

**COUNCIL
CITY OF PRAIRIE VILLAGE
May 1, 2000
-Minutes-**

The City Council of Prairie Village, Kansas, met in regular session on Monday, May 1, 2000, at 7:30 p.m. in the Municipal Building.

ROLL CALL

Mayor Ron Shaffer called the meeting to order with the following Council members responding to roll call: Al Herrera, Bill Griffith, Ruth Hopkins, Steve Noll, Terry Frederick, Roy True, Laura Wassmer, Jerry Kelso, Nancy Vennard, Kay Wolf, Diana Ewy Lamberson and Patty Markley.

Also present were: Barbara Vernon, City Administrator; Charles Wetzler, City Attorney; Charles Grover, Chief of Police; Bob Pryzby, Director of Public Works; Doug Luther, Assistant City Administrator and Joyce Hagen Mundy, City Clerk.

PUBLIC HEARING

Mayor Ron Shaffer reviewed the rules of procedure for the Public Hearing on the request from Station Office Development, L.L.C. to authorize the issuance of Industrial Revenue Bonds and property tax abatement to facilitate the redevelopment of a proposed redevelopment project located at 75th Street between Reinhardt and Pawnee.

Fred Coulson, 3520 West 75th Street, Prairie Village, addressed the Council regarding his involvement during the past two years in the possible redevelopment of this area. The current proposal for this one and one-half acre area is for a 24,000 square foot office building. Mr. Coulson stated the development of this project as proposed is economically unfeasible without financial assistance. He reviewed the conditions unique to this property that create high development costs.

Under the proposed financial agreement the project will generate three times the property tax revenue now being received for the first five years of the project and seven to eight times the current amount for the following five years. The two primary tenants will be the architectural firm of Nearing, Staats, Prelogar & Jones and Mr. Coulson's Company.

Bill Prelogar gave a brief overview of the proposed project. There will be one 24,000 square foot two-story building of brick and cut stone. It will have a hip roof with concrete green slate tiles. All rooftop mechanical equipment will be hidden from view. Twenty additional parking spaces are planned on-site to prevent the necessity of side

street parking, for a total of 104 spaces. Because of the slope of the land, retaining walls will be constructed along three sides, which will further screen the parking from the view of the neighbors. Extensive landscaping has been proposed along 75th Street, Pawnee and Reinhardt. The ingress and egress for the development will be on Pawnee and Reinhardt. The budget for this project is \$3.7 million dollars.

Gary Anderson, Gilmore & Bell, the City's Bond Counsel, explained that this Public Hearing was the first step in the process of issuing Industrial Revenue Bonds. As required by Kansas Statute, public notice has been given of this hearing, and special notice was sent to the School District and to Johnson County.

The resolution determining the intent of the City to issue Industrial Revenue Bonds is not the final step. This action indicates the City's intent. The issuance of the bonds would be enacted through an Ordinance and will include a specific performance agreement stipulating responsibilities of both parties. The requested sales tax exemption would be on construction materials and if this were not approved, the applicant would have to reimburse the state for payment of taxes.

Robert DiPierro, Deputy Superintendent the Shawnee Mission School District addressed the school district's concern with the proposed abatement as it would impact school revenue. If approved, the District would prefer to have it for as short a period as possible and as small an amount as possible. They do not oppose the project, but are simply concerned with the possible financial impact on the public.

Phillip Klein, 8301 Briar Lane, referenced material that he had mailed to some Council members regarding government assisted funding and the dangers of its use. He noted that the City has not received any money from the Industrial Revenue Bonds that were issued to J.C. Nichols Company several years ago. Mr. Klein has requested from the City provide audit information on all City financed bonds. He strongly discourages the approval of the proposed abatement and feels the project can be completed without financial assistance from the City.

Andrew Parkinson, 7538 Mohawk, questioned if the bonds were non-taxable bonds and stated that he would like to see an independent assessment on the value of the property. The primary concern of the surrounding neighborhood is the impact of the industrial revenue bonds on individual property taxes and other taxes.

