

CITY COUNCIL PROCEEDINGS

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MINUTES OF THE MEETING OF THE CITY COUNCIL

Wichita, Kansas, December 12, 2006
Tuesday, 9:06 A.M.

The City Council met in regular session with Mayor Mayans in the Chair. Council Members Brewer, Fearey, Gray, Martz, Schlapp, Skelton; present.

George Kolb, City Manager; Gary Rebenstorf, Director of Law; Karen Sublett, City Clerk; present.

Don Owens, Presbytery of Southern Kansas, gave the invocation.

The pledge of allegiance was participated in by the Council Members, staff, and guests.

The Minutes of the November 28, 2006 meeting were approved 7 to 0.

AWARDS AND PROCLAMATIONS

Presentations

Recognition of 25th Anniversary of the Law Enforcement Torch Run for Special Olympics

Mayor Mayans recognized Chief Richard LaMunyon, Chief Norman Williams and the 25th Anniversary of the Law Enforcement Torch Run for Special Olympics. Mayor Mayans read aloud the proclamation.

PUBLIC AGENDA

Buck Goodman-Regarding maintenance on Boat House.

Buck Goodman

Mr. Goodman stated that it has been a year since he last approached the City Council about the fate of the boathouse. Stated that he has been approached by the community in regards to the deterioration, maintenance and replacing the roof due to hail damage. Stated that he would like to find out who he should consult with to get answers to these questions. Stated that he knows that the City has received a check for the insurance company for the hail damage done to the roof and asked what the timetable is and who would be doing the repairs. Stated that Mr. Koch would like to know about the boat, "The Jayhawk". He would also like to know when the utilities would be turned back on and that there have been some proposals from individuals who are interested in purchasing the Boathouse, and Wink Hartman is here today if the Council has any questions.

Mayor Mayans

Mayor Mayans asked Mr. Goodman to give his list of questions to the City Clerk so that she can deliver it to appropriate City Staff.

Council Member Fearey

Council Member Fearey stated that normally she does not respond to public agenda items but there are times when she feels the Council needs to make a statement, especially when there are a lot of people watching this meeting while being televised. Stated that the Council has no intention of tearing down the Boathouse or letting it deteriorate until it is torn down. Stated that the contract for fixing the entire City owned roofs, which were damaged in the hailstorm, is out on the street getting bids right now. Stated that the roof for Cowtown will be fixed, Century II, City Hall, including the Boathouse. Stated that it is a slow process. Stated that the ceiling at the Boathouse is not leaking, there are no utilities to it because there are no utilities in that area, while the WaterWalk work is going on and it would be more of a risk to have utilities to the Boathouse that might catch it on fire when nobody is in that area then to have it mothballed. Stated as soon as the roadwork is done, the Council has said that we will be making a decision then about the future of the Boathouse.

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Frederick Ongeche-Why the City should adopt a reduced chemical approach to treating public swimming pool water.

Frederick Ongeche

Mr. Ongeche stated that he would like the City to encourage businesses and residences to use new technologies to reduce the amount of pollution and improve the environment. Stated that when it comes to water treatment, with regard to public pools, there are a lot of chemicals being used to treat pools. Stated that there are several technologies that the City can implement, which would significantly reduce the amount of chemicals that are currently being used. Stated that he has submitted some information to Environmental Services and was very dismayed to learn that they were not interested in learning more about this technology. Read aloud an article about the chemicals that are being used in swimming pools. Stated that it is paramount for the City to take a look at other methods and technologies to treat water especially in public swimming pools. Stated that he would like to encourage the City Council to find means or incentives for public pools and businesses to look into new technologies to treat water and believes that we have a problem..

Tim Heeren-Owner of Harvest Bread Company, 6509 East Central, update on road construction progress.

Council Member Schlapp

Council Member Schlapp stated that Mr. Heeren is ill and could not make it today but she would like to respond. Stated that there is a real concern at the Woodlawn and Central area for a lot of the businesses there due to the road construction. Stated that these businesses are very concerned about their survival during this Christmas season and asked the public to please support those businesses today more than ever and not forget about them.

CONSENT AGENDA

Motion--
--carried

Mayans moved that Consent items 3 through 23a be approved in accordance with the recommended action shown thereon. Motion carried 7 to 0.

BOARD OF BIDS

REPORTS OF THE BOARD OF BIDS AND CONTRACTS DATED DECEMBER 4 AND DECEMBER 11, 2006.

Bids were opened December 1, and 8, 2006, pursuant to advertisements published on:

2005 Wheelchair Ramp & Sidewalk, Phase II various locations north of 63rd Street South, east of 151st Street West (472-84142/706915/205381) Traffic to be maintained during construction using flagpersons and barricades. (District ALL)

Barkley Construction – \$147,500.00 (Engineers Estimate)

2006 Contract Maintenance Preparatory Curb & Gutter Repairs various locations east of 119th Street West, south of 53rd Street North (472-84479/132719/131532/) Traffic to be maintained during construction using flagpersons and barricades. (District ALL)

Parga Construction - \$377,690.00 (Engineers Estimate)

19th Street North from Chateau Parkway to Oak Creek Parkway; Chateau Parkway from 19th Street North to a point 80 feet south of Lot 4, Block 2 to serve Oak Creek 2nd Addition south of 21st Street North, west of Greenwich Road (472-84449/766116/490133) Does not affect existing traffic. (District II)

Kansas Paving Company - \$607,333.40

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Water Distribution System to serve Belle Chase Addition north of Harry, east of 127th Street East (448-90205/735335/470008) Does not affect existing traffic. (District II)

Utilities Plus - \$60,842.20

PUBLIC WORKS DEPARTMENT/FLEET MAINTENANCE DIVISION: 95 pto HP Rubber Tired 4x4 Tractor w Mow.

Conrady Western Inc. - \$185,528.00 (Group Total Base Bid)
(\$8,750.00) (Group 1 Option 1 Deduct)
\$5,652.00 (Group 1 Option 2)
No Charge (Group 1 Option 3)
\$3,000.00 (Group 1 Option 5)

PUBLIC WORKS DEPARTMENT/FLOOD CONTROL /STORM WATER DIVISION: Packages Pressure transducer Station with Top Section, Stream and Rainfall Gauges.

Hydrolynx Systems Inc.* - \$33,905.00
*Purchase utilizing Sole Source of Supply/Ordinance No. 35-856 Section 2.64.020 (b)

Water Distribution System to serve Clear Creek Addition south of Kellogg, west of 143rd Street East (448-90232/735336/470009) Does not affect existing traffic. (District II)

McCullough Excavation - \$41,350.00

Lateral 400 Four Mile Creek Sewer to serve Clear Creek Addition south of Kellogg, west of 143rd Street East (468-84231/744199/480887) Does not affect existing traffic. (District II)

McCullough Excavation - \$80,900.00

Water Main Replacement in North Oaklawn Area north of 47th Street South, west of K-15) (448-89814/636176/776569 Traffic to be maintained during construction using flagpersons and barricades. (District III)

Nowak Construction - \$870,658.54

Storm Water Drain #294 to serve Crestlakes Addition north of Central, west of 127th Street East (468-84183/751423/485314) Does not affect existing traffic. (District II)

Mies Construction - \$445,374.00

2007 Utility Cut Repair of Streets, Driveways and Sidewalks north of 71st Street South, east of 167th Street West (472-84480/132035/620447/665567) Traffic to be maintained during construction using flagpersons and barricades. (District I, II, III, IV, V, VI)

Cornejo & Sons Construction - \$1,717,800.00 (Engineers Estimate)

Sunview from Lulu, east to Ellis; Ellis from the south line of Lot 30, Block B, north to 44th Street South; Marie from Ellis east to the east line of Lot 3, Block B; 44th Street South from the east line of Lot 3, Block E, east to the west line of Lot 1, Block D to serve Hidden Glen Addition north of 47th Street South, west of Hydraulic (472-83626/766118/490136) Does not affect existing traffic. (District III)

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Cornejo & Sons Construction - \$104,829.15

Special Waste Transportation and Disposal (Wichita & Waterman Street Area) north of Lewis Street, east of Wichita Street (472-84478/751422/633773/485313/755194) Does not affect existing traffic. (District I)

Waste Management of Wichita - \$105,204.00

PUBLIC WORKS DEPARTMENT/BUILDING SERVICES DIVISION: Construct One Public Restroom Facility.

Compton Construction - \$270,700.00 (Base Bid)
150.00 (Group 1 Option 1/per cubic yard)
\$270,850.00 (Total Bid)

WATER & SEWER DEPARTMENT/PRODUCTION & PUMPING DIVISION: Hess Pump Station Electric Power Evaluation.

Electrical Reliability Services Inc - \$30,172.00

VARIOUS DEPARTMENTS/VARIOUS DIVISIONS: 2007 Automobiles, Cargo Vans & Pickup Tr.

Don Hattan Chevrolet Inc. - Groups 1,6,7,8,9,10,11,17,18 and all options for various departments

Rusty Eck Ford Inc. – Groups 2,3,4,12,13,14,15,16 and all options for various departments
*Estimate – Contract approved on unit cost basis.

WATER & SEWER DEPARTMENT/PRODUCTION & PUMPING DIVISION: Liquid Phosphate.

Sweetwater Technologies - \$18,425.00* (Total Bid)
*Estimate – Contract approved on unit cost basis.

PARK & RECREATION DEPARTMENT/RECREATION DIVISION: Watson Park Entrance.

Cornejo & Sons Inc. - \$323,655.00 (Group 1 Base Bid)
\$4,950.00 (Group 2 Alternate 1)
\$13,770.00 (Group 3 Alternate 2)
\$342,375.00 (Bid Total)

PARKS & RECREATION DEPARTMENT/GOLF DIVISION: Large Area Rotary Rough Mower.

Conrady Western Inc - \$154,181.96 (Group 1 Base Bid)
(\$13,000.00) (Group 1 Option 1 Deduct)
\$141,181.96 (Bid Total)

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VARIOUS DEPARTMENTS/VARIOUS DIVISIONS: Dump Trucks, Step Van, and Aerial Trucks.

Roberts Truck Center – \$66,025.00 (Group 1)
\$ 250.00 (Group 1 Option 2)
\$ 574.00 (Group 1 Option 3)
\$ 150.00 (Group 1 Option 4)
\$ 603.00 (Group 1 Option 5)
\$26,005.00 (Group 1 Option 6)
(\$3,500.00) (Group 1 Option 7 Deduct)
\$88,170.00 (Group 2)
Included (Group 2 Option 1)
\$ 574.00 (Group 2 Option 2)
\$65,056.00 (Group 3)
\$ 550.00 (Group 3 Option 1)
\$ 250.00 (Group 3 Option 2)
\$ 150.00 (Group 3 Option 4)
\$ 509.00 (Group 3 Option 5)
\$17,771.00 (Group 3 Option 6)

Kansas Truck Center – \$72,267.00 (Group 4)
\$ 1,075.00 (Group 4 Option 1)
\$ 1,819.00 (Group 4 Option 2)

Altec Industries Inc. - \$156,874.00 (Group 5)

PUBLIC WORKS DEPARTMENT/FLEET MAINTENANCE DIVISION: Self-Propelled Six Wheel Street Sweeper.

Key equipment & Supply Co. - \$192,300.00 (Group 1)
(\$12,500.00) (Group 1 Option 1 Deduct)
\$ 3,705.00 (Group 1 Option 2)
\$ 3,620.00 (Group 1 Option 3)
\$40,000.00 (Group 1 Option 4)

PUBLIC WORKS DEPARTMENT/FLEET MAINTENANCE DIVISION: Crawler Dozer.

Wichita Tractor - \$116,361.00 (Group 1)
\$ 2,227.00 (Group 1 Option 1)
(\$25,000.00) (Group 1 Option 2 Deduct)
No charge (Group 1 Option 3 included)
\$ 550.00 (Group 1 Option 5)

WATER & SEWER DEPARTMENT/SEWER MAINTENANCE DIVISION: Velocity Flow Meters.

Haynes Equipment Co Inc. - \$24,786.00 (Group 1)
(\$1,600.00) (Group 1 Option 2 Deduct)
No charge (Group 1 Option 3)
\$2,400.00 (Group 1 Option 4)
\$ 576.00 (Group 1 Option 6)
\$ 288.00 (Group 1 Option 7)
\$ 288.00 (Group 1 Option 8)
\$ 288.00 (Group 1 Option 9)
\$ 436.00 (Group 1 Option 10)

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PARK & RECREATION DEPARTMENT/RECREATION DIVISION: Piatt Park Memorial & Plaque Renovation.

SI Memorials - \$66,809.00 (Group 1 Base Bid)
\$16,394.00* (Group 1 Option 1)
\$ 3,250.00* (Group 1 Option 2)
*subject to donated funds

HOUSING & COMMUNITY SERVICES DEPARTMENT/PUBLIC HOUSING DIVISION: Replace Windows, Siding, and Sidewalks.

S & A Construction Inc. - \$51,402.00 (Group 1)
\$22,740.00 (Group 2)

WATER & SEWER DEPARTMENT/PRODUCTION & PUMPING DIVISION: Four Wheel Drive Trncher/Backhoe Combo.

Ditchwitch of Kansas - \$33,500.00

IT/IS DEPARTMENT/OPERATIONS DIVISION: Upgrade the TSM/Storserver primary enterprise backup system.

Dataedge Solutions Corp.* - \$150,516.00
*Purchase utilizing Sole Source of Supply/Ordinance No. 35-856 Section 2.64.020 (b)

Motion--
--carried

Mayans moved that the reports be received and filed; the Contracts approved and the necessary signatures authorized. Motion carried 7 to 0.

LICENSE

APPLICATION FOR LICENSE.

Renewal:

Norman Massey Jr. Circle Cinema 2570 South Seneca

Motion--
--carried

Mayans moved that the license be approved subject to Staff review and approval. Motion carried 7 to 0.

CMBS

APPLICATIONS FOR LICENSES TO RETAIL CEREAL MALT BEVERAGES:

<u>Renewal</u>	<u>2006</u>	<u>(Consumption off Premises)</u>
Clint Davidson Van T Ho Jayanti B Patel Dat Huynh	L G Foods Inc, DBA Checkers K-15 Lee's Convenience Store M & V Petroleum Inc/Food Mart #255 D & T Grocery	1915 East Pawnee 2828 East 21 Street 1400 North Market Ste A 895 South Woodlawn
<u>Renewal</u>	<u>2006</u>	<u>(Consumption on Premises)</u>
Eugene J Pelz Carmen Rosales	Siesta Steak and Lounge* Connie's Mexico Café *	15130 West Highway 54 2227 North Broadway
<u>New Operator</u>	<u>2006</u>	<u>(Consumption off Premises)</u>
Kahif A Khan James T Ross	Zee Enterprises, Inc. Rossco Inc	10913 West Ryan Street 825 East 2nd Street

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*General/Restaurant - 50% or more of gross receipts derived from sale of food.

Motion-- Mayans moved that the licenses be approved subject to Staff review and approval. Motion
--carried carried 7 to 0.

PRELIM. EST.

PRELIMINARY ESTIMATE:

- a) Cost of Decel Lane on south side of 21st Street North to serve the entrance between Lots 4 and 5, Block 1, to serve Cross Pointe Addition (south of 21st Street North, east of Greenwich) (472-84229/765979/490-094) (District II) – Total Estimated Cost \$49,731.00

Motion--carried Mayans moved to receive and file. Motion carried 7 to 0.

STATMNT OF COST

STATEMENTS OF COST: PAVING.

- a) Improving Mainsgate, Eagle, and Wawona to serve The Fairmont Addition (north of 21st Street North, west of 127th Street East). Total Cost - \$289,650.49 (plus idle fund interest - \$5,548.92, plus temporary note interest - \$9,800.59). Financing to be issued at this time - \$305,000.00. (765947/472-83485/490-060).
- b) Improving Palmetto Circle, Phase 3 to serve Avalon Park Addition (north of 37th Street North, east of Tyler). Total Cost - \$50,235.96 (plus idle fund interest - \$602.24, plus temporary note interest - \$2,461.80). Financing to be issued at this time - \$53,300.00. (765931/472-83837/490-044).
- c) Improving Palmetto, Havenhurst, Phase 4 to serve Avalon Park Addition (north of 37th Street North, east of Tyler). Total Cost - \$105,280.54 (plus idle fund interest - \$1,472.23, plus temporary note interest - \$4,647.23). Financing to be issued at this time - \$111,400.00. (765932/472-83838/490-045).
- d) Improving Palmetto, Phase 5 to serve Avalon Park Addition (north of 37th Street North, east of Tyler). Total Cost - \$138,636.82 (plus idle fund interest - \$1,757.31, plus temporary note interest - \$6,805.87). Financing to be issued at this time - \$147,200.00. (765933/472-83839/490-046).
- e) Improving Asphaltic Mat Pavement on Bolin Drive, from the east line of the plat, to West Street to serve Blue Lake Addition (north of MacArthur, west of West Street). Total Cost - \$170,308.70 (plus idle fund interest - \$7,091.30, plus temporary note interest - \$0). Financing to be issued at this time - \$177,400.00. (765906/472-84078/490-019).
- f) Improving Mainsgate, Loch Lochmond to serve Hawthorne 2nd and Hawthorne 3rd Additions (north of 21st Street North, east of 127th Street East). Total Cost - \$241,807.96 (plus idle fund interest - \$8,004.21, plus temporary note interest - \$3,987.83). Financing to be issued at this time - \$253,800.00. (765960/472-84082/490-074).
- g) Improving Stout, Hunters View/Bellick, and Stout Court to serve Cheryl's Hollow Addition (north of 13th Street North, west of 135th Street West). Total Cost - \$528,683.18 (plus idle fund interest - \$10,262.36, plus temporary note interest - \$20,354.46). Financing to be issued at this time - \$559,300.00. (765920/472-84139/490-033).
- h) Improving Oak Creek Parkway, Chateau Parkway to serve Oak Creek Addition (south of 21st Street North, west of Greenwich). Total Cost - \$1,179,086.66 (plus idle fund interest - \$25,817.17, plus temporary note interest - \$38,696.17). Financing to be issued at this time - \$1,243,600.00. (765936/472-84209/490-049).

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- i) Improving Den Hollow, Westlakes Parkway, Wild Thicket Court, Den Hollow Circle to serve Fox Ridge Addition (north of 29th Street North, west of Tyler). Total Cost - \$218,149.14 (plus idle fund interest - \$3,626.15, plus temporary note interest - \$8,624.71). Financing to be issued at this time - \$230,400.00. (765937/472-84213/490-050).
- j) Improving Wild Thicket to serve Fox Ridge Addition (north of 29th Street North, west of Tyler). Total Cost - \$204,860.61 (plus idle fund interest - \$4,074.37, plus temporary note interest - \$7,265.02). Financing to be issued at this time - \$216,200.00. (765962/472-84214/490-076).
- k) Improving Governour Circle to serve Killarney Plaza East Addition (north of 29th Street North, west of Rock). Total Cost - \$132,595.01 (plus idle fund interest - \$5,144.10, plus temporary note interest - \$1,460.89). Financing to be issued at this time - \$139,200.00. (765950/472-84225/490-063).
- l) Constructing Decel Lane on south side of 21st Street North to serve the entrance between Lots 4 and 5, Block 1, to serve Cross Pointe Addition (south of 21st Street North, east of Greenwich). Total Cost - \$47,174.88 (plus idle fund interest - \$2,225.12, plus temporary note interest - \$0). Financing to be issued at this time - \$49,400.00. (765979/472-84229/490-094).
- m) Improving Façade Improvement Program at 535 West Douglas to serve West Wichita Addition (south of Douglas, east of Seneca). Total Cost - \$238,039.98 (plus idle fund interest - \$5,141.08, plus temporary note interest - \$8,418.94). Financing to be issued at this time - \$251,600.00. (766012/472-84242/491-013).
- n) Improving Castle Rock, 24th Street North, Spring Hollow, etc. to serve Krug North 2nd Addition (north of 21st Street North, west of 143rd Street East). Total Cost - \$441,562.18 (plus idle fund interest - \$11,890.51, plus temporary note interest - \$10,147.31). Financing to be issued at this time - \$463,600.00. (765967/472-84249/490-082).
- o) Improving Conrey, Lake Ridge Court, Forest Ridge Court to serve Tyler's Landing 3rd Addition (south of 37th Street North, east of Tyler). Total Cost - \$673,304.92 (plus idle fund interest - \$12,273.02, plus temporary note interest - \$24,322.06). Financing to be issued at this time - \$709,900.00. (765954/472-84262/490-067).
- p) Improving Kite, Marblefalls, Kite Court to serve Falcon Falls 2nd Addition (north of 45th Street North, west of Hillside). Total Cost - \$462,096.20 (plus idle fund interest - \$15,991.96, plus temporary note interest - \$5,211.84). Financing to be issued at this time - \$483,300.00. (765973/472-84264/490-088).
- q) Improving Stafford, Stoneybrook, Stafford Court to serve Brentwood South Addition (east of Webb, north of Pawnee). Total Cost - \$268,641.00 (plus idle fund interest - \$8,033.31, plus temporary note interest - \$5,525.69). Financing to be issued at this time - \$282,200.00. (765957/472-84270/490-070).
- r) Improving Westlakes Parkway to serve Fox Ridge Addition (north of 29th Street North, west of Tyler). Total Cost - \$110,745.71 (plus idle fund interest - \$2,263.85, plus temporary note interest - \$3,790.44). Financing to be issued at this time - \$116,800.00. (765963/472-84277/490-077).
- s) Improving Fawn Grove, Smithmoor/Smithmoor Circle, Chateau Circle to serve Fawn Grove at Sunset Lakes Addition (south of Kellogg, west of Greenwich). Total Cost - \$213,341.69 (plus idle fund interest - \$4,619.91, plus temporary note interest - \$6,238.40). Financing to be issued at this time - \$224,200.00. (765965/472-84285/490-080).

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- t) Improving Façade Improvement Program at 1409 east Douglas to serve Hyde's Addition (south of Douglas, east of Washington). Total Cost - \$35,864.12 (plus idle fund interest - \$1,635.88, plus temporary note interest - \$0). Financing to be issued at this time - \$37,500.00. (766017/472-84381/491-018).
- u) Improving Façade Improvement Program at 111 Ellis to serve Hyde's Addition (south of Douglas, east of Washington). Total Cost - \$35,864.12 (plus idle fund interest - \$835.88, plus temporary note interest - \$0). Financing to be issued at this time - \$36,700.00. (766018/472-84382/491-019).

Motion--carried

Mayans moved to receive and file. Motion carried 7 to 0.

PETITION

CONSTRUCT SANITARY SEWER, STORM WATER SEWER AND WATER IMPROVEMENTS FOR LOT 9, BLOCK A, SANTA FE INDUSTRIAL DISTRICT THIRD ADDITION, WEST OF SENECA, NORTH OF HARRY. (DISTRICT IV)

Agenda Report No. 06-1223

The Petitions have been signed by one owner representing 100% of the improvement districts.

