

REVISED 02-07-2005 to Include
ADDENDUM - Agenda Item #29b

AGENDA REPORTS
02-08-2005

Agenda Item No. 8

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0085

TO: Mayor and City Council Members

SUBJECT: Petition to construct a sanitary sewer to serve Lots 6 and 7, Block C,
Prospect Park Addition (north of MacArthur, east of Ridge) (District IV)

INITIATED BY: Department of Public Works

AGENDA: Consent

Recommendation: Approve the Petition.

Background: The Petition has been signed by three owners, representing 100% of the
improvement district.

Analysis: The project will provide sanitary sewer service to two homes located north of
MacArthur, east of Ridge.

Financial Considerations: The Petition totals \$23,060. The funding source is special
assessments.

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

Recommendation/Action: It is recommended that the City Council approve the Petition
and adopt the Resolution.

Agenda Item # 10a

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0086

TO: Mayor and City Council

SUBJECT: Funding for Public Transportation

INITIATED BY: Wichita Transit

AGENDA: Consent Agenda

Recommendation: Approve the Interlocal Agreements.

Background: Each year the Federal Transit Administration (FTA) provides grant money for use in providing urban public transportation services. The amount of funding is based upon a complex formula involving miles driven, passenger rides provided, population area and density serviced, etc.

Analysis: The 2000 census figures enlarged the service area for which the City of Wichita is allowed to seek funds to include all of Sedgwick County and other incorporated entities within the urbanized area (UZA). The City can request funds for public transportation services to enhance the programs of Sedgwick County and the urbanized area, and pass through those funds as determined by the formula. For FY 2005 the pass through funds will be for a total of \$136,250 of which Sedgwick County will receive \$122,950.00, Butler County will receive \$13,300. All figures are 80% federal and 20% matched by the receiving agency.

Financial Considerations: None.

Legal Consideration: The City will have no part in operating these transportation programs. It will give guidance for the federal reporting required under the grant. By the attached interlocal agreements, the counties of Butler and Sedgwick will agree to adhere

to all federal program requirements attached to the grant. The Law Department has prepared these agreements.

Recommendations/Actions: It is recommended that the City Council approve the interlocal agreements.

Agenda Item No. 10b

CITY OF WICHITA
City Council Meeting
February 8, 2005

Agenda Report No. 05-0087

TO: Mayor and City Council Members

SUBJECT: Renewal of Lease with Child Care Association of Wichita (District III)

INITIATED BY: Office of Property Management

AGENDA: Consent

Recommendation: Approve the renewal request.

Background: On August 24, 1999, the City Council approved a five-year lease with the Child Care Association of Wichita for a portion of the City-owned building at 1329 South Terrace (Hilltop recreation Center) with the remainder of the building dedicated to the recreation center. The lease called for monthly rent of \$1,300 per month with the tenant being responsible for all cleaning and minor repairs. The Association also was required to carry liability insurance. The City was responsible for all major repairs, utilities and taxes if applicable. The lease provided for a one-year option, which will end July 31, 2005. The Association has expressed a desire to extend the lease beyond this date. The Association utilizes the space for classrooms and programs associated with Head Start.

Analysis: The new lease calls for an initial five-year term with monthly rent of \$1,450.00. This increases offsets historic increases in the City's costs and provides approximately the same net return as the City received in 1999. The Association is still responsible for all minor repairs, janitorial work and cleaning. The new lease makes the tenant responsible for any taxes levied against the property and requires that they carry insurance for their contents and leasehold improvements as well as liability. The lease allows for year-to-year extensions after the expiration of the initial term.

Financial Considerations: The City will receive a return on its initial investment in the building above its operating costs.

Legal Considerations: The Law Department has approved the lease agreement as to form.

Recommendation/Action: It is recommended that the City Council; Approve the Lease Agreement and authorize all necessary signatures.

Agenda Item No. 11a

CITY OF WICHITA
City Council Meeting
February 8, 2005

Agenda Report No. 05-0088

TO: Mayor and City Council Members

SUBJECT: Acquisition of a Portion of the Northeast Corner of Kellogg and Zelta for the East Kellogg Improvement Project (District II)

INITIATED BY: Office of Property Management

AGENDA: Consent

Recommendation: Approve the acquisition.

Background: In October 1998, staff was instructed to pursue purchases on an opportunity basis or to preserve the corridor along East Kellogg to K-96. Corridor preservation occurs when development or redevelopment is planned in the corridor that will significantly impact future acquisition costs. The site at the northeast corner of Kellogg and Zelta is one such site. It was recently acquired and is currently being developed as an automobile repair facility. The planned expansion of Kellogg will require the south 40 feet of the site. An advance purchase of the needed right-of-way has been negotiated to ensure that the improvements will not be developed in such a way as to require acquisition when the highway project is initiated.

Analysis: The area required for the highway totals 13,968 square feet. The owner has agreed to provide the required frontage to the City in exchange for a surplus City-owned parcel at the southwest corner of Kellogg and Hoover plus his costs to redesign the development to account for the right of way, \$13,275. The City-owned lot to be traded has approximately 25,000 square feet and is improved with a billboard. The billboard lease pays \$4,400 per year. The site has been offered for sale since 1994 and was included in the 2003 marketing program with a minimum price of \$75,000. The highest offer to date is \$62,850. The land the City is acquiring is located on the opposite side of

the signalized intersection adjacent to the new WalMart/Loews retail center Land on the south side of Kellogg has sold for \$10.00 to \$14.00 per square foot. Using the highest offer received on the City-owned parcel, \$62,850 plus the reimbursement of \$13,275 as the purchase price results in a total price to the City of \$76,125 or \$5.45 per square foot.

Financial Considerations: The Capital Improvement Program includes funds for acquisitions. The funding source will be local sales tax revenues. A budget of \$20,000 is requested. This includes \$13,275 for the reimbursement of the seller's costs, \$6,725 for closing costs, surveys and title insurance.

Legal Considerations: The Law Department has approved the contract as to form.

Recommendation/Action: It is recommended that the City Council approve the budget and the real estate purchase contract; and authorize all necessary signatures.

Agenda Item No. 11b

CITY OF WICHITA
City Council Meeting
February 8, 2005

Agenda Report No. 05-0110

TO: Mayor and City Council Members

SUBJECT: Acquisition of Part of 4944 & 4950 E. Central for Central: Oliver to Woodlawn (District I and II)

INITIATED BY: Office of Property Management

AGENDA: Consent

Recommendation: Approve the acquisition.

Background: On November 4, 2003 City Council approved a project to improve Central, between Oliver and Woodlawn. The improvement plans call for partial acquisitions of seven parcels. One of the required parcels is located at 4944 & 4950 E. Central. The acquisition of 4944 & 4950 E. Central requires a 1,875 square foot strip of land. The property has two multi-tenant apartment buildings located on a 17,424 square foot site

Analysis: The building improvements will not be impacted by this acquisition. The property owner of 4944 & 4950 E Central has agreed to accept \$14,615. \$13,125 for the acquisition; \$90 for the temporary easement and \$ 1,400 for proximity damages and fencing.

Financial Considerations: The funding source for the City share of the project is General Obligation Bonds with Federal monies. A budget of \$14,800 is requested. This includes \$14,615 for the acquisition and \$185 for closing costs and title insurance.

Legal Considerations: The Law Department has approved the contracts as to form.

Recommendation/Action: It is recommended that the City Council; 1) Approve the Budget; 2) Approve the Real Estate Purchase Contracts; and 3) Authorize all necessary signatures.

Agenda Item No. 11c

CITY OF WICHITA
City Council Meeting
February 8, 2005

Agenda Report No. 05-0111

TO: Mayor and City Council Members

SUBJECT: Acquisition of Part of 5108 E. Central for Central: Oliver to Woodlawn
(District I and II)

INITIATED BY: Office of Property Management

AGENDA: Consent

Recommendation: Approve the acquisition.

Background: On November 4, 2003 City Council approved a project to improve Central, between Oliver and Woodlawn. The improvement plans call for partial acquisitions of seven parcels. One acquisition at 5108 E. Central requires a 750 square foot strip take of land. The property is a tenant occupied duplex situated on a 6,970 square foot site.

Analysis: The property owner has agreed to accept \$5,310. \$5,250 for the acquisition and \$60 for the temporary easement. The building improvements will not be impacted by this acquisition.

Financial Considerations: The funding source for the City share of the project is General Obligation Bonds with Federal monies. A budget of \$5,450 is requested. This includes \$5,310 for the acquisition, and \$140 for closing costs and title insurance.

Legal Considerations: The Law Department has approved the contracts as to form.

Recommendation/Action: It is recommended that the City Council; 1) Approve the Budget; 2) Approve the Real Estate Purchase Contracts; and 3) Authorize all necessary signatures.

Agenda Item # 15

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 04-0089

TO: Mayor and City Council

SUBJECT: Procurement of Bus Shelters and Benches

INITIATED BY: Wichita Transit

AGENDA: Consent Agenda

Recommendation: Approve the purchase.

Background: Wichita Transit has needed to update the fixed route passenger amenities that are offered for the citizens of Wichita. The old bus benches contain outdated advertisements and are not aesthetically pleasing to the city's landscape. There is also a need for more bus shelters to provide the needed comfort from the elements that will help increase ridership on Wichita Transit's fixed route system.

Analysis: A large part of a successful Transit operation is not only offering the public a clean and safe bus to ride in, but also amenities for waiting for the buses to arrive. In 2002, Wichita Transit, with financial assistance from the Federal and State governments, replaced an aging bus fleet, with new more efficient and 100% ADA accessible buses. As a part of this improvement and the modernization of the City of Wichita's transit service, Wichita Transit applied and received federal funding to purchase new bus shelters and benches. Wichita Transit will purchase 21 (5' X 10') shelters and 10 (7' X 14') shelters and 255 (6') benches to be placed throughout the city in FY2005. WT also will have options to purchase within the next 5 years, up to 44 more shelters and 200 more benches. This will not only improve the comfort of Wichita Transit's customers, but will also offer a much more aesthetically pleasing service to the citizen's of Wichita.

