stated that people pay rent according to their sales. We have negotiated with these national tenants and met them at a rent price point that they are comfortable being at; along with the CID, we believe we will be at a sustainable point. The Grocery store and Dollar Tree are at a sustainable point. Tenants do not come in and just lease a vacant spot, they expect a good portion of that infill be on the landlord. They are requesting the landlord several thousand dollars to bankroll them for the initial term of the lease. Mayor Hendryx asked about section 6.4 about the termination of the agreement that the agreement shall be terminated by the developer at any such time. If you have those invoices reimbursed a lot sooner than the 22 years, the developer would have to submit to have this terminated, correct. Garth Herman stated that the city would know that the developer will pay for that cost to make the improvements. Once those improvements are finished, the developer will turn in certificate and proof of payment for those improvements. Over time, as the CID Sales Tax is in effect and it collects money, the city will use those available revenues to pay down the balance of the reimbursable cost. When those cost are paid off, both parties will know. At that point, assuming

there are not additional cost that anyone has agreed. Then as that point, the developer can request termination of the CID and the city can take action to terminate the CID. It does not need to stay out for 22 year if it is paid off early. Mayor Hendryx advised that this sales tax is just for this property and that property only. It is not a sales tax. Garth Hermman confirmed. Vice Mayor Falkner advised that the actual contract had the City listed as 2nd class city, but we are a 1st class city. City Staff has made the corrections to the documents.

Mayor Hendryx opened the public hearing to receive comments regarding the advisability of creating a Community Improvement District in the City of Coffeyville and the proposed levy of the Community Improvement District Sales Tax within such District.

Jeff Payden Jr, 1415 W 6th, stated that he still stands his ground. He would love to see more business and for Coffeyville to do better. But it is not the taxpayer's responsibility because he let the building run down. It's been going downhill for years, and it is not our responsibility to make the repairs; if he gets 4 new tenants, is he going to give the revenue to the city?

Vice Mayor Falkner asked if Gilmore and Bell had provided any information on the increase in sales tax the city would see. Ben Brubaker, city manager, advised that this is statute and within regulation. We will see money come in and see it reimbursed. Garth Hermann stated they did not prepare a feasibility study on behalf of the developer. We have to remember that the developer's project calls for this 1% sales tax to create revenue of at least \$2 million over the next 22 years, that they are spending and would like to have reimbursed. To the extent that if they do not reach that number that is money they have lost. They anticipate that they will create at least \$2 million dollars off of that sales tax. Now, the City has its city-wide sales tax that is in effect and collected as well on the sales out there. The City will reap the rewards of the new business and sales.

Commissioner Vannoster stated that this is over and above the sales tax we are already collecting.

City Manager Ben Brubaker stated that you are going to pay the City Sales tax whether you like it or not. In this case, if you do not want to pay the additional 1%, you have the option not to shop there.

Mayor Hendryx closed the public hearing

2. Ordinance S-24-03 an Ordinance establishing the Coffeyville Plaza Community Improvement District; authorizing the making of certain improvement projects relating thereto; approving the estimated costs of such project improvements; levying a 1.0% CID Sales Tax; providing for the method of financing the same; and authorizing the execution of a Development Agreement relating thereto

Garth Hermann, Gilmore, and Bell stated this ordinance is on its first reading and, assuming it is approved at its second reading, will authorize the creation of the Community Improvement District, and then you go financing, authorizing that 1% sales tax for a period of 22 years. An additional point of clarification on the sales tax is that it does not go into effect immediately. It will go into effect on January 1st, 2025 assuming passage of the ordinance. Vice Mayor Falkner asked if the CID would be affected if that 2nd retailer did not come in. Garth Hermann stated that there would be less revenue available, but it will not affect the CID. David Havens advised that they have strong confidence that the 2nd retailer will happen, contingent upon the CID.

MOTION: Move to approve Ordinance S-24-03 as presented.

ACTION: MOTION: VANNOSTER SECOND: MAPLES
ROLL CALL: ALL AYE

I. OLD BUSINESS

J. NEW BUSINESS

1. Resolution R-24-52 a Resolution to approve a contract with Bettis Asphalt and Construction Inc. for the Buckeye Mill and Overlay Project