The projects will provide sanitary sewer, storm water sewer and a water distribution system for an industrial development located west of Seneca, north of Harry.

The Petitions total \$96,000. The funding source is special assessments.

These projects address the Efficient Infrastructure goal by providing for the construction of sanitary sewer, drainage and water improvements for new development.

State Statutes provide that a Petition is valid if signed by a majority of resident property owners or by owners of the majority of property in the improvement district.

Motion--
--carried

Mayans moved that the Petitions be approved; the Resolutions adopted and the necessary signatures authorized. Motion carried 7 to 0.

RESOLUTION NO. 06-653

Resolution of findings of advisability and resolution authorizing construction of Water Distribution System Number 448-90259 (west of Seneca, north of Harry) in the City of Wichita, Kansas, pursuant to findings of advisability made by the governing body of the City of Wichita, Kansas, presented. Mayans moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gray, Martz, Schlapp, Skelton, and Mayans.

RESOLUTION NO. 06-654

Resolution of findings of advisability and resolution authorizing construction of Lateral V, Sanitary Sewer Number 8 (west of Seneca, north of Harry) 468-84281 in the City of Wichita, Kansas, pursuant to findings of advisability made by the governing body of the City of Wichita, Kansas, presented. Mayans moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gray, Martz, Schlapp, Skelton, and Mayans.

RESOLUTION NO. 06-655

Resolution of findings of advisability and resolution authorizing improving Storm Water Sewer Number 623 (west of Seneca, north of Harry) 468-84282 in the City of Wichita, Kansas, pursuant to findings of advisability made by the governing body of the City of Wichita, Kansas, presented. Mayans moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gray, Martz, Schlapp, Skelton, and Mayans.

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PETITION

CONSTRUCT STORM WATER DRAINS IN COUNTRY HOLLOW ADDITION, SOUTH OF KELLOGG, EAST OF 127TH STREET EAST. (DISTRICT II)

Agenda Report No. 06-1224

On November 8, 2005, the City Council approved Petitions to construct two Storm Water Drain systems in Country Hollow Addition. The developer has submitted new Petitions that modify the improvement districts to reflect design concept changes. The signature on the new Petitions represents 100% of the improvement districts.

The project will serve new residential and commercial development located south of Kellogg, east of 127th St. East.

The project budgets are unchanged.

These projects address the Efficient Infrastructure goal by providing drainage improvements required for new development.

State Statutes provide that a Petition is valid if signed by a majority of resident property owners or owners of the majority of property in the improvement district.

Motion--
--carried

Mayans moved that the new Petitions be approved; the Resolutions adopted and the necessary signatures authorized. Motion carried 7 to 0.

RESOLUTION NO. 06-656

Resolution of findings of advisability and resolution authorizing improving Storm Water Drain No. 280 (south of Kellogg, east of 127th St. East) 468-84113 in the City of Wichita, Kansas, pursuant to findings of advisability made by the governing body of the City of Wichita, Kansas, presented. Mayans moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gray, Martz, Schlapp, Skelton, and Mayans.

RESOLUTION NO. 06-657

Resolution of findings of advisability and resolution authorizing improving Storm Water Drain Number 281 (south of Kellogg, East of 127th Street East) 468-84114 in the City of Wichita, Kansas, pursuant to findings of advisability made by the governing body of the City of Wichita, Kansas, presented. Mayans moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gray, Martz, Schlapp, Skelton, and Mayans.

STREET CLOSURES

HOOVER ROAD, NORTH OF 21ST STREET NORTH. (DISTRICT V)

Agenda Report No. 06-1275

Dondlinger and Sons Construction Co., Inc. has contracted to install a sanitary sewer extension across Hoover Rd. in west Wichita. This project was approved by the City Council on November 3, 2006. Because the ground in this area is almost all sand, the work will require a large area for the excavation and will not leave enough room for Hoover Rd. traffic to be safely carried past the work area. The installation of the sewer line is scheduled to begin approximately 1:00 pm, Tuesday, December 12th and completion is expected by 5:00 pm. Wednesday, December 13th.

During the street closure, businesses and residents along Hoover Rd. between 21st and 29th Streets will need to access the area from 29th St. North. Dondlinger and Sons Construction Co., Inc. is responsible for the placement of the required detour and construction signs and barricades and the notification of area businesses and residents. During the closure Hoover Rd. traffic will be detoured as follows:

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Northbound Hoover Rd. traffic will be detoured east on 21st St., then north on West St. to 29th St., then west to return to Hoover Rd.

Southbound Hoover Rd. traffic will be detoured west on 29th St., then south on Ridge Rd. to 21st St., then east to return to Hoover Rd.

This project addresses the Efficient Infrastructure goal by improving the sanitary sewer system for this area of west Wichita.

Motion--carried

Mayans moved that the street closure be approved. Motion carried 7 to 0.

WELLNESS SERV.

WELLNESS SERVICES VENDOR.

Agenda Report No. 06-1225

A request was made by the City's Health Insurance Advisory Committee for a citywide Wellness Program on January 19, 2006. Hilb Rogal & Hobbs, the City's health and benefit consultant provided a proposed Health Improvement Strategy on February 16, 2006, which would require procurement of an external Wellness vendor. The Health Insurance Advisory Committee recommended approval of the Health Improvement Strategy. On March 7, 2006, representatives of the Human Resources Department and the Department of Finance presented the proposed Health Improvement Strategy to the City Council in a workshop.

On May 27, 2006, the City issued a competitive Request For Proposal (RFP) through the Purchasing Division for a citywide Wellness Program. Proposals were due June 30, 2006. Ten (10) Wellness proposals were received and four firms were interviewed. The proposals were reviewed by a special Screening and Selection Committee comprised of representatives from: Human Resources; International Association of Firefighters; Employee's Council; City Manager's Office; Park and Recreation Department; Fraternal Order of Police; Service Employees International Union and the Department of Finance.

The Staff Screening and Selection Committee recommends that the City Council approve a contract with Wellness Coaches USA and authorize the appropriate signatures. On October 11, 2006, the Health Insurance Advisory Committee recommended approval of the Selection Committee's choice of Wellness Coaches USA as the wellness vendor and for implementation of a Wellness Program to start January 1, 2007. The Health Insurance Advisory Committee's vote was 5-yes, 1-abstention (SEIU) and 1-no (International Association of Firefighters). IAFF was not present at the Health Insurance Advisory Committee meeting on October 11, 2006.

Wellness Coaches USA will market the Wellness Program to all employees and will use motivational seminars to increase participation in the program. Wellness Coaches USA proposes to place two full-time, dedicated Wellness Coaches on-site 40 hours per week. In addition, Wellness Coaches USA will partner with the City's Park and Recreation Department to provide wellness support activities such as dissemination of wellness information in the workplace, wellness program planning and implementation, perhaps some workplace seminars and other non-coaching responsibilities as mutually agreed by the City and Wellness Coaches USA.

Wellness Coaches USA will:

- § Provide on-site motivational seminars;
- § Administer on-site Health Risk Assessments to employees;
- § Provide on-site follow-up consultations for employees on an individual basis;
- § Provide on-site pro-active coaching for employees and their spouses;
- § Provide on-site Biometric Testing (blood pressure, body mass index, weight and hydration);
- § Personal on-site Risk Coaching (lifestyle change/behavior modification coaching);
- § Provide Wellness Program support activities including newsletters, posters etc.

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A number of cities have already implemented Wellness Programs. These include: Omaha, Nebraska; Louisville, Kentucky; Madison, Wisconsin; Hartford, Connecticut; Tulsa, Oklahoma and Columbia, Missouri. Locally, Unified School District 259 has an operational Wellness Program. The private sector has also seen the value of employee wellness by implementing Wellness Programs in their companies, such as: Bank of America; Duke University; DuPont; General Foods; General Motors and Johnson & Johnson.

Wellness Coaches USA has a monthly fee of \$18,900 plus a one-time start up fee of \$16,000 for two (2) full-time dedicated wellness coaches for a total annual cost the first year of \$242,800. The term of the contract will be January 1, 2007 to December 31, 2007. Wellness Coaches USA believes this is sufficient to provide for 40 to 50 interactions per day with City employees. That would amount to a minimum of 10,400 employee interactions per year. The first year cost will be paid from the Self Insurance Health Fund and the Wellness Program will cost City employees nothing in 2007. If a substantial number of City employees enroll in the Wellness Program during 2007, the Wellness Program will continue in 2008.

If the Wellness Program is continued in 2008, the costs paid by the City and the employee will be negotiated prior to 2008, based on enrollment.

The Wellness Program is part of the Internal Perspective goal. The Wellness Program is a part of the City's strategic health care plan to reduce costs and improve the health of all City employees. It is designed to avoid costs by lowering future health care premiums, increase employee satisfaction and increase employee's knowledge, skills and abilities.

The City Attorney has reviewed and approved the contract as to form.

Motion--
--carried

Mayans moved that the contract be approved and the appropriate signatures authorized. Motion carried 7 to 0.

PLUMBING REPAIR COMMERCIAL PLUMBING REPAIR SERVICE-SELECTION OF VENDOR.

Agenda Report No. 06-1226

Various City departments require commercial plumbing repair services. To obtain the most qualified commercial plumbing repair service at a cost that would be most beneficial to the City, a Request for Proposal was sent to eighteen (18) vendors and five (5) responded.

A selection committee reviewed the proposals. Each proposal was evaluated on the basis of qualifications, experience, references, and costs. Based on these criteria, The Waldinger Corporation was selected for the commercial plumbing repair services.

The contract will not obligate the City to any specific purchases or volume of purchases on commercial plumbing repair services; it only provides the departments the ability to obtain commercial plumbing repair services from the most qualified, cost-effective vendor.

Ensure Efficient Infrastructure Goal in order to maintain and optimize public facilities and assets.

The Law Department will review and approve the contract as to form. The contract will be for one year with an annual renewal option for an additional two years.

Motion--
--carried

Mayans moved that the selection of The Waldinger Corporation for the commercial plumbing repair services be approved and the necessary signatures authorized. Motion carried 7 to 0.

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ELEC. IMAGING

CONTRACT FOR COURT/POLICE CASE ELECTRONIC IMAGING PROJECT.

Agenda Report 06-1227

Over the past several years, City departments have been implementing a document imaging system utilizing Laser Fiche software. Implementation of an imaging system has many benefits to the organization and the processes used by the departments. These benefits include: (1) Reduced paper document filing and refiling requirements; (2) Improved ability to locate documents in a timely manner; (3) Multiple readers of the same document at the same time in multiple locations; (4) Reduced budgeted microfilm/microfiche dollars; (5) Improved accessibility to archived documents; and (6) Improved customer service from faster and more complete document searches. The Court and Police Department have started their document imaging programs and will continue to image current documents. However, older cases are not easily accessible and are of a critical nature. There are currently nine (9) years backlog of Police Department case documents and five (5) years backlog of Court closed cases that need to be converted from paper documents to electronic images for permanent storage.

A request for proposal (RFP) was developed soliciting qualified vendors to convert the Municipal Court closed case documents and the Police Departments cases from paper to electronic images. The request for proposal was sent to thirty-three (33) companies, was published in the Wichita Eagle; and was placed on the City Web site. Ten companies responded. A selection committee comprised of the Police Department, Finance, IT/IS and the Court reviewed and evaluated the proposals. Rely Services was selected based on their response to the proposal, their oral presentation to the committee, cost, and the company's performance during a "test project". Rely Services demonstrated they were both qualified and competent to provide comprehensive services as specified in the request for proposal.

The backfile conversion of older cases from paper documents to electronic images need only be done once. The Court and Police Department will continue to image current documents. The project will allow for an estimated 3.55 million images to be converted from paper copy to an electronic format for an estimated \$162,955. From the finalists considered for the "backfile conversion project", the proposed contractor provided the lowest cost per page/image for their services. The costs proposed are: Scanning .035 cents per image; duplex scanning .0175 cents per image; indexing .03 cents per case; preparation .02 cents per page and \$2.00 per duplicate media provided. Funds for this project are provided for in a Police Department grant and a Court project account.

A contract with the proposed vendor addresses the Safe and Secure Community goal by providing reliable access to Police and Court Departments' records and to respond to requests in an efficient and effective manner.

The Law Department has approved the contract as to form.

Motion--
--carried

Mayans moved that the contract be approved and the necessary signatures authorized. Motion carried 7 to 0.

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WATERWALK

APPROVAL OF GROUND LEASE-WATERWALK PLACE BUILDING SITE. (DISTRICT I)

Agenda Report No. 06-1228

The Police Department leases vehicles from the Public Works. Monthly payments are made from Police to Public Work's Fleet Fund to offset the operating and replacement costs of these vehicles. With increased costs for fuel and vehicle replacement, the fleet rental rates were increased this year as older vehicles were phased out of the fleet. This change was included in the 2006 Revised budget, based on the projected vehicle replacement schedules.

The Police Department, by contract with the FOP, provides a \$500 annual clothing allowance to represented positions. This allowance funds replacement uniforms, ancillary clothing items and civilian clothing (for court testimony and plain clothes Detectives).

Police Fleet vehicles and equipment were replaced in 2006 under a slightly different schedule than initially budgeted: less unmarked investigations vehicles were replaced earlier in the year; while more marked vehicles were replaced. This has increased contractual (fleet rental) costs compared to budgeted amounts in the beat patrol and support services, while decreasing costs compared to budgeted amounts in the investigations services. A budget adjustment of \$95,000 is needed to shift these contractual funds.

Police clothing is expensed as a commodity for uniforms and as a personal services item for reimbursement for civilian clothing. Each year, the amount budgeted in both these areas is estimated based on a projection of the split between direct uniform costs and costs reimbursed to officers. In 2006, clothing expenditures are projected to exceed the budgeted amount; however, clothing reimbursements are projected to be under budget. A budget adjustment of up to \$40,000 is needed from personal services to commodity clothing accounts.

The Police Department as a whole is within the 2006 Revised budget; these budget adjustments are technical in nature and will not impact the General Fund.

Providing policing services is a key component of the Safe and Secure Goal.

Budget adjustments over \$25,000 require Council action.

Motion--carried

Mayans moved that the budget adjustments be approved. Motion carried 7 to 0.

BUDGET ADJUST.

BUDGET ADJUSTMENT-POLICE DEPARTMENT.

Agenda Report No. 06-1228

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The Police Department as a whole is within the 2006 Revised budget; these budget adjustments are technical in nature and will not impact the General Fund.

Providing policing services is a key component of the Safe and Secure Goal.

Budget adjustments over \$25,000 require Council action.

Motion--carried

Mayans moved that the budget adjustments be approved. Motion carried 7 to 0.

AIR QUALITY

RENEWAL OF AIR QUALITY PROGRAM GRANTS.

Agenda Report No. 06-1229

Since 1972 the City has received grant funding from the Environmental Protection Agency to operate the local air quality program. Additional funding from the Kansas Department of Health and Environment has been provided since 1994. Program objectives include inspection of air pollution sources, air monitoring for specified pollutants and toxic compounds, indoor air investigations, complaint investigations, voluntary vehicle emissions testing, and educational activities.

Three separate grants allow the Department of Environmental Services to provide comprehensive air quality services that address public health and environmental protection issues throughout the county. This Federal and State support allows a level of service that would be difficult to provide utilizing only local funding. The local program has been in existence for thirty-four years, and the department has maintained good working relationships with EPA & KDHE staff during this time. Continued cooperation is essential in dealing with the air quality issues inherent in a growing urban region such as the Wichita metropolitan area.

Four staff positions are supported through the grants.

- The EPA Section 103 grant amount for FY 2007 will be \$45,257. This grant does not require local matching funds.
- The EPA Section 105 grant amount for FY 2007 will be \$90,564. Use of support staff time, office space and utilities are provided by the City of Wichita as a required 40% local match.
- The KDHE grant amount for FY 2007 will be \$164,197. This grant does not require local matching funds.

The grants contract supports the goals for Safe and Secure Communities.

The Law Department has approved the contract as to form.

Motion--
--carried

Mayans moved that the renewal of the grants be approved and the necessary signatures authorized. Motion carried 7 to 0.

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GRANT EQUIP.

ACCEPTANCE OF GRANT EQUIPMENT FOR EXPLOSIVES ORDINANCE DISPOSAL UNIT.

Agenda Report No. 06-1230

Beginning with the fiscal year 2006 Homeland Security Grant, a portion of the funding is being given to regional councils for further distribution within the region based upon need and benefit to the regional community. The South Central Regional Homeland Security Council comprised of representation from nineteen counties in south central Kansas met in early October to determine how 2006 funding will be spent. The Wichita Police Department Explosive Ordnance Disposal Unit gave a presentation at that meeting to request a portion of the funds be spent to increase explosives render safe capabilities in the region. The South Central Regional Homeland Security Council voted to expend funds for the request. Actual funding is provided to the Fiscal Agent for the region, who will be responsible for ordering equipment. For South Central Kansas, the Fiscal Agent is the Marion County Emergency Manager.

The Wichita Police Department Explosive Ordnance Disposal Unit serves south central Kansas through a memorandum of understanding with the Bureau of Alcohol Tobacco Firearms and Explosives. Currently the Unit has extensive capabilities for handling a single incident, and the personnel for handling multiple incidents. Should the current equipment be tied up on a single call, the remaining trained personnel use improvised or dated techniques to handle the second incident. The South Central Regional Homeland Security Council will provide a new response vehicle, an additional robot, and a new bomb suit utilizing grant funds. The equipment will be purchased through Marion County and given to the Unit. This equipment will allow for the simultaneous response to multiple incidents in a safe and professional manner. As part of the grant requirements, the City of Wichita is required to enter into an agreement for acceptance of the equipment from the South Central Regional Homeland Security Council that will guarantee Wichita will maintain the equipment and provide trained personnel for use of the equipment for a minimum of four years. The current operating budget for Police Special Operations will provide for maintenance of the new equipment.

This grant contract has been presented to and approved by the Grants-In-Aid Administrator in the Department of Finance using the procedure in AR 2.4. The grant calls for purchase of the equipment without use of City funds. The subsequent staff requirements for training, use and maintenance and for equipment maintenance will be covered by regular WPD budgetary requests.

The acceptance of this grant-funded equipment will support a Safe and Secure Community by better repairing the Explosives Ordnance Disposal Unit to respond to calls for service.

This grant contract has been negotiated and approved by the Law Department.

Motion--
--carried

Mayans moved that the grant-funded equipment be accepted and the necessary signatures authorized.
Motion carried 7 to 0.

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DEDICATION

DEDICATION OF THE EAST 30 FEET OF SOUTH FERN STREET. (DISTRICT IV)

Agenda Report No. 06-1231

On February 7, 2006, City Council approved a project to improve MacArthur, between Meridian and Seneca. The road will be widened to four lanes with left turn lanes and landscaped medians. To accommodate the project, right-of-way is being acquired from numerous tracts. South Fern Street meets MacArthur in the 1600 Block of West MacArthur. It is a side street serving a couple of properties.

Fern Street is currently thirty feet wide. The owner of the adjacent property is willing to dedicate a thirty-foot strip of land the length of Fern Street for road right-of-way purposes. The land is currently used as access to the owner's property and the owner would continue to have access in the after. This proposed acquisition area is 466.69 feet x 30 feet, vacant strip of land consisting of 12,800 square feet.

A budget of \$200 is requested. This includes \$175 for the title work and recording fees. The funding source is General Obligation Bonds and Federal Grants administrated by the Kansas Department of Transportation.

The acquisition of this parcel is necessary to ensure efficient infrastructure as this area is rapidly growing.

The Law Department has approved the agreement as to form.

Motion--
--carried

Mayans moved that the dedication be accepted and the budget request authorized. Motion carried 7 to 0.

DEDICATION

DEDICATION OF VACANT LAND IN THE 2600 BLOCK SOUTH SANTA FE. (DISTRICT III)

Agenda Report No. 06-1232

The City acquired land along, and for the Pawnee Rail Separation Project in 2002. In October 2006, the owner of a vacant tract of land approached the City of Wichita about donating a certain tract within the rail separation corridor.

This particular tract is vacant and adjacent to the railway corridor in the 2600 Block of South Santa Fe. It consists of 11,600 square feet and was used for gardening purposes. Until the City proceeds with construction, the lot would be maintained by Public Works.

A budget of \$20 is requested. This is for recording of the deed and will be paid for by the City at large.

The acquisition of this parcel is necessary to ensure efficient infrastructure in this area.

The Law Department has approved the agreement as to form.

Motion--
--carried

Mayans moved that the dedication be accepted and the budget request authorized. Motion carried 7 to 0.

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NUISANCE ABATE. NUISANCE ABATEMENT ASSESSMENTS.

Agenda Report No. 06-1233

The Department of Environmental Services supports neighborhood maintenance and improvement through abatement of nuisances under Titles 7 and 8 of the City Code. State law and local ordinances allow the City to clean up or mow private property that is in violation of environmental standards after proper notification of the responsible party. A private contractor performs the work, and Environmental Services bills the cost to the property owner.

State law and city ordinances allow placement of the cleanup and mowing costs as a special property tax assessment if the property owner does not pay. Payment has not been received for the nuisance abatements in question, and Environmental Services is requesting permission for the Department of Finance to process the necessary special assessments.

Nuisance abatement and mowing contractors are paid through budgeted appropriations from the City's General Fund. Placement of special assessments provides for reimbursement of these expenditures to the City. Nuisance abatements to be placed on special assessment total \$30,077.32; weed mowing charges total \$60,216.60.

Dynamic CORE Area and vibrant Neighborhoods

These assessments are in accordance with Chapter 7.40.050 and 7.40.060 of the City Code.

Motion--
--carried

Mayans moved that the proposed assessments be approve and the ordinances placed on first reading. Motion carried 7 to 0.

ORDINANCE

An Ordinance making a special assessment to pay for the cost of cutting weeds in the City of Wichita, Kansas, introduced and under the rules laid over.

ORDINANCE

An Ordinance making a special assessment to pay for the cost of abating certain public health nuisances (lot clean up) under the provision of Section 7.40.050 of the Code of the City of Wichita, Kansas, be it ordained by the governing body of the City of Wichita, Kansas, introduced and under the rules laid over.

**UNSAFE STRUC. ABATEMENT OF DANGEROUS AND UNSAFE STRUCTURES.
(DISTRICTS I, III, IV AND VI)**

Agenda Report No. 06-1234

The Office of Central Inspection (OCI) supports neighborhood maintenance and improvement through abatement of public nuisances under Titles 18 and 20 of the City Code. State law and local ordinances allow the City to demolish or board up and secure private property that is in violation of Housing and Building Code standards, after proper notification of the responsible party/parties. A private contractor, or City staff performs the work, and the Office of Central Inspection bills the cost to the property owner.

State law and City ordinance allow placement of the demolition and board-up costs as a special property tax assessment if the property owner does not pay. Payment has not been received for the demolition and board up abatements in question, and OCI is requesting permission for the Department of Finance to process the necessary special assessments.