Financial Considerations: The total cost of the project is \$340,807. The Federal portion is \$272,646 and the State of Kansas portion is \$68,161. There are no City of Wichita funds involved in this project.

Legal Consideration: The City's Law Department will review the contract prior to execution as to form.

Recommendations/Actions: Approve the selection of Duo-Gard Industries, Inc. for thirty-five (35) bus shelters and LNI Custom Manufacturing for two hundred and fifty-five (255) bus benches.

Agenda Item No. 16

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0090

TO: Mayor and City Council

SUBJECT: Emergency Repair Program Modifications (All Districts)

INITIATED BY: Housing and Community Services Department

AGENDA: Consent

Recommendation: Approve program changes to the Emergency Repair Program.

Background: The Housing and Community Services Department provides emergency home repair assistance for homeowners who are experiencing a housing emergency, which affects the health and safety of the residents. This CDBG-funded program provides assistance up to \$5,000 per year, per home, in the form of interest-free deferred loans which is payable upon transfer of ownership through sale or death of the homeowner. The property must be located in the City's Local Investment Areas and the household income of at least fifty-one (51%) percent of the total recipients of this program must not exceed the HUD Fiscal Year 2004 Low Income Limits for the applicable family size.

Many elderly homeowners who are in need of emergency repairs, are reluctant to take advantage of the City's program, because of the repayment provisions; they are reluctant to have a lien placed on their property which represents their only investment and legacy. However, many of those who take advantage of the program tend to rely on it to address issues, which result from lack of basic maintenance. These repeat users place a drain on the program resources.

As the City's housing stock continues to age and as efforts continue to preserve the City's central city neighborhoods, the need for emergency repairs expands outside the Local Investment Areas.

Analysis: Housing and Community Services staff is proposing modifications to address the above concerns, effective with the July 1, 2005-June 30, 2006 fiscal year.

Staff recommends that the entire home repair loan (up to \$5,000) be forgiven after five years. The owner would have to occupy the property during this time.

Staff recommends that there be a limit of two emergency repair loans per structure, for the life of the structure. The Housing and Community Services Director would have authority to approve exceptions to this term limit, based on individual circumstances.

Staff recommends that the emergency home repair program be expanded to cover the entire city. The nature of this program is different from the City's other repair programs in that it is designed to respond to a specific situation. Disbursements do not automatically contribute to area revitalization because emergency needs do not follow neighborhood boundaries.

Staff recommend that the income eligibility criteria be reduced from 80% of the AMFI, to 50% of the AMFI. The current structure of the program limits recipients to the Local Investment Areas, in which all residents are presumed eligible based on the census tract data. Coverage of the entire city would require eligibility determinations based on the household income of the homeowners. Reduction of the service criteria to 50% of the

AMFI, would ensure that the program serves the most needy and would offset the proposed service area expansion.

Housing and Community Services staff presented these recommendations to the Housing Advisory Board. The Board approved all recommendations by a unanimous vote at their November 16, 2004 meeting. The Board further recommended that the City Council direct that any repayments from loans made in the emergency home repair program, be automatically returned to the Housing Services Department, to address future emergency home repair needs.

Financial Considerations: Staff analysis projects a minimal impact on future income based on a repayment rate of less than 10% over the past six years.

Legal Considerations: CDBG regulations permit all proposed program changes. Other communities forgive all or part of home repair loans in similar programs. In addition, Regional HUD officials concur that these recommendations are allowable.

Recommendations/Actions: It is recommended that the City Council approve all proposed program changes to the Emergency Repair Program.

Agenda Item No. 17

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0091

TO: Mayor and City Council

SUBJECT: Deferred Loan Home Repair Program Modifications (All Districts)

INITIATED BY: Housing and Community Services Department

AGENDA: Consent

Recommendation: Approve program changes to the Deferred Loan Home Repair Program.

Background: The Housing and Community Services Department provides home repair assistance for homeowners whose homes require complete rehabilitation. This program provides up to \$35,000 per home, and is funded through CDBG and HOME. The assistance is in the form of an interest-free deferred loan, payable upon transfer of

ownership through sale or death of the homeowner. Heirs can inherit the debt, however, if they meet the original income qualifying criteria.

The property must be located in the City's Local Investment Areas and 51% of the persons assisted must have household income at 50% or below the Area Median Family Income (AMFI). Despite the improvements made through this home repair program, the property values rarely increase proportionately, primarily because of the location of the property within the Local Investment Area.

Analysis: Housing and Community Services staff is proposing modifications to address the above concerns, effective with the July 1, 2005-June 30, 2006 program year.

Staff recommend that 50% of the deferred loan be forgiven at a rate of 10% per year as long as the homeowner remains in the home. The balance would be repayable according to the current loan provisions (upon sale or transfer of the property).

Housing and Community Services staff presented these recommendations to the Housing Advisory Board. The Board approved all recommendations by a unanimous vote at their November 16, 2004 meeting. The Board further recommended that the City Council direct that any repayments from loans made in the deferred loan home repair program, be automatically returned to the Housing Services Department, to address future home repair needs.

Financial Considerations: Staff analysis projects a minimal impact on future income based on a repayment rate of less than 10% over the past six years.

Legal Considerations: HOME and CDBG regulations permit all proposed program changes. Other communities forgive all or part of home repair loans in similar programs. In addition, Regional HUD officials concur that these recommendations are allowable.

Recommendations/Actions: It is recommended that the City Council approve all proposed program changes to the Deferred Loan Home Repair Program.

Agenda Item No. 18

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0092

TO: Mayor and City Council

SUBJECT: HOMEownership 80 Program Modifications (All Districts)

INITIATED BY: Housing and Community Services Department

AGENDA: Consent

Recommendation: Approve program changes to the HOMEownership 80 Program.

Background: The HOMEownership 80 program provides interest-free deferred loans for down payments, closing costs, and minor repairs to a home within the City's Redevelopment Incentives Area. The loan provided for the down payment and closing costs is secured with a mortgage, and is due and payable upon the sale of the home, default of the loan terms, or in the event the borrower refinances a first mortgage, unless a subordination agreement is provided. The loan provided for minor repairs is also secured by a mortgage, and is forgiven after a period of five years.

In recent years the City's homeownership program was targeted to lower-income neighborhoods and neighborhoods within the Redevelopment Incentives Area as part of the Neighborhood Revitalization Plan. Loan limits were increased to encourage participation in the program, to encourage participation to help the City realize its goals to revitalize and preserve older neighborhoods.

Analysis: In an effort to enhance the City's partnership with homebuyers, Housing and Community Services staff is proposing modifications to the structure of its down payment and closing cost assistance loans, to be effective with the July 1, 2005-June 30, 2006 program year.

Staff recommend that 50% of the down payment and closing costs provided to homebuyers, be forgiven after 10 years for new home purchases and after five years for existing home purchases. This proposal would not result in a direct cash payment to the homebuyer. Instead, it would reduce the amount of the City's loan if, after the forgiveness period, the homebuyer decides to refinance, pay off the loan or sell the property. This would provide additional encouragement for buyers who are supporting the City's goal of revitalization and preservation of older neighborhoods and would increase the buyer's equity in their home, which promotes stability. This is a strategy that is successfully applied in a number of other communities including Lawrence, Topeka, Johnson County and the State of Kansas homeownership program, where forgiveness policies range from 50% to 100% of the down payment assistance.

Housing and Community Services staff presented these recommendations to the Housing Advisory Board. The Board approved the recommendations at its January 11, 2005 meeting by a unanimous vote.

Financial Considerations: Staff analysis projects a minimal impact on loan repayments since forgiveness would not be a factor until after five years for existing homes and after 10 years for new homes. Additionally, under the current policy, staff anticipates a

reduction in repayments because of the increasing number of new homes purchased with the down payment and closing cost assistance, and the higher long-term customer satisfaction levels which come with the purchase of new homes. (i.e. flexibility to construct for long-term needs, resulting in longer periods of owner retention).

Legal Considerations: HOME regulations permit all proposed program changes. In addition, Regional HUD officials concur that these recommendations are allowable.

Recommendations/Actions: It is recommended that the City Council approve all proposed program changes to the HOMEownership 80 Program.

Agenda Item #19

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0093

TO: Mayor and City Council

SUBJECT: Redemption of Airport Facilities Revenue Bonds (Cessna Aircraft Company)
(District IV)

INITIATED BY: City Manager's Office

AGENDA: Consent

Recommendation: Adopt the Resolution.

Background: On May 20, 1997, the City Council approved issuance of \$11,245,000 in Airport Facilities Refunding Revenue Bonds to Cessna Aircraft Company. The Bonds were issued to refund the Series II, 1990 Bonds. The 1990 bonds were used to construct and equip the 181,800 sq.ft. Citation Service Center, located at One Cessna Boulevard at the Wichita Mid-Continent Airport. The City of Wichita on January 24, 2005, received notice from Cessna Aircraft Company of its intent to redeem the Bonds on March 1, 2005.

In connection with the redemption and call, the company has asked that the City allow the Trustee to waive the 45-day notice period so that it can notice the call for March 1, 2005.

Analysis: The City previously had outstanding its Airport Facilities Refunding Revenue Bonds, Series III 1997. The Bonds were issued and secured pursuant to the terms of a Trust Indenture. Cessna Aircraft Company subleased the Project to the City pursuant to a Sublease and Subordination Agreement. The City of Wichita received notice from Cessna of its intent to redeem on Bonds, pursuant to Section 301(a) of the Indenture. Upon receipt of Trustee certification that the bonds have been paid, the City will deliver the instruments needed to release the bond-financed property back to Cessna Aircraft Company and terminate the SubLease.

