

City of Pittsburg, Kansas
Economic Development Advisory Committee
Official Minutes of the Meeting of May 17, 2011

Members Present: Shane Kannarr, Brad Hodson, Mark Werner, Chuck Hosman, Bill Coleman, and Judy Westhoff

Others present: Mark Turnbull, John VanGorden, Henry Menghini, Marty Beezley, Patrick O'Bryan, Blake Benson, Bill Beasley, Charles Heath, Ed Cook, Chuckie Hessong, Bill Wachter, and Stacie Perry

The Economic Development Advisory Committee met at 10:30 a.m. on Tuesday, May 17, 2011 in room B1, Memorial Auditorium. Chairman of the Board, Shane Kannarr, opened the meeting at 10:34 a.m. with six (6) members present.

The first agenda item was approval of minutes from the February 9, 2011 Economic Development Advisory Committee conference call meeting. Westhoff motioned to approve the minutes, seconded by Coleman. Motion carried.

The second agenda item was election of new chairperson. Hodson made a motion to nominate Shane Kannarr, seconded by Coleman. All carried, motion approved. Kannarr accepted the nomination.

The third agenda item was a request by John Kutz for a variance to #12 of the Phase II Façade Grant Guidelines: *#12. Grants will be made on a maximum of two buildings per calendar year per owner.* Kannarr stated the provisions of the guidelines limit to two façade grants per calendar year. Mr. Kutz has purchased another building downtown and wants to apply for a third façade grant while funds are still available. Westhoff stated Mr. Kutz has made a great investment in downtown. She continued she has had several individuals interested in applying for grants but have not applied due to the economy. Kannarr stated the current balance left in the allocated RLF funds is \$19,799.10. Westhoff stated Mr. Kutz has been approved for \$29,050 in grants to date. There was more discussion on façade grant activity. Hodson made a motion to approve the variance request to #12 of the Phase II Façade Grant Guidelines to allow Mr. Kutz to apply for a third façade grant within 2011. Coleman seconded. Werner opposed. Motion carried.

The fourth agenda item was an RLF application from Pittsburg Farmers' Market for a \$41,000 forgivable loan. Turnbull welcomed representatives of the Pittsburg Farmers' Market and had each give an introduction: Bill Wachter, Counsel & sponsors market; Chuckie Hessong, President of the Corporation and vendor; Ed Cook, Vice President of Corporation and vendor; and Charles Heath, Area Specialist for Rural Development of the US Dept. of Agriculture. Heath stated his organization is providing funding to the applicants, an \$110,000 loan and a \$40,000 grant.

Cook stated the corporation has worked with Kathryn Richard, Small Development Business Center, to create more cash flow. They have increased membership fees and daily fee for parking. He stated there are 32 or 33 vendors, 8-10 pending applications, and growing yearly. Hessong stated they changed parking layout and increased by 17 slots. She stated they receive up to 3 applications per week during peak season. Wachter stated the USDA did a study and the Pittsburg Farmers' Market fees are significantly lower than other farmers' markets. Cook stated when the market first started, it was sponsored by the Pittsburg Area Chamber of Commerce. He stated 3 years ago, they decided they wanted a building and began looking for funding sources. O'Bryan asked if this building would be made available to other organizations. Cook answered that was the original plan. O'Bryan stated it could be a revenue source. Cook said the corporation is considering not charging civic organizations rental fees, but possibly a minimal cleaning fee. Werner asked who owns the property. Cook stated Watco Companies own the property and the Pittsburg Farmers' Market has a 99 year lease. O'Bryan asked if the property was large enough to accommodate growth. Cook answered not at the current site. Hessong added there is room available for additional tents.

Hosman asked the size of the lot. Cook answered 356' X 110' with an alley in the middle. Discussion continued on area and effects on local businesses. Hosman stated he likes the project but does not believe it is economic development. Werner stated it draws individuals into town. Kannarr stated he believes this is Community Development rather than Economic Development. Turnbull stated there is the 86 CDBG fund available but it is hard to convince the state. He stated they do not give grants; it will have to be a loan. He said there is \$96,000 available in a low interest loan. Werner made a motion to recommend approval to the City Commission for the Pittsburg Farmers' Market to receive a \$41,000, 10 year forgivable loan with 3% interest annually provided the applicant does not qualify for a CDBG Revolving Loan. The EDAC also recommends that an annual review of the corporation be completed and the applicant is current with USDA Rural Development loan payments as forgivable requirements. Westhoff seconded. Coleman opposed. Motion carried.

The fifth agenda item was the Watco hangar revised request. Turnbull stated there was a mis-estimate on construction steel materials. Kannarr stated this is still a great investment. Coleman made the motion to approve Watco Companies revised request for an RLF loan in the amount of \$693,274.65, 3% interest annually, to build a hangar at Atkinson Municipal Airport, sell the hangar back to the City once built, and enter a 15 year lease with the City to occupy the hangar. Hosman seconded. All carried, motion approved.

The sixth agenda item was the Miller's infrastructure/utility improvements required to allow for expansion. Turnbull stated once utility improvements are complete, the City will turn the sewer over to Miller's. He stated the budget is for \$100,000. Miller's investment for expansion is

estimated near \$4 million and projects \$7 million in future expansions annually. This expansion is 29,000 square feet. Werner made the motion to approve the use of \$100,000 RLF for infrastructure/utility improvements at Miller's Professional Imaging. Coleman seconded. Kannarr abstained. All carried, motion approved.

The seventh agenda item was the Van Becelaere Machine parking lot. Turnbull stated the economy is heating up and Van Becelaere is expanding on both sides. He stated they are in the process of rezoning from commercial to industrial zoning. In the long-term, Van Becelaere will expand with an additional facility. Van Becelaere is asking for assistance with the paving of the parking lot in the amount of \$12,000. Hosman made the motion to approve the use of \$12,000 RLF for asphaltting Van Becelaere's parking area to the west of the main entrance. Coleman seconded. All carried, motion approved.

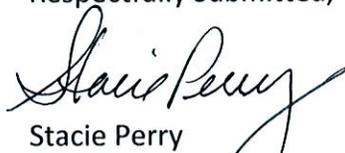
The eighth agenda item was procedural improvements to City owned property. Kannarr stated in order for staff to move forward with infrastructure agenda items in a timely manner, staff is requesting the ability to take minimal improvements straight to the City Commission without taking to the EDAC first. The request is for the use of up to \$25,000 RLF per project with a maximum not to exceed \$100,000 per year. These items will still go through the City Commission if they exceed \$5,000. Turnbull stated he can give updates to the EDAC through email so the members stay informed on these projects. Kannarr stated to limit to 4 projects per year. Westhoff made the motion to approve the use of \$100,000 RLF, up to \$25,000 per use, with a maximum of 4 projects annually for infrastructure improvements to City owned property. Coleman seconded. All carried, motion approved.

There was brief discussion on the open meeting act and ability to vote by email. Menghini will research the issue for the committee.

The next meeting will be held on Wednesday, June 8, 2011 at 10:00 a.m.

Being no further business, Coleman made the motion to adjourn at 11:52 a.m. Werner seconded. All carried, motion approved.

Respectfully Submitted,


Stacie Perry
Administrative Assistant