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Statements of Charges will be mailed to the property owners on May 19, 2006. The property owners have 30 days from date of statement to pay their assessment and avoid paying interest. The interest added to the principal amount will be determined by the rate at which the February 2006 bonds sold. The principal and interest will then be spread for 1-year and placed on the 2006 tax roll.

On January 24, 2006 the City Council adopted five (5) goals for the City of Wichita. These include: Provide a Safe and Secure Community, Promote Economic Vitality and Affordable Living, Ensure Efficient Infrastructure, Enhance Quality of Life, and Support a Dynamic CORE Area & Vibrant Neighborhoods. This agenda item impacts the goal indicator to Support a Dynamic Core Area and Vibrant Neighborhoods: Continued revitalization of the Core Area. Dangerous building condemnation actions, including demolitions and emergency property board-ups, remove blighting and unsafe buildings that are detrimental to Wichita neighborhoods.

The assessments are in accordance with City Code 18.16.070, 18.16.080 and 18.16.090.

Motion--
--carried

Mayans moved that the proposed assessments be approved and the ordinances placed on first reading. Motion carried 7 to 0.

ORDINANCE

An Ordinance making a special assessment to pay for the removal of certain structures, being dangerous and unsafe buildings which have been declared a nuisance (building emergency board-up) under the provision of Sections 18.16.010 to 18.16.090 of the Code of the City of Wichita, Kansas , introduced and under the rules laid over.

ORDINANCE

An ordinance making a special assessment to pay for removal of certain structures, being dangerous and unsafe buildings which have been declared a nuisance (building condemnation-demolition) under the revision of Sections 18.16.010 to 18.16.090 of the Code of the City of Wichita, Kansas, introduced and under the rules laid over.

2007 INSURANCE

2007 INSURANCE PROGRAM.

Agenda Report No 06-1235

Annually the City places a number of insurance policies to provide coverage for risks to the City of Wichita, its nearly one-half billion dollars in assets and its 3,086 employees. These policies include property, data processing, boiler/machinery, burglary/theft, employee dishonesty, excess workers compensation liability, airport general liability, underground fuel storage, helicopter hull and helicopter general liability. In addition, to administer the Risk Management program, various services are contracted including outside appraisal services, software support, medical bill review, and nurse case management for workers compensation, employment physicals, drug tests, vehicle rental services for private claimants, and several medical service providers for workers compensation.

On December 7, 2004, the City Council approved a contract for insurance placement services for property and casualty insurance with Marsh, USA. The City opted to renew Marsh, USA's contract for placement of all applicable 2007 insurance policies.

To protect City assets, reduce the risk exposure and administer the Risk Management program, the City has placed the following insurance coverage and maintains the following contracts. The cost of these insurance policies is included in the Comprehensive Annual Financial Report. The 2007 insurance program is as follows:

Purchased Insurance:

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Property Insurance - All City owned buildings (approximately 250) and contents are covered against named perils. Because of the large wind/hail losses this year, all potential new markets declined to quote except Travelers and Allianz. The total insurance value is in excess of \$489 million and is placed with St. Paul Travelers Insurance Company. The premium is \$432,461 annually with a \$1 million dollar deductible per occurrence for wind and hail only. All other policy deductibles are \$100,000 or less. The St. Paul Travelers quote is the lowest quote for this coverage and represents an 8% increase over the current premium. The City maintains a separate policy for property, liability and boiler insurance on behalf of the Public Building Commission on the State Office Building. Property coverage limits are \$31.6 million, with an additional \$4 million in business interruption insurance. In addition, the Public Building Commission policy also includes general liability coverage of \$2 million. These coverage's are placed with St. Paul Travelers with premiums totaling \$54,412.

Workers Compensation Insurance (Excess Coverage) - The City self-insures exposure to Worker's Compensation costs, as permitted under KSA 44-505(f). However, the City does purchase excess worker's compensation coverage (as required for self-insured by KAR 51-14-4) with retention of \$750,000 per occurrence. The annual premium is \$150,976 and this insurance is placed with Safety National Casualty Insurance Company.

Crime (Burglary/Theft) Policy - This policy covers losses due to employee theft, due to other theft or robbery, due to forgery of documents, due to computer fraud (fraudulent transfers of funds) and due to acceptance of counterfeit currency or money orders. Depending on the type of loss, policy limits range from \$500,000 to \$1 million. The premium cost is \$22,038 for a three-year policy (\$7,346 annually) and the policy is placed with Hartford Fire Insurance Company. January 1, 2007 will begin the second year of this three-year policy.

Travel Accident Insurance - This policy provides insurance against the loss of life or limb of City employees and elected officials while traveling outside of the City. Class I employees (City Manager and City Council) are covered for any travel outside of the City. Class II employees (all other City employees) are covered for bona fide business travel outside of the City. The aggregate policy limit is \$500,000, with the loss per individual limited to \$100,000. If more than 5 individuals were subject to the aggregate limit, the policy limit would be split proportionately among the claimants. Travel policy exclusions are generally limited to piloting or being a member of a flight crew, if an aircraft is used for aerial photography or test purposes, if the aircraft requires a special permit from the F.A.A., or if the City operates the aircraft. The premium cost is \$1,700 annually and the policy is placed with Zurich American Insurance Company.

Helicopter Liability - The City maintains liability and hull insurance on the MD 500E helicopter operated by the Police Department. Liability insurance of \$1,000,000 per occurrence is included, as well as \$12,000 in medical payments per occurrence. The helicopter hull is insured for \$1.2 million, with a \$5,000 deductible. The helicopter insurance premium is \$37,600 annually and the policy is placed with Phoenix Aviation.

Art Collection - The Wichita Art Museum maintains coverage on the fine arts collections. This policy provides \$70 million in coverage for art within the Museum, as well as \$20 million for art in transit or at other locations. The coverage amount is less than the estimated \$125 million appraised value of the collection. However, the insurance coverage is based on a "Probable Maximum Loss" study performed by Huntington Block Insurance for fire and tornadoes that may affect the Wichita Art Museum. The study is based on the fact that not more than 2/3 of the art collection (or less) is actually displayed at any given time. The rest of the art collection is stored in a hardened vault and is protected from loss. The premium cost is not to exceed \$28,000 annually and the policy is placed with 50% - 50% with ACE American Insurance Company and AXA Art Insurance Corp.

Airport General Liability - The Airport has maintained \$50 million in primary general liability coverage and a secondary \$50 million excess general liability policy. The primary policy is written through ACE, USA with an annual premium of \$42,973. The excess policy is written through Lloyds with an annual premium of \$24,432 plus a surplus lines tax of \$1,466. The total is \$68,871.

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Airport Underground Storage Tanks - The Airport maintains environmental liability insurance on 24 underground storage tanks at the airport. Liability limits are \$1 million per incident. The annual premium is \$3,696 and placed through Great American Alliance Insurance Company. This insurance protects against environmental loss only. In the event of an accidental property loss, coverage would be afforded through the City's Property and Casualty insurance policy.

Federal Excess Liability - The City has solicited quotes for placing Federal Excess Liability insurance. This coverage does not cover the misuse of federal funds. The coverage applies to Federal lawsuits where the Kansas Tort Claims Act does not protect the City of Wichita. This coverage is often maintained in cities similar in size to Wichita to serve as a backstop for significantly high cost liability exposures. Some of these exposures include, but are not limited to: civil rights violations, discrimination and other federal actions. Coverage consists of a \$10 million limit and a \$2,000,000 retention. This policy is written by AIG and the annual premium is \$225,123. The renewal date for this policy is June 2007.

Self Insured Risks

The City self-insures for general liability using a Tort Fund administered by the Department of Law. Funding for the Tort Fund is provided through the general fund and water and sewer funds. Automobile liability is self-insured by the City, as is workers compensation (other than the excess coverage noted above).

Contracts

The City currently utilizes Via Christi/Riverside to provide comprehensive pre-employment physicals and AMS Laboratory for drug tests on all potential employees. PRISM Occupational Health Network provides primary medical treatment for employees injured on the job. Corvel services are used for workers compensation claims that require nurse case management and to re-price billings when utilization is through the providers' network. Corvel charges an hourly rate for nurse case management and a cost per line and a percentage of savings for the re-pricing of City medical bills. The City pays Corvel 25% of the savings Corvel achieves via greater negotiated discounts with medical providers than can be negotiated independently by the City. Heartland MRI is used for all imaging services required for diagnosis of work related injuries. The negotiated fee for these services is \$600 per MRI, including the read. This reflects an approximate 50% savings over the State of Kansas mandated fee schedule for these services. Other MRI vendors may be used, but only if dictated by medical necessity. All required physical therapy for work related injuries is provided by TheraCare on a negotiated fee structure of 75% of the state mandated fee schedule.

Auto Damage Appraisers of Kansas provides damage estimates on private claimant's cars and vehicle and salvage valuations on all total losses. The City has also negotiated a rate of \$19.99 per day with Enterprise Rent-A-Car when the City is required to provide substitute transportation while a private claimant's vehicle is being repaired.

The self-insured worker's compensation and automobile physical damage programs utilize Risk Master World software to log claims, initiate payments and prepare reports. The annual support software fee to CSC Financial Services Group is \$14,999.25. An annual actuarial review of the Self Insurance Fund reserves is conducted. The current provider is Pinnacle Actuarial Resources, Inc, at an annual amount of \$7,500.

The premiums for the insurance policies and related programs and services are appropriated in the adopted budget. Several premium costs are re-allocated to Departments through the establishment of auto liability, building and contents, and workers compensation insurance rates. Coverage for the Police helicopter is budgeted and expended in the Police General Fund budget. Airport specific coverage's are budgeted and expended in the Airport Fund. Funding for Cowtown property and contents, the art collection coverage, the travel accident insurance and the crime policy is absorbed within the Self Insurance Fund.

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The City places a number of insurance policies and contracts to provide coverage for risk to the City of Wichita and its employees as a part of the Internal Perspective goal. These policies include property, data processing, boiler/machinery, burglary/theft, employee dishonesty, excess workers compensation liability, airport general liability, underground fuel storage, helicopter hull, helicopter general liability and federal excess liability. The insurance policies and contracts protect City assets and reduce/avoid costs.

The City's liability on tort claims is limited under KSA 75-6105 to \$500,000 per claim. The City is allowed to self-insure worker's compensation based on KSA 505(f), although excess workers compensation coverage is required under KAR 51-14-4. City Code 2.64.020 (h) authorizes the Purchasing Manager to negotiate the purchase of insurance coverage.

Motion--
--carried

Mayans moved that the 2007 Insurance Program be received, filed and ratified, subject to minor staff modifications and verification of coverage details. Motion carried 7 to 0.

HALL'S CULLIGAN

PURCHASE OPTION, HALL'S CULLIGAN WATER. (DISTRICT II)

Agenda Report No. 06-1236

On December 11, 2001, the City Council approved the issuance of \$3.7 million in Industrial Revenue Bonds, Series XI, 2001 to finance facilities to be leased to CRH, Limited Company for the benefit of the Hall's Culligan Water. Bond proceeds were used for the purpose of acquiring, constructing and equipping a corporate office, manufacturing plant and warehouse facility located at Webb Road and 26th Street North in northeast Wichita. The Bonds are secured, in part, by a Lease Agreement with CRH, Limited Company ("Tenant").

Under the provisions of the Lease Agreement the Tenant has the option, if all outstanding bonds and Trustee Fees have been paid, to purchase the facility from the City of Wichita for the sum of \$1,000. The City received notice from the Tenant of the company's intention to exercise its purchase option on or before January 3, 2007. By the same correspondence, the Tenant also gave notice of its desire to call and redeem the Bonds. Intrust Bank, N.A., the sole Bondholder, has consented to the call and redemption.

Under the terms of the Lease, the City is required to convey its interest in the property securing the IRB issue to the Tenant, once the Tenant has paid the purchase price and other considerations as listed under the provisions of the Lease Agreement, including the payment of all outstanding bonds. The Series XI, 2001 Bonds will be paid by on or before January 3, 2007. The City has received Trustee certification that the Bonds will be called for prepayment prior to maturity on January 3, 2007, and it will be appropriate for the City to deliver the instruments needed to deed the bond-financed property back to CRH Limited Company and terminate the IRB lease. The City has already received payment of the \$1,000 purchase option price.

The purchase price is \$1,000 and other considerations as listed under the provision of the Lease Agreement to redeem and retire all outstanding bonds. This price includes without limitations, principal, interest, redemption premium, and all other expenses of redemption, and trustee fees, but after the deduction of any amounts described and provided for in the Lease Agreement and available for such redemption.

Economic Vitality and Quality of Life. Cooperating with the Tenant and Trustee on IRB issues is a necessary part of preserving the credibility and integrity of the City's IRB program for future projects.

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The City is contractually bound to convey the IRB Project property to the Tenant by special warranty deed, once all the conditions established in the Lease have been met. The City Attorney's Office has approved the form to authorize the execution of the Special Warranty Deed and the Termination of Lease Agreement, and the delivery of such documents following satisfaction of applicable conditions.

Motion--

Mayans moved that the Resolution authorizing the call and redemption of the Bonds approving the Special Warranty Deed, and the Termination of Lease Agreement be adopted and the necessary signatures authorized. Motion carried 7 to 0.

--carried

RESOLUTION NO. 06-663

Resolution authorizing the City of Wichita, Kansas, to call all remaining revenue bonds and to convey certain real property to CRH, Limited Company, and prescribing the form of and authorizing the execution and delivery of certain documents in connection therewith, presented. Mayans moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gray, Martz, Schlapp, Skelton, and Mayans.

SBA MICROLOAN

APPOINTMENT FOR SBA MICROLOAN COMMITTEE.

Agenda Report No. 06-1237

On December 16, 2003, the City Council adopted an ordinance to establish the SBA Micro Loan program and to appoint a Loan Committee. The City Council approved five members to serve on the Loan Committee.

One of the Loan Committee members resigned because of a possible conflict of interest. In order to maintain five (5) members on the Loan Committee it is recommended that the City Council select a replacement.

Staff recommends the City Council appoint Perry Bemis to the City's SBA MicroLoan Committee. Mr. Bemis has 35 years of experience in banking, finance and consulting entrepreneurial activities. Mr. Bemis serves on the board of directors of the Wichita Technology Corporation, Wichita Area Development and Center for Technology Application (MANTC).

The Small Business Administration provides loan funds for the South Central Kansas Economic Development District (SCKEDD) Microloan Program. SCKEDD is required to maintain a Loan Loss Reserve account with funds equal to 15% of the amount loan from the SBA. The City provides funds for the Loan Loss Reserve Account for eligible loans to businesses located in Wichita. On January 10, 2006 the City Council approved making an additional \$56,025 available for the SBA Microloan Loan Loss Reserve Account.

The City's SBA Microloan, Loan Loss Reserve Program supports the Promote Economic Vitality & Affordable Living City goal.

Ordinance number 45-945 authorizes the City Council to appoint a Loan Committee to be comprised of not less than three nor more than five members, who shall make loan/investment decisions for the provision of City loan loss reserve funds for eligible SBA Microloans, providing that at least three members shall constitute a quorum for purposes of conducting business.

Motion--

Mayans moved that Perry Bemis be approved to serve on the Loan Committee. Motion carried 7 to 0.

--carried

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MENTAL HEALTH GRANT APPLICATION, MENTAL HEALTH COURT.

Agenda Report No. 06-1238

The Bureau of Justice Assistance is seeking joint grant applications from eligible applicants seeking to plan and implement an adult collaboration program for individuals with mental illness who come into contact with the criminal justice system. This program is funded through the Mentally Ill Offender Treatment and Crime Reduction Act of 2004. For many years the Court, prosecutorial and defense bar has recognized the need to provide mental health services and resources to those individuals appearing in Municipal Court primarily due to mental health issues. Currently, the Court has limited options available to address the underlying causes for these individuals' criminal behavior. Building on 10 years of collaboration, the City of Wichita Municipal Court, Law Department and COMCARE of Sedgwick County are interested in applying for a \$250,000 Planning and Implementation Grant to develop a strategic plan and implement a City of Wichita Mental Health Court. The Mental Health Court would provide a non-traditional, therapeutic approach to dealing with criminal offenders who have mental health issues. The judge, prosecutor, probation officer and treatment provider would work as a team using a non-adversarial approach to address the mental health issues of defendants/probationers. Defendants/probationers with mental health issues would be referred to the Sedgwick County Assessment Program for mental health assessment and supervised treatment for a minimum period of one-year. During the course of the one year period, participants, with the assistance of mental health clinicians and the Mental Health Court team, will develop a plan of care that specifically targets the offenders' needs to achieve independence and a high quality of life through intensive case management, medication management, supportive living arrangements, co-occurring disorder treatment, and various other supportive services throughout the Wichita area. The primary goals of the Mental Health Court are to provide treatment to offenders with mental illness; address social support needs, reduce recidivism for the mentally ill offender population, and help reduce incarcerations and court over-crowding.

The Bureau of Justice Statistics on Mental Health Problems of Prison and Jail Inmates indicate that over half of those incarcerated in jails across the country have a mental health problem. Local studies support the finding that individuals with mental illness represent a higher percentage when compared to the general population. Adjudicating approximately 100,000 cases annually, the aforementioned studies reflect the opinion of the City of Wichita Municipal Court that many of those who show up repeatedly on the dockets are those offenders with mental health issues whose treatment needs are not adequately addressed. A Mental Health Court will address these issues by providing participants the opportunity to receive community-based, outpatient treatment and services 24 hours per day through COMCARE, while providing a highly structured environment with frequent court review hearings to monitor treatment.

The Bureau of Justice Assistance grant would provide up to \$250,000 for the planning and implementation of a Mental Health Court; including salaries and equipment for a two-year period for a part-time prosecutor, a part time Probation Office clerk and a qualified mental health professional. The funding would also provide training and site visits to other mental health courts for a four-member team.

The proposed grant application totals \$315,937 the federal share of the grant is \$247,910. The grant will pay salary, equipment costs, training for a two-year period and site visits to other mental health courts. In-kind funding of \$62,867 will provide the City's match for this grant and \$5,160 in administrative fees. At the conclusion of the grant period the mental health court will be evaluated and outcomes will be reported. If the program is successful, continuation of the part-time City of Wichita staff may be requested in the 2009 budget.

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The implementation of a mental health court addresses the Safe and Secure Community goal by providing treatment to offenders with mental illness; addressing social support needs, reducing recidivism for the mentally ill offender population, helping reduce incarcerations and court overcrowding.

The grant award would establish a new program in Municipal Court, which the City has the power and authority to implement.

Motion--
--carried

Mayans moved that the grant application be approved and the Mayor authorized to sign the grant application and grant assurances. Motion carried 7 to 0.

PROP. ACQUIS.

PARTIAL ACQUISITION OF 1710 WEST MACARTHUR FOR THE MACARTHUR ROAD IMPROVEMENT PROJECT, MERIDIAN TO SENECA. (DISTRICT IV)

Agenda Report No. 06-1239

On February 7, 2006, City Council approved a project to improve MacArthur, between Meridian and Seneca. The road will be widened to four lanes with left turn lanes and landscaped medians. The intersection of MacArthur and Meridian will be signalized with left turn lanes at all four approaches to the intersection. A new storm water sewer system will be built. To accommodate the project, right-of-way must be acquired from fifteen tracts of land.

The project requires the southern 10 feet of the whole parcel for road right-of-way. This proposed acquisition area consists of 1,000 square feet. A tree in the proposed acquisition area will be removed and the owner responsible for resetting the fence. The improvements are removed from the road and will not be impacted. The owner agreed to accept the appraised value of \$3,914.00, or \$0.40 per square foot on the land.

A budget of \$4,665.00 is requested. This includes \$3,914.00 for the acquisition, \$751.00 for closing costs and title insurance. The funding source is General Obligation Bonds and Federal Grants administrated by the Kansas Department of Transportation.

The acquisition of this parcel is necessary to ensure efficient infrastructure as this area is rapidly growing.

The Law Department has approved the agreement as to form.

Motion--
--carried

Mayans moved that the agreement be approved and the necessary signatures authorized. Motion carried 7 to 0.

PROPERTY ACQ.

PARTIAL ACQUISITION OF 1626 WEST MACARTHUR FOR THE MACARTHUR ROAD IMPROVEMENT PROJECT, MERIDIAN TO SENECA. (DISTRICT IV)

Agenda Report No. 06-1240

On February 7, 2006, City Council approved a project to improve MacArthur, between Meridian and Seneca. The road will be widened to four lanes with left turn lanes and landscaped medians. The intersection of MacArthur and Meridian will be signalized with left turn lanes at all four approaches to the intersection. A new storm water sewer system will be built. To accommodate the project, right-of-way must be acquired from fifteen tracts of land.

The project requires the southern 10 feet of the whole parcel for road right-of-way. This proposed acquisition area consists of 500 square feet. The improvements are removed from the road and will not be impacted. Trees in the proposed acquisition area will be removed. The owner agreed to accept the appraised value of \$780.00, or \$0.75 per square foot.

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A budget of \$1,300.00 is requested. This includes \$780.00 for the acquisition, \$520.00 for closing costs and title insurance. The funding source is General Obligation Bonds and Federal Grants administrated by the Kansas Department of Transportation.

The acquisition of this parcel is necessary to ensure efficient infrastructure as this area is rapidly growing.

The Law Department has approved the agreement as to form.

Motion--
--carried

Mayans moved that the agreement be approved and the necessary signatures authorized. Motion carried 7 to 0.

PROPERTY ACQ.

ACQUISITION OF 5018 BLECKLY COURT FOR THE DRY CREEK BASIN PROJECT. (DISTRICT III)

Agenda Report No. 06-1241

There have been several, flooding incidents along the Dry Creek basin in East Wichita. As a result of this, the City Council approved a voluntary property acquisition program. The program calls for the acquisition of up to 16 residential properties that have habitable floors that are below the one hundred year flood elevation. One such property is 5018 Bleckly Court. The site consists of 15,681.6 square feet and is improved with a 2,474 square foot, ranch single-family residence.

The appraised value of \$93,000 was offered to the owner. The owner has agreed to sell the property for this amount. The improvements will be removed and the site maintained as open space.

The purchase and demolition of this property is available through the \$2.0 million Dry Creek Buyout budget approved by CC on December 2004 and the \$1.3 million Dry Creek, Lincoln to Orme Channel Improvement budget approved by CC on June 13, 2006. This purchase and demolition costs are estimated to be \$110,000, using the approximately \$74,000 dollars remaining in the Dry Creek Buyout program and \$36,000 from the Lincoln to Orme project. The Lincoln to Orme channel improvement project budget included \$1.1 million for right-of-way acquisition. The funding source is the Storm Water Utility.

The acquisition of this parcel is necessary to ensure efficient infrastructure and flood control in this area.

The Law Department has approved the contract as to form.

Motion--
--carried

Mayans moved that the Real Estate Purchase Contract be approved and the necessary signatures authorized. Motion carried 7 to 0.