The 1997 Bonds are being retired by Cessna as a result of the recent construction of the new Citation Service Center located at Mid-Continent Airport on south Hoover Road. The old Service Center is now being used as an aircraft manufacturing facility, and as such no longer qualifies for tax-exempt bond financing under the federal tax code.

Financial Considerations: All costs connected with this redemption of the 1997 Bonds will be paid by Cessna Aircraft Co.

Legal Considerations: The City Attorney's Office has approved the form of the attached Resolution to authorize the execution of the Termination and Release of Sublease, Termination and Release of Subsublease, (each in substantially the form attached to the Resolution), and the delivery of such other documents following satisfaction of applicable conditions.

Recommendations/Actions: It is recommended that City Council adopt the Resolution approving the Termination and Release of Sublease, Termination and Release of Subsublease, Cancellation, Discharge and Release of Indenture, and termination of all existing financing statements, waive the 45-day notice provision, and authorize the Mayor to sign.

Agenda Item No. 21.

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No.04-1239B

TO: Mayor and City Council

SUBJECT: Funding Support for the Arts

INITIATED BY: Division of Arts and Culture

AGENDA: Unfinished Business (Deferred December 21, 2004)

Recommendation: It is recommended that the City Council approve the arts funding process presented by the Arts Task Force, designate a funding option, and determine the composition and appointment of the Arts Task Force Review Committee.

Background: In 1994, the City Council and the Arts Council commissioned an independent study of the impact and potential of local arts and culture on the community, which resulted in the approval of the Wichita Community Cultural Plan. One of the goals of the Cultural Plan was to establish a funding mechanism that would encourage cultural resources to become active partners.

On March 16, 2004, the City Council approved the formation of the Arts Task Force, which was asked to accomplish the following and provide recommendations to the City Council:

- Study current funding support for the arts;
- Determine an equitable process for the City Council to evaluate requests for funding;
- Develop public and private funding options; and
- Designate the appropriate department in which the Division of Arts and Culture should reside.

At the December 14, 2004, City Council meeting, the Arts Task Force presented the Council with a process and funding option for allocating monies to local arts and cultural organizations.

Analysis: At the December meeting, the City Council concurred with the process that was presented. However, there was considerable discussion on how to fund the process. Three funding options have been discussed.

Option 1 – The Council would resolve to annually allocate .76 mills for agencies currently receiving funding from the City. This mill levy would allow for some growth in funding for established and emerging organizations without increasing taxes. The funded agencies include: Wichita Art Museum, Botanica, Cowtown, Wichita/Sedgwick County Arts Council, Mid-America All-Indian Center, the Kansas African American Museum, and the Wichita/Sedgwick County Historical Museum. These organizations, with boards of directors, are non-profit agencies that have private/public partnerships with the City of Wichita.

Option 2 – Increase the transient guest tax by charter ordinance, and provide for the new increment to be used by Tier 2 and Tier 3 organizations. (One percent of this tax generates approximately \$750,000.) The Arts Task Force has recommended the following tiered system.

- Tier I - existing organizations currently receiving City funds or in-kind services from the City of Wichita's general fund. These organizations are Wichita Art Museum, Botanica, Cowtown, Mid-American Indian Center, Arts Council, Kansas African American Museum, and Wichita Sedgwick County Historical Museum. (Continue funding out of the general fund.)
- Tier II – established and emerging organizations with annual operating budgets of \$500,000 or more.
- Tier III – established or emerging organizations with annual operating budgets less than \$500,000.

Because this alternative would involve a charter ordinance, it alternative would require the 2/3 approval by Council, and the publication and protest period applicable to charter ordinances. The organizations that are currently funded by the City would continue to be funded out of the general fund. They include Arts Council, the Wichita Art Museum, Botanica, Cowtown, Mid-America All-Indian Center, the Kansas African American Museum, and the Wichita-Sedgwick County Historical Museum. The guest tax would be used to fund established and emerging organizations.

Option 3 - Continue the status quo and fund/support arts and cultural organizations out of the general fund. Many more organizations beyond those currently funded will probably seek funding from the City Council.

Staff is recommending that regardless of the funding option selected by the City Council, the policy is to utilize the Arts Council Review Committee to review all funding requests and make recommendations to the City Manager and ultimately to the City Council for approval.

Additionally with any alternative selected by the Council staff will work with the Finance Department to combine all arts and cultural expenditures into one non-department budget to be supplemented by a separate budget report that details all operating, maintenance and debt management expenses for the funded organizations.

The Arts Task Force recommends that the Review Committee should consist of seven representatives. Those representatives would be chosen by the Arts Council with City Council approval from the following categories: government, business, philanthropic organizations, education, arts and the public, and interested individuals. At the January 11, 2005 workshop City Council members suggested that that number be increased to 11 individuals to allow appointments from each district in the categories suggested by the Arts Task Force.

Financial Considerations: For Option 1 - dedicate 0.76 mills with the intent of allocating the funds to support arts and cultural organizations and their facilities. Option 2; increase

the transient guest tax. Option 3 - continue to fund current and additional organizations out of the general fund annually.

Legal Considerations: Law Department has prepared and approved the form of the proposed policy resolution.

Recommendations/Actions: It is recommended that the City Council approve the arts funding process, adopt a funding option and determine the composition and appointment process of the review committee.

Arts Task Force

Recommendations for Process
And
Funding Options for the Arts
In Wichita, KS

Prepared June 2004

Members of the Arts Task Force

Suzie Ahlstrand
Mitch Berman
Wayne Bryan
Barbara Chamberlin
Joan Cole
Howard Ellington
Monica Flynn
Ron Holt
Margarita Hunt
Mohan Kambampati
Eric Key
Joe Miller
Kristin Peck
Bob Puckett
John Rolfe
Charles Steiner

Arts Task Force Report:
Procedure and Funding Options for Wichita, KS

Introduction

On March 16, 2004 the Wichita City Council approved the formation of an Arts Task Force. The Arts Task Force was asked to accomplish the following and return with their recommendations:

- Study current funding support for the arts;
- Determine an equitable process for the City Council to evaluate requests for funding;
- Develop public and private funding options; and
- Designate the appropriate department for which the Division of Arts and Culture should reside.

The Arts Task Force held working sessions on April 13, April 27, May 10, May 21 and May 24, 2004, which were open to the public. In addition, the Task Force held three public hearings or “listening” sessions at CityArts on May 4, 11, and 18, 2004. These listening sessions were designed to give local arts organizations and the public an opportunity to express their views on a process, criteria and funding options. Representatives from approximately 20 organizations and several arts advocates responded to the listening sessions.

Randy Cohen, Vice President of Research and Information for the Americans For The Arts organization in Washington D.C., provided the Task Force members and the general public with valuable information pertaining to funding options being used in the 50 largest U.S. cities.

Based on group discussions, input from those attending the public hearings and task force meetings and information provided by national reports including Research Atlanta, the Scientific and Cultural Facilities District (SCFD) of Denver, CO and the Americans For The Arts in Washington, D.C., the Arts Task Force has developed recommendations to enhance arts and culture in our community.

Suggested Process For Review of Funding Applications

The Task Force has determined a fair and equitable process that will protect the City’s current \$75 million investment in the arts while encouraging the development of other existing and emerging organizations is needed. It believes that the city must protect its current investments in the organizations that have become an integral part of our community’s culture. This investment includes its ownership of various properties and entities within the community including the Wichita Art Museum, Old Cowtown, Botanica, Century II, CityArts, and many others. Through historical agreements, the City has made substantial investments in these and other facilities to purchase, promote and maintain them.

However, the Task Force recommends that the organizations currently receiving funding must also adhere to the recommended process. The Arts Task Force respectfully submits this strategic overview of a process with the understanding that if the City Council approves this process, details of implementation will then be determined.

The Process

All organizations wishing to receive funding – including those organizations currently receiving funding from the City – must submit an application for funding. That application will be reviewed by a subcommittee of the Arts Council, made up of a diverse group of people representing government, business, community, philanthropic organizations, education, the arts and individuals – all with knowledge of or interest in the arts. The Arts Council subcommittee will then make funding recommendations to the City Council members, who will ultimately determine the funding allocations.

The following criteria will be used in reviewing applications for funding:

1. Definition of an arts & cultural organization: “An arts and cultural organization should provide for the enlightenment and entertainment of the public through the production, exhibition, advancement, or preservation of art, literature, music, theater, dance, zoology, science, botany, natural history or cultural history.”

2. A tiered system for applying organizations (specific percentage of allocation to be determined)

- Tier I - existing organizations currently receiving City funds or in-kind services from the City of Wichita’s general fund. These organizations are Wichita Art Museum, Botanica, Cowtown, Mid-American Indian Center, Arts Council, Kansas African American Museum, and Wichita Sedgwick County Historical Museum.
- Tier II – established and emerging organizations with annual operating budgets of \$500,000 or more.
- Tier III – established or emerging organizations with annual operating budgets less than \$500,000.

