

City of Pittsburg, Kansas
Economic Development Advisory Committee
Official Minutes of the Meeting of June 13, 2012

Members present: Shane Kannarr, Bill Coleman, Richard Oler, Mark Werner, Pat Cedeno, Brad Hodson and Blake Benson.

Others present: Mayor John Ketterman, Marty Beezley, Patrick O'Bryan, Daron Hall, Henry Menghini, Krista Postai (CEO, Community Health Center of Southeast Kansas), Doug Stuckey (Chief Financial Officer, Community Health Center), Sam Hayes (Contractor, Community Health Center of Southeast Kansas), Bill Aquino (VP Planning and Business Development, Via Christi), Randy Cason (President and CEO, Via Christi), Deb Bainbridge (Chief Financial Officer, Via Christi), Drew Talbott (Chief Operating Officer, Via Christi), Erika Gillard (Administrative Intern, Via Christi), Kevin Anselmi (Director of Laborers, Watco), Andrew Nash (Managing Editor, Morning Sun) Bill Beasley, Mark Turnbull, and Amanda Roedel.

The Economic Development Advisory Committee met for a meeting at 10:00 a.m. on Wednesday, May 9, 2012 in room B1, Memorial Auditorium. The Chairman of the Board, Shane Kannarr, called the meeting to order at 10:03 a.m. with seven (7) members present.

The first agenda item was approval of minutes from the May 9, 2012 Economic Development Advisory Committee meeting. Hodson motioned to approve the minutes, seconded by Coleman. All carried, motion approved.

The second agenda item was Fireworks Leasing, LLC (Jake's Fireworks), an RLF application submitted by the managing development company. In depth discussion included a review of:

- Move entire operation to Superior building
- Fire coding columns to two (2) hour burn time
- Commitment to clean properties that are being vacated
- Updating sprinkler system
- Commend Bill Beasley and Fire Chief, Scott Crain for help in meeting codes

On motion of Hodson, seconded by Werner, the Economic Development Advisory Committee recessed into Executive Session not to exceed ten (10) minutes for discussion regarding the confidential affairs of the corporation. Motion carried.

The Economic Development Advisory Committee recessed into Executive Session at 10:12 a.m.

The Economic Development Advisory Committee reconvened into Regular Session at 10:22 a.m.

Chairman of the Board Kannarr announced that no decisions were made and no votes were taken during the Executive Session.

On motion of Werner, seconded by Coleman, the Economic Development Advisory Committee approved recommendation for a RLF Loan for \$700,000 at three percent (3%) interest rate on three (3) year term for the purchase and renovation of the property located at 1500 E. 27th Street. The loan will save eighty two (82) jobs and add fifteen (15) new jobs; five (5) new jobs each year of the three (3) year term with carryover effect and a capital expenditure of over three million dollars (\$3,000,000).

The third agenda item was Via Christi Hospital Pittsburg, Inc., an RLF application submitted by the managing development company. In depth discussion included a review of:

- Parent corporation has funded eighteen million dollars (\$18,000,000) to this project
- Need for Resolution from parent corporation
- Job creation of seven (7) new physicians, twenty-eight (28) clinic staff, and twenty-six (26) hospital staff
- Adequate office space for additional staff
- Offer independent package along with hospital staff package for recruiting

On motion of Hodson, seconded by Coleman, the Economic Development Advisory Committee recessed into Executive Session not to exceed ten (10) minutes for discussion regarding the confidential affairs of the corporation. Motion carried.

The Economic Development Advisory Committee recessed into Executive Session at 10:43 a.m.

The Economic Development Advisory Committee reconvened into Regular Session at 10:46 a.m.

Chairman of the Board Kannarr announced that no decisions were made and no votes were taken during the Executive Session.

On motion of Hodson, seconded by Coleman, the Economic Development Advisory Committee approved recommendation for a RLF Loan for \$500,000 at three percent (3%) interest rate on three (3) year term for an infrastructure on the construction of a surgical wing consisting of two floors with a total of approximately 40,000 square feet on the property located at 1 Mount Carmel Way. The company will add sixty one (61) new jobs; including seven (7) new physicians, twenty eight (28) clinical staff and twenty six (26) hospital staff. Job creation requirements are: twenty (20) new jobs for the first two (2) years and twenty one (21) new jobs for the third year; with carryover effect, and a capital expenditure of twenty million, five hundred thousand dollars (\$20,500,000).

Discussions were held regarding preparation of a reserve fund and periodically providing the Economic Development Advisory Committee with a report on funds and projects.

The fourth agenda item was Community Health Center of Southeast Kansas, an RLF application submitted by the managing development company. In depth discussion included review of:

- Phase 1: access road, sewer, water, and storm sewer
- Phase 2: 2nd road and other additions
- Possibility of funding for Phase 2; reducing amount of Phase I requested to \$460,517
- 82 out of the 109 employees live in Pittsburg or Frontenac
- Job creation of eleven (11) new medical and mental health providers, thirty one (31) additional staff including nurses, case managers, patient educators, and clerical support staff – high pay/high skill (not including residents)

On motion of Coleman, seconded by Oler, the Economic Development Advisory Committee approved recommendation for a four (4) year forgivable loan in the amount of \$460,517 to build infrastructure improvements (roads, sewer, water, storm sewer) based on capital injection of five million, seven hundred thousand dollars (\$5,700,000) and job creation of forty-two (42) new jobs (11 new medical and mental health providers and 31 additional staff including nurses, case managers, patient educators, and clerical staff). Job creation requirements are: ten (10) new jobs for the first two (2) years and eleven (11) new jobs for the third and fourth year; with carryover effect. If criteria is not met at the end of the four (4) years, the company will have a repayment period of six (6) years at a three percent (3%) interest rate for the unforgiven amount.

The fifth agenda item was 3rd Street Infrastructure. In depth presentations and discussion included:

- Request by the Engineering Division of the City of Pittsburg for \$50,000 for the purpose of removal and replacement of all damaged curbing, remove and replace approximately 2,662 square feet of sidewalk, and removal of the asphalt surface on the street and repaving it with approximately two (2) inches of new asphalt (approximately 15,970 square feet) of 3rd Street from Walnut Street south to Olive Street.
- Estimated costs are around \$50,000
- Most work will be done in-house

Hall suggested the Committee table the matter until Hall has a chance to review.

Being no further business, Werner made the motion to adjourn at 11:36 a.m., Coleman seconded. All carried, motion approved.

Respectfully Submitted,
Amanda Roedel
Administrative Assistant