Fred Coulson stated the economics of the project are tight and he reviewed some of the supplemental costs that will be involved with the development of this project.

The bonds will be taxable. The City will have no obligation to repay the bonds, this will be the responsibility of the ownership group. He noted that Kent Crippin had conducted an independent study of the development of the area and advised that two previous studies had also been completed on this property.

In response to the School District's concerns, Mr. Coulson stated the current taxes now being paid for this property will be tripled during the next five years and will increase seven to eight times for the following five years. He also noted no additional public services would be required because as a commercial site, no additional children will be attending the area schools.

Gary Anderson, City's bond counsel, confirmed that the bonds will be taxable and regardless of the success of the project the developer will be fully responsible for their payment.

Ted Coleman, 7512 Pawnee, questioned the appraisal figures given and would like to have the figures confirmed by the Johnson County Appraiser.

Fred Coulson, Station Development LLC, explained the appraisal procedures for residential and commercial properties. He stated that there is no way at this time to determine the future value of the property. The first year that it can be appraised will be 2002.

Mayor Ron Shaffer closed the public hearing.

PUBLIC PARTICIPATION

Margaret O'Neil, 7828 Rosewood Lane, requested an update on the code enforcement discussion that was initiated at the previous Council meeting.

Ruth Hopkins advised the Legislative/Finance Committee discussed the issue at their meeting earlier in the evening. The committee is recommending the municipal code be reviewed carefully to determine where and how property maintenance codes can be tightened and also requested better tracking of code calls and complaints. Actions on specific properties are under the direction of the City Prosecutor. Mrs. O'Neil was advised to contact the City Clerk prior to the next Legislative/Finance Committee meeting to determine if this item will be on the agenda and invited to attend the meeting.

CONSENT AGENDA

Bill Griffith requested that item #5 be removed from the Consent Agenda and Diana Ewy Lamberson requested item #1 be removed. Nancy Vennard moved to approve the Consent Agenda for Monday, May 1, 2000 as amended:

By Staff:

1. Approve Regular Council Meeting Minutes – April 17, 2000
2. Approve Claims Ordinances #2161, 2162 and 2163
3. Ratify the appointment of Richard (Dick) Kaufman to the City's Board of Code Appeals filling the vacancy caused by the relocation of Eugene Pope outside of the City.
4. Approve a short-term special use permit to the Prairie Village Homes Association for their annual homes association picnic on Saturday, June 10, 2000 from 5:00 p.m. – 9:00 p.m. to be held at Porter Park with permission to bring on site a moonwalk and water slide provided a certificate of insurance is provided naming the City as an additional insured.
5. Approve the agreement with Acoustical Design group, Inc. for \$2,500 and the transfer of \$50,000 from the Mayor and Council 2000 Operating budget to the 2000 Capital Expenditure Program
6. Ratify the appointment of Jeannie Firth and Jared Cole as student representatives on the Environment/Recycle Committee
7. Approve Construction Change Order #1 to the contract with Mega Industries, for Project 190807: 2000 Street Resurfacing Program for a decrease of (\$76,528.25) bringing the new contract total to \$1,838,918.75 with funding from the 2000 Capital Expenditure Program
8. Approve Engineering Change Order #2 to the agreement with The Larkin Group, for Project 190811: Mission Road and Tomahawk Road for an increase of \$14,300 bringing the new contract total to \$95,300 with \$8,000 from the 2000 Capital Expenditure Program budget and \$6,300 from the 2000 Capital Expenditure Program contingency
9. Approve Construction Change Orders #18, #19, #20, #21, #22 and #23 for a total of \$11,670.00 and four additional construction days to Carrothers Construction Company, Inc. with funding from the project contingency
10. Approve Construction Change Order #1 to the contract with Mega Industries for Project 191002: 2000 Concrete Repair Program for Project 191002: 2000 Concrete Repair Program for an increase of \$12, 191.60 bringing the new contract total to \$120,807.60 with funding from the 2000 Capital Expenditure Program
11. Approve the placement of an appropriate number of signs in all City Parks, which read, "Municipal Code 6.04.240 requires all animals to be on a leash"

A roll call vote was taken with the following members voting "aye": Herrera, Griffith, Noll, Hopkins, Frederick, True, Wassmer, Kelso, Vennard, Wolf, Ewy Lamberson and Markley.