PROPERTY ACQ.

ACQUISITION OF EASEMENT BY EMINENT DOMAIN FOR THE MAIN 5 SEWER SANITARY LATERAL LINE NEAR 13TH STREET NORTH AND HOOVER. (DISTRICT VI)

Agenda Report No. 06-1242

On July 12, 2005, the City Council approved the construction and extension of a sanitary sewer lateral line to provide service to a developed area in northwest Wichita. This project requires the acquisition of an easement on four tracts of land.

City staff has been negotiating the purchase of the easements and unable to reach an agreement with one parcel, the owner of 5201 West 13th Street. The acquisition was valued at \$500, or \$.35 per square foot. The owner rejected the offer. He has, however, proposed numerous conditions and terms, some not even related to the acquisition. Staff has attempted to resolve as many of these as they can without

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impacting the best interests of the City. Staff will continue to negotiate with the owner, but due to the lack of a counter offer, it is necessary to initiate eminent domain.

The cost of this acquisition will be paid for by the City at large.

The acquisition of this parcel is necessary to ensure efficient infrastructure.

The Law Department has approved the resolution and ordinance as to form.

Motion--

Mayans moved that the resolution be adopted and the ordinance providing for the acquisition by eminent domain of certain real property and directing the City Attorney to file the appropriate proceedings in the District Court to accomplish such acquisition be placed on first reading. Motion carried 7 to 0.

--carried

RESOLUTION NO. 06-664

A Resolution declaring the necessity for acquiring private property for the use of the City of Wichita in connection with planned sanitary sewer improvements to serve an area bordered by Hoover on the west, 13th Street North on the north, Smith on the east, and an approximate half mile north of 11th Street North on the south in the City of Wichita, Sedgwick County, Kansas, presented. Mayans moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gray, Martz, Schlapp, Skelton, and Mayans.

ORDINANCE

An Ordinance providing for the acquisition by eminent domain of certain private property, easements and right-of-way therein, for the purpose of acquiring real property for the construction and improvement of sanitary sewer to serve an area bounded by Hoover on the west, 13th Street North on the north, Smith on the east, and an approximate half mile north of 11th Street North on the south in the City of Wichita, Sedgwick County, Kansas; designating the lands required for such purposes and directing the city attorney to file a petition in the District Court of Sedgwick County, Kansas, for acquisition of the lands and easements therein taken and providing for payment of the cost thereof, introduced and under the rules laid over.

PROPERTY ACQ.

PARTIAL ACQUISITION OF 1632 WEST MACARTHUR FOR THE MACARTHUR ROAD IMPROVEMENT PROJECT, MERIDIAN TO SENECA. (DISTRICT IV)

Agenda Report No. 06-1274

On February 7, 2006, City Council approved a project to improve MacArthur, between Meridian and Seneca. The road will be widened to four lanes with left turn lanes and landscaped medians. The intersection of MacArthur and Meridian will be signalized with left turn lanes at all four approaches to the intersection. A new storm water sewer system will be built. To accommodate the project, right-of-way must be acquired from fifteen tracts of land.

The project requires the southern 10 feet of the whole parcel for road right-of-way. This proposed acquisition area consists of 900 square feet. Within the proposed area trees will be removed. The residence and its improvements are removed from the road and will not be impacted. The owner agreed to accept the appraised value of \$2,440, or \$0.60 per square foot.

A budget of \$2,890 is requested. This includes \$2,440 for the acquisition, \$450 for closing costs and title insurance. The funding source is General Obligation Bonds and Federal Grants administered by the Kansas Department of Transportation.

The acquisition of this parcel is necessary to ensure efficient infrastructure as this area is rapidly growing.

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The Law Department has approved the agreement as to form.

Motion--
--carried

Mayans moved that the agreement be approved and the necessary signatures authorized. Motion carried 7 to 0.

ORDINANCE

SECOND READING ORDINANCE: (FIRST READ NOVEMBER 28, 2006)

a) ZON2006-22 - located on the north side of Kellogg and east of Maize Road. (District V)

ORDINANCE NO. 47-305

An Ordinance changing the zoning classifications or districts of certain lands located in the City of Wichita, Kansas, under the authority granted by the Wichita-Sedgwick County Unified Zoning Code, Section V-C, as adopted by Section 28.04.010, as amended, read for the second time. Mayans moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gray, Martz, Schlapp, Skelton, and Mayans.

UNFINISHED BUSINESS

221 N. SPRUCE

REPAIR OR REMOVAL OF DANGEROUS AND UNSAFE STRUCTURES, 221 NORTH SPRUCE. (DISTRICT I) (CONTINUED FROM OCTOBER 3, 2006)

Kurt Schroeder

Office of Central Inspection reviewed the item.

Agenda Report No.06-1001a.

This property was before the Board of Code Standards and Appeals (BCSA) on August 2, 2006. No one appeared to represent the property, no repairs had been made to the property, and the BCSA recommended ten (10) days to start and an additional ten (10) days to complete demolition.

This case was before Council on October 3, 2006. No one appeared, and Council adopted a resolution allowing 10 days to start and 10 days to complete the demolition of the structure.

On October 17, 2006, Ms. Maria Mata, new owner of the property came to talk to staff. She had purchased the property about a month prior, and the previous owner had not informed her about the condemnation action pending against the property.

On November 7, 2006, staff met with Ms. Mata on site to explain the needed exterior repairs. Work was in progress, prepping for paint. Ms. Mata wishes to repair the property and occupy it as owner occupant.

Taxes: As of November 13, 2006, the 2005 and 2006 taxes were still delinquent in the amount of \$2,229.62, which includes special assessments for weed mowing and lot cleanup. Ms. Mata has made arrangements, with Sedgwick County, to pay the taxes.

Ms. Mata has been informed of the date and time of the hearing.

On January 24, 2006 the City Council adopted five (5) goals for the City of Wichita. These include: Provide a Safe and Secure Community, Promote Economic Vitality and Affordable, Ensure Efficient Infrastructure, Enhance Quality of Life, and Support a Dynamic Core Area and Vibrant Neighborhoods. This agenda item impacts the goal indicator to Support a Dynamic Core Area and Vibrant Neighborhoods. Dangerous building condemnation actions, including demolitions, remove blighting and unsafe buildings that are detrimental to Wichita neighborhoods.

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- Kurt Schroeder Office of Central Inspection stated that they have not paid all of their back taxes but have started payments with the County on installment type basis to catch up. Stated that the total amount for the back taxes is \$2,100.00 as of today. Stated that he has pulled a permit to repair the whole building and is indicating 90 days to get the exterior of the roof, porches, and those types of things completed.
- Council Member Brewer Council Member Brewer asked how long it is going to take to get the back taxes paid off.
- Juan Perez Mr. Perez stated that he will pay \$100.00 a month and plans on paying it off when he gets his tax return next year and will have the structure secured within 90 days. Stated that he and his family plan on moving into the property within six to nine months.
- Kurt Schroeder Office of Central Inspection stated Mr. Perez informed him that he thought he would have the new roof, porches fixed, foundation repaired in about 90 days or less. Stated that Staff's recommendation is to allow them 90 days and the exception would be the taxes being paid up to date but sounds like he can have that done in March or April of next year.
- Council Member Brewer Council Member Brewer stated that he does not have an issue with extending the 90 days to allow them to work on the exterior repairs but has a concern with the tax portion and asked Kurt Schroeder what the City has done in the past.
- Kurt Schroeder Office of Central Inspection stated that usually Council has asked for payment within 30-60 days and sometimes within the time extension granted.
- Council Member Brewer Council Member Brewer asked the Director of Law, how this would impact for establishing precedence as to what we have done in the past.
- Gary Rebenstorf Director of Law explained that the Council has the authority to waive it's rules and procedures and he feels that if you do that then you would have to make it understood that you are only doing it for this limited purpose and not as a waiver that would apply to all cases and that there are extenuating circumstances if that is the Council's opinion, which would be a basis to waive that rule for this particular case.
- Council Member Brewer Council Member Brewer asked Mr. Perez if he already owns a home.
- Juan Perez Mr. Perez stated yes and that he and his family are planning on living in this home and will sell the one that they are currently living in. Stated he already has the materials for the roof and for the porch.
- Council Member Brewer Council Member Brewer stated that this is out of normal procedure from what we normally do and thinks that this is a family that is going to move into the residence but he would like to make sure that we keep it so that the repairs are done on this particular property and that the back taxes are paid for. Asked the Mr. Perez if there is any way that he could increase the amount that he is paying each month to possibly \$200.00 a month.
- Juan Perez Mr. Perez stated yes.
- Council Member Fearey Council Member Fearey suggested that if we give him 90 days, we would get another update from OCI and would suggest that we give Mr. Perez 90 days and as long as he is getting the outside fixed up and still paying the \$100.00 a month, which must be okay with the County at this point.
- Kurt Schroeder Office of Central Inspection stated that he was told that the County has agreed to that and worked out this pay schedule with him. Explained that the policy says that if you grant 90 days and in his judgment if it is 75% complete, he can give incremental 30-day extensions to finish it up without coming back to the Council.

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Motion-- Brewer moved to extend for 90 days and that City Staff come back and give the Council a report in 90 days and that he continue to pay the taxes and attempt to pay \$200.00 a month to catch the taxes up and that Staff give the Council an update every 90 days to let us know where they are at and how the progress is going and Staff to continue to work with them as far as getting everything taken care of; and that the resolution be adopted. Motion carried 7 to 0.

-- carried

KAAM

CONSIDERATION OF REQUEST FROM KANSAS AFRICAN AMERICAN MUSEUM TO BEGIN NEGOTIATIONS FOR A LAND LEASE WITH CITY OF WICHITA. (DISTRICT VI)

Council Member Fearey Council Member Fearey reviewed the item and introduced Carolyn McGinn.

Agenda Report No. 06-1243

In 2005, the City Council entered into a one year Memorandum of Understanding (MOU) with the Kansas African American Museum (KAAM) with the intent to position the parties to eventually enter a long term lease agreement allowing the KAAM to build their new museum on City owned land adjacent to a Westar power station. The MOU required that plans for the building and approval from the Design Council be obtained for said plans.

The KAAM, by the date of this writing, has completed concept plans and drawings and will be submitting those to the Design Council for their review. Subject to major revisions requested by the Design Council, the KAAM will have substantially satisfied the requirements of the MOU within the one- year requirement.

There is no financial impact or consideration by the City.

This approval will positively impact the goal of improving the Quality of Life within the Wichita community.

The KAAM has made progress on satisfying the requirements of the MOU.

Carolyn McGinn Ms. McGinn stated that she is the current president of the Kansas African American Museum and will be presenting the requirements that the Council has asked them to do for the Memorandum of Understanding. Stated that she would like to introduce their architect, Sam Frey and have him go over the elements and components that he has incorporated in this museum and she will make some closing comments.

Sam Frey Mr. Frey stated that he is with Schaffer, Johnson, Cox, Frey Architecture and will present a new vision for the Kansas African American Museum, (KAAM) to be constructed on the east bank of the Little Arkansas River. Mr. Frey shared with the Council Members a slide presentation and gave an overview of the project.

Council Member Martz Council Member Martz stated that a traffic signal at Nims was mentioned during the presentation and that right now there is not a signal there and during most of the day, it handles the traffic flow and if you put a museum there, it will obviously create more traffic. Asked if they have talked with the City's traffic engineers to see if that would give enough warrant justifying a signal there and asked who would pay for it.

Sam Frey Mr. Frey stated that the access to the site is rather difficult and they are trying to be thoughtful about the movement of large truck traffic as traveling exhibits come and go. Stated they need to be able to accommodate the movement of that kind of traffic as well as just the vehicular traffic on and off the site in a safe manner. Stated that as far as who would pay for this would be subject to further consideration.

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- Carolyn McGinn Ms. McGinn stated that they are very excited about this project and asked the board members and Executive Director to stand at this time so that they could be recognize at this time. Stated that it is important that we preserve the museum for the future and in doing that, as they hammer out the details of this capital campaign, they looked at what we would need to do to preserve the future. Stated one thing that will be different that you have not seen in the past and they feel is important to move forward, is that they are going to be looking at a 30% endowment in this capital campaign, which will be used for operations and maintenance. Stated they feel that is responsible to our community and to our taxpayers. Stated that if they are going to build something as special as this, how do we preserve it for our future generations and they will also be looking at what types of furnishings they will be putting there, which are some variations of the 8 to 12 million dollar figure and they know it is always a challenge to raise money but feel like this is achievable and they are very excited about it. Stated that when you look at unique museums and facilities such as this, you have to look at how you can make it a revenue generator and if you look at the way they designed the lobby area, this facility can be secured in the lobby area so that they can rent out either the lecture hall the lobby or even the patio. Stated that they have a catering kitchen, which is something that can also be used as a revenue generator and they do not have to have someone staffing that everyday.
- Council Member Brewer Council Member Brewer stated that the illustrations that were presented today do nothing for the public that has not had a chance to see it. Stated that it is absolutely beautiful and that they were able to go back and capture the past and look for the future.
- Mayor Mayans Mayor Mayans encouraged each Council Member to have this presented to their DABs so that all of the areas in Wichita understand the plan and what it looks like and draw more enthusiasm and expand the base to the entire City and maybe there will be more people who will want to contribute to this project.
- Council Member Martz Council Member Martz stated that they have done an excellent job of putting this together and will be supporting this motion today.
- Motion-- Fearey moved that the City Council endorse the recommendations of the Design Council regarding the KAAM and further authorize staff to negotiate a lease agreement with KAAM for the construction of their museum as approved by City Council and that the five year requirement that the KAAM raise all funds and begin construction of said museum commence on December 13, 2006 and terminate on December 13, 2011. Motion carried 7 to 0.
- carried

NEW BUSINESS

COLEMAN CO.

PUBLIC HEARING AND ISSUANCE OF INDUSTRIAL REVENUE BONDS, THE COLEMAN COMPANY, INC. (DISTRICT I)

Allen Bell

Economic Development Administrator reviewed the item.

(Council Member Schlapp momentarily absent)

Agenda Report No. 06-1244

Between 1993 and 2004, the City Council has approved Letters of Intent to issue Industrial Revenue Bonds (IRBs) up to \$170 million to the Coleman Company, Inc. and has approved the issuance of \$151.8 million. Bonds were issued to finance the construction of a new corporate headquarters, the expansion of existing manufacturing facilities and the purchase of additional machinery and equipment for its manufacturing facilities in Wichita and Maize. In addition, the City Council also approved a 100% five-plus-five-year ad valorem tax exemption on all bond-financed property.

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On November 16, 2004, City Council approved a new Letter of Intent for a term ending December 31, 2007, in an amount not-to-exceed \$35,000,000. The bond proceeds will be used for the redesign of factory space and for the purchase of additional manufacturing equipment, primarily machinery, tooling and technological equipment at the existing Wichita and Maize facilities. The company is now requesting the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$5,500,000.

Pursuant to an existing Interlocal Cooperation Agreement between the City of Maize and the City of Wichita, the City of Wichita has the authority to issue Industrial Revenue Bonds in the amount not-to-exceed \$596,531 to finance 2006 capital expenditures at Coleman's facility in Maize.

In addition, on June 14, 2005, City Council reviewed the second five-year exemption for Coleman's 1999 Industrial Revenue Bonds and approved a one-year extension. On January 10, 2006, City Council approved a one-year extension of the tax exemption on the bond-financed property from their 2000 IRBs. Bonds issued in 2001 are also due for the five-year review of the property tax exemption. The Coleman Company is now requesting another one-year extension of the tax exemption on the 1999, 2000 and 2001 bond-financed property.

The Coleman Company, Inc. is engaged in the manufacturing and distribution of outdoor recreational products. The Company's principal products include a comprehensive line of pressurized lighting, cooling and heating appliances for camping and outdoor recreational use (such as Coleman lanterns and stoves), fuel-related products, including disposable propane-filled cylinders, a broad range of insulated food and beverage containers, portable electric lights, and other products for recreational use and do-it-yourself markets.

In early 2002, the Coleman Company began a series of steps to reestablish its worldwide headquarters in Wichita. The Wichita-based management team assumed direction of international operations in January 2002. Transition of corporate functions from Sunbeam's Florida office to Coleman's Wichita office is underway and will continue over the next few years. The Coleman Company employs 974 people at its Wichita facilities. The average salary for full time employees is \$44,880. Under current plans, the Company does not anticipate increases in employment.

The uses of bond proceeds are as follows:

Wichita Facilities	
Building Improvements	\$ 490,085
Manufacturing Equipment	<u>4,413,384</u>
Total	\$4,903,469

Maize Facility	
Building Improvements	\$ 95,033
Manufacturing Equipment	<u>501,498</u>
Total	\$596,531

Total Cost of Projects \$5,500,000

The City's bond counsel firm Kutak Rock, L.L.P. serves as bond counsel in the IRB transaction. The Coleman Company will purchase the bonds, and as a result the bonds will not be offered to the public. The Coleman Company has complied with the Standard Conditions contained in the City's IRB Policy. Wichita State University Center for Economic Development and Business Research performed a cost-benefit analysis, resulting in the following benefit-cost ratios is as follows:

City	1.02 to one
County	1.14 to one
USD 259	1.00 to one
State	3.34 to one

CITY COUNCIL PROCEEDINGS

As a condition of the bond issue and tax exemption, Coleman committed to: construct a new corporate headquarters, expand existing manufacturing facilities, and purchase machinery and equipment, with a total investment amount of \$33,000,000 between years 1999 and 2001; and create 200 new jobs within five years of the bond issue.

A measure of Coleman's initial five-year project commitments and outcomes are as follows:

1999, 2000 & 2001 Commitment December 31, 2006 Status

- | | |
|---|--|
| · Construct new building addition | Completed new building additions totaling approximately \$23,000,000 |
| · Purchase Manufacturing Equipment: | Purchased equipment worth over \$10,000,000 |
| · Create 200 new jobs in five years: | No jobs were created |

Coleman has fallen short of its projection and has significantly downsized its workforce. Coleman has recently undergone an extensive corporate restructuring, following acquisition of Coleman's parent company by Jarden Corporation. The corporate headquarters of the Coleman Company was recently moved back to Wichita from Chicago, and the new company leadership plans to stabilize employment levels at the Wichita plant by consolidating operations from other locations. However, the company does not anticipate a significant increase in employment levels.

The Coleman Company, Inc. agrees to pay all costs of issuing the bonds and agrees to pay the City's \$2,500 annual IRB administrative fee for the term of the bonds. Under the City's new Economic Development Incentive Policy, City Council approved of a 100% five-plus-five-year tax exemption on property purchased with bond proceeds, based solely on Coleman's commitment to make capital investments of at least \$35 million over a 4-year period. In addition, bond-financed purchases are exempt for state and local sales tax.

The estimated first year's taxes on Coleman's proposed \$4,903,469 expansion in Wichita would be \$13,900, on real property improvements and \$107,280 on personal property, based on the 2005 mill levy. Using the allowable tax exemption of 100 percent, the City would be exempting (for the first year) \$121,181 of new taxes from the real and personal property tax rolls. The tax exemption would be shared among the taxing entities as follows: City - \$34,070; County/State - \$32,318; and USD 259 - \$54,793.

Economic Vitality and Affordable Living. Granting an ad valorem property tax exemption and sales tax exemption will encourage the business to create new job opportunities, retain existing jobs and stimulate economic growth for the City of Wichita and Sedgwick County.

The City's bond counsel has prepared Bond documents needed for the issuance of bonds. The City Attorney's office will review and approve the final form of bond documents prior to the issuance of any bonds.

In addition to authorizing the issuance of the Series 2005 Industrial Revenue Bonds, the bond ordinance also authorizes the release of property financed by Series XII, 1995 Bonds from the lien of the 1995 Bond Indenture and the conveyance of said property to Coleman upon receipt of certification by the 6Bond Trustee that no Series 1995 Bonds remain outstanding.

Mayor Mayans

Mayor Mayans inquired whether anyone wished to be heard and no one appeared.

Motion--

Brewer moved that the public hearing be closed; the Bond Ordinance authorizing the execution and delivery of documents for the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$5,500,000 be adopted; release and convey the 1995 Coleman bond-financed property; extend the tax exemption on the 1999, 2000 and 2001 IRB bond-financed property for a one-year period and review the further extensions at the end of year 2007, and authorize the necessary signatures. Motion carried 7 to 0.

--carried

CITY COUNCIL PROCEEDINGS

ORDINANCE

An ordinance authorizing the City of Wichita, Kansas, to issue its Taxable Industrial Revenue Bonds, Series VII, 2006 (The Coleman Company, Inc.), in the aggregate principal amount of not to exceed \$5,500,000 for the purpose of providing funds to purchase, acquire, construct and equip improvements and additions to certain existing facilities located in the City of Maize, Kansas and the City of Wichita, Kansas; prescribing the form and authorizing execution of a twelfth supplemental trust indenture by and between the city and the Bank of New York Trust Company, N.A., as trustee, with respect to the bonds; prescribing the form and authorizing execution of a twelfth supplemental lease agreement by and between the City and the Coleman Company, Inc.; approving the form of a guaranty agreement; authorizing the execution of a bond purchase agreement by and between the City and the Coleman Company, Inc., as purchaser of the bonds; and authorizing execution of a bill of sale, introduced and under the rules laid over.

CESSNA

PUBLIC HEARING AND ISSUANCE OF INDUSTRIAL REVENUE BONDS, CESSNA AIRCRAFT COMPANY. (DISTRICTS III AND IV)

Allen Bell

Economic Development Administrator reviewed the item.

(Skelton momentarily absent)

Agenda Report No. 06-1245

Since 1991, the City Council has approved Letters of Intent for Industrial Revenue Bonds totaling a not-to-exceed principal amount of \$1.2 billion to finance expansion and modernization of Cessna Aircraft Company facilities in Wichita. Along with the letters of intent, the Council approved a five-plus-five-year 100% ad valorem tax exemption for all Cessna property financed with bond proceeds. Since 1991, approximately \$963 million IRBs were issued to Cessna.

On June 8, 1999, City Council approved a Letter of Intent for Industrial Revenue Bonds in an amount not-to-exceed \$600 million. On December 2, 2003; the City Council approved a two-year extension of its 1999 Letter of Intent. The Letter of Intent expired June 8, 2006. On November 14, 2006, City Council approved reinstatement of the 1999 Letter of Intent for the period June 8, 2006 to December 31, 2006, under which \$166,710,000 remain unissued. In addition, City Council also approved a new five-year Letter of Intent for IRBs in the amount not-to-exceed \$800,000,000. Cessna is requesting the issuance of IRBs at this time, in the amount of \$99,000,000.

Cessna Aircraft Company was incorporated in 1927 to manufacture and sell aircraft. Cessna Aircraft Company is the world's largest manufacturer of general aviation aircraft. Cessna also manufactures aircraft parts and accessories and provides aircraft maintenance and support services. Cessna currently has four major product lines: Citation business jets, single engine turboprop Caravans, Cessna single engine piston aircraft and aftermarket services. The family of business jets currently produced by Cessna includes the Citation CJ1, Citation CJ1+, Citation CJ2, Citation CJ3, Citation Bravo, Citation Encore, Citation XLS, Citation Sovereign and Citation X.

