

## MINUTES OF THE SEPTEMBER 2, 2014 CITY COMMISSION MEETING

The regular meeting of the City Commission of the City of Holton met at 7:00 P.M. in City Hall on Tuesday evening, September 2, 2014. Commissioners Twila White, Tim Morris, Dan Brenner and Mayor Bob Dieckmann were present. Commissioner Erich Campbell was absent.

Mayor Dieckmann opened the public hearing for issuing Taxable Multifamily Housing Revenue Bonds.

Willy Wilson commented that there are 62 non-taxable locations in Holton. We spent over \$100,000.00 on First Street. Lost revenue needs to be considered. Dan Brenner commented that we will get user fees on the units and residents will be spending money in the community helping with sales tax. Tom Bishop, Homestead Affordable Housing, spoke that there are a lot of awards tied to this project, however the single family houses on First Street are not in any way tied to this senior housing project. Brenner questioned whether local contractors and businesses would be used. Bishop told the commission that the general contractor is told to bid the project requesting local trades. Brenner also questioned what administrative fees would be on the project. Bishop said that the state limits the fee allowed by Homestead Affordable Housing. He also said he also is required to maintain reserves during the building process and replacement reserves after that of \$14,000 per year. They are also inspected annually by the state. In the other locations where they have built these senior complexes, many of the seniors that moved in sold their homes to move in there. They have options in place to keep those homes as owner occupied instead of rentals. Tim Morris asked about the income guidelines. Bishop told him the benchmark to move in is 60% or less of the area median income. Federal rates apply to what rent charges will be. The complex will also be age restricted to 55 and older. Twila White asked how many employees would be working there. Bishop said there would be two employees, a manager and a maintenance worker. Maintenance supplies will be purchased in this community. Sarah Steele, Bond Counsel, spoke about the taxable industrial revenue bonds. She said those bonds are eligible for a 10 year tax abatement. If the city is interested in a Payment In Lieu Of Taxes (PILOT), it would have to be shared between all taxing entities. The law does allow for an origination fee for the city that does not have to be shared and can be paid up front. The bonds will be issued by the city and the city will own the property and lease it to Prairie View for the length of the bond. This is a triple net lease – there is no liability to the city. Tim Morris asked what happens after the bonds are paid off. Bishop said that the last two projects they did they also used a USDA loan. The bonds only need to be outstanding as long as they need the tax abatement. Bob Dieckmann said he visited Wamego and thought their project turned out very nice. He also talked to both Wamego and Mulvane about their projects and both cities felt it helped their cities. They did not get any PILOT fees or origination fees with their projects. Dieckmann was concerned about if we have enough seniors to fill this place and the ones we already have. Bishop said there is a difference between this project and the existing senior housing project in Holton. This project will not have rent subsidies and they have a rule in place that anyone that gets housing assistance will be in the 2<sup>nd</sup> tier of people to be looked at as tenants. Dennis White, City Attorney, added that this project does add economically to the city by bringing in people and sales tax dollars. He said it definitely won't hurt the city. Dan Brenner moved to close the public hearing. Twila White seconded the motion. Vote thereon: all; yes. Mayor Bob Dieckmann called the regular meeting to order.

Minutes of the August 18, 2014 meeting were approved.

**APPROPRIATION ORDINANCE:** Claims against the City of Holton between August 19, 2014 and September 2, 2014, were presented to the Commission for their approval. After careful consideration, said claims were approved and given the title Appropriation Ordinance #2117.

Tim Morris moved and Dan Brenner seconded the motion for their approval. Vote thereon: all, yes.

**RESOLUTION 14-R006 – INTENT FOR ISSUING TAXABLE MULTI-FAMILY HOUSING REVENUE BONDS:** Dan Brenner moved to approve Resolution 14-R006 determining the advisability of issuing taxable multi-family housing revenue bonds for the purpose of financing the acquisition, construction, furnishing and equipping of a senior residences facility to be located in said city; and authorizing execution of related documents. Twila White seconded the motion. Vote thereon: all; yes.

**NON-PROFIT ART EVENT POLICY:** Bret Bauer, City Manager, met with the City Attorney and Carolyn McKee, Holton/Jackson County Chamber of Commerce, on developing a non-profit art event policy. Tim Morris moved to adopt the Non-Profit Art Event Policy. Dan Brenner seconded the motion. Vote thereon: all; yes.

**NEIGHBORHOOD BARBEQUE:** Bret Bauer informed the commission of a request to close the 800 block of Iowa for a neighborhood barbeque on September 28 from 4:00 to 9:00 p.m. Twila White moved to allow the closing of the 800 block of Iowa for a neighborhood barbeque on September 28. Dan seconded the motion. Vote thereon: all; yes.

Tim Morris asked Bauer to see what the cost would be to add a flag like the standpipe to the water tower.

Dan Brenner moved to go into executive session for 10 minutes for non elected personnel. Tim Morris seconded the motion. Vote thereon: all; yes. After 10 minutes Dan Brenner moved to return to regular session. Twila White seconded the motion. Vote thereon: all; yes.

Meeting adjourned.

Teresa Riley  
City Clerk