Bill Griffith asked for clarification on the agreement with Acoustical Design Group. Nancy Vennard stated that the Committee for Council Chamber Improvements was given \$50,000 to begin to investigate and come up with a plan for improvements. Acoustical Design Group will determine the best way to address the sound difficulties that are currently being experienced in the room. The transfer of funds is simply a means to get the money in place. Mr. Griffith confirmed the money is allocated for this project in the 2000 budget.

Diana Ewy Lamberson asked to make a correction to the minutes of April 17, 2000 on the last sentence on page 5 removing her name from the statement regarding support of the Sister City venture to Belgium.

Nancy Vennard moved the approval of the regular council meeting minutes of April 17, 2000 as amended and the approval of the agreement with Acoustical Design Group, Inc. for \$2,500 and the transfer of \$50,000 from the Mayor and Council 2000 budget to the Capital Expenditure Program. The motion was seconded by Bill Griffith and passed unanimously.

COMMITTEE REPORTS

Villagefest 2000

Diana Ewy Lamberson announced that "South 65" has been secured for entertainment from 3:00 to 4:00. The Villagefest polo shirts have been designed and can be ordered tonight through her. She briefly reviewed the timetable for the event.

Policy Services Committee

POL99-16 Consider Project 190701: 2000 Storm Drainage Repair Program

Steve Noll reported that on April 14, 2000, bids were received for the 2000 Storm Drainage Repair Program. Three bids were received ranging from \$689,327 to \$831,774 with an engineer's estimate of \$863,500. The low bid was received from Site Rite Construction who has done satisfactory work for the City previously. The bid is within the budgeted amount in the Capital Expenditure Program.

Steve Noll moved the Council approve the construction agreement for Project 190701: 2000 Storm Drainage Repair Program with Site Rite Construction in the amount of \$689,327 with funding from the 2000 Capital Expenditure Program Funds. The motion was seconded by Bill Griffith and passed unanimously.

COU2000-16 Consider Right-of-Way Agreement with Johnson County Wastewater

Bob Pryzby briefly reviewed the significant sections of the Right-of-Way agreement with Johnson County Wastewater. First, no permit fees will be paid by Johnson County Wastewater for City issued right-of-way permits. Second, the City will not pay for County plan review fees and sewer connection permit fees, but will pay the County for connection fees, system development fees, developer bonds, maintenance bonds, etc. Third, the County will maintain its excavations for three years. Fourth, there is a provision that if work by the County affects trees, then both staffs will seek the alternative, and if that alternative increases the project cost for the County, then approval of the Governing Bodies would be required. The remainder of the agreement is very similar to the agreement approved with Water District No. 1.

Bill Griffith confirmed that the agreement covers the major issues for the City. Terry Frederick questioned if the three-year maintenance bond was sufficient. Mr. Pryzby responded the city now has specific requirements for how street repair is to be completed and he feels that a three-year bond is acceptable.

Steve Noll moved the City approve the agreement with the Board of County Commissioners of Johnson County for the management of right-of-way contingent upon final review and approval by the City Attorney. Bill Griffith seconded the motion. The motion was voted on and passed unanimously.