Bond proceeds will be utilized to finance expansion and upgrading of facilities located at the Cessna Wichita facilities, including technology and manufacturing equipment to accommodate increased personnel and space required to develop and manufacture the four business jet aircraft produced in Wichita.

An analysis of the uses of project funds is:

Building Improvements	\$ 1,700,000
Machinery and Equipment	14,700,000
Furniture and fixtures	950,000
Tooling	<u>81,650,000</u>
Total Cost of Project	\$ 99,000,000

CITY COUNCIL PROCEEDINGS

Business machinery and equipment is no longer subject to ad valorem taxation in the State of Kansas. However, Cessna understands that the M&E tax exemption does not apply to production tooling that is fabricated in-house. Bond proceeds will therefore be used to finance the cost tooling and not machinery and equipment.

The firm of Kutak Rock LLP, serves as bond counsel in the transaction. The taxable Bonds will be purchased by Cessna, and as a result bonds will not be offered to the public. Cessna Aircraft Company has complied with the Standard Letter of Intent Conditions.

Cessna Aircraft Company agrees to pay all costs of issuing the bonds and agrees to pay the City's \$2,500 annual IRB administrative fee for the term of the bonds. Under the City's Economic Development Incentive policy, the Company qualifies for a 100% five-plus-five-year tax exemption on property purchased with bond proceeds.

The estimated first year's taxes on Cessna's property financed 2006 bond issue would be \$48,218 on real property improvements, and \$380,419 on personal property based on the 2005 mill levy. Using the allowable tax exemption of 100 percent, the City would be exempting an annual maximum of \$482,638 in new taxes from the real and personal property tax rolls. The tax exemption would be shared among the taxing entities as follows: City - \$120,511; County/State - \$114,315; and USD 259 - \$193,812. In addition, the project will qualify for a sales tax exemption on bond-financed purchases relating to building improvements. The estimated amount of exempted sales taxes is \$62,050, including \$45,050 state sales tax and \$17,000 county sales tax.

The cost/benefit analysis based on the fiscal and economic impact model of the Wichita State University's Center for Economic Development and Business Research reflects cost/benefit ratios as follows:

City	1.49 to one
County	1.20 to one
USD 259	1.15 to one
State	3.61 to one

Economic Vitality and Affordable Living. Granting an ad valorem property tax exemption and sales tax exemption will stimulate economic growth for the City of Wichita and Sedgwick County.

The City's bond counsel has prepared Bond documents needed for the issuance of bonds. The City Attorney's Office has reviewed and approved the form of bond documents prior to the issuance of any bonds.

Mayor Mayans

Mayor Mayans inquired whether anyone wished to be heard.

Karl Peterjohn

Mr. Peterjohn stated that he is with Kansas Taxpayers Network and that he has concerns with Cessna seeking this IRB and tax abatement and provided written testimony for the Council Members. Stated that he would like to point out a couple of concerns that he has, which is that we have a company that is making this request and they have significantly a lower level of employment today then they had in 2000. Stated that they are in an upturn and the employment today is moving up. Stated when you are looking at doing what is best for this community and for areas where there is growth, the fact that we have a company that is in relative decline to what they had been is significant and the fact that if a \$99 million dollar issuance over five years and fully abated, the City's share of that is about \$4 million dollars. Stated that he feels it is very important that a company like Cessna that made according to their 2005 annual report, \$457 million dollars and supports higher property taxes, that you have this relevant information before you make the important decision in front of you today.

Motion--

Skelton moved that the public hearing be closed; the Bond Ordinance authorizing the execution and delivery of documents for the issuance of Taxable Industrial Revenue Bonds in an amount not-to-exceed \$99,000,000 placed on first reading and the necessary signatures authorized. Motion carried 7 to 0.

--carried

CITY COUNCIL PROCEEDINGS

ORDINANCE

An Ordinance authorizing the City of Wichita, Kansas, to issue its Taxable Industrial Revenue Bonds, Series VIII, 2006 (Cessna Aircraft Company), in the original aggregate principal amount of not to exceed \$99,000,000 for the purpose of purchasing, acquiring, constructing and installing an industrial and commercial facility; authorizing execution of a sixteenth supplemental trust indenture by and between the City and the Bank of New York Trust Company, N.A., St. Louis, Missouri, as trustee with respect to the Series VIII, 2006 bonds; authorizing the city to lease said project to Cessna Aircraft Company; authorizing the execution of a sixteenth supplemental lease by and between the City and Cessna Aircraft Company; authorizing the execution of a bond purchase agreement by and between the City and Cessna Aircraft Company, as purchaser of the bonds; and authorizing execution of a bill of sale, termination and release of fifth supplemental lease and cancellation, discharge and release of fifth supplemental trust indenture, introduced and under the rules laid over.

BOMBARDIER

PUBLIC HEARING AND ISSUANCE OF INDUSTRIAL REVENUE BONDS, BOMBARDIER LEARJET. (DISTRICTS IV AND V)

Allen Bell

Economic Development Administrator reviewed the item.

Agenda Report No.06-1246

On September 10, 1996, the City Council approved a five-year Letter of Intent for Industrial Revenue Bonds in an amount not-to-exceed \$86 million, issued to Bombardier Learjet to finance expansion and modernization of its aircraft manufacturing plant located at Mid-Continent Airport in west Wichita. Council also approved a ten-year 100% ad valorem property tax exemption on all bond-financed property. On November 20, 2001, the City Council extended the Letter of Intent for an additional three-years until December 31, 2004. On December 14, 2004, City Council approved an extension of the 2001 Letter of Intent for an additional two-years until December 31, 2006.

Under authority of the 1996 Letter of Intent, the City Council has authorized issuance of Industrial Revenue Bonds to Bombardier Learjet a total of approximately \$83.5 million in IRBs between 1996 and 2005. The company is requesting City Council to issue Industrial Revenue Bonds in the amount not-to-exceed \$2,569,247 to finance its capital investments for the year 2006.

Proceeds from the sale of the 2006 bond issue will be used for the purpose of purchasing, acquiring, constructing, and equipping improvements and additions to existing facilities. Bond proceeds continue to be used to finance the expansion and upgrading of facilities accommodating increased personnel and space required to develop and produce all models of Bombardier's Learjet business jet aircraft.

Bond proceeds are estimated to be used as follows:

Leasehold Improvements	\$2,164,400
Machinery and Equipment	<u>404,847</u>
Total Cost of Project	\$2,569,247

The law firm of Kutak Rock, LLP serves as bond counsel in the transaction. Learjet Inc. will purchase the bonds, and as a result bonds will not be offered to the public. Bombardier Learjet has complied with the Standard Conditions contained in the City's IRB Policy.

Wichita State University Center for Economic Development and Business Research performed a cost-benefit analysis relating to property tax exemption, the resulting benefit-cost ratios are as follow:

City	2.44 to one
County	1.23 to one
USD 259	1.00 to one
State	5.44 to one

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Bombardier Learjet agrees to pay all costs of issuing the bonds and agrees to pay the City's \$2,500 annual IRB administrative fee for the term of the bonds. The City Council has approved a 100% tax abatement of ad valorem property taxes on the expansion project. Bond-financed purchases will also be exempt from state and local sales tax.

The estimated first year's taxes on Learjet's proposed \$2,569,247 expansion would be \$72,874, on real property improvements and \$9,841 on personal property, based on the 2005 mill levy. Using the allowable tax exemption of 100 percent, the City would be exempting (for the first year) \$82,715 of new taxes from the real and personal property tax rolls. The tax exemption would be shared among the taxing entities as follows: City - \$23,255; County/State - \$22,059; and USD 259 - \$37,401.

Economic Vitality and Affordable Living. Granting an ad valorem property tax exemption and sales tax exemption will encourage the business to create new job opportunities and stimulate economic growth for the City of Wichita and Sedgwick County.

Bond documents have been prepared by bond counsel for the project. The City Attorney's office will review and approve the final form of bond documents prior to the issuance of any bonds.

Mayor Mayans

Mayor Mayans inquired whether anyone wished to be heard and no one appeared.

Motion--

Gray moved that the public hearing, be closed; the Bond Ordinance authorizing the execution and delivery of documents for the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$2,569,247 placed on first reading and the necessary signatures. Motion carried 7 to 0.

--carried

ORDINANCE

An Ordinance authorizing the City of Wichita, Kansas, to issue its Taxable Industrial Revenue Bonds in the original aggregate principal amount not to exceed \$2,569,247 for the purpose of providing funds to purchase, acquire, construct, install and equip certain improvements and additions to existing facilities located in the City of Wichita, Kansas; prescribing the form and authorizing execution of an eleventh supplemental trust indenture by and between the City and the Bank of New York Trust Company, N.A., St. Louis, Missouri (the "trustee"), as trustee with respect to the bonds; prescribing the form and authorizing the execution of an eleventh supplemental lease by and between Learjet Inc. and the City; approving the form of a guaranty agreement; and authorizing the execution of a bond purchase agreement by and between the City and Learjet Inc., as purchaser of the bonds, introduced and under the rules laid over.

ENVISION

PUBLIC HEARING AND ISSUANCE OF INTENT FOR INDUSTRIAL REVENUE BONDS, ENVISION, INC. (DISTRICT III)

Allen Bell

Economic Development Administrator reviewed the item.

Agenda Report No.06-1247

On November 17, 1998, the City Council approved a Letter of Intent for Industrial Revenue Bonds in an amount of \$6 million to Envision, Inc. The funds were used for the acquisition of 10.5 acres of land at Pawnee and Water and the construction of a new training and employment facility designed specifically for people with low vision or no vision. Between 1999 and 2001 the City has issued bonds in the full amount of the 1998 Letter of Intent. On February 4, 2003, City Council approved the issuance of Industrial Revenue Refunding Bonds in the amount of \$3,035,000, to refinance outstanding debt.

On October 17, 2006, City Council approved a Letter of Intent to issue tax-exempt Industrial Revenue Bonds in the amount not-to-exceed of \$5,000,000, to finance a major expansion in downtown Wichita. City Council also approved staff's recommendation to select Gilmore & Bell as Bond Council. Envision, Inc. is requesting the issuance of IRBs at this time, in the amount not-to-exceed \$2,700,000.

CITY COUNCIL PROCEEDINGS

Envision, Inc. (Envision) is a not-for-profit firm with the special mission of providing jobs for people with blindness and other disabilities. Envision also provides job training, job placement and rehabilitation services. Envision was organized in 1931. Its staff includes specialists in the field of blindness who teach the blind basic life skills such as public transportation, use of assistive technology, and personal/social skills. Envision employs and provides service for persons who are blind, have low vision, blind and developmentally disabled or deaf/blind.

The Wichita facility at 2301 South Water serves as corporate headquarters and a manufacturing plant for a variety of products including: paper towels, seal-closure plastic bags, t-shirt plastic bags, specialty bags, plastic sheeting, high visibility belts, gun slings, and gun sling adapter kits (for U.S. Department of Defense). These products are manufactured by individuals who are blind or developmentally disabled and may otherwise not be mainstreamed into the Wichita community. Envision also has facilities in Pittsburg, KS and Kansas City.

The proposed expansion includes acquisition and refurbishment of an existing facility in downtown Wichita. Envision plans to acquire the Eby Construction building located at 610 N. Main and to convert the building into a vision rehabilitation clinic. Envision is currently providing vision rehabilitation services at their facility on South Water. By moving their clinic to 601 N. Main, Envision will expand this service and hire additional optometrists and other vision rehabilitation professionals that are specifically trained and certified to handle low vision assessments and services.

Tax-exempt bond proceeds will be used to finance all but one floor of the Eby building. One floor, financed privately, will be split into a separate condominium and leased back to Eby Construction.

An analysis of the estimated sources and uses of project funds is:

USES OF FUNDS

Phase 1:

Property acquisition	\$2,700,000
Estimated Cost of Phase 1 Bond Issue:	2,700,000

The firm of Gilmore & Bell, P.C. serves as bond counsel in the transaction. GE Capital Public Finance, Inc. will purchase the bonds to hold as an investment, and as a result the bonds will not be offered to the public. The Company agrees to comply with the City's requirement contained in the Letter of Intent.

Envision agrees to pay all costs of issuing the bonds and agrees to pay the City's \$2,500 annual IRB administrative service fee for the term of the bonds. Envision is not requesting a tax exemption in connection with issuance of IRBs.

The Economic Vitality and Quality of Life of the community is being enhanced with the improvement of quality rehabilitation services delivered.

Bond documents and a form of Bond Counsel engagement letter needed for the issuance of the bonds have been prepared by bond counsel. The City's Law Department will review and approve all final bond documents prior to the issuance of the bonds.

Mayor Mayans

Mayor Mayans inquired whether anyone wished to be heard and no one appeared.

Motion--

Skelton moved that the public hearing, be closed; the Bond Ordinance authorizing the execution and delivery of documents for the issuance of tax-exempt Industrial Revenue Bonds in an amount not-to-exceed \$2,700,000 placed on first reading and the necessary signatures authorized. Motion carried 7 to 0.

--carried

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ORDINANCE

An Ordinance authorizing the City of Wichita, Kansas to issue its Industrial Revenue Bond, Series V, 2006 (Envision, Inc.) in the principal amount of \$2,700,000 for the purpose of acquiring the first four stories of an existing commercial building facility; authorizing execution of a trust indenture by and between the City and UMB Bank, N.A., Kansas City, Missouri, as trustee; authorizing the City to lease such facility to envision, inc. and authorizing execution of a lease between said City and Envision, Inc.; authorizing execution of a tax compliance agreement between the City, Envision, Inc. and UMB Bank, N.A.; approving the form of a guaranty agreement by and between Envision Xpress, Inc., as guarantor, and GE Capital Public Finance, Inc.; authorizing the execution of a bond purchase agreement for the bonds by and between the City, Envision, Inc. and GE Capital Public Finance, Inc., as purchaser of the bonds; and authorizing the execution of additional documents necessary or desirable to effect the transaction contemplated hereby, introduced and under the rules laid over.

LEE REAL EST.

PUBLIC HEARING AND ISSUANCE OF INDUSTRIAL REVENUE BONDS, LEE REAL ESTATE, LLC. (DISTRICT II)

Allen Bell

Economic Development Administrator reviewed the item.

Agenda Report No. 06-1248

On March 16, 1999, the City Council approved the issuance of Industrial Revenue Bonds in an amount of \$3.5 million and a five-plus-five year 100% tax exemption on bond-financed property to Lee Aerospace, Inc. Proceeds from the bond issue were used to acquire property and construct a new facility including 30,000 s.f. for manufacturing space and 8,000 s.f. for office space. On December 2, 2003, City Council approved the issuance of Industrial Revenue Bonds in an amount of \$1.2 million and a five-plus-five year 100% tax exemption to Lee Aerospace.

On June 20, 2006, City Council approved a Letter of Intent for Industrial Revenue Bonds in the amount not-to-exceed \$2,500,000, and also approved a 100% tax exemption on bond-financed property for a five-plus-five year term. On August 15, 2006, City Council approved of an amendment of the Letter of Intent to change the name from Lee Aerospace, Inc. to Lee Real Estate, LLC. as originally intended. Lee Real Estate, LLC (Lee Real Estate) is requesting the issuance of IRBs at this time, in the amount of \$2,500,000. Lee Real Estate will sublease the project to Triumph Aerospace Systems-Wichita, Inc. In addition, the existing Letter of Intent expires on December 20, 2006, and the company request that the Letter of Intent be extended to December 31, 2006.

Lee Aerospace, Inc., located at 9323 E. 34th Street North in northeast Wichita, is a local corporation founded in 1989. Lee Aerospace is a leading manufacturer of unheated windshields, cockpit side windows, cabin windows, wing leading edge and spar assemblies, control wheels, and sun visor assemblies for the general aviation and corporate jet market. Primary customers are Boeing, Raytheon, Cessna, Spirit AeroSystems, and Bombardier Learjet.

Lee Aerospace was acquired in 1999 by The Triumph Group, an aerospace conglomerate with headquarters in Wayne, Pennsylvania and over 30 affiliates nationwide. The association with The Triumph Group has provided Lee Aerospace with the opportunity to expand and diversify its product line and to expand its role as an out-sourcing supplier to the aviation industry.

Lee Aerospace has the capabilities to design, develop, test, and manufacture aircraft windows and sheet metal sub-assemblies. Designs can be produced from concept to production in virtually any size configuration of single-ply or multi-ply flat, curved or compound contoured aircraft windows. Lee Aerospace brings a unique service to the aircraft industry that has been a vital part of the Wichita community for the past several years.

CITY COUNCIL PROCEEDINGS

Bond proceeds will be used to construct a new facility including 40,000 s.f. for manufacturing space on land already owned by an entity related to the company. Triumph Aerospace System currently employs 115 people and plans to add 50 new jobs over a five-year period, at an average wage of \$35,650 per year.

An analysis of the uses of project funds is:

Building and Improvements	\$2,450,000
Landscape	<u>50,000</u>
Total Cost of Project	\$2,500,000

The firm of Kutak Rock LLP, serves as bond counsel in the transaction. The Bonds will be privately placed with the company's principal bank. Lee Real Estate has complied with the Standard Letter of Intent Conditions.

Lee Real Estate agrees to pay all costs of issuing the bonds and agrees to pay the City's \$2,500 annual IRB administrative fee for the term of the bonds. Under the City's Economic Development Incentive Policy, the Company qualifies for a 100% five-plus-five-year tax exemption on property purchased with bond proceeds.

The estimated first year's taxes on Lee Real Estate's proposed \$2,500,000 expansion would be \$70,910, on real property improvements, based on the 2005 mill levy. Using the allowable tax exemption of 100 percent, the City would be exempting (for the first year) \$70,910 of new taxes from the real property tax rolls. The tax exemption would be shared among the taxing entities as follows: City - \$19,936; County/State - \$18,911; and USD 375 - \$32,063.

In addition, the project will qualify for a sales tax exemption on bond-financed purchases. The estimated amount of exempted sales taxes is \$91,250, including \$78,750 state sales tax and \$12,500 county sales tax.

The cost/benefit analysis based on the fiscal and economic impact model of the Wichita State University's Center for Economic Development and Business Research reflects cost/benefit ratios as follows:

City of Wichita	1.95 to one
Sedgwick County	1.33 to one
USD 375	1.00 to one
State of Kansas	7.77 to one

Economic Vitality and Affordable Living. Granting an ad valorem property tax exemption and sale tax exemption will encourage the business to create new job opportunities and stimulate economic growth for the City of Wichita and Sedgwick County.

The City's bond counsel has prepared Bond documents needed for the issuance of bonds. The City Attorney's Office will review and approve the form of bond documents prior to the issuance of any bonds.

Mayor Mayans

Mayor Mayans inquired whether anyone wished to be heard and no one appeared.

Motion--

Schlapp moved that the public hearing be closed; the Bond Ordinance authorizing the execution and delivery of documents for the issuance of Industrial Revenue Bonds in an amount of \$2,500,000 placed on first reading; the Letter of Intent to December 31, 2006 extended and the necessary signatures authorized. Motion carried 7 to 0.

--carried

CITY COUNCIL PROCEEDINGS

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ORDINANCE

An Ordinance authorizing the City of Wichita, Kansas to issue its Industrial Revenue Bonds, Series X, 2006 (Lee Real Estate, LLC), in the aggregate principal amount of \$2,500,000 for the purpose of acquiring a manufacturing facility; and authorizing the execution of certain documents in connection with the issuance of the bonds, introduced and under the rules laid over.

OLD TOWN CTYARD. PUBLIC HEARING AND ISSUANCE OF INDUSTRIAL REVENUE BONDS, OLD TOWN COURTYARD BY MARRIOTT HOTEL PROJECT. (DISTRICT VI)

Allen Bell

Economic Development Administrator reviewed the item.

Agenda Report No. 06-1249

On May 3, 2005, City Council approved a Letter of Intent to issue Industrial Revenue Bonds (IRBs) in the amount not-to-exceed \$12,000,000 to Old Town Lodging, LLC to finance the conversion of a warehouse in Old Town into a Courtyard by Marriott Hotel. City Council also approved a 100% property tax abatement on all bond-financed property for an initial five-year term, plus a second five years based on Council review and approval, subject to an annual payment-in-lieu-of taxes in the amount of \$45,000 less actual taxes paid. In addition, City Council approved the use of the Façade Improvement Program up to the amount of \$1.5 million. On October 18, 2005, City Council approved an amendment to the Letter of Intent for IRBs to increase the not-to-exceed amount by an additional \$3,000,000. Construction is now nearly complete and Old Town Lodging is requesting the issuance of IRBs at this time, in the amount not-to-exceed \$15,000,000.

Old Town Lodging LLC is a single-asset business entity formed by local hotel developer Jim Korroch, to develop, own and operate the new Courtyard by Marriott Hotel at 820 E. Second Street. Old Town Lodging has renovated the two-story former Printing Inc. warehouse and added three additional stories to create a hotel with 129 guest rooms, a restaurant/coffee shop, meeting rooms, a fitness center and a large atrium area. The hotel property also includes a surface parking lot across Mosley Avenue to the east, a parking area immediately north of the hotel building and a remote parking lot at Third Street and Mosley. Hotel operations, including the restaurant/coffee shop, are currently expected to create 60 new jobs.

The IRBs are being issued in two separate series in an aggregate amount not-to-exceed \$15 million. A first series of senior lien bonds will be issued in the amount not-to-exceed \$13,250,000 and purchased by Old Town Lodging LLC with funds borrowed from local banks. A second series of subordinated bonds, in the amount not-to-exceed \$1,750,000 will be purchased by the developers as part of the equity contribution to the project. IRBs are being used to finance all “brick and mortar” costs (other than the facade work) to maximize the prospects that the financed property will qualify for property and sales tax abatements.

The Courtyard Hotel Project is located within the Old Town Cinema Redevelopment District and the project will add significantly to the redevelopment district’s tax base. However, since the property is located outside of the Old Town Cinema “project area” it is eligible for property tax abatement if financed by IRBs. To ensure that the project makes a meaningful contribution to the Old Town Cinema TIF, the developer will make annual payments-in-lieu-of-taxes of \$45,000 (less any taxes actually paid) for as long as the tax abatement remains in place. Current annual ad valorem taxes on the property are approximately \$11,000. The developer estimates that real estate taxes would be approximately \$114,000 when the hotel is fully “ramped-up.” The term of the property tax abatement and PILOT will be five years, plus a second five years subject to City Council review and approval.

