

Meeting Minutes

Mayor Walker called the meeting to order at 7:00 pm.

Roll Call

Murdock - Present

Ritter – Present

Daniels – Present

Lane – Present

Honomichl – Present

All were Present

Mayor Walker led the Pledge of Allegiance.

PUBLIC HEARING: Sunflower TIF Project Plan #1

Mayor Walker stated that at the request of the applicant, the city will continue the public hearing until the July 21st meeting. Mayor Walker opened the public hearing at 7:01 PM.

Speaker	Address	Topic
Charlotte Ohara	15712 WINDSOR ST, Overland Park	Discussed the Sunflower TIF project and how property taxes are assessed. She gave a brief history of economic development tools including industrial revenue bonds (IRB's), and tax increment financing (TIF). She references an analysis of economic development tools. She encouraged the City Council to reject the TIF project plan.

Mr. Brandon Mills, Assistant City Administrator, announced that he has received written testimony from Mr. Earl Long. He stated that written testimony will be included in an appendix to the meeting minutes.

Seeing no one else wanting to speak, the Mayor returned the discussion to the Council at 7:07 pm.

Motion by Councilmember Honomichl to adjourn the public hearing until July 21st at 7:00 pm Second by Councilmember Daniels.

Roll Call

Murdock - Yea

Ritter – Yea

Daniels – Yea

Lane – Yea

Honomichl – Yea

Motion Carries.

PUBLIC HEARING: Sunflower TIF Project Plan #2

Mayor Walker stated that at the request of the applicant, the city will continue the public hearing until the July 21st City Council Meeting.

Mayor Walker opened the public hearing at 7:08 pm.

Speaker	Address	Topic
Charlotte Ohara	15712 WINDSOR ST Overland Park	Discussed the economic incentives included in the Project Plan. She stated that the applicant may ask for more incentives including a sales tax incentive. She gave an overview of the properties under tax incentives in Johnson County. She asked the De Soto City Council to reject the Project Plan. She reviewed the original agreement between Sunflower Redevelopment, LLC and the United States Army.
Joshua Park	35800 W 102ND ST, De Soto	Gave an overview of the history of the property around the Clearview Baptist Church. He discussed the rezoning around his property. He asked that city staff give him information on the development.

Seeing no one else wanting to speak, the Mayor returned the discussion to the Council at 7:17 pm.

Motion by Councilmember Honomichl to adjourn the public hearing until July 21st at 7:00 pm; Second by Councilmember Murdock.

Motion Carries.

Consent Agenda Items will be acted upon by one motion unless a Council member requests an item be removed for discussion and separate action.

1. Consent Agenda:

- a. Approve Minutes of the Council Meetings on June 16, 2022.
- b. Approve Pay Ordinance No. 929.
- c. Approve Ordinance 2539 Revising the City's Purchasing Policy

Motion by Councilmember Murdock to approve the consent agenda; Second by Councilmember Ritter.

Roll Call

Murdock - Yea

Ritter – Yea

Daniels – Yea

Lane – Yea

Honomichl – Yea

Motion Carries

2. Call to Public:

Members of the public are welcome to use this time to comment about any matter relating to City business not listed on this Agenda. The comments that are discussed under Call to Public may or may not be acted upon by the Council during this meeting. **There is a four-minute time limit.** Please stand and wait to be recognized by the Mayor. You must state your name and address.

Seeing no one wanting to speak, the Mayor moved on to the next item.

3. Old Business: None

4. New Business:

- a. Consider Ordinance 2540 Approving Sunflower TIF Project Plan #1
The public hearing was continued until July 21st. As a result, no action was taken
- b. Consider Ordinance 2541 Approving Sunflower TIF Project Plan #2
The public hearing was continued until July 21st. As a result, no action was taken
- c. Consider Task Order with PEC for Design for the Miller Park Parking Lot

Mr. Brungardt led on this item. He announced that the 2022 CIP includes \$375,000 for projects related to park improvements. These projects include the construction of a parking lot at Miller Park near the northeast corner of 83rd Street and Ferry Road. He stated that he asked PEC, one of our on-call engineers, to prepare a task order for the survey and design needed to implement the construction. He asked the council to approve the task order an amount not to exceed \$27,400.

Councilmember Murdock discussed the project timeline. Mr. Brungardt noted that he would speak with PEC and ask for an updated timeline.

Motion by Councilmember Ritter to approve the task order with PEC in an amount not to exceed \$27,400; Second by Councilmember Daniels.

