

City of Pittsburg, Kansas
Economic Development Advisory Committee
Official Minutes of the Meeting of July 14, 2010

Members Present: Shane Kannarr, Richard Oler, Brad Hodson, Mark Werner, Chuck Hosman, and Blake Benson

Others present: Mark Turnbull, John VanGorden, Henry Menghini, Bill Beasley, Jon Garrison, Stacie Perry, Krista Postai and Doug Stuckey.

The Economic Development Advisory Committee met in Regular Session at 10:00 a.m. on Wednesday, July 14th, 2010 at Memorial Auditorium in B1. Shane Kannarr opened the meeting at 10:05 a.m. with six (6) members present

The first agenda item was PROJECT PITT 2010-224 CHCSEK request to forgive the remaining balance of their RLF loan in the amount \$78,766.80. The original loan was awarded in 2007 for \$200,000 with 4% interest. Director of Economic Development Mark Turnbull introduced Krista Postai, CEO, and Doug Stuckey, CFO, Community Health Center of Southeast Kansas (CHCSEK), and gave them the floor. Postai began with general background on the loan stating they requested this loan because the interest was lower than the banks were offering. At the time the loan was requested, CHCSEK promised 45 full time positions and now employ 110 full-time staff with the average salary of \$47,000. Crawford County's average salary is \$37,000. Postai continued the CHCSEK serves as a training center for Doctors, Nurses, Dentists, etc. She stated Southeast Kansas is short on doctors and dentists and the average age of current physicians is 60 years old. Training these young medical fields at the CHCSEK help the community retain these professions in the Pittsburg area. Postai stated they removed the non-compete clause because they believe the community is underserved. Doug Stuckey stated their Dental practice has attracted people from 25 out of the 105 Kansas counties. He stated this has to have an economic impact on Pittsburg although he has not measured the actual spending used by these individuals.

Richard Oler asked the number of personnel that live in the community. Postai responded currently four drive in from Missouri, 65-75% have Pittsburg addresses, few commute and most live in Pittsburg, She continued they help with real estate as well.

Chuck Hosman asked the affect this will have if the loan is not forgiven. Postai responded the forgiveness will be an investment. The money will go into the CHCSEK. Stuckey gave a brief overview of their operating expenses and budget.

Richard Oler stated the request is forgiveness of the balance. He stated they also have \$8,900 in interest at 4%. If they cannot forgive the balance they can consider forgiving the interest only providing the economic impact.

Kannarr motioned to enter Executive Session for fifteen minutes to discuss confidential financial affairs of a corporation at 10:31 a.m. All carried, motion approved.

The EDAC entered Executive Session for fifteen minutes to discuss confidential financial affairs of a corporation.

The meeting reconvened back into open session at 10:47 a.m. Kannarr stated no votes were taken and no decisions were made during executive session. Kannarr asked if anyone would entertain motion to forgive. Mark Werner motioned, Oler seconded with amendment to forgive remaining balance of \$78,766 plus accrued interest. Werner agreed. All carried, motion approved to recommend the City Commission forgive the remaining balance including accrued interest.

The second agenda item under updates is the Director's Report given by Turnbull. Turnbull stated Project PITT 2010-215 Watco Companies application was pulled for one month.

Turnbull thanked Mayor O'Bryan for his attendance to the EDAC meeting.

Turnbull introduced Stacie Perry to the committee. She is the new administrative assistant to Economic Development for the City of Pittsburg. She has worked in Public Works for the past six years as the administrative assistant and recently moved to Economic Development.

Turnbull stated SEK, Inc. Legislative Wrap took place June 23 and was a success. He stated he is the Legislative Council Chair. Fifteen Legislators attended.

Turnbull stated 69 HWY Association are working to complete the four lane highway to I-44. KDOT will be in Pittsburg for a public meeting Sept. 2nd.

Jon Garrison gave a brief overview on website progress. He stated the City has received a mock up on the home page. For the most part, the website committee likes the design. There will be a picture scroll. It will have links to the Chamber and University.

Turnbull announced CGI Community Video footage was shot on June 23 and 24. The City was very pleased with the videographer. He stated Jeff Wilbert, Interim Parks and Recreation Director, escorted CGI throughout the City. The footage should be available within 60 days.

Bill Beasley, Director of Public Works, spoke regarding the EDAC funds for the Airport Master Plan. He stated they are gathering information by operation counts, surveys of users, etc. The Airport is being designed for the Gulf Stream 150. This is the same aircraft as the one owned by Miller's Professional Imaging. It is a Class C2 aircraft. They are designing the length of the runways to the specifications of this plane. He stated there has been growth in the airport. Right now there are 7 based corporate jets. They expect 12 corporate jets by 2031. The future alternate long term use of the airport is to build a new administration building, use the west section close to new highway(west of runway 4-22). He is working with Turnbull to develop a new Airport Industrial Park.

Beasley stated this master plan is unique by being the first submitted electronically to the FAA. The plan is in stage 3 and should progress quickly.

Kannarr inquired what the Hazard T Hangars were on Beasley's diagrams. Beasley responded they are 4-5 existing hangars proposed to be removed to create a clear zone for runway 1634. He stated the City elected not to use this so the city will not have to eliminate existing hangars.

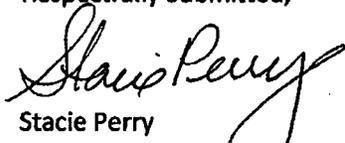
Hosman asked if the City will have to acquire more land. Bill responded yes, approximately half an acre to the north.

The final agenda item Kannarr stated he has items for the committee. He read ARTICLE III Sec. 26-73 of the City Code, Economic Development Revolving Loan Fund (Sales Tax) Committee DUTIES. He stated to consider two things: 1) Loans that are not bankable, should they fill in the gap to make them bankable? and 2) should they also provide incentives to attract business? He stated they need to establish guidelines as a committee, possibly establish a matrix to use as a guide.

The next meeting will be held on August 11, 2010 at 10:00 a.m.

Being no further business, Brad Hodson made the motion to adjourn at 11:09 a.m. Oler seconded. Motion carried.

Respectfully Submitted,


Stacie Perry
Administrative Assistant