CITY COUNCIL PROCEEDINGS

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The Company has complied with the City's requirements contained in the Letter of Intent. The cost/benefit analysis based on the fiscal and economic impact model of the Wichita State University's Center for Economic Development and Business Research reflects cost/benefit ratios as follows:

City of Wichita	2.13
Sedgwick County	1.41
USD 259	1.14
State of Kansas	4.52

Old Town Lodging, LLC agrees to pay all costs of issuing the bonds and agrees to pay the City's \$2,500 annual IRB administrative fee for the term of the bonds. The estimated taxes on exempted property for the first full year is approximately \$114,000 in real estate taxes and \$30,000 for personal property. In lieu of taxes, the property owner will pay the City \$45,000 per year, which the City by law must remit to the County Treasurer for distribution to the City, County and USD 259. Most of the PILOT payment will be returned to the City as part of the TIF distribution for the Old Town Cinema District.

Goal Impact: Economic Vitality and Quality of Life. Granting an ad valorem property tax exemption and sales tax exemption will support the development of new hotel properties in the downtown area.

Bond documents have been drafted by the City's outside bond counsel and will be reviewed and approved as to form by the Law Department prior to the issuance of any bonds. Bond documents will incorporate the clawback requirements in the City's new Economic Development Incentive Policy.

- Council Member Skelton Council Member Skelton asked if all hotels in the City are subject to these types of incentives.
- Allen Bell Economic Development Administrator stated that all the projects that they have participated in have been not just in Old Town but the downtown area.
- Council Member Skelton Council Member Skelton asked if all potential hotels would qualify for these types of incentives in the City of Wichita.
- Allen Bell Economic Development Administrator stated that this would be something that the City Council would need to consider on a case-by-case basis. Stated that in 1991, a policy called the Downtown Hotel Incentive Policy was passed, in which it laid out a number of incentives and made the general statement that it would support through these incentives, the development of hotel rooms in the downtown area. Stated that it is not the general policy of the City to assist the development of hotels in the City of Wichita and it has been traditionally the policy of the City to assist hotels in the downtown area and if other hotels were to come forward, they would look at them and determine whether there were special circumstances warranted referral to the City Council for consideration and make their recommendation based on those special circumstances.
- George Kolb City Manager stated that it also depends on the area that the business is located in and he believes this is in a neighborhood redevelopment area through the use of Tax Increment Financing and because of that they would consider any business that would qualify for incentives in that area to come forward.
- Mayor Mayans Mayor Mayans inquired whether anyone wished to be heard and no one appeared.
- Motion -- Fearey moved that the public hearing be closed; the Bond Ordinance authorizing the execution and delivery of documents for the issuance of Industrial Revenue Bonds for Old Town Lodging LLC in the amount not-to-exceed \$15,000,000 placed on first reading and the necessary signatures be authorized.
- carried Motion carried 6 to 1, (Skelton, no).

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ORDINANCE

An Ordinance of the City of Wichita, Kansas, authorizing the issuance of Taxable Industrial Revenue Bonds, Series VI-A, 2006 (Old Town Lodging, LLC) in the aggregate principal amount of not to exceed \$13,250,000 and its subordinated Taxable Industrial Revenue Bonds, Series VI-B, 2006 (Old Town Lodging, Inc.) in the aggregate principal amount of not to exceed \$1,750,000 for the purpose of acquiring, improving, equipping, furnishing, repairing and renovating an existing building for use as a courtyard by Marriott Hotel; prescribing the form and authorizing execution of a trust indenture by and between the City and UMB Bank, N.A., Kansas City, Missouri, as trustee with respect to the bonds; prescribing the form and authorizing the execution of a lease by and between the City and Old Town Lodging, LLC; approving the form of a guaranty agreement; authorizing the execution of a bond purchase agreement by and among the City, Old Town Lodging, LLC, and Nationwide Life Insurance Company, as purchaser of the Series VI-A, 2006 Bonds; and the execution of a bond purchase agreement by and between the City and Old Town Lodging, LLC, as purchaser of the Series VI-B, 2006 Bonds, introduced and under the rules laid over.

INVISTA

APPROVAL OF FORGIVABLE LOAN ADDENDUM FOR INVISTA. (DISTRICT D)

Allen Bell

Economic Development Administrator reviewed the item.

Agenda Report No. 06-1250

In 2004, the City of Wichita, Sedgwick County and the State of Kansas provided a package of economic development incentives that resulted in the relocation to Wichita of the global headquarters of Invista, a major subsidiary of Dupont that had recently been acquired by Koch Industries. The City's incentive to Invista included a forgivable loan in the amount of \$740,000. The relocation of Invista's headquarters will result in the creation of at least 206 jobs over a 5-year period at average salaries of at least \$105,000.

In early 2006, Invista informed the Greater Wichita Economic Development Coalition that it was planning to consolidate all legal and accounting functions from of its various divisions into one centralized location and was considering Wichita along with other locations for this move. GWEDC coordinated an incentive proposal that included forgivable loans from the State of Kansas, Sedgwick County and the City of Wichita, subject to necessary approvals. Invista ultimately selected Wichita for the consolidation of professional services, with a commitment to add at least 60 new jobs at an average annual cash compensation of at least \$80,000.

INVISTA is a global integrated fiber and intermediates business with a presence in 50 countries. It is comprised of six divisions: Apparel; Performance Fibers; Interiors; Intermediates; Polymer and Resins; and Textile Fibers. Invista products are marketed worldwide under well-known names such as LYCRA®, STAINMASTER®, ANTRON®, POLARGUARD®, COOLMAX®, THERMOLITE®, AVORA®FR, CORDURA®, SUPPLEX®, TACTEL®, ESP® and TEFLON®. Headquarters of the Invista divisions are in Wilmington, DE, Atlanta GA and Charlotte NC.

The forgivable loans offered by the City and County is in the amounts of \$125,000 each. The State of Kansas offered cash incentives totaling \$170,000. The incentives will be used to build-out and equip office space for the consolidated positions at Invista's global headquarters facility at 4123 E. 37th Street North and other costs associated with the consolidation.

Invista has asked the City, County and State to incorporate the terms and conditions of the new forgivable loans into the original loan agreements, in order to simplify their monitoring, bookkeeping and compliance reporting requirements. The result is the Addendum to the Forgivable Loan Agreement and Promissory Note. The addendum adds two years to the term of the 2004 forgivable loan, out to 2011, and adds 60 jobs to the job creation requirement. The average wages have been blended between the two loans, which results in an average annual cash compensation of \$99,395. All other terms and conditions of the 2004 forgivable loan remain unchanged.

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The forgivable loan to Invista will be paid by funds budgeted in the City's Economic Development Fund, that were appropriated for cash incentives.

Economic Vitality. This economic development incentive will contribute to the diversification of the area economy and stimulate the economy through the creation of high-paying jobs.

The draft Addendum to Forgivable Loan Agreement and Promissory Note and the authorizing ordinance have been approved as to form by the City's Department of Law.

Mayor Mayans

Mayor Mayans inquired whether anyone wished to be heard and no one appeared.

Motion--
--carried

Brewer moved that the Addendum to the Invista Forgivable Loan Agreement be approved and the Ordinance placed on first reading. Motion carried 7 to 0.

ORDINANCE

An Ordinance of the City of Wichita, Kansas, authorizing prescribing the form and authorizing the execution of a forgivable loan agreement addendum by and between Invista S.A.R.L. and the City of Wichita, Kansas, introduced and under the rules laid over.

SWIFT-COR

APPROVAL OF FORGIVABLE LOAN ADDENDUM FOR SWIFT-COR AEROSPACE, INC. (DISTRICT IV)

Allen Bell

Economic Development Administrator reviewed the item.

(Martz momentarily absent)

Agenda Report No. 06-1251

Swift-Cor Aerospace is an aviation manufacturing business headquartered in Gardena, CA. The company has a 50-year history in the aerospace industry as a leading manufacturer of precision sheet metal parts and subassemblies. The company produces complex structures and components for commercial jets, regional business aircraft, military aircraft and vehicles and helicopters, and has customers worldwide.

In August 2006, Swift-Cor chose to expand its company into a leased facility at 2823 W. Pawnee in southwest Wichita, over competition from communities in other states. The Greater Wichita Economic Development Coalition (GWEDC) coordinated a package of incentives from the City of Wichita, Sedgwick County and the State of Kansas, which was a critical factor in the company's selection of the Wichita site. The incentives were offered subject to approval by the governing bodies.

As part of the incentive package, the City of Wichita and Sedgwick County each offered forgivable loans in the amount of \$30,000 and the State of Kansas offered a forgivable loan in the amount of \$70,000. The loan proceeds will be used by the Swift-Cor to pay for costs related to purchase of manufacturing equipment and make leasehold improvements for the facility located at 2823 W. Pawnee. Swift-Cor Aerospace has committed to creating 200 new, fulltime jobs over five years, at an average salary of \$39,000.

The City and County have negotiated the terms of the forgivable loans, based on a standard form used by the State of Kansas in its KEOIF forgivable loan program. A forgivable loan converts to a grant over a specified period of time, as specified conditions are met. The Swift-Cor forgivable loan will be converted to a grant over a five-year period, based on Swift-Cor meeting its employment and wage goals.

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Each year, the outstanding balance of the loan will be forgiven in one-fifth installments if that year's job and wage commitments are met, and carried forward if not. At the end of five years, the remaining balance of the loan will be forgiven if the full job and wage commitment has been reached. If not, the outstanding balance will be due and payable at that time. In addition, if Swift-Cor moves its manufacturing operations from Wichita during the term of the agreement, the entire amount of the loan will be due and payable, including accrued interest at eight percent.

The forgivable loan to Swift-Cor will be paid by funds budgeted in the City's Economic Development Fund, that were appropriated for cash incentives.

As part of its due diligence, GWEDC commissioned an analysis of the fiscal impact the Swift-Cor expansion would have on the City of Wichita and Sedgwick County, with the following results:

City of Wichita:	3.01 to one (ratio of benefits to costs)
Sedgwick County:	1.77 to one

Economic Vitality. This economic development incentive will strengthen the area's aerospace industry and stimulate the economy through the creation of new jobs.

The draft Forgivable Loan Agreement and Promissory Note and the authorizing ordinance have been approved as to form by the City's Department of Law.

Mayor Mayans

Mayor Mayans inquired whether anyone wished to be heard and no one appeared.

Motion--
--carried

Gray moved that the Swift-Cor Forgivable Loan Agreement be approved and the Ordinance placed on first reading. Motion carried 7 to 0.

ORDINANCE

An Ordinance of the City of Wichita, Kansas, authorizing, prescribing the form and authorizing the execution of a forgivable loan agreement and promissory note by and between Swift-Cor Aerospace, Inc. and the City of Wichita, Kansas, introduced and under the rules laid over.

BUDGET

ORDINANCE APPROPRIATING THE 2007 BUDGET; RATIFYING THE PAYMENT OF CLAIMS AGAINST THE 2006 BUDGET.

Kelly Carpenter

Finance Director reviewed the item.

Agenda Report No. 06-1252

Each year the City Council must appropriate and approve the spending of the next year's budget according to the approved budget and also authorize, approve and ratify the payments, which have occurred against the current year budget.

Appropriated amounts for each fund have been established in the budget for fiscal 2007 for the payment of all claims and charges against each fund. Payments of all claims and charges against each fund shall be made by a combination of checks and warrants, drawn by the Director of Finance and counter-signed by the City Manager and Treasurer as provided by law. The payment of all claims and charges against respective accounts and funds provided in the budget for the year 2006 are also required to be authorized, ratified and approved.

There are financial considerations.

The Internal Perspective is advanced by complying with state statutes and providing information to the Citizens of Wichita.

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The Ordinance has been approved as to form by the Law Department.

Mayor Mayans Mayor Mayans inquired whether anyone wished to be heard and no one appeared.

Motion--carried Mayans moved that introduction and passage of the Ordinance be approved. Motion carried 7 to 0.

ORDINANCE NO. 47-306

An Ordinance appropriating the amounts set up in each fund in the budget; providing for the payment of all claims and charges against the accounts provided for therein; and approving and ratifying the payment of all claims against the accounts. Mayans moved that the Ordinance be passed on first reading. Motion carried 7 to 0.

COMMUN. EVENTS

APPROVE RESOLUTION ESTABLISHING LICENSING FEE STRUCTURE FOR COMMUNITY EVENTS PURSUANT TO CHAPTER 3.11 OF THE CODE OF THE CITY OF WICHITA.

John D'Angelo Arts and Cultural Services Manager reviewed the item.

Agenda Report No.06-1253

On June 13, 2006, the City Council passed ordinances establishing an approval process for community events. The ordinances provided that a schedule of fees was to be established by the City Manager for approval by the City Council.

The proposed Resolution establishes a daily fee of twenty-five dollars for community events. The Resolution also establishes a package fee, which includes various permits and licenses normally required by special events at a cost of \$175.00 per day. This fee is lower than the amount, which would be paid by the event organizer if separate permits were purchased.

Due to the package permit system proposed, revenue from licensing fees for these events will slightly decrease. Finance has approved the proposed licensing fee structure.

The Resolution has been prepared and reviewed by the Law Department and have been approved as to form.

Quality of Life. The proposed fee structure will provide incentives to event promoters to sponsor community events within the City. Community events enhance the quality of life of participants.

Mayor Mayans Mayor Mayans inquired whether anyone wished to be heard and no one appeared.

Motion--carried Mayans moved that the Resolution be adopted. Motion carried 7 to 0.

RESOLUTION NO. 06-658

A Resolution by the governing body of the City of Wichita, Kansas establishing licensing fees for community events; presented. Mayans moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gray, Martz, Schlapp, Skelton, and Mayans.

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FLIGHT FESTIVAL **2007 WICHITA FLIGHT FESTIVAL.**

John D'Angelo

Arts and Cultural Services Manager reviewed the item.

Agenda Report No.06-1254

WFI successfully fulfilled the requirements as stipulated in their contract with the City for completion of the 2006 Wichita Flight Festival. Upon completion of a successful 2006 festival, WFI has concluded they have the professional services to produce, market, and manage the 2007 Wichita Flight Festival, which will include the following components.

- Event concept development and strategic planning;
- Site evaluation and planning;
- Promotion/marketing plan;
- Budget planning;
- Ticketing;
- Facility preparation and operations;
- Airshow and attractions and;
- Performance criteria and financials.
-

It was deemed by City Council that WFI should produce, market, and manage the 2007 Wichita Flight Festival. WFI is ready, willing, and able to provide the professional services necessary to accomplish the 2007 Wichita Flight Festival as concluded by the past performance of successful production, marketing, and management of the River Festival and the 2006 Wichita Flight Festival. The proposed WFI contract will include an up front payment of \$25,000 from the city, with additional amounts paid based on the completion of agreed project milestones. A retainer of \$10,000 will be with held pending successful completion of all the tasks outlined in the contract and this scope of work. The City desires a festival that is both economically sound and has high public appeal. An expected performance benchmark is 10,000 in paid ticket sales. WFI will submit to the City financial reports detailing budget projections and actual expenditures. The first report will be due six months from the contract execution date, with reports also due two months before the event 30 days after the event.

The City of Wichita will provide \$75,000 in funding for successful completion of this contract. A project budget of \$336,000 is proposed for the 2007 Wichita Flight Festival. This will fund primarily entertainment, security, facilitated charges, promotion, and a variety of ancillary costs. Revenue is estimated at \$272,500, derived mostly from sponsorships, admission fees and concessions. An operating deficit of \$56,500 is assumed for the 2007 festival. However, the actual deficit could be as high as \$336,000 or as low as \$0. After the conclusion of the festival, a transfer from the Tourism and Convention Fund will offset any projected deficit.

Enhance the Quality of Life

Law Department has prepared and approved the Agreement for Production, Marketing and Management of the 2007 Kansas Flight Festival.

Mayor Mayans

Mayor Mayans inquired whether anyone wished to be heard and no one appeared.

Motion--

Mayans moved that the contract with WFI for \$75,000, the 2007 Wichita Flight Festival project budget of \$336,000, and the transfer of funds project deficit, up to \$336,000 be approved. Motion

--carried

carried 7 to 0.

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DESIGN CONCEPT **CENTRAL AND I-235 DESIGN CONCEPT. (DISTRICTS IV, V, AND VI)**

Jim Armour

City Engineer reviewed the item.

Agenda Report No. 06-1255

The Kansas Department of Transportation (KDOT) has a study underway for evaluation of the Interstate 235 corridor between Kellogg and Central, including development of design concepts for improvements to the Kellogg and Central interchanges. An opportunity exists for the City to make much-needed improvements to Central, at the I-235 junction, in advance of a future KDOT project. The Staff Screening and Selection Committee has selected Professional Engineering Consultants (PEC) to complete a design for reconstruction of Central from west of Gilda to east of Hoover.

The proposed project would increase capacity for Central Street traffic, particularly by adding left-turn-lane storage in each direction, under the I-235 bridges, resulting in a six-lane section from Hoover to Gilda. Also required with the project is expansion of the northbound I-235 off-ramp to accommodate dual left turn lanes and a dedicated right turn lane, as well as improvements to the north leg of Gilda to provide a left-turn lane for southbound traffic to Central. The final design would be coordinated with KDOT and their design consultant in an attempt to provide a product that will accommodate future interchange improvements as much as possible.

Funding in the amount of \$150,000 is requested at this time for the design of the project by PEC. The funding source is Local Sales Tax. The project will be returned to the Council in 2007 for construction funding authorization, and final project concept. It is anticipated at this time that Federal Earmark funds may be available for construction for this project.

This project addresses the Efficient Infrastructure goal by improving the traffic capacity and safety along a vital transportation corridor.

The design agreement has been approved as to form by the Law Department.

Mayor Mayans

Mayor Mayans inquired whether anyone wished to be heard and no one appeared.

Motion--
--carried

Martz moved that the preliminary project concept, design agreement and design budget be approved. Motion carried 7 to 0.

FLOOD MAPPING **CALFSKIN CREEK AND DRY CREEK OF COWSKIN CREEK FLOOD MAPPING STUDY. (DISTRICTS IV AND V)**

Chris Carrier

Public Works Director reviewed the item.

(Fearey momentarily absent)

Agenda Report No. 06-1256

During the Halloween Flood in 1998, several relatively new homes in the Rainbow Lakes/Breezy Pointe subdivisions of west Wichita were flooded, even though they had been constructed to Federal Emergency Management Agency (F.E.M.A.) standards as called for under the National Flood Insurance Program and the Cities F.E.M.A. flood hazard maps. Upon further evaluation by the City and its consultants, it was determined that flood levels along the North Fork of Calfskin Creek upstream 119th Street West rose to 3.5 to 4.5 ft above the 100 Year Flood levels due to a diversion of flow from Dry Creek (a much larger basin) into the North Fork. Until then, the City was unaware of this diversion and its impact on flood levels.

Since discovering the diversion, the City has been working on two different fronts to solve this problem. First, it is imperative that the flood hazard maps accurately depict the hazards that exist in this basin, at least until such time as this ceases to be a problem. We have been in contact with F.E.M.A.

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and U.S. Army Core of Engineers (Corps) and have requested that our current flood maps be revised to reflect the effects of the diversion. The proposed new countywide flood maps, that are currently going through the adoption process, depict the diversion and its impact, based on some general studies by the Corps. Secondly, the City has hired consultants to look into construction solutions, the best of which appears to be a Dry Creek detention facility with an estimated cost of \$13.0 million. Funding for this project has not yet been identified.

Because there is a considerable amount of ongoing new development occurring in the basin near 13th Street and 135th Street West, it is imperative that this new construction be protected from flooding. Since funding for a structural solution is not guaranteed, we must assume that the flow diversions will continue into the future. In reviewing the Corps' work of mapping this diversion on the new flood maps, City staff is not yet satisfied that the analysis and the resulting maps are accurate enough to allow us to regulate development with any degree of confidence. To be more certain of the outcome, staff recommends that we hire our own consultant to study the diversion in more detail. Should this study reach different conclusions than the Corps' study; the new study would become the basis for a future F.E.M.A. flood map revision.

(Mayans momentarily absent, Vice-Mayor Gray in the chair)

Their not-to-exceed fee for this work is \$578,609.00. Funds will come from the Storm Water Utility, General Obligation Revenue Bonds.

This project addresses the Ensure Efficient Infrastructure Goal by identifying flood risks for existing and future neighborhoods.

The Agreement and authorizing Resolution has been approved at to legal form by the Law Department.

- Mayor Mayans Mayor Mayans inquired whether anyone wished to be heard and no one appeared.
- Council Member Skelton Council Member Skelton stated that he supports this and asked if FEMA failed to account for some of the variables here and is that how they ended up with an error.
- Chris Carrier Director of Public Works explained that when they published the initial flood maps back in 1986, FEMA did not know or recognize that this diversion occurred at that point and it was not mapped.
- Council Member Skelton Council Member Skelton stated it is no secret that there are a lot of these types of problems all over the City. Asked what we are doing about the other parts of the City that have the same problems.
- Chris Carrier Director of Public Works stated that Staff has done revisions and recognized back in the mid 1990's that there were errors in several of the 86 flood maps that FEMA had done. Stated FEMA, Gypsum Creek, the Wichita Drainage Canal, and the lower parts of the Cowskin Creek in west Wichita, Dry Creek, and the Riverside drainage district have all been restudied by City Staff at our expense and map revisions submitted to FEMA to correct what was wrong. Stated that this is something that we have to do to get these problems resolved in the past.
- Council Member Skelton Council Member Skelton stated we tend to study and study these things and there have been cases where we have studied things two and three times and never took any action and he would like to make sure that if we are going to invest this kind of money in this kind of study, we need to follow through with a plan whatever the recommendations are.
- Chris Carrier Director of Public Works stated that one of the outcomes of this study might be not to build anything but to regulate the flood plain development as we should regulate it in recognition of this. Stated whether or not we ultimately build something to solve this problem will be up to the Council as they consider future CIPs.
- Council Member Fearey Council Member Fearey asked if we are restudying this so that we can prove that these homes are not in the flood plain.