Murdock - Yea

Ritter – Yea

Daniels – Yea

Lane – Yea

Honomichl – Yea

Motion Carries

d. Consider Bids for Temporary Traffic Signals at 83rd and Kill Creek

Mr. Brungardt led on this item. He announced that in April the Council approved an agreement with KDOT for \$50,000 in funding to help mitigate traffic impacts to City Streets that are expected to occur this summer because of a KDOT project to resurface the deck on the west-bound bridge on K-10 over Lexington Avenue. He stated that the City has now received bids for temporary signals at 83rd and Kill Creek Road. He gave an overview of the type of temporary signals proposed. He recommended that the Council accept the low bid from Sosaya & Sons Construction in an amount not to exceed \$53,934.

The council discussed the traffic on Kill Creek and the history of the contractor. Councilmember Daniels discussed how to restrict truck traffic on 95th street. Mr. Brungardt noted that he would speak with KDOT and the Johnson County Sheriffs' Office regarding traffic enforcement in the area.

Motion by Honomichl to accept the low bid from Sosaya & Sons Construction in an amount not to exceed \$53,934; Second by Councilmember Murdock.

Roll Call

Murdock - Yea	Ritter – Yea
Daniels – Yea	Lane – Yea
Honomichl – Yea	

Motion Carries

e. Consider Agreement with KDOT for 83rd Street Bridge Funding

Mr. Brungardt led on this item. He announced that last year the City was awarded \$1.5 Million in Surface Transportation Block Grant funding (STP) by the Mid-America Regional Council (MARC) for our 83rd Street Bridge replacement project. He noted that the City was also awarded \$150,000 in funding directly from KDOT's Off-System" bridge replacement program.

Motion by Councilmember Daniels to approve the agreement with KDOT for the 83rd Street Bridge Funding; Second by Councilmember Ritter.

Roll Call

Murdock - Yea	Ritter – Yea
Daniels – Yea	Lane – Yea
Honomichl – Yea	

Motion Carries

- f. Consider Ordinance 2542 Levying a Retailers Sales Tax in the Amount of Three-Quarters of One Percent (.75%).

Mr. Patrick Reavey, City Attorney, led on this item. He announced that the council must pass an ordinance to levy the retailer sales tax approved by the voters in June. He recommended that the council adopt ordinance 2542.

Motion by Councilmember Murdock to adopt Ordinance 2542; Second by Councilmember Daniels.

Roll Call

Murdock - Yea

Ritter – Yea

Daniels – Yea

Lane – Yea

Honomichl – Yea

Motion Carries

- g. Consider Task Order with PEC for the Ottawa Street Sidewalk Design.

Mr. Weinberger led on this item. He announced that De Soto was awarded a CDBG project in 2022 for sidewalk construction along Ottawa Street from 82nd to 83rd Street. He reminded the council that PEC is one of our on-call engineering firms and the company has completed similar projects in the city. The firm has submitted a fee for the design of the Ottawa Street project. He recommends entering into an agreement with PEC for engineering and surveying services for the 2022 CDBG construction project in an amount not to exceed \$19,750.

Motion by Councilmember Ritter to approve the Task Order with PEC for the Ottawa Street Sidewalk Design in an amount not to exceed \$19,750; Second by Councilmember Daniels.

Murdock - Yea

Ritter – Yea

Daniels – Yea

Lane – Yea

Honomichl – Yea

Motion Carries

- h. Consider Ordinance 2543 Adopting Planning Commission’s Recommendation for a Text Amendment

Mr. Weisenburger led on this item. He gave a brief presentation on the recommended text amendment from the Planning Commission. He announced that the text amendment is a result of De Soto’s economic efforts to obtain a potential large tenant at Sunflower. Desirable manufacturing uses in this location include Electronics, Computer, and Battery manufacturing. He noted that these manufacturing uses are allowed in the M-1 district with a Special Use Permit. He continued by stating that the manufacturing techniques and environmental safety measures have significantly changed since the adoption of the zoning table. He outlined the proposed changes in the text amended including sections 334, 335, and 33591.

Motion by Councilmembers Daniels to adopt the Text Amendment as written; Second by Councilmember Murdock.

Murdock - Yea

Ritter – Yea

Daniels – Yea

Lane – Yea

Honomichl – Yea

Mayor Walker – Yea

Motion Carries.

I. Discuss Revenue Neutral Rate and Estimated Tax Notice Forms

Mr. Brandon Mills, Assistant City Administrator, gave a presentation on the requirements for the Estimated Tax Notice Forms and Revenue Neutral Rate Hearing. He announced that the Revenue Neutral Rate Hearing will be held during the September 1st City Council Meeting and staff will send out information to residents regarding the notification requirements.