3. Existing & emerging organizations must comply with the following criteria to apply for funding:

- o An appropriate financial plan
- o Tax exempt status
- o A mission that does not exclude any groups
- o A demonstrated record of producing and/or presenting arts (where applicable)

4. Priority of fund allocation for arts & cultural organizations should be (in the order of priority):

- o Operations
- o Programming
- o Capital projects

5. Formation of Review Committee

- o Shall be created as a separate committee of the Arts Council
- o Possess broad based knowledge of the arts
- o Are odd in number
- o Should include members of the government, business, community, philanthropic organizations, education, the arts and individuals – all with knowledge of or interest in the arts
- o Represent diverse cultural groups
- o Have term limits
- o Declare conflicts of interest
- o Include city staff for financial and arts related administration (non-voting, advisory only)

6. Evaluation of applications by the Review Committee will use the following for consideration for each applying organization:

- o Financial accountability
- o Sustainability
- o History of quality programs and services
- o Record of successful strategic planning
- o Commitment to obtain other sources of revenue, including private contributions
- o Intellectual and aesthetic quality
- o Contribution to the Wichita community at large
- o Diversity of programming and mission
- o Professional accreditation within the tier (where applicable)
- o Cultural diversity
- o Partnerships between organizations

7. Performance measures to be submitted by applicant for evaluation by the Review Committee include:

- o History of previous grants and the goals of current application
- o Financial accountability and stability of organization
- o Ability to submit reports in a timely manner
- o Budget history
- o Attendance
- o Economic impact/Return on Investment

8. Application review process should:

- o Be an open, public process
- o Be based on an equitable point system
- o Allow organizations to make short presentations to the Review Committee
- o Include staff review to address financial documentation and compliance

9. Evaluation of City funding received by organizations could include:

- o Site visits
- o Written reports and financial documentation from organizations receiving funding
- o Measurable performance documentation

Analysis of Funding Sources

The Task Force believes that the current levels of funding and in-kind support continue to protect the \$75 million investment the City of Wichita has made to the arts. It is imperative that the City of Wichita continues to promote and encourage growth of the arts as a vehicle for cultural tourism rather than make further reductions to the arts or simply maintain the status quo.

One way to accomplish this is to provide a dedicated funding source for arts and culture in our community. According to a study by Research Atlanta, the question of what public interest will be served by an earmarked tax for the arts needs to be addressed. There are a number of reasons why public support of the arts, beyond what the private sector alone can provide, is justified:

- Opportunities to share in the cultural life of Wichita without public support denies individuals with low income the same opportunities as those individuals who have the benefit of family upbringing, schooling, and finances that enable them to fully partake of cultural offerings.
- Quality of life is enhanced when citizens are allowed the opportunity to actually participate in cultural activities
- Participation in the arts actually builds invisible ties that bind our local society together through understanding of cultural diversity and socio-economic differences
- Residents' benefit from a culturally active city by attracting new businesses and residents who in turn add to the cultural and economic life of our community resulting in continued growth

Before the task force determined its recommendations for funding, it first studied how other communities are funding arts and culture. The following is a synopsis of funding opportunities currently being utilized in other cities:

What are other communities doing?

Mil Levy

Currently, the entire mil levy is deposited into the general fund. Dedicating a portion of this money would take the arts investment out of the general fund and put it into a dedicated funding source for arts in our community. The advantage of dedicating a portion of the mil levy would include stable growth in arts funding as property values increase. Twelve of the 50 largest U.S. cities use this tax to enhance arts and culture. Among the cities currently using a mil levy tax are Austin, Kansas City, Charlotte, and San Francisco. The disadvantage to using the mil levy to fund the arts would be that only property owners would be paying for the arts.

Guest Taxes

Guest taxes are dedicated for the arts in San Francisco, Houston, St. Louis, and Columbus. Of the 50 largest cities in the U.S., 22 of those cities use this tax to support the arts. It is collected for the most part from visitors to our area and is viewed as having little impact on a Wichita resident's annual income. The major drawback to funding the arts through this venue is the instability of the guest tax and its dependence on tourists to Wichita as well as the national economy as a whole. However, at this time, a 1% increase in the guest tax would generate about \$650,000.

Retail Sales Tax

Dedicated funding for the arts has been implemented using tax bases where the city or county has some scope for setting the tax rates. For example, the use of dedicated retail sales tax for the arts has been implemented in Denver, Salt Lake City, St. Paul, Pittsburgh, and Austin. Denver's plan is perhaps best known; the Scientific and Cultural Facilities District (SCFD) levies a one-tenth of one percent sales tax over seven counties of Metropolitan Denver resulting in \$30 million distributed by the SCFD on an annual basis. A one-tenth of one percent increase in our local sales tax would only generate about \$40,000.

Legislation would be required to increase the retail sales tax. Our citizens pay the retail sales taxes; therefore, it would be difficult to garner local support. Further, the Task Force does not recommend a tax increase. However, the City Council could reallocate the current retail sales tax being collected. The advantage of allocating a percentage of the existing tax would include stable growth with few fluctuations.

Workplace Giving

Workplace giving campaigns are an efficient and effective means of soliciting funds through donations made by individuals through their place of employment. This type of giving began in 1949 when civic leaders in Cincinnati and Louisville determined that community wide campaigns, loosely based on the United Way model, could raise substantially more money to provide ongoing operating support to their major arts institutions.

Workplace giving programs differ significantly from traditional appeals approach. Instead of a \$100 donation request, for example, the gift opportunity is presented as a periodic contribution of \$2 a week, which translates into a \$100 annual gift. Because the gifts are made in increments, the total gift is more manageable and affordable. The payroll deduction approach allows all levels of employees a choice in giving. Most programs place the funds in an unrestricted pool to support grant programs. However some communities are offering donors the option of designating their gift to an arts organization of their choice. This is a program that needs further exploration by the task force or the Arts Council.

Food & Beverage Tax

This is a relatively new source of funding revenue for the arts and would be similar to the guest tax. However, unlike the guest tax which is primarily dependent on visitors to Wichita, the food and beverage tax would likely share equally between local residents

and visitors to the area. Implementation as well as the possible revenue generated would need to be studied further as there is no basis at this time on which to compile those figures or the amount that could be generated by this type of tax. Stability of this funding source would also need to be considered. During tougher economic time periods, fewer residents dine out or entertain in restaurants.

Private Funding

The Task Force could not study public funding without also looking at funding from the private sector. Discussion among the directors of various local organizations support the findings of the Americans For The Arts research that shows national and state funding declining while private funding remains flat. This results in application for private funding becoming increasingly more competitive. However, the Task Force recommends organizations match City funding with funds from the private sector and exploration of private sector funding continue. Should a source of funds be identified, the Task Force recommends making those funds available to existing and emerging organizations.

Arts Task Force Recommendations

The Arts Task Force makes the following recommendations to the Wichita City Council:

- Appoint the Arts Council to create a diverse committee to review requests for funding based on the outlined process and criteria and make funding recommendations to the City Council during the City of Wichita's annual budget process;
- Protect the City's current investment by continuing funding at its existing level or higher, with the understanding that all organizations receiving funding will also follow the new process;
- Must increase City funding for the arts from its current level:
 - o Explore increasing the guest tax;
 - o Increase the allocation by 15% initially, and there after to incrementally keep pace with inflation;
 - o Explore the possibility of a user tax, such as a food & beverage tax or a ticket tax;
 - o Ask the Arts Council to explore a workplace giving program.
- Designate the Division of Arts & Culture to reside under the management of the City Manager's office as a way to elevate the perception and visibility of the arts in our community.

Agenda Item # 22

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0094

TO: Mayor and City Council

SUBJECT: Public Hearing and Issuance of Industrial Revenue Bonds (American Baptist Estates) (District IV)

INITIATED BY: City Manager's Office

AGENDA: New Business

Recommendation: Close the Public Hearing and place the Ordinance on first reading.

Background: On December 21, 2004, City Council approved a Letter of Intent to issue Industrial Revenue Bonds for American Baptist Estates in the amount of \$1,325,000. The proceeds of the proposed bond issue will be used to build five additional duplex buildings, located at 1605 May Street in southwest Wichita. American Baptist Estates is requesting the issuance of IRBs at this time, in the amount of \$1,225,000.

Analysis: American Baptist Estates d/b/a Prairie Homestead is a Kansas not-for-profit corporation formed in 1963 to provide a continuing care retirement community for older adults. The original development of Prairie Homestead was developed in 1966. Prairie Homestead provides housing accommodations and care for older adults especially designed to meet their physical, social and spiritual needs. The project offers 168 apartments and accommodates single or double occupancy. The units range from 279 to 1072 square feet. Prairie Homestead provides health care services that includes nursing services through scheduled clinics, 24 hour nursing care, and a multitude of therapies. Prairie Homestead also provides dining services, weekly basic housekeeping, security and safety features, numerous in-house social activities, and scheduled transportation.

The proposed expansion will include five additional duplex buildings, which will provide 10 new independent living units to the complex.

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

SOURCES OF FUNDS

2005 Bond Issue	\$1,225,000	
Funds from Tenant		29,000
Total Sources of Funds	\$1,254,000	

USES OF FUNDS

Construction Costs	\$1,200,000
Underwriting Fee (2%)	24,500

Bond Counsel Fee/Underwriter Counsel	21,000	
Tenant's Counsel Fee	1,500	
Printing & Publications	2,500	
Misc.	2,500	
Trustee Fees		2,000
Total Uses of Funds	\$1,254,000	

The firm of Hinkle Elkouri Law Firm, L.L.C., serves as bond counsel in the transaction. Riedl First Securities Company of Kansas has agreed to underwrite the bonds. American Baptist is working with W.S.U. to carry out a cost-benefit analysis on the expansion project. The results will be presented at the time this item is considered by the City Council.

Financial Considerations: American Baptist 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. American Baptist does not request a property tax abatement in conjunction with the IRBs. Sales tax exemption on purchase of bond-financed property will save American Baptist an estimated \$53,000, including \$8,500 in county sales tax. American Baptist is not seeking a property tax abatement through the issuance of IRBs.

Legal Considerations: Bond documents needed for the issuance of the bonds will be prepared by bond counsel. The City's Attorney's Office will review and approve the form of bond documents prior to the issuance of any bonds. American Baptist Estates is eligible under the new Economic Development incentive policy since they provide affordable housing for senior residents, as well as health care services.

Recommendations/Actions: It is recommended that the City Council close the public hearing, place the Bond Ordinance on first reading and approve the Bond Ordinance authorizing the execution and delivery of documents for the issuance of Industrial Revenue Bonds in an amount of \$1,225,000, and authorize the necessary signatures.

Agenda Item No. 23

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0095

TO: Mayor and City Council

SUBJECT: Public Hearing and Request for Letter of Intent for Industrial Revenue Bonds (Delta Data Systems, Inc.) (District II)

INITIATED BY: City Manager's Office

AGENDA: New Business

Recommendation: Close the public hearing and approve the Letter of Intent for Industrial Revenue Bonds.

