

## CITY COMMISSION MINUTES SPECIAL MEETING August 14, 2007

The Newton City Commission convened in special session with the Harvey County Commission at 5:49 p.m. Those in attendance from the City were Mayor Heck, Vice Mayor Nickel, Commissioners Harris and Thiesen, City Manager Heinicke, City Attorney Myers, Director of Finance/City Clerk Ahsmuhs, City Engineer DPW Loomis, Community Development Director Johnson, PIO McDaniel, Deputy City Clerk Duerksen, Chief Denny and Chief Daily. Those in attendance from Harvey County included Chairman Westfall, Commissioners Krehbiel and Roberson, County Administrator Simons, County Counselor Nye and County Clerk Truskett.

### 1. Consider an agreement for the location in Harvey County of a new industry.

Mickey Fornaro-Dean, EDC Director, announced Park Electrochemical Corp. has selected the Newton City/County Airport as their site for an advanced composite materials manufacturing and development facility. They have facilities in New York, Connecticut, Arizona, California, Singapore, China and France. This will be the first such facility in this region.

Park Electrochemical Corp. plans to break ground on a new 50,000 square-foot facility on November 15 and begin operations in February, 2009. They will employ 15 people within the first six months and about 60 by the end of the second year. This is a \$10.5 million project. Their starting pay range will be from \$12 to \$16. The project represents a strong collaborative effort by the City, Harvey County, the EDC, the Airport and the State of Kansas.

City Attorney Myers reviewed the terms of a Development Agreement which is the product of extensive negotiations with Park Electrochemical representatives, subject to approval by the City and County Commissions. Through the Development Agreement the City and County would be agreeing to lease Park Electrochemical an 8-acre tract of land at the south end of the Airport on which Park will build and own this manufacturing and research and development facility. With extensions, the potential lease term totals 50 years. Rent would be waived for the first 10 years, and would be at 8 cents per square foot as to the footprint of the building for the second 10 years. Rent for each succeeding 10-year extension thereafter will be subject to a CPI adjustment. The City will be agreeing to provide a forgivable loan for 15% of the facility construction cost, although not more than \$500,000, repayment of which is forgiven after 10 years if Park performs according to their promises. The City will also be agreeing to make an economic development grant to Park for \$110,000 toward the costs of relocating equipment to the facility and training employees. The Agreement includes an expression by the County Commission of good faith intent to grant a 10-year, 100% tax abatement for the facility, subject to the normal hearing processes. However, the City and County will also be agreeing to reimburse those taxes over that 10-year period if for any reason the County doesn't grant the tax abatement. The Agreement also includes a number

of other miscellaneous incentives, such as the agreement to provide fill dirt to the site, the waiver of all building permits and other related fees, the providing of utility connections to the facility at no cost, and the providing of a taxi lane from the runway to the facility. In order for the City to obtain the type of economic benefits which are necessary to justify the level of incentives included in this Agreement, the City is also requesting the ability to annex the Airport into the City limits, although the City would also be agreeing not to do so for at least 5 years. Thus, Consent to Annexation has been prepared for the County Commission to approve, in its status as a co-owner of the Airport, which would permit such an annexation after 5 years.

**MOTION:** Vice Mayor Nickel moved and Commissioner Thiesen seconded to approve the Development Agreement with Park Electrochemical Corp. subject to Harvey County approving the same agreement. Motion carried 4-0.

The County Commission unanimously approved the Development Agreement with Park Electrochemical Corp. They then unanimously approved the Consent to Annexation of the Airport after five years.

Mayor Heck thanked the EDC and staff for the tremendous amount of work done in getting this industry to Harvey County.

Chairman Westfall noted the EDC did a great job on this prospect and the County was proud to bring a new industry and quality jobs to the Airport.

There being no further business to come before the City Commission, the meeting adjourned at 6:14 p.m. The County Commission adjourned their meeting.

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Mayor

ATTEST:

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City Clerk