J. 2023 Budget Discussion.

Mr. Mike Brungardt led the discussion. He gave an overview of the 2023 budget highlights and asked for council input. The Council discussed potential renovations to the third floor of City Hall. The Council discussed future staffing needs. Mr. Mills gave an overview of analysis for increased staffing in the Street Department and Parks Department regarding mowing. Mr. Brungardt announced the budget will be adopted in September.

4. Executive Session: None

5. Advisory Reports:

- a. City Administrator – Gave an update on the housing committee. He asked the council for volunteers. Councilmembers, Daniels, Ritter, and Mayor Rick Walker will serve on the committee.
- b. City Attorney- No report
- c. City Planner- Announced that the Golden Lane project will start in the next few weeks.
- d. City Clerk -Announced that the next Summer Concert will be at Riverfest Park on July 15th.

6. Council & Mayor Comments

Councilmember Lane – No report

Councilmember Ritter – Discussed the dead trees on Kill Creek Road near K-10.

Rob Daniel- No report

Lori Murdock- No report

Rick Walker- Discussed funding from Johnson County regarding CDBG funding. The funding is restricted for rental assistance and Personal Protective Gear. Councilmember Murdock discussed the need to have someone in De Soto that could help residents seek out services provided by Johnson County.

7. Adjournment
Motion by Councilmember Murdock; Second by Councilmember Daniels; All Councilmembers approved by "Yea." The meeting was adjourned at 8:28 pm.

Respectively Submitted by:

Brandon Mills

Brandon Mills, MPA, City Clerk

Tax Incentives – Poor Planning or Just Lies?

Tax Incentives to promote economic development by Private Business is frequently used to take money from taxpayers and give it to well connected (lobbied) governing bodies to accelerate economic growth.

There have been many studies going back decades that prove economic incentives seldom if ever provide the public benefits promised. The politicians that promote economic incentives have a hidden agenda and its not for public benefit.

The incentives are created in different ways for the business to receive.

- 1) Lower property taxes, 2) Sales tax revenues, 3) Income tax credits, 4) Utility taxes subsidies and 5) many other taxes used by governments to collect more money from taxpayers.

Examples:

1. Economic Development Revenue Bonds (EDRB) is a program that becomes a contract between the taxing authority (City Council) and the Developer created to obtain greatly reduced (or 100%) property tax abatements by the governing body to take the reference property off the tax rolls.
 - a. The duration is typically 10-20 years, so the taxing authorities (including school districts) lose that revenue for the duration of the abatement. A tax increase on residential property is soon to follow.
 - b. The EDRB cost incentive computer model offered by the State computes the long range return on the investment. However, the rules get changed during the project term and the jobs promised by the Developer are not included in the "Pilot in Liew of Taxes" agreement, (PILOT). So, the inevitable failure of the Developer to produce those new jobs is never required by contract and is forgotten.
2. Tax Increment Financing (TIFF) is a way to reward the Developer with a portion of the retail sales tax collected by retail businesses, like grocery stores. Typically, the city authorizes the sales tax rate to increase by 1% and that money is given back to the Retail Business associated with the Developer. In this case the public pays the increased sales tax on the food and products needed by the residents.
3. Income Tax exemptions are used to reward the favored business with Income Tax credits in the Corporate Income Tax at the state level. The amount of exempted income taxes lost is hidden from the taxpayers. An audit in 2013 showed these projects were mis-managed, unaudited and did not benefit the public. The "corporate welfare" was substantially more than the Corporate Income taxes collected from businesses. It took a court ordered "Freedom of Information Request" (FOIR) to obtain this information.

The unmentioned disadvantages are these.

- A. The taxing authority (Typically a city) frequently incurs substantial government administrative costs because the project must be managed by a complex contract with milestones and audits. The city council usually says there is no additional costs to manage the project, but the City Manger may not agree with that. He just asks for more money, and it's granted without public involvement.
- B. Property taxes are collected by the County and there are many taxing authorities in the calculation for total mill levy. School districts frequently lose revenue and need subsequent tax increase.
- C. The duration of the tax incentive agreements is 10 to 20 years. The economic and political conditions change and become the excuse to change the original agreement. The Developer may have spent considerable time, money, and resources when it's obvious the original contact cannot be completed on time and in budget.
- D. There are business that would probably have gone ahead with the project if it was viable without government incentives. The businesses must make this declaration during the political activity to get the incentive. When the incumbent members of the Governing body decide to run for re-election, the major campaign doners are the business, their associations, and subcontractors.

I have examined many of these programs in detail and I strongly recommend not using tax incentives. The City should promote the wonderful benefits already in place in this community. good schools, good law enforcement, fire safety, good infrastructure, and good neighborhoods that the taxpayers have already provided and paid for.

EARL LONG – Fifty year resident of Overland Park