Background: Delta Data Systems Inc. is requesting the issuance of a one-year letter of intent for Industrial Revenue Bonds ("IRBs") in an amount not to exceed \$9,000,000. Bond proceeds will be used to finance the cost of acquiring, constructing and equipping a corporate headquarters facility to be leased to Delta Data Systems, Inc. Delta Data Systems is also requesting the City Council's approval of a 90% five-year tax exemption on IRB-financed property and a second five-year exemption subject to City Council review and approval. The new facility will be located in the Waterfront Addition at 13th & Webb. Delta Data Systems will sublease the project to Delta Dental Plan of Kansas, Inc. ("Delta Dental").

Analysis: Delta Data Systems, Inc. is a for-profit Kansas corporation founded in 1987 to provide computer software products and support services to dental insurance carriers and to serve as owner and landlord for the Wichita headquarters of its shareholder, Delta Dental Plan of Kansas, Inc. Delta Dental was founded in 1972 and is the oldest and largest dental benefits carrier in the State. Delta Dental is a member of the Delta Dental Plans Association, a nationwide network of dental service corporations. The company provides dental benefits to more than 45 million subscribers and their family members in the United States. Delta Dental working closely with participating dentist networks, provides dental benefit plans to organizations and individual employers in the State of Kansas, and through a national program for businesses and employees known as DeltaUSA, provides dental benefits to businesses and organizations with employees in multiple states.

Delta Data Systems proposes to construct and equip a new two-story corporate headquarters building, consisting of approximately 40,000 sq.ft., including sufficient parking to accommodate a growing staff and guests. Delta Dental has demonstrated continued growth throughout its 32-year history and is in need of new and larger office facilities. As a statewide insurance carrier, Delta Dental could locate its Kansas headquarters anywhere in the state. Delta Dental currently employs 84 people, including 76 in Wichita, and plans to add 21 new jobs over a five-year period, at an average annual salary of \$40,813.

An analysis of the uses of project funds is:

Land	\$1,800,000	
Building		6,250,000

Furniture, Fixtures and Equipment
950,000

Total Cost of Project: \$9,000,000

The firm Hinkle Elkouri L.L.C. will serve as bond counsel in the transaction. The Company plans to privately place the bonds with a financial institution and the bonds will not be reoffered to the public. The Company agrees to comply 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	1.34 to one
County	1.24 to one
USD 259	1.22 to one
State	3.12 to one

Financial Considerations: The Company agrees to pay all costs of issuing the bonds and the City's \$2,500 annual IRB administrative fee for the term of the bonds. Under the City's Business Incentive Policy, the Company qualifies for a 90% five-plus-five-year tax exemption on property purchased with bond proceeds, based on creation of 21 new jobs, investment of \$9 million and average wages that exceed the average for this type of business.

The estimated first year's taxes on Delta Data's proposed \$9,000,000 expansion would be \$177,000, on real property improvements and \$23,000 on personal property, based on the 2004 mill levy. Using the allowable tax exemption of 90 percent, the City would be exempting (for the first year) \$180,000 of new taxes from the real and personal property tax rolls. The tax exemption would be shared among the taxing entities as follows: City - \$50,000; County/State - \$48,000; and USD 259 - \$82,000.

In addition, the project will qualify for a sales tax exemption on bond-financed purchases. The estimated savings from exempted sales taxes are \$315,000.

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

Recommendations/Actions: It is recommended that the City Council close the public hearing and approve a Letter of Intent to Delta Data Systems, Inc. for Industrial Revenue Bonds in an amount not-to-exceed \$9,000,000, subject to the Letter of Intent conditions, for a term of one-year, approve a 90% tax abatement on all bond-financed property except land for an initial five-year period plus an additional five years following City Council review, and authorize the application for a sales tax exemption on bond-financed property.

Agenda Item # 24

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0096

TO: Mayor and City Council

SUBJECT: Request for Letter of Intent for Industrial Revenue Bonds
(Prairie Villa at Beacon Hill, L.C.) (District I)

INITIATED BY: City Manager's Office

AGENDA: New Business

Recommendation: Approve the Letter of Intent.

Background: Prairie Villa at Beacon Hill, L.C. ("Prairie Villa") is requesting City Council approval of a one-year Letter of Intent for the issuance of Industrial Revenue Bonds in an amount of \$4,700,000. The proceeds of the proposed bond will be used to finance the cost of acquiring, constructing and equipping a senior apartment facility to be located at 2395 North Beacon Hill Street in northeast Wichita. The developer is also requesting a sales tax exemption on all bond-financed purchases.

Analysis: Prairie Villa is an asset limited liability company in that the main principals have been engaged in the federal tax credit program for over ten years and have developed and owned in excess of over twenty projects in the State of Kansas. Prairie Villa is a senior duplex apartment facility that will include thirty duplexes containing 60 energy efficient 2-bedroom units each with an attached garage. The complex will provide a community clubhouse, gazebo, and walking paths for residents as well as generous green area.

The proposed project is adjacent to the Prairie Villa retirement complex located at 5400 E. 21st Street, which is also owned by the principals of Prairie Villa at Beacon Hill, and which consists of 15 patio home buildings that includes 45 senior apartment units. The

expansion will include five additional duplex buildings and provide funds to continue to remodel and up-date existing units.

An estimated analysis of the uses of project funds is:

USES OF FUNDS

Construction Costs	\$4,700,000
Total Project Costs	\$4,700,000

The firm of Hinkle Elkouri Law Firm, L.L.C., will serve as bond counsel in the transaction. Bonds will be privately placed with a construction lender selected by the applicant. Prairie Villa agrees to comply with the City's requirements contained in the Letter of Intent. Prairie Villa is working with W.S.U. to carry out a cost-benefit analysis on the expansion project. The results will be presented at the time this item is considered by the City Council.

Financial Considerations: Prairie Villa 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. Prairie Villa does not request a property tax abatement in conjunction with the IRBs. Sales tax exemption on purchase of bond-financed property will save Prairie Villa an estimated \$150,000. The developer has offered to share the sales tax savings with the City by paying an additional up-front fee of \$20,000.

Legal Considerations: Bond documents needed for the issuance of the bonds will be prepared by bond counsel. The City's Attorney's Office will review and approve the form of bond documents prior to the issuance of any bonds. Prairie Villa at Beacon Hill is eligible under the new Economic Development incentive policy since they provide affordable housing for senior residents.

Recommendations/Actions: It is recommended that the City Council approve the Letter of Intent to Prairie Villa at Beacon Hill, L.C. for Industrial Revenue Bonds in an amount of \$4,700,000, subject to the Letter of Intent conditions, for a one-year term, and authorize the application for a sales tax exemption on bond-financed purchases.

Agenda Item No. 25

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0097

TO: Mayor and City Council

SUBJECT: Clean Drinking Water Fee - Exercise the Option to Pay

INITIATED BY: Water and Sewer Department

AGENDA: New Business

Recommendation: Approve the option to pay the Clean Drinking Water Fee in lieu of payment of sales tax on non-exempt purchases by the Water Utility.

Background: In 2001, the Water Utility chose to opt out of paying the Clean Drinking Water Fee, which is a payment water utilities may choose to make in lieu of paying sales tax on non-exempt purchases. The fee is equal to three cents for every one thousand gallons of water the utility sells at retail. K.S.A. 82a-2101 established the option in 2001, and water utilities were given a one-time, irrevocable option to either pay the fee, or not pay the fee.

Following a financial analysis, the City chose to opt out of paying the fee and to continue paying sales tax on non-exempt purchases. The financial analysis indicated that the impact on the Water Utility of choosing to pay the fee or not was virtually a wash. Also, there were considerable misgivings concerning a “pass through” provision of the statute, which essentially stated that that utilities could not pass the cost of the Clean Drinking Water Fee on to customers.

In this state, 825 utilities chose to ignore this stricter interpretation of the statute, choosing instead to interpret the intent as being that the utility simply could not include the fee as an item on the bill. Eighty-five (85) utilities chose to join Wichita in opting out of paying the Clean Drinking Water Fee; however, this did not include any of the larger metropolitan areas in the state.

The Water Utility has been audited twice by the Kansas Department of Revenue in the last ten years. Sales tax on non-exempt purchases has been a primary focus of the audits and the general trend seems to be a more aggressive stance in terms of the scope of items subject to taxation.

In 2004, the Kansas Legislature amended K.S. A. 82a-2101 with the passage of Senate Bill 147. This afforded the state’s water utilities the opportunity to opt in to pay the Clean Drinking Water Fee anytime after January 1, 2005. Under the terms of the legislation, the decision to pay the fee is once again irrevocable.

Analysis: Recent financial analysis indicates that choosing to pay the Clean Drinking Water Fee would result in annual savings to the Water Utility of approximately \$400,000 and avoid a potential tax liability for the City of \$265,000 on services used by the Water Utility. Financial advantages of paying the fee have increased since 2001, owing to a

higher level of taxability of expenditures for capital projects. The possibility exists that the advantages of paying the fee will further increase if the KDOR chooses to apply more expansive interpretations of taxes on non-exempt purchases.

Financial Considerations: There is a projected savings to the Water Utility of approximately \$400,000 annually, associated with the decision to pay the Clean Drinking Water Fee. This savings would increase with an approval of the additional one-percent (1%) tax for the downtown arena.

Legal Considerations: Coincident with the decision to opt to pay the Clean Drinking Water Fee, the City has included the pass through issue in the City's Legislative Agenda. The City is requesting legislation that would clarify the intent of the statute by stating explicitly that utilities "shall not include a separately stated line or item showing the amount of such fee."

This would mitigate the possibility of a class action lawsuit challenging the intent of the statute and requiring that the Clean Drinking Water Fee not be included in the rate base of the utility.

Recommendations/Actions: It is recommended that the City Council approve the application of the Water Utility to opt in to pay the Clean Drinking Water Fee effective April 1, 2005.