Thomas Osbourne, Director of Public Works, advised that we are looking to spur some street improvements. The first one is the Buckeye Mill and overlay project. We opened bids; we had 2 bids, Bettis Asphalt and Brent Bell Construction. We usually pay to have the millings disposed of, but we are interested in using those to reduce costs somewhere else on another city project. That did make Bettis Asphalt the lowest bidder, coming in at \$463,346.10. This would be paid for out of the street transportation sales tax. This is the sales tax that we will be bringing to you for renewal on the November Ballot. Vice Mayor Falkner asked what depth would be removed. Thomas Osbourne advised between 2-4 inches; there are sections of concrete we will not be touching. Commissioner Maples inquired about making Buckeye concrete; Thomas Osbourne advised the cost difference is substantial. There is about a \$200 difference per square foot. The commissioner asked why we were stopping at 1st Street. Thomas advised that it was a good project length and its within budget. Mayor Hendryx asked about contingency for curb repair, and Thomas Osbourne advised that we would make repairs as needed. Mayor Hendryx asked about 2 concrete spaces at 8th and Buckeye, will those be milled right through? Thomas Osbourne advised those will not be milled, and we will jump 8th street. That will be a different project.

MOTION: Move to approve Resolution R-24-52 as presented.

ACTION: MOTION: MAPLES
ROLL CALL: ALL AYE

SECOND: VANNOSTER

2. City Manager's Report

City Manager Ben Brubaker advised that #7 at the steam plant is down. A motor burned out, and they thought they had a leak. This is a large motor, and it is going out to Wichita. We do not know what the problem is. We are in a cannot produce status at the steam plant. At this time of the year, that is not ideal, but we will take our other plant up to the highest capacity to make up for it in other areas. Update on Tennis Courts at LeClere Park, knowing that has been a high priority for Commissioner. We are now on our second delay from the Kansas Department of Commerce where the grant has been pushed back. My understanding from the Interim City Manager is that this was such an important project, and the timing of this project is essential. You might want to move forward on this project without this grant. That does not mean we cannot apply for another grant; we have a list of projects that we can shift to. At this point, we are looking at either way we choose, which is that we will not be ready for springtime tennis. How do you feel about the pushback? We would not start construction until Mad April 2025. We do not have to make a decision; we could get a bid now and then make a decision at that point. Vice Mayor Falkner asked if we would lose the grant; Ben Brubaker advised it's not that we would lose the grant opportunity; it's that we would apply for something else. But we would not have the capacity for the tennis courts. Mayor Hendryx asked Bobby Jo, Director of Public Service, if this would give us more time to find other companies to bid on this project. Bobby Jo Paasch advised us that the bids received were only 5 months old. Mayor Hendryx asked if they were bidding on the same project. Director of Public Works Thomas advised they were all given the same specs to bid on. Commissioner Vannoster asked why one was so much lower, and she said she would like to see some of their work. Amber Dean, Director of Bonds and Grants, advised that city staff looked into the past work, and we did. They have award-winning courts in Girard. Thomas Osbourn provided information on the work that would be completed at the tennis courts. Ben Brubaker, we will review the quotes, determine if we need to rebid and discuss other options, and bring this back for further discussion. Ben Brubaker

provided an update on Juan Williams's concerns, and Paul Kritz is still working on this project. He also provided an update on the house project on 9th Street and encouraged the commission to go see the progress. He also provided an overview of upcoming budget meetings over the next 30 days. Ben Brubaker also gave kudos to Judi Beth Parker at the Aquatic Center. They are doing a great job. Gave an updated on possible improvements. Ben advised that he would like to put together a planning meeting with the commissioner and staff to discuss goals for the future.

3. Comments from Commissioners and Staff

Commissioner Vannoster shared that the Midland Theater Foundation is hosting a movie night on Friday, showing the original Twister movie. This Saturday, there will be a celebration at Walter Johnson Park. There is bands, car shows, vendors and food trucks for the day!

Commissioner Edwards asked for an update on the City Connecting Link Project. The Director of Bonds and Grants advised that it is likely to be in August or September before we hear back.

Commissioner Edwards stated that we did not get the 2 KDOT Cost Share Grants; Amber Dean advised that we will be resubmitting the application in the fall.

Vice Mayor Falkner advised that a community member approached him about putting tiny homes on two empty lots, but he referred them to planning and zoning.

Mayor Hendryx also shared his kudos with the Aquatic staff that this condition and how it is run has been great this year.

K. EXECUTIVE SESSION(s)

L. GENERAL STAFF, COMMITTEE & BOARD REPORTS AND MINUTES

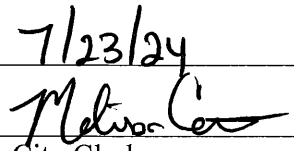
1. Coffeyville Police Department Crime Statistics – May and June 2024
2. Hillcrest Golf Course Report – June 2024

M. ADJOURN

ACTION: MOTION: EDWARDS SECOND: MAPLES
ROLL CALL: ALL AYE

Time the meeting was adjourned: 7:39 pm.

Date the minutes were approved:

7/23/24


Melissa Carter, City Clerk