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- Chris Carrier Director of Public Works stated that he does not know if they should be in or out of the flood plain. Stated that when the new flood maps go into effect in a couple of months, there will be homes that are built out there that will be mapped in the 100 year flood plain. Stated that the Core of Engineer is saying that they should be in but when Staff looks at what we have out there on the ground and talk to people who have lived out there, we think there is some things that were assumed in the Core Study that we need to take another look at. Stated that is why we are doing this to define what we want mapped for this overflow and then map accordingly.
- Mayor Mayans Mayor Mayans stated that another issue is that this will give some direction to the homeowners and the lending institutions as to the requirement of whether to have flood insurance or not. Stated that this study will provide that information.
- Council Member Gray Council Member Gray stated that one point that has failed to be made is that he wished that the developers would stop building houses in the flood plain. Stated that he is in this industry and he tries to make a point to try and buy ground and develop it where he does not have to worry about flooding and he is very critical of that aspect of his industry. Stated that he feels that we should go ahead and do this but let the facts be what they are when the study comes back and if it is a flood plain, let us not try and script that responsibility for people and he would encourage people to try and find better property to develop.
- Council Member Martz Council Member Martz stated that this is part of the problem that we have been faced with in the past is that we feel that the maps are incorrect. Stated that there are places that should not be built on and other places where development should be encouraged. Stated that anytime we have a confrontation with FEMA and the Core of Engineers, be prepared for it to be long and drawn out. Stated that he feels this is one reason we should do this project so that we can make sure we get some maps that are right so that we can develop correctly based on where we are today and not depend on FEMA or the Core of Engineers providing us anything.
- Council Member Skelton Council Member Skelton stated that this Governing Body does approve plats and annexations for these areas. Asked if the Council can get notified of these types of things and if the Council were to see this kind of information for a request to approve a plat or an annexation, we could stop people from building in a flood plain.
- Chris Carrier Director of Public Works stated that if you will look at what has been flooded in this community in recent years, you will find that most of those homes that get flooded were built before the 1986 flood regulations went into effect. Stated that a lot of the areas that flood are areas that were built before we had flood regulations in place and it is very rare that we have a lot of major flooding on newly constructed structures. Stated that he feels that we have taken steps since 1986 to improve upon what has been mentioned and have more work to do.
- Mayor Mayans Mayor Mayans inquired whether anyone wished to be heard and no one appeared.
- Motion--
--carried Martz moved that the Resolution be adopted; the agreement approved and the necessary signatures authorized. Motion carried 6 to 1, (Fearey, no).

RESOLUTION NO. 06-659

Resolution of finding it necessary to complete a flood study to the channels along Calfskin Creek and Dry Creek of the Cowskin Creek and said Tributaries 468-84269 and authorizing the issuance of bonds by the City of Wichita at Large. Martz moved that the resolution adopted. Motion carried 6 to 1. Yeas: Brewer, Gray, Martz, Schlapp, Skelton, and Mayans, (Fearey, no).

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2007 SALARY ORD. AMENDMENTS TO NON-EXEMPT SALARY ORDINANCE FOR 2007.

Sarah Gilbert

Interim Personnel Director reviewed the item.

(Skelton momentarily absent)

Agenda Report No. 06-1257

Salary Ordinances set the rates of pay for City pay ranges. Typically the year-end ordinance is amended as needed to implement negotiated wage rates and other related changes, if any.

Non-exempt Salary Ordinance – This establishes the salary schedule for non-exempt pay ranges for bargaining unit-represented and non-represented non-exempt employees. The changes are:

1. Section 1 – Each year City Council deletes pay rates for the year that is ending from the previous ordinance. Amend this Section to delete the 2006 rates for Transit Teamsters' pay ranges. Rates for 2007 and 2008 are in the Memorandum of Agreement and already incorporated into the ordinance.
2. Section 4 – Again, it is necessary to delete 2006 pay rates from this Section. Rates for 2007 for Service Employees International Union (SEIU) and similar non-represented employees (covered by Employees' Council) in ranges 602 – 627 are already agreed upon and incorporated into the ordinance. These rates were increased by 3%.
3. Section 5 – For a new group of non-exempt, non-represented employees (covered by Employees' Council) in ranges 926 - 929, rates for 2007 are revised to reflect the same 3% increase granted to employees cited in Section 4 (#2. above). Rates for this new group were established only for 2006, so need to be established for 2007 with the same increase as similar employees in ranges 602 – 627.
4. Section 6 – For Airport Public Safety Supervisors and Assistant Airport Public Safety Supervisors (ranges 693 and 694), represented by the International Association of Firefighters (IAFF), revise 2006 rates to implement the recent Settlement Agreement approved by the City Council. These raises are to be paid retroactively to December 17, 2005, and the same rates will carry forward for 2007 because they are still subject to negotiations. Also, 2006 rates for the Airport Public Safety Officers (non-supervisory ranges 691 and 692) are deleted. These are set for 2007 by agreement.
5. Sections 7 and 8 – Pay rates for employees represented by the Fraternal Order of Police (FOP) and IAFF will carry forward into 2007 because negotiations are ongoing. However, rates for Police Lieutenants (not FOP-represented), range 727, are increased by the 2% currently offered to the FOP. This is consistent with past practice when negotiations are not completed by the end of the year.

The estimated cost of these amendments has been approved by the City Council and included in the 2007 budget.

As a human resources and financial issue, goal impact falls under Internal Perspective.

The Department of Law has reviewed the ordinance and approved as to form.

Mayor Mayans

Mayor Mayans inquired whether anyone wished to be heard and no one appeared.

Motion--carried

Mayans moved that the ordinance be placed on first reading. Motion carried 6 to 0, (Skelton, absent).

ORDINANCE

An Ordinance providing for a uniform schedule of standard pay ranges for non-exempt employees of the City of Wichita, repealing Ordinance No. 47-268 introduced and under the rules laid over.

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PLANNING AGENDA

Motion-- Mayans moved to approve Planning consent items 43 to 46 in accordance with the recommended
--carried action shown thereon. Motion carried 6 to 0, (Skelton absent).

(Item 40)
PUD2006-02#24

PUD2006-02#24-CREATION OF THE WAL-MART AT OLIVER PLANNED UNIT DEVELOPMENT TO ALLOW GENERAL RETAIL SALES. GENERALLY LOCATED SOUTH OF KELLOGG AVENUE, EAST OF OLIVER AVENUE. (DISTRICT III)

John Schlegel Planning Director reviewed the item.

Agenda Report No. 06-1258

MAPC Recommendations: Approve, subject to staff recommendations (12-1).

MAPD Staff Recommendations: Approve, subject to conditions.

DAB Recommendations: Approve, subject to conditions outlined by staff plus three other conditions outlined below (8-2).

The application area is 12.2 acres located southeast of the Kellogg and Oliver intersection, north of Orme and west of Bleckley. The applicants are seeking Planned Unit Development zoning (PUD-24) to allow re-development of the property for "any commercial use permitted by-right in the LC Limited Commercial district excluding: night club in the city, sexually oriented business, correctional placement residence, safety service, pawn shop, agricultural sales and service, commercial wireless communication facility, theatre and tavern and drinking establishment uses." The proposed PUD would allow up to 159,485 square feet of gross floor area or 30 percent coverage of the area of the site. It should be noted that the way the proposed use is listed, it excludes non-commercial uses such as office, public or civic or industrial, manufacturing or extractive uses that are permitted by-right in the LC district.

The expected use on the site is a Wal-Mart, however there are not any requirements within the PUD that require the site to be developed with any particular brand or company. The conceptual site plan shows a building with 135,229 square feet. The square footage is to be divided between 109,663 square feet of general retail sales and 25,566 square feet of grocery sales. The front of the building is to face west toward Oliver Street. Quik-Brik masonry having an "earth tone blend" color (orangish) along with Quik-Brik masonry pilasters having a "promenade blend" color (redish) is to be used on the north, west and south sides of the building. The east side is to be a painted (canyon clay) smooth face brick. The facade will also have a band of "pure white" EFIS trim. General Provision 13 states that all buildings on Parcel 1 shall share uniform architectural character, color, texture and the same predominate exterior building material, with earth tone colors with a variety of textures with red and white accents.

Loading docks, a compactor and bale and pallet storage are depicted on the east side of the building (Bleckley). The loading docks, truck wells and bale and pallet storage are to be screened with 10-foot high masonry screening walls while the compactor is to be screened with an eight-foot high wall. Other work and storage areas including a garden center are to be located on the south side of the building (Orme). The garden center is to be screened from the south with four-foot eight-inch tall knee walls and 12-foot tall pilaster with black ornamental fencing and mesh panels. Building height is limited to a maximum of 40 feet.

The parking field is primarily located between the front or west side of the building and Oliver. Additional parking is shown along both the north and south property lines. Proposed access to the site is to be allowed by five driveways; two each along the Kellogg frontage road and Orme, and one off of Oliver. Because the Kellogg frontage road is one-way to the east that makes those access drives right in and right-out only. The two access points on Orme are shown as full movement. The applicant's site plan depicts a median located in Oliver at the Oliver access point that would make that entrance right in and right-out as well. A traffic signal is proposed at the intersection of Orme and Oliver. If the site is developed with a Wal-Mart, they expect that there will be, on an average day, two to three trucks, but there could be as many as six to seven at busier times.

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Landscaping and berms are to be placed on all four sides of the site. As depicted on the proposed plan, portions of the berms and landscaping are shown in the right-of-way. Landscaping and berms are only allowed in the right-of-way with the approval of the Traffic Engineer. As proposed, landscaping is to meet minimum landscape ordinance requirements. Height of the berms is not specified.

Height of lighting standards is limited to 25 feet or less.

Building setbacks of five to 20 feet are proposed.

As developed and zoned today, the application area is a mix of zoning including: LC Limited Commercial zoning subject to Community Unit Plan DP-261 (limited to LC uses except for a list of uses similar to the applicant's list of excluded uses), LC Limited Commercial, NR Neighborhood Retail, GO General Office, B Multi-family Residential, MF-29 Multi-family Residential and TF-3 Two-family Residential. Existing uses within the application area include: single-family, two-family and four-plex residential; vacant, freestanding and strip retail sales and vehicle sales. The area also contains platted right-of-way (East Eilerts, South Glendale and Elpyco) and utility easements. If this request is approved, these right-of-ways and easements will need to be vacated to accommodate this development proposal.

Property neighboring the application area is also a mix of zoning ranging from: LC Limited Commercial, GO General Office, MF-18 Multi-family Residential and TF-3 Two-family Residential. Existing uses are single-family residences, medical offices and retail commercial as well as vacant commercial. US Highway 54/400 is located to the north of the application area, and north of the highway is a masonry wall dividing the highway from other uses. Kellogg is a nationally significant roadway carrying both intra-city and inter-state traffic. There is also an elementary school located southwest of the corner of Orme and Oliver.

District Advisory Board (DAB) III heard this request on November 1, 2006. Over 13 citizens commented on the application. In general, they commented on: the increased traffic volume the store will generate; increased auto emissions generated by vehicles waiting at stop lights; impact on the single-family residences located south of Orme; safety of school kids crossing Oliver or unloading at Jefferson Elementary school; drainage; light pollution; Wal-Mart business practices regarding employees and competition; increased truck traffic; delivery hours and overall impact on the quality of life of nearby residents due to the scale of the project. DAB III voted 8-2 to support the request subject to conditions contained in the staff report, plus three additional conditions: carts with wheel locks are to be used; widen Orme from Oliver to Bleckley and Wal-Mart is to follow through with its offer to provide land for parking and bus unloading for Jefferson Elementary School.

District Advisory Board II heard this request on November 6, 2006. Approximately 15 people commented on the project, citing their concerns that this project would increase traffic on Oliver north of Kellogg to the point that this segment of Oliver Street would have to be widened, and the Oliver Street and Douglas intersection would have to be widened. Widening Oliver Street and improving the Oliver intersection with Douglas are viewed as having negative affects to the viability of businesses located at Oliver and Douglas, and detrimental to pedestrians and pedestrian oriented neighborhoods. Speakers also expressed concern that local independent businesses would not be able to compete with Wal-Mart. One speaker spoke in support of the project. DAB II recommended that the project be approved.

Wal-Mart representatives also attended neighborhood meetings held by the Dry Creek and College Hill neighborhood associations. It was reported at the DAB III meeting that the Dry Creek Neighborhood Association's official position was neutral to supportive of the request. The College Hill Neighborhood Association meeting was held on October 24, 2006, and was attended by approximately 140 people. There were expressions of both support and opposition at the meeting. It was also reported at the DAB III meeting that a majority of those in attendance at the College Hill meeting were not supportive of the request.

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The Metropolitan Area Planning Commission (MAPC) heard the request on December 12, 2006. Approximately 16 speakers spoke citing many of the issues discussed at the previous DAB and neighborhood meetings. The MAPC voted 12-1 to recommend approval of the request per the requirements contained in the staff report.

Protest petitions representing 41.97 percent have been submitted. Since the percentage of protest exceeds 20 percent, a $\frac{3}{4}$ majority vote by the governing body will be required to approve the request.

The ordinance has been reviewed and approved as to form by the Law Department.

- Council Member Skelton Council Member Skelton stated that he is going to move to defer this issue because there are some outstanding issues that exist between the residents of Orman and the Wal-Mart people. Stated that they are all open to take some additional time to examine a few things. Stated that the most common concern that he gets is regarding the infrastructure in the area, which has to do with the traffic lighting, the capacity of the intersection at Oliver and Kellogg and is concerned with what is north of Kellogg on Oliver and what are the City's plans for Oliver, are we going to widen it or going to do an intersection or not do an intersection.
- John Schlegel Planning Director reviewed the points that were addressed in the applicant's traffic study. Stated that one of the key findings at the interchange at Oliver and Kellogg is currently built at a capacity to well handle the traffic that would be expected to be generated by this development. Stated that going south from there along Oliver, they did recommend in the traffic study that left turn be blocked and require people to make the left turn at Orme rather than at the access point at the site along Oliver, which is to increase the safety of people traveling south bound on Oliver. Stated that at the intersection of Orme and Oliver, they are recommending a traffic signal be installed there at the developer's expense and the school crossing signal be moved up to the intersection in order to provide for the safety of school children crossing over to Jefferson Elementary. Stated that it is also recommended that Orme be improved and an additional travel lane be put on the north side of Orme in order to accommodate additional traffic and turning movements that would be required on Orme. Stated that the City has scheduled in the City's CIP, the improvement of Oliver from Kellogg south to Harry for 2007, which would be done in conjunction with the improvements that the developer will put in around the store site. Stated that the City is currently working on a redesign of the intersection at Douglas and Oliver and it has scheduled in its CIP for improvements to Oliver, north of Kellogg up to Central for the year 2014.
- Council Member Skelton Council Member Skelton asked about the intersection of Orme and Oliver at the site of the school, if there will be provisions for a right turn on red only. Stated that there are concerns that if people are trying to turn right there when the light is red, they might not be looking in the correct direction for children.
- John Schlegel Planning Director stated this is a detail that has not been done yet.
- Council Member Skelton Council Member Skelton asked about the status of the park and if it has been discussed with the citizens in the Dry Creek neighborhood.
- John Schlegel Planning Director stated it has been discussed with the Park Board but the discussions have not gone any further.
- Council Member Skelton Council Member Skelton stated one of the recommendations that his DAB had made was regarding wheel locks and they were interested in making some kind of provision so carts could not leave the property and asked if we could attach this type of condition to our approval if this is approved.
- John Schlegel Planning Director stated yes and it would be a legitimate condition to attach to the approval and Staff would recommend a more general approach rather than making them solve the problem with a specific solution as was suggested at the DAB meeting. Stated that there are other ways for them to manage carts leaving the parking lot.
- Council Member Skelton Planning Director stated there is a difference in the recommendation by his DAB and the MAPC regarding Orme and where it should be widen.

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John Schlegel Planning Director stated that the difference is minor between the two recommendations and the MAPC recommendation was to widen Orme from Oliver to the eastern most driveway to the rear of the Wal-Mart building and the DAB recommendation was to widen it all the way to Bleckley, which is about another 30 feet on the site plan.

Motion-- Skelton moved that this decision be deferred until January 9, 2007 in order for him to discuss issues with Staff, Council Members and allow the developer and Wal-Mart more time to work with the neighborhood. Motion carried 7 to 0.
--carried

(Item No. 41) LED SIGN

APPEAL OF HISTORIC PRESERVATION BOARD ACTION REGARDING PLACEMENT OF A LED SIGN AT 825 EAST SECOND STREET. HPC2006-00572. (DISTRICT I)

John Schlegel Planning Director reviewed the item.

Agenda Report No. 06-1259

HPB Recommendation: Deny the application for the LED sign.

Staff Recommendation: Defer action until City council provides direction re: LED signs.

At the November 13, 2006, Historic Preservation Board (HPB) meeting, the applicant requested approval for placement of a sixteen-inch by sixty-nine-inch LED pole sign. The property is a contributing structure in the Warehouse and Jobbers National Register Historic District designated in August 2003. It is also located within the Old Town Overlay Zoning district, which has its own set of design guidelines.

The Old Town Design Guidelines, adopted by City Council in 1999, are based on general National Park Service standards with further specifications included that reflect the character of the Old Town District.

By a 6-0 vote, the HPB denied the placement of the sign because the sign material does not meet the Old Town Overlay Design Guidelines adopted by City Council and in the opinion of the Historic Preservation Board, LED signs are not consistent with the character of historic environs. The design guidelines, which include a section on signage, do not allow illuminated signs containing flashing and moving elements.

HPB is currently studying the use of these types of signs to make a policy recommendation on their placement within listed historic districts, on individually listed properties and within environs of listed properties and districts.

In addition, the City Manager has directed the Office of Central Inspections and the Planning Department to review whether the Sign Code should be amended to deal with LED signs. These departments are working with the sign industry to prepare recommendations for the Council's consideration.

The HPB has a programmatic agreement with the State Historic Preservation Office to review applications for all properties individually listed, listed in historic districts in the state/national register of historic places or within the environs of properties listed in the state/national registers of historic places. The Council has review authority over the decision of the Historic Preservation Board, as provided for in K.S. A. 75- 2724 and the City Code Section 2.12.1023(c), and (f). In order for the City Council to overturn the decision of the HPB, all relevant factors must be considered and must find there is no "feasible and prudent alternative to the proposal and that the program includes all possible planning to minimize harm to such historic property resulting from such use."

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Core Area and Neighborhood

Motion--
--carried

Fearey moved to defer action on the request for LED signage until the City Council has reviewed staff recommendations regarding LED signs and provides direction. Motion carried 7 to 0.

(Item 42)
LED SIGN

APPEAL OF HISTORIC PRESERVATION BOARD ACTION REGARDING PLACEMENT OF AN LED PROJECTING SIGN AT 300 NORTH MEAD, SUITE 107. HPC2006-586. (DISTRICT I)

John Schlegel

Planning Director reviewed the item.

Agenda Report No. 06-1260

HPB Recommendation: Deny the application for the LED sign.

Staff Recommendation: Defer action until City council provides direction re: LED signs.

At the November 13, 2006, Historic Preservation Board (HPB) meeting, the applicant requested approval for placement of a twenty-eight-inch by fifty-three-inch projecting, two-sided LED sign. The property is located within 500 feet of the Warehouse and Jobbers National Register Historic District and the National Register listed Harvester International Building, and is subject to the Environs Review as set forth in Kansas State Statute K.S.A. 75-2715 – 75-2725 that requires projects occurring within 500 feet of a state or national register listed property or district be reviewed. The site is also located within the Theater Sub-district of the Old Town Overlay Zoning District. The design guidelines adopted for the Theater sub-district in April of 2002 were developed separately because the Theater Sub-district was all new construction. Sub-district guidelines specifically allow illuminated signs containing flashing and moving elements.

By a 5-1 vote, the HPB denied the placement of the sign because the sign material does not meet Kansas State Statute Environs guideline #1, which states,

The character of a historic property's environs should be retained and preserved. The removal or alteration of distinctive buildings, structures, landscape features, spatial relationships, etc. that characterize the environs should be avoided. Installing new signs that are incompatible and/or inconsistent with the size, shape and character of the signs that are typical in the environs are to be avoided.

HPB is currently studying the use of these types of signs to make a policy recommendation on their placement within listed historic districts, on individually listed properties and within environs of listed properties and districts.

In addition, the City Manager has directed the Office of Central Inspections and the Planning Department to review whether the Sign Code should be amended to deal with LED signs. These departments are working with the sign industry to prepare recommendations for the Council's consideration.

Based on the adopted Design Review Guidelines for the Theater Sub-district of the Old Town Overlay Zoning District, staff recommended approval of the sign. In the opinion of the Historic Preservation Board, the LED sign requested is not consistent with the character of historic environs.

The HPB has a programmatic agreement with the State Historic Preservation Office to review applications for all properties individually listed, listed in historic districts in the state/national register of historic places or within the environs of properties listed in the state/national registers of historic places. The Council has review authority over the decision of the Historic Preservation Board, as provided for in K.S. A. 75- 2724 and the City Code Section 2.12.1023(c), and (f). In order for the City Council to overturn the decision of the HPB, all relevant factors must be considered and must find there is no "feasible and prudent alternative to the proposal and that the program includes all possible planning to minimize harm to such historic property resulting from such use."

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Core Area and Neighborhood

Motion-- Fearey moved to defer action on the request for LED signage until the City Council has reviewed staff
--carried recommendations regarding LED signs and provides direction. Motion carried 7 to 0.

BOUNDARY RESOL. DER2006-18-CITY OF WICHITA BOUNDARY RESOLUTION.

Agenda Report No. 06-1261

The City of Wichita is required by Kansas State law to annually prepare a description of the corporate boundaries. The law requires that the description shall define the boundaries after incorporating all changes made through annexation or exclusions of territory since December 20, 2005. During the calendar year 2006, the City of Wichita approved a total of twenty-six (26) annexation requests--one being an island annexation. This added a total of 2,145.39 acres (3.352 sq. mi.) to the City, resulting in a Wichita corporate area of 159.876 sq. mi., as of December 31, 2006.

City Engineering staff has prepared a legal description of all territory annexed into the City of Wichita since December 20, 2005.

K.S.A. 12-517 requires that for any year in which any territory has been added or excluded from any city, the governing body of such city shall declare, by resolution, the entire boundary of the city. The Law Department has reviewed and approved the Resolution as to form.

Motion--carried Mayans moved that the Resolution be adopted. Motion carried 6 to 0, (Skelton, absent)

RESOLUTION NO. 06-660

A Resolution declaring, establishing and defining the city limits and boundaries of the City of Wichita, Kansas, after all annexations of territory and exclusions of territory since December 20, 2005, presented. Mayans moved that the Resolution be adopted. Motion carried 6 to 0. Yeas: Brewer, Fearey, Gray, Martz, Schlapp, and Mayans, (Skelton, absent)

ZON2006-41

ZON2006-41-ZONE CHANGE FROM "SF-5" SINGLE-FAMILY RESIDENTIAL AND "GO" GENERAL OFFICE TO "U" UNIVERSITY. GENERALLY LOCATED SOUTH OF KELLOGG AVENUE, WEST OF STATE HIGHWAY K-42, ON THE NORTHWEST CORNER OF SHERIDAN AND MCCORMICK AVENUE. (DISTRICT IV)

Agenda Report No. 06-1262

MAPC Recommendations: Approve, unanimously.
MAPD Staff Recommendations: Approve.
DAB Recommendations: Approve

The applicant requests "U" University zoning on Lot 1, Block 1, Newman University Second Addition, to develop as student housing and for university purposes. The "GO" General Office zoned portion of the site is currently developed as two, two-story apartments (built 1981), a two-story duplex with attached single car garages, a two-story single-family residence with an attached single car garage and a stand alone four car garage. On the southeast portion of the "SF-5" Single-family Residential zoned site, there is a stand alone two car garage, while the rest is not developed.