Agenda Item No. 26

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0098

TO: Mayor and City Council Members

SUBJECT: Improvement to the Intersection of Harry and Longford (District II)

INITIATED BY: Department of Public Works

AGENDA: New Business

Recommendations: Approve the project.

Background: The 2004-2013 Capital Improvement Program adopted by the City Council includes a project to improve the intersection of Harry and Longford. District II Advisory Board sponsored a July 12, 2004, neighborhood hearing on the project. The Board voted 7 – 0 to recommend approval of the project.

Analysis: The project will provide turn lanes on Harry to Longford. Construction is planned for 2005.

Financial Considerations: The estimated project cost is \$200,000 with the total paid by the City. The funding source is General Obligation Bonds.

Legal Considerations: The Law Department has approved the authorizing Ordinance as to legal form.

Recommendation/Actions: It is recommended that the City Council approve the project, place the Ordinance on First Reading, and authorize the signing of State/Federal agreements as required.

Agenda Item No. 27

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0099

TO: Mayor and City Council Members

SUBJECT: Improvement to the Intersection of Tyler and Yosemite (District IV)

INITIATED BY: Department of Public Works

AGENDA: New Business

Recommendations: Approve the project.

Background: The 2004-2013 Capital Improvement Program adopted by the City Council includes a project to improve the intersection of Tyler at Yosemite. District IV Advisory Board sponsored a December 1, 2004, neighborhood hearing on the project. The Board voted 9 – 0 to recommend approval of the project.

Analysis: The project will provide turn lanes on Tyler to Yosemite. Construction is planned for 2006.

Financial Considerations: The estimated project cost is \$530,000 with \$150,000 paid by the City and \$380,000 by Federal Grants administered by the Kansas Department of Transportation. The funding source for the City share is General Obligation Bonds.

Legal Considerations: The Law Department has approved the authorizing Ordinance as to legal form.

Recommendation/Actions: It is recommended that the City Council approve the project, place the Ordinance on First Reading, and authorize the signing of State/Federal agreements as required.

Agenda Item # 28

CITY OF WICHITA
City Council Meeting

February 8, 2005

Agenda Report No. 05-0100

TO: Mayor and City Council Members

SUBJECT: Ordinance Amendments Pertaining to Amusement Parks and Rides

INITIATED BY: City Council

AGENDA: New Business

Recommendation: Place ordinance on first reading.

Background: The City Council conducted two workshops regarding the regulation of amusement park rides and directed the City Attorney to prepare an ordinance to address safety and licensing concerns.

Analysis: The amendments expand the existing ordinances to include portable and inflatable rides. One million dollar (\$1,000,000) insurance policies are required for amusement parks and portable amusement rides. This amount is in compliance with

State statutes. Such policies are required to be issued by companies approved by the Kansas Insurance Commissioner.

Licenses are required to submit bi-yearly inspections of rides performed by their insurance companies. Licensees are required to notify the City of accidents and any changes to insurance coverage. The Superintendent of Central Inspection and Director of the Health Department are authorized to inspect the premises and ride devices to insure that safety requirements are met.

Financial Considerations: License fees range from \$300 every six months for amusement parks to \$10.50 per week, \$20 per month and \$50 every six months for portable amusement rides.

Legal Considerations: The amendments have been prepared and approved as to form by the Law Department.

Recommendations/Actions: Place the ordinance on first reading.

Agenda Item No. 29

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0101

TO: Mayor and City Council
SUBJECT: Wireless Network Site Survey and Initial System Design

INITIATED BY: IT/IS Department

AGENDA: New Business

Recommendation: Approve the Agreement, approve the transfer of funds and authorize the necessary signatures.

Background: In December 2002, the City, Sedgwick County and KDOT entered into a project to study the feasibility of AVL and to consider how to supply wireless data connectivity. From this initial study an RFP for engineering design services to create a wireless network for the City of Wichita was issued.

Analysis: By providing wireless data connectivity it will be possible to implement a wide array of technologies and processes to improve operational efficiencies, customer service and public safety. Examples of this might include Automated Vehicle Location, direct

access to systems and information from the field such as inspection requests, building diagrams, Police records, etc., issuance of work orders directly to field work crews, and camera images relayed in real time to command centers or Public Safety laptops. In addition, this network would replace leased data circuits for savings of over \$85,000 per year. This network is required for the implementation of many aspects of the Intelligent Transportation Systems (ITS) that are envisioned for this region.

An RFP was issued in spring of 2004 requesting engineering design services for the creation of a wireless data network. The responses included an initial network design and cost estimate. The selection committee consisted of members from Transit, Finance and IT/IS. Computer Sciences Corporation (CSC) was identified as the highest rated firm to build a wireless network for the City of Wichita.

During this process IT/IS staff has sought to build a consortium for this project that includes USD 259, Sedgwick County and Westar Energy. These consortium partners can help to reduce the costs of building and maintaining the network either by direct payment or by providing resources such as radio towers and staff.

The project for which permission is sought is an engineering design study to refine the initial design provided by CSC in their RFP response and would provide a detailed design, work plan, and cost estimates for construction and maintenance of the final system. The study will take into account the needs and resources of USD 259, Sedgwick County and Westar Energy as well as those of the City of Wichita with the understanding that should these other entities choose to participate in the building of the network they would repay their portion of the design costs.

The IT/IS Advisory Board has approved this plan and recommendation.

Financial Considerations: The cost of the agreement with CSC will not exceed \$300,000 including travel and expenses. The funding for the site survey and system design will come from IT/IS funds. Implementation costs are expected to be funded primarily from federal grants.

Legal Considerations: The Agreement will be reviewed and approved as to form by the Law Department.

Recommendations/Actions: It is recommended that the City Council approve the selection of CSC to perform a site survey and initial system design, approve the transfer of funds and authorize the necessary signatures.

Agenda Item No. 29a.

City of Wichita

City Council Meeting
February 8, 2005

Agenda Report No. 05-0112

TO: Mayor and City Council

SUBJECT: 2005 Wichita Aviation Festival

INITIATED BY: Division of Arts and Culture

AGENDA: New Business

Recommendation: Approve the contract with Wichita Festivals, Inc. (WFI) to produce, market and manage 2005 Aviation Festival for the City of Wichita, Kansas (City) to be held in the Fall of 2005 on a date or dates to be determined.

Background: Request for Proposals were submitted for the 2005 Aviation Festival. The staff recommendation is to reject the proposals due to the change in Scope of Services needed to facilitate the 2005 Aviation Festival. City Council directed staff to work with WFI to produce, market, and manage the 2005 Aviation Festival. The scope of services provided to WFI will include:

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

Analysis: It was recommended by the City Council in a workshop on November 23, 2004 that staff would work with WFI to produce, market, and manage the 2005 Wichita Aviation Festival. WFI is ready, willing, and able to provide the professional services necessary to accomplish this task as evidence by their past performance of successful production, marketing, and management of the River Festival.

Financial Considerations: The City will provide \$125,000 in funding for the successful completion of the contract with WFI. The City will pay WFI the sum of \$31,250.00 upon execution of the contract. The City will then pay additional sums in the agreed amounts upon completion of project milestones. A retainage of \$18,750.00 shall be withheld pending successful completion of all tasks outlined in the Contract and Scope of Services.

Analysis: The proposed moratorium resolution sets forth the following:

- Ø Justification and legal authority for administratively delaying, reviewing and developing comprehensive ordinances regarding sexually oriented businesses
- Ø A six-month moratorium on the consideration or approval of any new requests for licenses or permits regarding land use, building and development permits and business licenses for adult entertainment establishments.
- Ø Direction to the City Manager to assemble a team of appropriate staff from various City departments to actively pursue development of comprehensive ordinances regarding such licensure and regulation

During the six-month moratorium, the staff review team will: (1) assess the current licensure and regulation of sexually oriented businesses; (2) research and analyze developing law; (3) identify alternative, available means and locations within the City by which the City may accommodate the constitutional uses in a manner that negates the pernicious secondary effects of sexually oriented businesses; (4) actively pursue development of comprehensive ordinances and/or code amendments for adult entertainment establishments, and (5) make recommendations to the City Council concerning any necessary and appropriate legislation and/or code amendments.

Financial Considerations: There is no financial impact to the City.

Legal Considerations: The City Council has the legal authority under its police powers to establish a reasonable moratorium on the granting of certain permits and licenses.

Recommendations/Actions: Take appropriate action.

Resolution No. _____

A RESOLUTION BY THE CITY OF WICHITA, KANSAS ADOPTING AN ADMINISTRATIVE DELAY FOR CONSIDERING AND APPROVING NEW REQUESTS FOR THE LICENSING OF ADULT ENTERTAINMENT ESTABLISHMENTS.

WHEREAS, the City of Wichita, Kansas has previously recognized it has an important governmental interest in combating the secondary effects associated with nudity in public places and the sexually oriented businesses which public nudity can encourage, and

Whereas, the City desires to combat and control these societal evils, and thereby protect the health, safety, welfare and morals of the citizenry, and has the constitutional power to combat these societal evils; and,

Whereas, it is not the intent of the City to suppress any free expression protected by the First Amendment to the United States Constitution, but to enact a content neutral ordinance which addresses the societal evils of public nudity, sexually oriented businesses and their related secondary effects, with only incidental restrictions upon protected expression, and

Whereas, many of the ordinances of the City of Wichita relating to the licensure and regulation of sexually oriented businesses were last modified approximately 15 years ago, and there has been significant development in the applicable law during that time, and the City wishes to conform to the dictates of that body of law, and

Whereas, the City wishes to give notice of its intention to consider applicable licenses and permits only under revised comprehensive ordinances,

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AS FOLLOWS:

That the governing body of the City of Wichita, Kansas, hereby directs that the City Manager assemble a team of appropriate staff from within the various City departments to actively pursue development of comprehensive ordinances for the licensure and regulation of adult entertainment establishments, to include consideration of revised land use, and building and development regulations. The development of these ordinances should be accomplished within 6 months, thereafter returned to the governing body for consideration, and during that period of administrative delay, there shall be a moratorium on consideration and approval of any new licenses under section 3.05.040 of the Code of the City of Wichita. City staff will also refrain from issuance of land use permits/recommendations or building and development permits that would conflict with this intended comprehensive plan.