OLD BUSINESS

Consider request for financial assistance from Station Development Company

Nancy Vennard moved the City Council adopt a resolution determining the intent of the City to issue its Industrial Revenue Bonds in the amount of approximately \$4 million to finance the costs of acquiring, constructing and equipping a commercial office facility for the benefit of Station Development Company, LLC and further move to waive Section 11 (5) of the City's Policy #135 and to take all appropriate action to request the Kansas Board of Tax Appeals approve a 100% ad valorem property tax abatement for all property financed with proceeds of the bonds and request such 100% abatement be partially reimbursed by payment in lieu of tax (PILOT) of 20% for five years beginning January 1 following the calendar year in which the bonds are issued and payment in lieu of tax (PILOT) of 50% for the next five years. Bill Griffith seconded the motion.

Terry Frederick asked for clarification on section two of the resolution. Gary Anderson explained that there is no abatement on personal property; however, he noted some personal property, such as an elevator, would be considered as part of the building and would be eligible for abatement. He stated that this would be more specifically addressed in the performance agreement.

Mr. Frederick also confirmed that this action would have no impact on the state formula determining the amount of money received by the Shawnee Mission School District.

The motion was voted on and passed unanimously.

COU2000-10 Consider the rezoning of lots 21, 22, 23 and 24 of Sunset Hill Acres from C-2 and R-1a to C-0.

On April 3, 2000, the City Council moved to table the application by Station Development Company, LLC requesting the rezoning of Lots 21, 22, 23, and 24 of

Sunset Hill Acres from C-2 and R-1a to C-0 until a final determination had been made on the applicant's Industrial Bond request.

With that action being taken, Nancy Vennard moved the Council adopt an ordinance for the rezoning of Lots 21, 22, 23 and 24 of Sunset Hill Acres from C-2 and R-1a to C-0 (Commercial Office). Ruth Hopkins seconded the motion.

A roll call vote was taken with the following members voting "aye": Herrera, Griffith, Noll, Hopkins, Frederick, True, Wassmer, Kelso, Vennard, Wolf, Ewy Lamberson and Markley.

Bill Prelogar thanked the Council for their cooperation and assistance in dealing with this issue in a timely manner. He hopes to be under construction by July 1, 2000; anticipating construction of the shell to take 8-10 months with the actual move into the building to take place 14 months from now. Mr. Prelogar also thanked the residents for their input and assistance throughout the design of this project and noted he looked forward to having them as neighbors.

NEW BUSINESS

There was no New Business to come before the Council

ANNOUNCEMENTS

Committee meetings scheduled for the next two weeks include:

Tree Board	05/03/2000	6:00 p.m.
Budget Worksession	05/08/2000	6:00 p.m.
Sister Cities	05/08/2000	7:00 p.m.
Environment/Recycle Com.	05/09/2000	7:00 p.m.
Park & Recreation Committee	05/10/2000	7:00 p.m.
50 th Anniversary Committee	05/11/2000	7:00 p.m.
Council Committee of the Whole	05/15/2000	6:00 p.m.
Council Meeting	05/15/2000	7:30 p.m.

The Prairie Village Arts Council is pleased to present "Surrounded By Beauty" an exhibit of watercolor paintings by Jack O'Neal in the R.G. Endres Gallery during the month of May. You are encouraged to attend the artist reception on Friday, May 5th from 6:30 to 8:00

The new Council Pictures will be taken on Monday, May 1st. All Council members should plan to be in attendance. Individual pictures will be taken as they have been the done in the past. Report to the MPR between 5:00 and 5:45 for pictures. THANKS for your cooperation. You and your family members can also have their swimming identification pictures taken that evening at the City Clerk's Offices.

Swimming Pool and other recreational program memberships are now on sale in the Municipal Building. Mail-in registrations will also be accepted; however, individuals will still have to come in to have their photos taken for their membership identification cards.

Mayor Shaffer and the Council members congratulated Patty Markley and her husband on the upcoming birth of their child.

ADJOURNMENT

With no further business to come before the Council, the meeting was adjourned
at 8:45 p.m.

Joyce Hagen Mundy
City Clerk