The entire site is owned by Newman University, whose campus is located east of Sheridan and south of McCormick Avenue from the site. The Newman University campus is zoned "B" Multi-family Residential and developed with buildings containing administration offices, classrooms and other uses associated with a small college. Playing fields, zoned "SF-5" Single-family Residential, and used by the university's sports teams are located south, across McCormick, from the site. Also located south of the site, across McCormick, is the "SF-5" zoned Westar Sheridan Electric Substation. Abutting the

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west side of the site is the Koons auto salvage yard, zoned "LI" Limited Industrial. The Koons site is the beginning of an extensive area of "LI" zoned properties, which begins immediately west of the Newman and the "Adores of the Blood of Christ" religious order's properties (Newman playing fields owners), and extends west to the Big Ditch, from Kellogg Street south to IH-235 and beyond. Development in the immediate "LI" area includes warehouses, a hardwood mill, outside storage, manufacturing and equipment sales and rentals. Abutting the site's north side is Kellogg Street, which separates it and Newman's campus from a predominately single-family residential neighborhood.

The "2030 Wichita Functional Land Use Guide Map," identifies the application area as "Major Institutional". This category includes institutional facilities of a significant size and scale or operation and could include a range of uses, such as government facilities, military bases, libraries, schools, cemeteries, churches, hospitals and medical treatment facilities. The requested "U" zoning corresponds to the "Public/Institutional" land use designation of the Wichita-Sedgwick County Comprehensive Plan.

District Advisory Board (DAB) IV reviewed this request at their November 1, 2006 meeting and recommended (6-0, with 1 abstention) approval. The Metropolitan Area Planning Commission (MAPC) heard this request at their November 2, 2006 public hearing meeting and unanimously (13-0) recommended approval. No one spoke against the request at the MAPC meeting; staff has received no phone calls protesting the request and no written protests have been submitted.

There are no financial considerations.

Promote Economic Vitality and Affordable Living.

The ordinance has been reviewed and approved as to form by the Law Department.

Motion--
--carried

Mayans moved to concur with the findings of the MAPC and approve the zone change; and place the ordinance establishing the zone change on first reading. Motion carried 6 to 0, (Skelton absent).

ORDINANCE

An Ordinance changing the zoning classifications or districts of certain lands located in the City of Wichita, Kansas, under the authority granted by the Wichita-Sedgwick County Unified Zoning Code, Section V-C, as adopted by Section 28.04.010, as amended, introduced and under the rules laid over. (ZON2006-41)

SUB2006-71

SUB2006-72-PLAT OF ARMSTRONG ESTATES ADDITION LOCATED NORTH OF CENTRAL AND ON THE WEST SIDE OF HOOVER ROAD. (DISTRICT VI)

Agenda Report No. 06-1263

Staff Recommendation: Approve the plat.

MAPC Recommendation: Approve the plat. (13-0)

This site, consisting of six lots on 1.76 acres, is located within Wichita's city limits. This site is zoned "SF-5" Single-family Residential District.

A Petition, 100 percent, and a Certificate of Petition have been submitted for sanitary sewer improvements. Water service is available to serve this site. This site is located within the noise impact areas of Wichita Mid-Continent Airport; therefore, a Restrictive Covenant has been submitted to assure that adequate construction methods will be used to minimize the effects of noise pollution in the residential structures to be constructed on the subject property. (The associated Avigational Easement is referenced in the plattor's text).

This plat has been reviewed and approved by the Planning Commission, subject to conditions and recording within 30 days.

There are no financial considerations.

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Ensure Efficient Infrastructure.

The Certificate of Petition and Restrictive Covenant will be recorded with the Register of Deeds.

Motion--
--carried

Mayans moved that the documents and plat be approved; necessary signatures be authorized; and the Resolution be adopted. Motion carried 6 to 0, (Skelton, absent)

RESOLUTION NO. 06-661

Resolution of findings of advisability and resolution authorizing construction of Lateral 276, Main 5, Sanitary Sewer Number 22 (north of Central, west of Hoover) 468-84283 in the City of Wichita, Kansas, pursuant to findings of advisability made by the governing body of the City of Wichita, Kansas, presented. Mayans moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gray, Martz, Schlapp, Skelton, and Mayans.

SUB2006-80

SUB2006-80-PLAT OF WINDRIDGE ESTATES SECOND ADDITION, LOCATED ON THE SOUTHEAST CORNER OF MACARTHUR ROAD AND RIDGE ROAD. (COUNTY)

Agenda Report No. 06-1264

Staff Recommendation: Approve the plat.

MAPC Recommendation: Approve the plat. (12-0)

This site, consisting of one lot on 19.88 acres, is located in the County within three miles of Wichita's city limits. This site is zoned "SF-20" Single-family Residential District and "LC" Limited Commercial District.

A Petition, 100 percent, and a Certificate of Petition have been submitted for future sanitary sewer improvements. County Code Enforcement has approved this site for the use of on-site sewerage facilities. This site is located within the noise impact areas of Wichita Mid-Continent Airport; therefore, an Avigational Easement and Restrictive Covenant have been submitted to assure that adequate construction methods will be used to minimize the effects of noise pollution in the residential structures to be constructed on the subject property. A Restrictive Covenant was also submitted to provide for the ownership and maintenance of the reserves being platted for drainage purposes. An Indemnification Agreement was submitted for the bike path easement.

This plat has been reviewed and approved by the Planning Commission, subject to conditions and recording within 30 days.

There are no financial considerations.

Ensure Efficient Infrastructure.

The Certificate of Petition, Avigational Easement, Restrictive Covenants and Indemnification Agreement will be recorded with the Register of Deeds.

Motion--
- carried

Mayans moved that the documents and plat be approved; necessary signatures be authorized; and the Resolution be adopted. Motion carried 6 to 0, (Skelton, absent)

RESOLUTION NO. 06-662

Resolution of findings of advisability and resolution authorizing construction of Lateral 515, Southwest Interceptor Sewer (south of Macarthur, east of Ridge) 468-84271 in the City of Wichita, Kansas, pursuant to findings of advisability made by the governing body of the City of Wichita, Kansas, presented. Mayans moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gray, Martz, Schlapp, Skelton, and Mayans.

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HOUSING AGENDA

Motion-- Inafay Grays-McClellan moved to approve the Housing Consent items in accordance with
--carried recommended action shown thereon. Motion carried 8 to 0.

BOARD RESOL. BOARD RESOLUTION APPROVING 2007 PUBLIC HOUSING BUDGET.

Agenda Report No. 06-1265

Pursuant to Section c (4) of the U.S. Housing Act of 1937, it is required that the Wichita Housing Authority Board adopts a resolution approving the Operating Budget. The Operating budget provides a summary of proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. The U.S. Department of Housing and Urban Development (HUD) reviews the information to determine if the operating plan adopted by the PHA and the amounts are reasonable and that the PHA is in compliance with procedures prescribed by HUD.

The resolution certifies that the Wichita Housing Authority: has met all statutory and regulatory requirements; has sufficient operating reserve; budgeted expenditures are necessary; has a source of funds adequate to cover all proposed expenditures; and calculated the eligibility for Federal funding in accordance with the provisions of the regulations.

The Wichita Housing Authority Board's adoption of the resolution is required by HUD.

The budget is completely funded by HUD grants and program revenues. There is no impact on the City's non-federal budget.

Promote Economic Vitality and Affordable Living

Motion-- Inafay Grays McClellan moved that the resolution approving the 2007 HUD budget be adopted and the
--carried necessary signatures for submittal to HUD be authorized. Motion carried 8 to 0.

CAP. FUND GRANTS REVISIONS OF THE 2005 AND 2006 CAPITAL FUND GRANTS.

Agenda Report No. 06-1266

Since 1992, the Department of Housing and Urban Development (HUD) has awarded the City of Wichita Housing Authority, Public Housing, modernization funds through the Comprehensive Grant Program. Beginning in 2000 modernization funds have come through the Capital Fund Program (CFP) for the purposes of updating or rehabilitating rental units and management systems in the Public Housing Division. Housing authorities share the national allocation, which is determined by a calculation using various characteristics of each housing authority. HUD regulations allow a housing authority to revise its approved annual budget when changes to the budget are required due to construction and administrative cost changes, HUD Notices, disasters, and emergencies outside the control of the housing authority.

The proposed revisions to the current Capital Fund Five Year Plan. These revisions are allowable under HUD regulations and are necessary to reconcile budget documents to actual allocations and to meet program obligations. The 2005 grant funding was in the amount of \$1,028,183. The revision to the 2005 budget is to make line item adjustments to allow the closure of the Grant. The 2006 Grant funding was in the amount of \$981,105. The revision to the 2006 budget increases the operations line item from \$150,000 to the maximum authority of \$196,000; increases funds in the Operating Fund to defray general operating expenses; and transfers \$190,000 into the development line item. This development line item transfer is necessary to facilitate the construction of three houses to replace houses sold in the homeownership program. The construction is a part of the 2007 Annual and 5-year Agency Plan.

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The additional transfer of funds to the Operating Fund reduces the amount available for the modernization of Public Housing rental units.

Promote Economic Vitality and Affordable Living

Motion--
--carried

Inafay Grays-McClellan moved that the revisions of the 2005 and 2006 Capital Fund Grant Budgets be approved. Motion carried 8 to 0.

ACIO

ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP).

Agenda Report No. 06-1267

Public housing authorities are required by Housing and Urban Development (HUD) regulations to adopt and maintain admission, occupancy and waiting list policies, and to revise them as necessary. The last time that the Wichita Public Housing revised its Admissions & Continued Occupancy Policy (ACOP) was on May 9, 2006.

HUD has issued a final rule regarding the Public Housing Operating Fund Program. The rule represents the transition from the old funding formula to a new funding formula.

In response to the new funding formula, the Wichita Housing Authority (WHA) will attempt to increase income from rental income and reduce the tenant accounts receivable by enforcing a stricter rent collections policy. Historically, it is suspected that tenants have fallen behind in the payment of rent due to a lenient collection policy based upon HUD's former recommendations. Now that HUD is reducing subsidies for public housing operations, it is incumbent upon public housing authorities to increase their rent collections to compensate for reduced subsidy.

Over the last decade, HUD policy has moved from the issuance of repayment agreements to tenants for retroactive rent balances resulting from the non-reporting of new income sources, to a policy of tenants being reported to the Office of Inspector General for prosecution for failing to report their true incomes. The WHA staff recommends that the current Repayment Agreement Policy be terminated in conjunction with HUD's new direction and to complement upgraded collection procedures.

The termination of the issuance of repayment agreements to Public Housing clients should reduce the tenant accounts receivable balance and increase rental income.

Promote Economic Vitality and Affordable Living

Motion--
--carried

Inafay Grays-McClellan moved that the Admissions and Continued Occupancy Policy revision for the administration of the Public Housing Program be reviewed and approved. Motion carried 8 to 0.

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SECTION 8

SECTION 8 ADMINISTRATIVE PLAN REVISIONS.

Agenda Report No. 06-1268

Housing Authorities are required by Department of Housing and Urban Development (HUD) regulations to adopt and maintain an Administrative Plan which includes admission, occupancy, waiting list policies, and inspections requirements. These items are to be revised as HUD adopts regulations or as deemed necessary by the Housing Authority. The Board of the Housing Authority must approve revisions to the Section 8 Administrative Plan before changes can be implemented.

On May 9, 2006, the Wichita Housing Authority Board adopted changes to the utility allowances for the 06/07 fiscal year. On November 14, 2006, the Housing Authority Board adopted new 2007 Rent Payment Standards.

Staff proposes that the changes approved in these two actions be included in the Administrative Plan as Appendices. In addition, staff has made several additional modifications to the Administrative Plan, to address important health and safety issues, and to clarify operational procedures.

Amendments are required or permitted in accordance with HUD Rules and Regulations for Administration of Section 8 Housing Choice Voucher Program.

Promote Economic Vitality and Affordable Living

Motion--
--carried

Inafay Grays-McClellan moved that the revisions to the Section 8 Administrative Plan for the Section 8 Housing Choice Voucher Program be reviewed and approved. Motion carried 8 to 0.

AIRPORT AGENDA

Motion--
--carried

Mayans moved to approve consent items 52 to 54 in accordance with the recommended action shown thereon. Motion carried 7 to 0.

JABARA

JABARA AVIATION TECHNICAL EDUCATION CAMPUS LEASE AGREEMENT.

Victor White

Airport Director reviewed the item.

Agenda Report No. 06-1269

Several years ago, area leaders began to discuss the need to expand the availability of technical training in the region, with a focus on aviation manufacturing and related aircraft industry skills. The Wichita Airport Authority contracted with Schaefer Johnson Cox Frey Architecture (SJCF) to conduct a study of the training needs and to develop a master plan and design concept for a new technical training campus to be located on Colonel James Jabara Airport. A planning committee comprised of city, county, airport, and aviation industry representatives worked with the consultant during the study. The project was initially identified as the Kansas Technical Training Initiative, but subsequently has been renamed the "Jabara Campus Project."

Following the rollout of the study report last spring, the county began holding regular stakeholders meetings with aviation industry representatives in order to fine-tune the desires of the industry. During the summer, the county contracted with SJCF to begin the process of preparing plans and specifications for the construction of the campus.

After many months of extensive negotiations with county staff, an agreement has been reached for the terms of the lease arrangement for the Jabara Aviation Technical Education Campus.

Following are some of the key terms that will govern the lease:

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1. The lease will be between the Wichita Airport Authority (“WAA”) and the Sedgwick County Public Building Commission (“PBC”).
2. The initial premises to be leased are anticipated to be approximately 20 acres (871,200 square feet), but the actual land area will later be determined more precisely upon completion of the project’s schematic design effort. The “Exhibit A” in the lease agreement will be modified at that time. The total leased area could increase by no more than 25% with no additional rent payment due. However, if the leasehold grows beyond 25%, then an additional rental payment would be required.
3. The majority of the campus shall be used for aviation purposes or related purposes in support of the aviation technical education campus.
4. The length of the lease term shall be fifty (50) years, commencing on January 1, 2007 and running through December 31, 2056, so long as the facilities are used for an aviation technical education campus.
5. The land rental rate will start at the standard 10.88 cents per square foot per year, and then escalate by 2.5% per year. We have negotiated that the entire 50 years worth of rent will be paid up-front to the Airport no later than March 31, 2007, at a discounted net present value amount of \$3,263,206.
6. In return for this up-front payment, the Airport will design and build a taxiway from the runway to the site, and an aircraft parking ramp/apron, suitable to handle FAA Design Group II aircraft, with a maximum Airport obligation of \$1 million. If the actual cost of the project is higher than \$1 million, the additional cost will be borne by the PBC. In order to preserve the potential eligibility for FAA funding for this project, all standard FAA processes will be followed with respect to design and procurement. However, no grant is anticipated in the near future.
7. The Airport will maintain the taxiway, but not the ramp.
8. In the event that the Lessee terminates the lease during the first 20 years of the term, the Airport shall not be required to refund any portion of the up-front payment for the first 20 years, however the up-front payment for years 21 through 50 would be refunded. If the lease were terminated at any time after year 20 through year 50, then we would refund the up-front payment attributable to the remaining period. In the event repayment is required, the Airport could choose to make payments over a five-year period at an interest rate of 4% per year.
9. During the first two years, an option would be granted for the Lessee to lease additional land that is adjacent to the northern side of the original leasehold should they require more space for the campus. The rental rate would be at the same rate as the initial term.
10. For the remaining term of the lease, a right of first refusal would be granted for them to lease the land adjacent to the northern edge of the campus. Should the airport receive a bona fide offer from another party to lease that land, then the PBC would have the right of first refusal to lease and develop that land, so long as the PBC elects to pursue a lease within 30 days of notification and actually proceeds forward with a lease within 60 days of notification.
11. If the PBC wishes to occupy the premises past the 50-year lease term, they must notify the Airport of its intent no later than one year prior to expiration. Any lease extension terms would be at the then-current market rental rates.
12. The Airport is reserving its rights to use a portion (the east 35 feet) of the ramp/apron for a potential future taxiway to serve the northern part of the Airport.
13. All construction plans for the campus shall be reviewed and approved by the Airport. All airside facilities shall comply with FAA design standards and guidelines.

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14. If the PBC desires to construct an engine run-up and/or engine test facility on the premises, they shall be designed and operated to minimize the external exposure to the surrounding area to excessive noise levels.
15. Other than the access taxiway and ramp/apron, the PBC shall pay for all costs of design and construction on the campus.
16. The PBC will maintain all facilities on the premises at its own expense for the duration of the lease term.
17. The PBC will retain title to all improvements during the course of the lease, so long as the majority of the facilities are used for an aviation technical education campus. Title will revert to the WAA at the expiration or termination of the lease. Title will immediately revert to the WAA at any time during the lease term if the majority of the facilities cease to be used for aviation-related purposes. During the first 20 years, it can be used for other aviation-related purposes other than aviation technical education. After the first 20 years of the lease term, if the majority of the campus is not used for aviation technical education purposes, then title immediately reverts to the WAA.
18. The PBC will maintain appropriate fire and casualty insurance for the premises. However, should the facilities be damaged by casualty to such an extent that the PBC and WAA mutually agree that replacement is not desirable, then, any net proceeds of the casualty insurance shall be paid to the WAA, less any outstanding debt service during the first 20 years of the term. If such destruction occurs during years 21 through 50, then the entire net insurance proceeds would be paid to the WAA.
19. A key provision of the lease permits the PBC to assign the lease to Sedgwick County, which in turn would have the right to enter into operating agreements or subleases for the premises, so long as the premises shall be used for an aviation technical education campus. During the first 20 years of the lease, if the premises are assigned or sublet to a public or private entity for a purpose other than for an aviation technical education campus, they may do so without additional payments to the WAA so long as the majority of the campus is still used for aviation purposes. After the first 20 years of the lease, if the facilities are not being used for an aviation technical education campus, then title to the facilities shall immediately revert to the WAA.

At the December 4, 2006 meeting, the Wichita Airport Advisory Board approved the lease terms and recommended that the WAA approve the lease.

As noted in item #5 above, the PBC will pay the Airport Authority the entire 50 years of discounted lease rent (\$3,263,206) up-front no later than March 31, 2007. From this payment, the Airport will spend no more than \$1 million to design and construct a taxiway and ramp. On March 21, 2006, the City Council committed to contributing to this project by authorizing a payment to the county of \$1.6 million, which represents a portion of this up-front lease payment.

The Airport's contribution to the economic vitality of Wichita is promoted by the development of additional tenant facilities. In this particular case, the aviation education campus will provide training for hundreds of students annually who will become qualified to work at Wichita's numerous aircraft manufacturing companies, which will provide a long-term support for an industry critical to the region's viability.

The Law Department has approved the agreement as to form.

Motion--
--carried

Mayans moved that the agreement be approved and the necessary signatures authorized. Motion carried 7 to 0.

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HOST INT'L

SUBLEASE BETWEEN HOST INTERNATIONAL, INC. AND MULTI BUSINESS SERVICE CORPORATION D/B/A SARAH'S ICE CREAM, WICHITA MID-CONTINENT AIRPORT.

Agenda Report No. 06-1270

The sublease agreement between Host International and Multi Business Service ("MBS") ended April 30, 2006.

Following a lengthy period of negotiations between the parties, a new sublease agreement was executed on October 3, 2006 which permits MBS to remain in its current location for an additional four (4) years, and which also permits them to offer an expanded menu of food and beverage products to its customers.

There is no financial impact to the Wichita Airport Authority.

The Airport's contribution to the economic vitality of Wichita is promoted by encouraging the tenants at the Airport to improve their products and to offer additional services to their customers.

The Law Department has approved the sublease agreement as to form.

Motion--
--carried

Mayans moved that the sublease agreement be approved and the necessary signatures authorized. Motion carried 7 to 0.

SAFETY BUILDING

MID-CONTINENT AIRPORT, ADMINISTRATION AND SAFETY BUILDING ELECTRICAL SERVICE.

Agenda Report No. 06-1271

On September 26, 2006 a project budget of \$180,000 was established for this project.

The primary electrical service into the Administration and Safety Buildings is nearing its useful service life and has become unreliable. Replacing cabling and electrical equipment is needed to insure a reliable power supply.

The Staff Screening and Selection Committee selected Professional Engineering Consultants to provide the professional services.

The contract for design and bid phase services with Professional Engineering Consultants is \$13,797.75. Funding for these services is within the approved budget. A subsequent agreement will address construction phase services.

The Airport's contribution to the economic vitality of Wichita is promoted through projects that allow the Airport's basic services to be maintained.

The Law Department has approved the contract as to form.

Motion--
--carried

Mayans moved that the contract be approved and the necessary signatures authorized. Motion carried 7 to 0.

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DISADVANT. BUS. DISADVANTAGED BUSINESS ENTERPRISE-CONCESSIONS PROGRAM, WICHITA MID-CONTINENT AIRPORT.

Agenda Report No. 06-1276

Wichita Mid-Continent Airport is a primary airport and the Wichita Airport Authority received federal funds for airport development authorized under Title 49 of the United States Codes. The Airport Authority has signed airport grant assurances stating they will comply with 49 CFR Part 23. Therefore, the airport is required to submit an Airport Concessions Disadvantaged Business Enterprise (ACDBE) program.

An ACDBE program has been prepared and submitted to the Federal Aviation Administration in accordance with the regulations of the U.S. Department of Transportation, 49 CFR Part 23.

The Airport's contribution to the economic vitality of Wichita is promoted through encouraging disadvantaged business to participate in the ACDBE program.

The program has been submitted to comply with federal grant assurances.

Motion--carried Mayans moved that the ACDBE program be approved. Motion carried 7 to 0.

CITY COUNCIL

BOARD APPTS. BOARD APPOINTMENTS.

There were no appointments made.

OFF-AGENDA ITEM

Motion-- Fearey moved to take up an off-agenda item regarding lighting of the Christmas tree. Motion
--carried carried 7 to 0.

Council Member Fearey Council Member Fearey reported that last Thursday evening approximately 600 people showed up for the lighting of the Christmas tree and fireworks and approximately 300 people went inside to see Santa Clause. Stated that the singers were outstanding and that the sponsors were great and that radio station B98 broadcasted the event live.

RECESS

Motion-- Mayans moved that the City Council recess into Executive Session at 12:30 p.m. to consider:
consultation with legal counsel on matters privileged in the attorney-client relationship relating to:
pending litigation, potential litigation, legal advice and confidential data relating to the financial affairs
or trade secrets of a business and that the Council return from Executive Session no earlier than 1:00
p.m. and reconvene in the City Council Chambers on the first floor of City Hall.
--carried Motion carried 7 to 0.

RECONVENE

The City Council reconvened in the City Council Chambers at 1: 15 p.m. Mayor Mayans stated that no action was taken.

Motion--carried Mayans moved at 1:15 p.m. to close the Executive Session. Motion carried 7 to 0.

Motion--carried Mayans moved at 1:16 p.m. to close the Regular Meeting. Motion carried 7 to 0.

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ADJOURNMENT The City Council meeting adjourned at 1:16 p.m.

Respectfully submitted,

Karen Sublett CMC
City Clerk

Workshop followed the Council Chambers