Adopted by the governing body of Wichita, Kansas, this _____ 2005.

Carlos Mayans, Mayor

ATTEST:

Karen Sublett
City Clerk

Approved as to Form:

Gary E. Rebenstorf
Director of Law

Agenda Item No. 30

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0102

TO: Mayor and City Council

SUBJECT: VAC2004-00045 Request to vacate platted setbacks and contingent dedication of street right-of-way located on the southwest corner of the Central Avenue and Waco Street intersection.
(District VI)

INITIATED BY: Metropolitan Area Planning Department

AGENDA: Planning (Consent)

Staff Recommendation: Approve.

MAPC Recommendation: Approve. (unanimously)

Background: The applicant is requesting vacation of the platted 35-foot setback that runs parallel to the Central Avenue and Waco Avenue right-of-ways (ROW), located on the northern and eastern portions of the site; Lot 2, the Emerson Addition. The applicant is also requesting vacation of a contingent dedication of street right-of-way along the northeast portion of the site. The Emerson Addition was recorded with the Register of Deeds on May 5, 1980.

Analysis: The east portion of the site is zoned "GC" General Commercial and the west portion of the site is zoned "B" Multi-family Residential. The Unified Zoning Code's (UZC's) standard for a front yard setback for the "GC" zoning district is 20-feet, with no minimum street side setback. The UZC's standard for a front yard setback for the "B" zoning district is 20-feet. The applicant has filed for a Lot Split (SUB2004-84), which divides Lot 2 into Parcels A & B. Parcel A (1.1-acres) is the subject site. Per Art III, Sec. III-E, #6 of the UZC, the front setback on a corner lot is located along the shorter street frontage, which in this case would be the Central Avenue frontage, with the street

side setback being along the Waco Avenue frontage. The platted setbacks will be replaced with the UZC's setbacks for the "GC" and "B" zoning districts. The contingent dedication for public street ROW, was to be used when the City needed it. Public Works has determined that the contingent dedication for public street ROW is not and will not be needed. There are no public or franchised utilities located within the setbacks.

The MAPC and its Subdivision Committee voted unanimously to approve the vacation request. No one spoke in opposition to this request at the MAPC's advertised public hearing and its Subdivision Committee meeting. No written protests have been filed.

Financial Considerations: None

Legal Considerations: A certified copy of the Vacation Order will be recorded with the Register of Deeds.

Recommendation/Actions: Follow the recommendation of the Metropolitan Area Planning Commission and approve the Vacation Order, and authorize the necessary signatures.

Agenda Item No. 31

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0103

TO: Mayor and City Council

SUBJECT: VAC2004-00061 Request to vacate a portion of platted street right-of-way and platted setbacks, generally located midway between 159th Street East and 143rd Street East, and north of 13th Street North, more specifically located south of the Sport of the Kings Road – Sport of Kings Court intersection, all on Sport of Kings Court

(City of Wichita three-mile ring subdivision jurisdiction –
Sedgwick County)

INITIATED BY: Metropolitan Area Planning Department

AGENDA: Planning (Consent)

Staff Recommendation: Approve.

MAPC Recommendation: Approve. (unanimously)

Background: The applicants are requesting consideration for the vacation of a portion of the platted 30-foot setback and a portion of the 75-foot radius of the Sport of Kings Court cul-de-sac, all in Block 5 of the Savanna at Castle Rock Ranch 5th Addition. The Savanna at Castle Rock Ranch 5th Addition was recorded with the Register of Deeds on March 9, 1994.

Analysis: The applicants propose the vacation to allow more area to build single-family residences on the lots. The applicants propose to reduce the cul-de-sac radius to a 50-foot radius, which would match the Subdivision Regulations for a city local street. There is a water line in the Sport of Kings Court right-of-way including a portion of the cul-de-sac. The applicant proposes to replace the platted 30-foot front setback on Lots 6-10, with the Unified Zoning Codes' 25-foot front setback for the "SF-20" Single-family Residential zoning district. The site is zoned "SF-20".

The MAPC and its Subdivision Committee voted unanimously to approve the vacation request. No one spoke in opposition to this request at the MAPC's advertised public hearing and its Subdivision Committee meeting. No written protests have been filed.

Because this vacation case is located in Sedgwick County but within the City of Wichita's three-mile ring subdivision jurisdiction, consideration and final action by both the Wichita City Council and the Sedgwick County Board of County Commissioners is required

Financial Considerations: None

Legal Considerations: A certified copy of the Vacation Order will be recorded with the Register of Deeds

Recommendation/Actions: Follow the recommendation of the Metropolitan Area Planning Commission and approve the Vacation Order, and authorize the necessary signatures.

Agenda Item No. 32

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0104

TO: Mayor and City Council

SUBJECT: VAC2004-00063 Request to vacate a portion of multiple platted utility easements and reserves generally located north of 29th Street North and east of 119th Street West.

(District V)

INITIATED BY: Metropolitan Area Planning Department

AGENDA: Planning (Consent)

Staff Recommendation: Approve.

MAPC Recommendation: Approve. (unanimously)

Background: The applicant proposes to vacate a portion of multiple platted easements and reserves abutting the 119th Street West and the 29th Street North rights-of-way located in the Fontana Addition. The Fontana Addition was recorded with the Register of Deeds on September 8, 2004.

Analysis: The Public Works Department and the franchised utilities are requesting replacement easements for utilities.

The MAPC and its Subdivision Committee voted unanimously to approve the vacation request. No one spoke in opposition to this request at the MAPC's advertised public hearing and its Subdivision Committee meeting. No written protests have been filed.

Financial Considerations: None

Legal Considerations: A certified copy of the Vacation Order, a restrictive covenant, and dedications of a utility easement and a wall easement will be recorded with the Register of Deeds

Recommendation/Actions: Follow the recommendation of the Metropolitan Area Planning Commission and approve the Vacation Order, and authorize the necessary signatures.

Agenda Item No. 33

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0105

TO: Mayor and City Council

SUBJECT: ZON2004-00062 – Zone change from “SF-5” Single-family Residential to

“LI” Limited Industrial. Generally located at the northeast corner of Harry and Seville. (District IV)

INITIATED BY: Metropolitan Area Planning Department

AGENDA: Planning (Consent)

MAPC Recommendations: Approve, subject to platting within one year.

MAPD Staff Recommendations: Approve, subject to platting within one year.

DAB Recommendations: Not applicable.

Background:

The application area is nine unplatted acres located at the northeast corner of Harry and Seville. As early as 1960, the site has been used for industrial or construction uses, such as a concrete plant. A significant portion of the site is paved, and there are a number of storage or warehouse type buildings along with vertical walls that appear to be used to segregate different materials out in the open. The site is currently zoned “SF-5” Single-family Residential, which makes the current uses non-conforming or illegal. The applicant’s application states only they are seeking “LI” Limited Industrial zoning so the site can be used for uses permitted in the “LI” district.

Access to the site is provided by a drive off of Seville that is located at the northwest corner of the site, and another drive is located off of Harry that is located at the southeast corner of the tract. Both Seville and Harry are sand and gravel roadways. Seville provides a connection to the Kellogg commercial corridor located to the north, and Harry provides a connection to the industrial area located to the east along Tyler Road.

An abandoned railroad right-of-way, that has been or is being converted to a recreational trail, is located immediately north of the application area. North of the abandoned railroad right-of-way there are a variety of “GC” General Commercial uses such as car sales, agricultural supplies and other retail uses. East of the site are single-family residential homes located on SF-5 Single-family Residential zoning. Approximately 750 feet further to the east are industrially zoned properties fronting Tyler. The Airport Authority and the Park Board own property located to the south and west of the site; some of which is used for the Pawnee Prairie Park golf course.

Analysis: The Metropolitan Area Planning Commission (MAPC) heard this request on December 23, 2004, and unanimously (11-0) recommended approval, subject to platting within one year. No one was present to speak in opposition, nor have there been any written protests received.

Financial Considerations: None identified.

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

Recommendation/Actions:

Adopt the findings of the MAPC and approve the zone change subject to platting within one year; instruct the Planning Department to forward the ordinance for first reading when the plat has been recorded with the Register of Deeds.

Return the application to the MAPC for reconsideration.

(An override of the Planning Commission's recommendation requires a two-thirds majority vote of all the members of the governing body on the first reading.)

Agenda Item #34

City of Wichita
City Council Meeting
February 8, 2004

Agenda Report No. 05-0106

TO: Wichita Housing Authority Board Members
SUBJECT: Section 8 Administrative Plan Revisions
INITIATED BY: Housing and Community Services Department
AGENDA: Housing Authority

Recommendation: Review and approve the Section 8 Administrative Plan revisions for the Section 8 Housing Choice Voucher Program.

Background: The Governing Board of the Housing Authority must approve revisions to the Section 8 Administrative Plan before changes can be implemented. The revisions to the existing plan are requested in order to modify local procedures. Attached is the Section 8 Administrative Plan with changes and revised pages noted.

Analysis: Changes to the Section 8 Administrative Plan include information about the Housing and Urban Development – Upfront Income Verification (UIV) system, utilizing the UIV system as third-party verification of client income, procedures relative to families relocating, procedures on Housing Quality Standards for vacant units within

multi-family lots, and timing of verification. Further, enforcement procedures have been modified in order to discourage fraudulent activity on the part of Section 8 tenants, with respect to the non-disclosure of household income.

Financial Considerations: None

Legal Considerations: Amendments are required or permitted in accordance with Rules and Regulations for Administration of the Section 8 Voucher Program

Recommendations/Actions: It is recommended that the Housing Authority Board review and approve the revisions to the Section 8 Administrative Plan for the Section 8 Housing Choice Voucher Program.

Agenda Item No. 35

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0107

TO: Wichita Housing Authority Board Members

SUBJECT: Section 8 Management Assessment Program (SEMAP)
Certification

INITIATED BY: Housing and Community Services Department

AGENDA: Housing Authority

Recommended Action: Review and approve the certification.

Background: On October 6, 1998 the Department of Housing and Urban Development (HUD) issued final rules for the Section 8 Rental Voucher and Certificate Programs, Section 8 Management Assessment Program (SEMAP). SEMAP is a management assessment System that HUD uses to annually measure the performance of all housing agencies that administer Section 8 Tenant Based Rental Assistance programs. Under the SEMAP, HUD assesses housing authorities' performance on 14 Key Indicators that show how well eligible families are helped to afford decent rental units at a reasonable subsidy cost.

Analysis: The Housing Authority (HA) must certify as to their program performance under these 14 standards, 60 days after the Housing Authority's fiscal year ends. The

Wichita Housing Authority's fiscal year ends December 31, 2004, so the certification is due on March 1, 2005.

The SEMAP indicators and HUD expectations are as follows:

1. Selection from the Waiting List (15 points): The HA has a written policy for selecting applicants and follows these policies when selecting applicants from the waiting list.
2. Reasonable Rent (20 points): The HA has implemented written methods to determine reasonable rents.
3. Determination of Adjusted Income (20 points): The HA correctly determines adjusted annual income.
4. Utility Allowance Schedule (5 points): The HA maintains up to date utility allowance schedules.
5. HQS* Quality Control Inspections (5 points): An HA supervisor re-inspects a sample of units for Quality Control.
*Housing Quality Standards
6. HQS Enforcement (10 points): HQS inspection deficiencies are corrected in a timely manner.
7. Expanding Housing Opportunities (5 points): The HA has adopted and implemented a written policy to encourage participation in areas outside poverty or minority concentrations.
8. FMR* limit and Payment Standards (5 points): Gross rents for 98% of new units leased is applicable and reasonable.
*Fair Market Rent
9. Annual Reexaminations (10 points): The HA completes an annual reexamination for each tenant.
10. Correct Tenant Rent Calculations (5 points): The HA correctly calculates tenant rents.
11. Pre-Contract HQS Inspections (5 points): Newly leased units pass HQS before the beginning date of lease.

12. Annual HQS Inspections (No points at this time): Each unit is inspected annually and on time.
13. Lease up (20 points): The HA enters Hap contracts for the number of units under budget for at least one-year. The standard is 98%.
14. Family Self-Sufficiency Enrollment and Escrow Accounts (10 points): Measures the percentage of required families enrolled in FSS program and the percentage that has escrow accounts. The standards are 80% and 30%, respectively.

The total points that may be awarded is 135. Five bonus points are available to housing authorities that achieve certain de-concentration goals during the year. A housing authority with a SEMAP score of at least 90% is rated a High Performer. Housing Authorities with a SEMAP score of 60-89% is rated as Standard. Housing Authorities with scores of less than 60% are rated “troubled” and are subject to a HUD onsite review and development of a corrective action plan.

Financial Considerations: Housing authorities with a “high performer” rating may be given competitive advantage under notices of fund availability.

Legal Considerations: None.

Recommended Action: It is recommended that the Housing Authority Board approve the Certification relative to the submission of the 2004 Section 8 Management Assessment Program (SEMAP).

Agenda Item No. 36

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0108

TO: Wichita Housing Authority Board Members

SUBJECT: 2004 Public Housing Assessment System

INITIATED BY: Housing and Community Services Department

AGENDA: Housing Authority

Recommendation: Review and approve the submission of the 2004 Public Housing Assessment System Certification for Management Indicators, to the Department of Housing and Urban Development (HUD), adopt the resolution, and provide the necessary signatures.

Background: On January 11, 2000, HUD published 24 CFR Part 902 in the Federal Register requiring housing authorities to submit the Public Housing Assessment System (PHAS) certification. This assessment system designates public housing authorities as High Performers, Standard Performers or Troubled Performers. Housing authorities that score 90 or higher on a 100-point scale, are judged to be High Performers and will be given more operating flexibility. Housing authorities that score between 60 and 90 are judges to be Standard Performers.

Housing authorities scoring below 60 will be judged to be Troubled Performers under PHAS and will receive help from HUD's Troubled Agency Recovery Center to improve their performance and meet HUD's new standards. If a troubled housing authority fails to significantly improve its performance a year after it is referred to the Recovery Center, HUD's Enforcement Center can ask a federal judge to create a receivership to take over management of the authority and remove its board members from office. HUD can also seek civil and criminal sanctions against housing authorities in the most serious cases.

Following are the key elements of the 2004 PHAS Certification:

Physical Inspections are 30% of the score and are based on HUD's physical inspection of all public housing developments. Evaluations are based on objective, verifiable and uniform national standards designed to determine if public housing residents receive decent, safe and sanitary housing.

Financial Assessment is 30% of the score and is based on HUD's evaluation of the financial condition of the housing authority electronic submissions, using generally accepted accounting principles. The Wichita Housing Authority (WHA) accountants will electronically submit standardized financial information to HUD prior to March 1, 2005.

Management Review is 30% of the score and is based on HUD's measurement of 19 management indicators. These indicators include unit turnaround time, Capital Fund expenditures, completion time of maintenance work orders, annual inspections, lease enforcement and resident self-sufficiency.

Resident Satisfaction and Services Assessment make up 10% of the score and is based on results of HUD's survey of public housing residents, as to their satisfaction with their housing. Residents are asked their opinion of the quality of their dwelling units, resident organizations, program activities, safety and other issues.

Analysis: Attached is the 2004 PHAS Management Certification. The overall PHAS score is calculated based upon all indicators and graded by HUD's computer. The WHA expects that modernization and work orders will score high as they have in the past. The vacancy turnaround time increased slightly in 2004 compared to the 2003 total due to an increased number of move outs resulting from evictions for tenant non-compliance. The Public Housing Division made ready and leased 104 units in 2004 compared to 86 units in 2003. The final results of the Financial Assessment and Resident Assessment will not be known until the overall PHAS scores are released. The 30-point Physical Condition score has not been received at this time. The final PHAS score results for 2003 were:

Physical Condition	23 of 30
Financial Condition	26 of 30
Management	26 of 30
Resident Satisfaction	9 of 10
TOTAL	84 or 100

Financial Considerations: None.

Legal Considerations: None.

Recommendations/Actions: It is recommended that the Housing Authority Board review and approve submission of the 2004 Public Housing Assessment System Certification for Management Indicators, to the Department of Housing and Urban Development, adopt the resolution and provide the necessary signatures.

RESOLUTION NO. H-05-01

A RESOLUTION CERTIFYING FY 2004 PHAS

Whereas On January 11, 2000, the Department of Housing and Urban Development (HUD) published 24 CFR Part 902 in the Federal register requiring housing authorities to submit the Public Housing Assessment System (PHAS) Certification;

Whereas The PHAS report requires that the Executive Director certify the Report electronically;

Whereas The City of Wichita Housing Authority has responded to the HUD regulations by completing the Public Housing Assessment System Certification; and

Whereas The Housing Authority Board authorizes the submission of the Public Housing Assessment System Program Certification for FY 2004 and hereby agrees that the City of Wichita Housing Authority will maintain all documentation for three years verifying all certified indicators for HUD on-site review.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF WICHITA HOUSING AUTHORITY AS FOLLOWS:

Acting on behalf of the City of Wichita Housing Authority Board, as its Chairperson, I certify the Public Housing Assessment System Certification.

Adopted this day, February 8, 2005.

WICHITA HOUSING AUTHORITY BOARD

Mayor Carlos Mayans, Chairman

ATTEST: Karen Sublett, City Clerk

Agenda Item No. 37

City of Wichita
City Council Meeting
February 8, 2005

Agenda Report No. 05-0109

TO: Wichita Housing Authority Board Members
SUBJECT: Admissions & Continued Occupancy Policy (ACOP)
INITIATED BY: Housing and Community Services Department
AGENDA: Housing Authority

Recommendation: Review and approve the Admissions and Continued Occupancy Policy revision for the administration of the Public Housing Program.

Background: 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 September 9, 2004.

Analysis: The Wichita Housing Authority (WHA) wishes to revise its policy regarding writing off uncollectable accounts, by allowing a write-off of the balance of former tenant accounts 90 days after the tenant's move-out date. This revision to the Write Off Of Uncollectable Accounts policy will allow staff to take action immediately when a

resident, who has a past due account, has vacated, and will thereby lower the “Tenant Account Receivable” balance. The balance in Tenant Account Receivable is a part of the financial indicator in the Public Housing Assessment System (PHAS) evaluation by HUD.

Financial Considerations: None.

Legal Considerations: None.

Recommendations/Actions: It is recommended that the Housing Authority Board review and approve the Admissions and Continued Occupancy Policy revision for the administration of the Public Housing program..

XIII. WRITE OFF OF UNCOLLECTABLE ACCOUNTS

It shall be the Policy of the Wichita Housing Authority (WHA) Public Housing Program to write off any account balances of former tenants subsequent to ninety days after the move-out date of the tenant. The Property Management Supervisor shall submit, with the written approval of the Director of the WHA, a list of tenant accounts receivable to the WHA Systems Administrator to make the appropriate data adjustments relative to writing off tenant accounts receivable from the WHA operating computer system. Subsequent to the completion of the write off procedure, the appointed WHA accountant will be responsible to make adjusting entries to the City of Wichita’s financial computer system’s tenant accounts receivable balance to agree with the WHA operating computer system’s tenant accounts receivable total balance.

Written off tenant’s account receivables will then be turned over to a collections agency for possible future repayments and recoveries.